Juliane Markard-Narten/Jens Narten

OSCE Project Management: The Mission in Kosovo's Approach

The significance of project management for international organizations involved in peace missions has been increasing for more than a decade now. As the number of missions has grown, so has the scale of their budgets. However, the development of effective skills and abilities and suitable approaches was long neglected, often at the cost of reducing the efficiency and effectiveness of the missions themselves. This contribution seeks to illuminate the OSCE's approach to project management with reference to the OSCE Mission in Kosovo (OMiK). Our analysis concludes that it is drawn from existing models in both the for-profit and not-for-profit sectors. Building on a long-term comparison, this study undertakes to compare the theoretical claims and the actual implementation of OMiK's approach to project management. In doing this, we have paid particular attention to the everyday work of former project managers on the ground. The present study also shows that there are critical implementation deficits at every level of OMiK's project management cycle. These are mostly structural in nature and rooted in the OSCE's political and management culture. The study reveals a range of factors that help to explain the critical implementation deficits in the OSCE's project management with reference to the Mission in Kosovo. From this, it derives solid recommendations on how they may be gradually removed.

Hypothesis, Research Questions, and Aims

This study starts from the hypothesis that clear discrepancies exist between the ideal of the OSCE's Project Life Cycle (PLC) concept (and its adapted form in the Mission in Kosovo as the Project Management Cycle/PMC) and the reality of its practical implementation by OMiK. Such implementation deficits, if confirmed, would not only have a negative impact on the efficiency of project management and the outcome of individual projects, but also consequences for the entire work and effectiveness of the Mission. The hypothesis is based partly on previous analyses,[1] and partly on the personal experience of individuals we interviewed who worked in OSCE project management. Building on this hypothesis, the current study seeks to generate

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1   Cf. Wolfgang Zellner/Frank Evers/Claus Neukirch/Wolfgang Sporrer, New forms and support structures for OSCE field operations, in: *Helsinki Monitor* 2/2004, pp. 23-34; cf. also Annette Legutke, From lessons lost to lessons learned? In: *Helsinki Monitor* 3/2005, pp. 188-191.

well-founded answers to the following questions, largely focused on qualitative aspects of OMiK project management: What are the similarities and differences between the OSCE's PLC concept, OMiK's PMC, and other selected project management approaches in terms of both theory and content? To what extent do the OSCE's approaches contain distinctive features that could be relevant to the particular requirements of peace missions? Can implementation deficits be observed in the practical application of OMiK's project management concept, and, if so, which specific phases of project management does this affect? How can these deficits be explained, and what recommendations for optimizing project management in international peace missions could we derive from this? Where should recommendations for optimization be drawn from for-profit project management concepts and where from not-for-profit models? To what extent should such recommendations be specifically oriented towards the structural and operational features of international peace missions?

The OSCE's Project Life Cycle Concept

In 2003, a project co-ordination unit was established within the OSCE Secretariat. Its task was to ensure standardized project management within the Organization. It took more than ten years from the establishment of the first peace missions for the OSCE Secretariat's training unit to develop a unified set of standards for internal project management. This was the PLC model, which has been employed as the binding standard for OSCE internal project management since 2005. It comprises an integrated cycle of three phases for the identification, development, and implementation and evaluation of projects. In this closed three-phase management cycle, the final phase (implementation and evaluation) feeds directly back into a new phase of identification for subsequent projects within the scope of a broader programme in a given field. The OSCE Mission in Kosovo uses a slightly modified form of PLC, as do other large field missions, such as the OSCE Mission to Skopje (formerly the OSCE Spillover Monitor Mission to Skopje), with the PLC functioning as an overall framework. In addition, for several years now, new OSCE staff have undergone a half-day introduction to programme and project management as part of their obligatory orientation.[2] This training course, whose contents are highly general, is organized by the Secretariat.

Management Tools

The OSCE's project management concept is underpinned by specialized, computerized tools for resource management, primarily the OSCE's Inte-

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2   Cf. Organization for Security and Co-operation in Europe, *Pre-arrival information package*, at: http://www.osce.org/training/18114, p. 5.

grated Resource Management System (IRMA). The keystone of the OSCE's management-reform process, IRMA has been operational since 2005. It provides an instrument for the management of financial, human, and material resources, while simplifying the production of progress reports on programmes and the management of project data, such as financial records. IRMA aims to facilitate day-to-day, operational project management by enabling project monitoring and the tracking of progress, financial oversight and reporting. IRMA aims to give project managers the insight they need into the current status of a project to make management decisions autonomously within the limits of their authority. OMiK has also developed its own instrument for project management, the Project Management Database (PMD).

Budgeting Process

The OSCE's budgeting process was also reformed in 2003, and management tools were deployed to ensure that programmes and projects accorded with political priorities and that the necessary budgetary resources were available. The annual budgeting process comprises a number of interlocking elements, including the programme outline, the unified budget proposal, and the programme budget performance report. While the programme outline sets strategic priorities, the unified budget proposal outlines which financial resources will be necessary to implement programmes and the projects that are part of them. This helps to demonstrate the progress that has been made in the previous year and to enable effective programme planning for the coming year. Programme planning and budgeting is carried out each summer for the following year, although most projects in the ongoing budget year are still being implemented and a final evaluation is not yet possible. Applications for follow-up financing for projects should, however, only be made after evaluation has been performed.

Levels of Actorhood in Project and Programme Management

Within the political, administrative, and operational structures of the OSCE involved in the planning and execution of programmes and projects, a variety of actors with their own areas of competency can be distinguished on three levels: (1) The OSCE Secretariat in Vienna; (2) section and programme managers at the headquarters of the missions; and (3) project managers in the missions and their regional offices. The political decision makers are found at the highest hierarchical level: the OSCE Secretariat. They are involved in planning and decision-making processes regarding the programmes run by each peace mission. However, actors at this level are not directly involved in the project-management process at mission level, though they do co-operate with mission leaderships in determining overall policy objectives for programmes and projects. In this regard, the OSCE Permanent Council – as the

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policy-making body of the participating States – is the supreme authority and has responsibility for policy consultations and related decision-making processes, for instance, with regard to operational programming and mandating of missions. This also applies to the extension of mandates, in which each mission's programme outline and budget proposal are generally adopted together, by means of the consensus principle, in the form of a mission implementation plan. The mission leaderships co-ordinate these documents with the appropriate section of the OSCE Secretariat beforehand. The second and third levels of actor are found within the OSCE missions themselves. They are directly involved in the day-to-day project management cycle. The implementation of programmes is the responsibility of the programme managers, who are in charge of project execution and resource management for a given programme area. The programme managers supervise the work of the lowest level of actor, the project managers, who are responsible for the successful execution of projects on time and within budget for a given geographical and thematic area. Liaising with the programme managers, they are responsible for the entirety of project implementation, from needs assessment prior to the submission of a project application, via project planning and execution, to the final evaluation.

The Project Management Cycle of the OSCE Mission in Kosovo

Since 2006, the OSCE Mission in Kosovo has deployed its own programme and project management system, the PMC, which is based closely on the OSCE's PLC concept, but adapted to the Mission's specific requirements.[3] The PMC is also based on three interlocking project-management phases, though these differ slightly from those of the PLC. OMiK has also developed a range of project-management tools within the scope of the PMC concept. The following sections aim to outline briefly the individual phases of the project cycle and the differences between the PMC and the PLC.

Project Identification and Development

The first PMC project phase combines project identification and project development. Objectives, outputs, and activities of a specific project are defined in terms of overarching programme goals. The project budget is also developed during this phase, and specific milestones are set down. The majority of projects are "planned projects". They are already included within the overall programme outline and were budgeted for by the programme managers in the previous year. The deployment of "unplanned projects", by contrast, enables

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3   Cf. Organization for Security and Co-operation in Europe Mission in Kosovo, *Programme and Project Management Toolkit. A Practical Guide for the OSCE Mission in Kosovo*, Pristina 2005.

missions to retain the ability to react in the short term at the level of programmes – despite the usually time-consuming planning phase – to the often rapidly changing needs of countries in crisis. The first step in the identification and development of unplanned projects is needs assessment, which is carried out in combination with situation and problem analysis in the field. In the design of unplanned projects, OMiK utilizes a tool known as the *Logical Framework Matrix* to analyse project coherence. The Logical Framework Matrix is the central component of the *Logical Framework Approach* (LFA), a process model for projects that display a high degree of interdependency with the social and political environment.[4] OMiK's project work is described in detail in an internal handbook: the Programme and Project Management Toolkit.[5] This notes that project identification (including needs assessment and situation analysis) for planned projects will have been carried out during the prior programme development phase and that project managers therefore do not need to undertake project identification.[6] It must be borne in mind, however, that without up-to-date situation analysis and needs assessment, projects may still come to nothing. Project managers on the ground may thus find themselves in the situation of having to implement a project that is of questionable value and not geared to the needs of its purported beneficiaries. It may then be necessary to deploy unplanned projects to alleviate such situations and refocus OMiK's work on actual needs. This may lead to a kind of structural-operational antagonism between the two kinds of project. The question of whether the needs of beneficiaries and host-country populations are met most effectively by means of planned projects or whether it is easier to achieve this via increasing use of unplanned projects thus remains open.

At the end of the first project phase, a detailed monitoring and evaluation plan is drawn up. This is not only used to determine whether the planned implementation status has been realized but also to evaluate the achievement of overall goals and thus the success of the project. The project development phase should result in the drawing up of a final project plan containing a detailed budget, a schedule with milestones, and a specific project monitoring and evaluation methodology.[7] Finally, all the elements of the project plan are entered into OMiK's PMD, which provides project managers with assistance in project implementation and monitoring.

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4   Cf. Georg Angermeier, Projektmanagement-Glossar [Glossary of Project Management], in: *Projekt Magazin*, at: http://www.projektmagazin.de/glossar, entry on "Logical Framework Approach".
5   See OSCE Mission on Kosovo, *Programme and Project Management Toolkit*, cited above (Note 3).
6   Cf. ibid., p. 57.
7   Cf. ibid., pp. 55-98.

Project Implementation and Monitoring

The second phase includes project implementation and the monitoring, in parallel, of the planned activities and goals of a project.[8] The aim in this phase is for each project to be implemented in line with its project plan and for the milestones to be achieved on time and budget. This is aided by the PMD, which functions as a tracking mechanism, allowing comparison of the current project and budget implementation status with the project plan. To enhance project transparency, the current project status in the database can be seen by not only the project managers and central co-ordination unit but also by all the members of the mission. To support project monitoring, the PMD automatically asks all project managers to enter the current status of realization of each project milestone. At the same time, all mission members are able to see an assessment of the progress made towards the fulfilment of milestones in the project database. Any failure to reach the milestones as planned is assessed negatively, although an application to change the milestones of ongoing projects may be made when sufficient reason exists. Interim reports by project managers are also entered into the PMD and serve as a further instrument for project monitoring.

Evaluation

The goal of the third phase of the PMC is to undertake a systematic evaluation of all projects. This aims to determine whether the results achieved correspond to the goals envisaged, and hence whether project implementation has been successful. Where goals are not achieved in line with the project plan, the reasons for this have to be identified. Project evaluation also seeks to determine whether the continuation of a project will help to fulfil future priorities at programme level.[9] To assess the outcome of each project, OMiK uses evaluation tools such as the interim project reports and a comprehensive Project Appraisal Questionnaire (PAQ), which is completed by project and programme managers after the project has ended. All these results go to make up the final project report. The PAQ is an internal evaluation tool that evaluates on the basis of four criteria: (1) the impact of the project, (2), its sustainability, (3) efficiency, (4) the level of involvement of stakeholders, i.e. all relevant actors with a justified interest in the project. Statements relating to these four criteria are given marks from 1 to 5 (1=strongly disagree, 5=strongly agree). This grading is done by the project managers, the programme managers, and OMiK's Project Co-ordination Unit (PCU). The objectivity of the evaluation is ensured by means of Objectively Verifiable Indicators (OVI), which are set out in the project's Logical Framework Matrix. This three-stage evaluation system seeks to enhance preciseness and reliabil-

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8   Cf. ibid., pp. 99-131.
9   Cf. ibid., p. 132.

ity.[10] The final project report, which is based on the results of the PAQ, gives an overview of all the phases of implementation in terms of impact, sustainability, efficiency, and stakeholder involvement. It is also the final financial report on a given project. The results of the project evaluation help to determine the focus of the mission's programmes for the following year. In contrast to the original PLC concept, OMiK's PMC model emphasizes project monitoring and evaluation, and it has developed a dedicated project management phase and specialized instruments to support this. The OSCE's peace missions were among the first to recognize the need to systematically evaluate projects. A systematic project evaluation should include a detailed proposal of how projects should be continued or followed-up, e.g. via training and capacity-building projects, thus avoiding the requirement for additional needs assessment before extending the project. As already mentioned, there is a potential problem with the timing of project evaluations. As their results are rarely submitted before the programme planning and budgeting phase for the following year takes place in mid-year, they generally have little influence on current programming, which will already have been planned in the previous year.
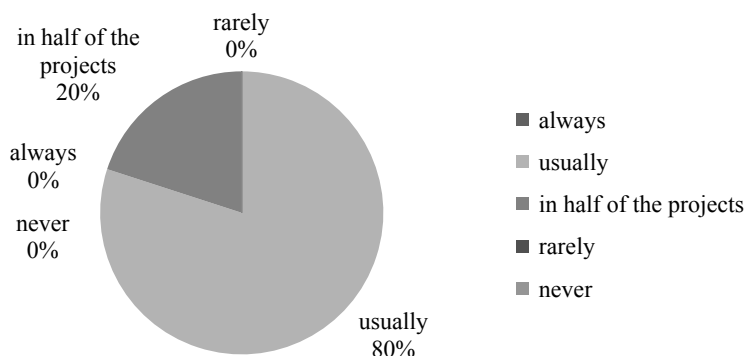
Acquisition of Data on the Project Management Approach of the OSCE Mission in Kosovo

In order to gather meaningful data on the implementation of OMiK's approach to project management, we compared the theoretical PMC model, as outlined above, with empirical data based on the experience of mission members. The first in-depth interviews with OMiK project managers to this end were held in 2007. These in-depth interviews gave an indication of the extent to which discrepancies actually existed between theory and practice. The data gathered in the interviews was then used to formulate a questionnaire that would give a more detailed and quantifiable insight into any implementation discrepancies that may exist. Thus, a total of 14 national and international project managers from regional offices and at OMiK headquarters were surveyed using semi-standardized questionnaires. The results are presented in the following charts:
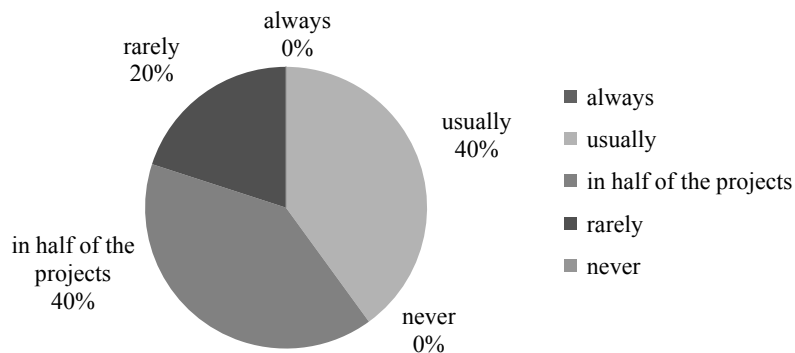
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10   Cf. ibid., p. 104.
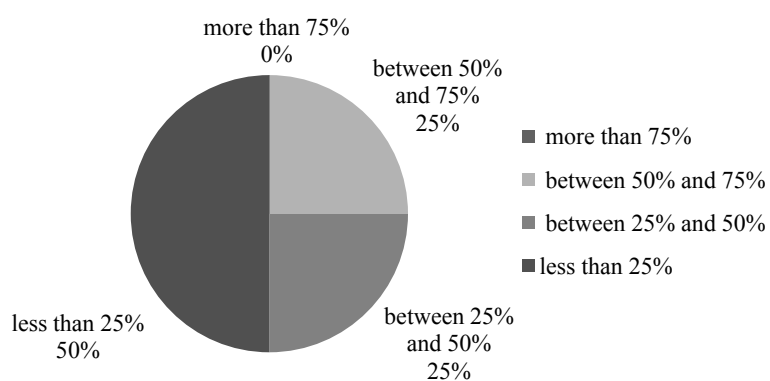
Project Identification (A)

From your experience, to what extent do the objectives of planned projects reflect the needs of the targeted beneficiaries in your area of responsibility?

in half of the
projects
20%

rarely
0%

always
0%

never
0%

usually
80%

- always
- usually
- in half of the projects
- rarely
- never

To what extent are inputs from the field personnel reflected in the identification of planned projects?

always
0%

rarely
20%

usually
40%

in half of the
projects
40%

never
0%

- always
- usually
- in half of the projects
- rarely
- never

What percentage of the projects that you have implemented
were unplanned projects?

more than 75%
0%

between 50%
and 75%
25%

- more than 75%

- between 50% and 75%

- between 25% and 50%
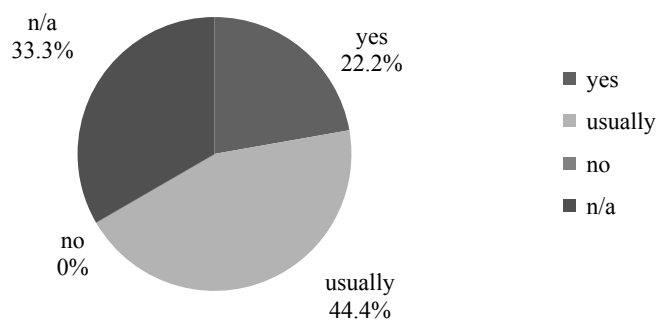
- less than 25%

less than 25%
50%

between 25%
and 50%
25%

Project Implementation and Monitoring (B)

Do you consider the Project Management Database helpful
for the management of your projects?

n/a
30%

very helpful
20%

- very helpful

- sometimes helful

- not helpful

- n/a

not helpful
10%

sometimes
helpful
40%
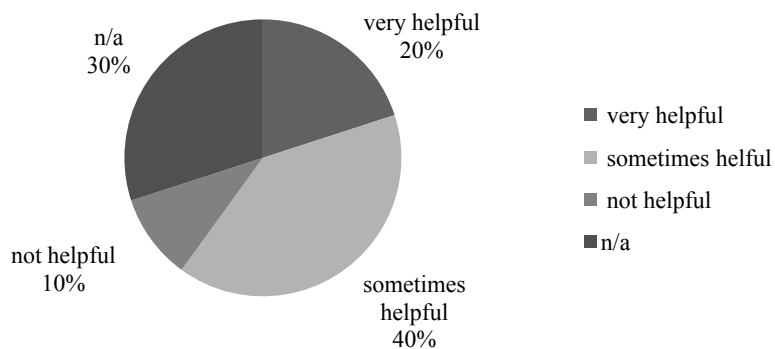
Do you consider the Project Management Database easy to use?

n/a
33.3%

yes
22.2%

no
0%

usually
44.4%

- yes
- usually
- no
- n/a

Did you ever face constraints in implementing a project due to a prolonged financing process?

no, never
10%

sometimes
20%
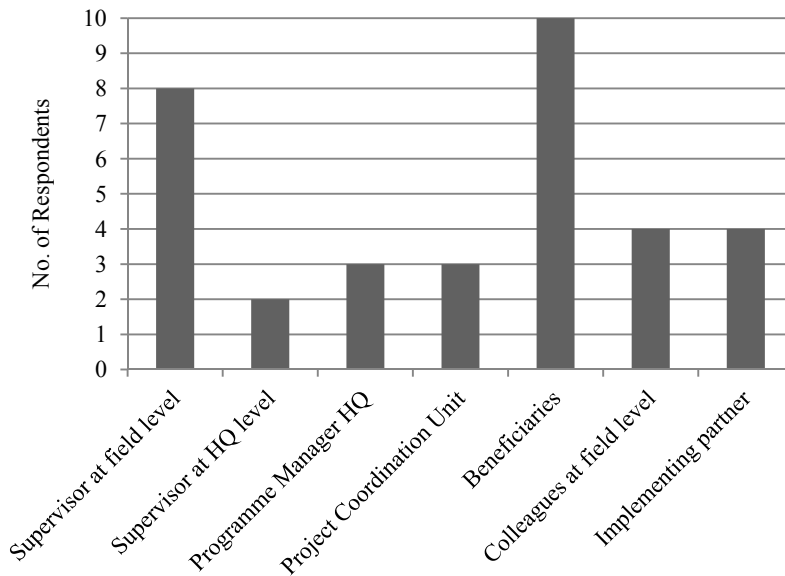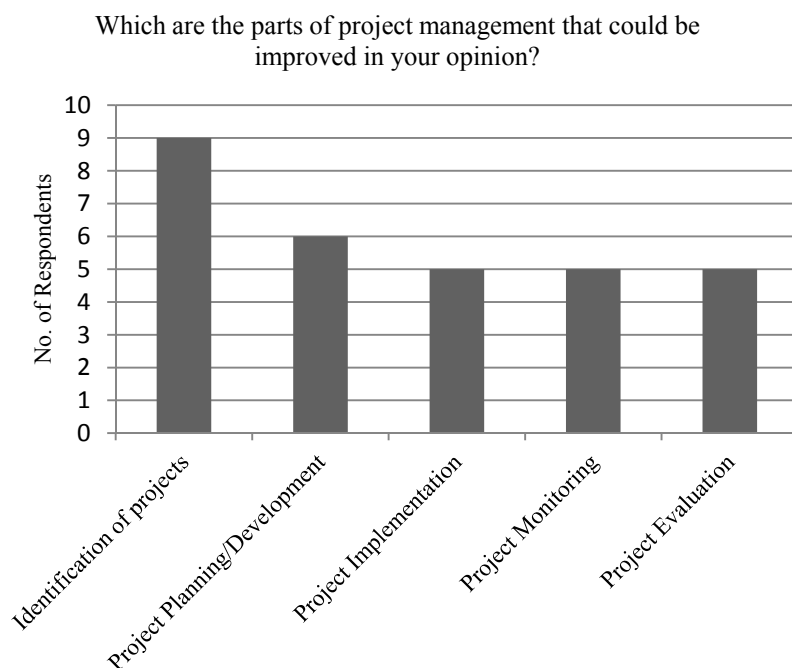
yes, often
70%

- yes, often
- sometimes
- no, never

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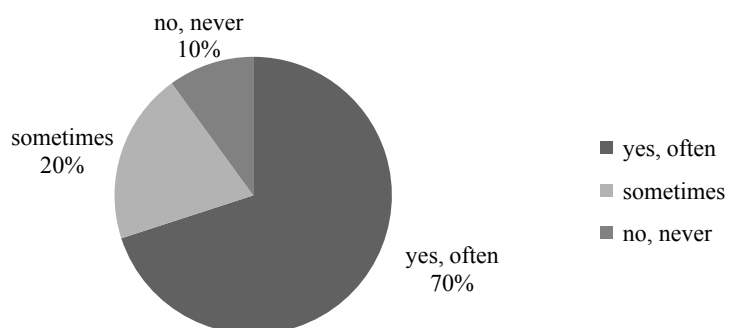
Evaluation (C)

Since its introduction, how many of your projects have been evaluated by applying the Project Appraisal Questionnaire (PAQ)?

~75% of
projects
10%

~25% of the
projects
20%

- all
- ~75%
- ~50%
- ~25%
- none

none
70%
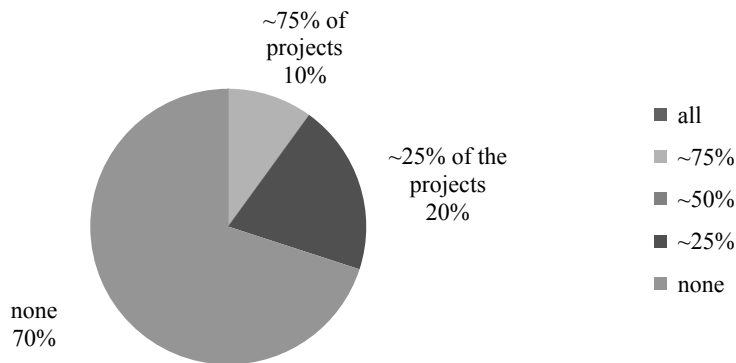
Apart from the project manager, who might also be competent to assess the results of a finalized project?

No. of Respondents

Category	No. of Respondents
Supervisor at field level	8
Supervisor at HQ level	2
Programme Manager HQ	3
Project Coordination Unit	3
Beneficiaries	10
Colleagues at field level	4
Implementing partner	4

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Which are the parts of project management that could be
improved in your opinion?

Long-Term Comparison of Results

The first results of the 2007 survey of OMiK project managers were com-
pared with a further snapshot of opinions gathered in 2010.[11] With regard to
project identification, the answers indicated a relatively clear trend: Almost
all those surveyed indicated that close involvement of a given project's in-
tended beneficiaries and/or other stakeholders was indispensable. According
to the respondents, this was realized in their projects wherever possible. A
variety of answers were given to the question of whether project proposals
from regional offices are taken into account in the identification of planned
projects. While all respondents agreed that such proposals were generally
taken into account, there were serious differences of opinion regarding the ef-
fectiveness of communication between headquarters and the regional offices,
with some respondents identifying a need for improvements and others de-
scribing communication as reliable and effective. Very few respondents had
experience of the identification and implementation of unplanned projects.
They estimated the proportion of unplanned projects as fairly low, at less

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11   As in 2007, the interviewees in 2010 also comprised international and local mission staff
      working as project managers in OMiK headquarters and the regional offices.

than 25 per cent of the total number of projects. According to the respondents, unplanned projects are mostly initiated as a result of external requests made by a group of potential beneficiaries, such as for funding for conferences. All such requests are, however, scrutinized carefully. Unforeseen events such as the dissolution of a parliament and resulting early elections may also create a need for unplanned projects. Few respondents said that they used the PMD during the implementation phase. Of those who used the PMD, only one stated that he used it specifically for project implementation and financial and status monitoring. A number of others answered that they used it as an organizational memory tool to maintain an overview of projects implemented by OMiK, and their successes and problems with implementation. This helps to avoid project duplication and certain implementation issues. Only one respondent answered that he used the IRMA resource management system. He stated that this was a result of his work at the section management level, which gave him access to IRMA that other respondents did not have. In his opinion, IRMA is a useful tool.

The respondents were unanimous in stating that project financing processes were beset with problems. Delays in financing were common with regard to both planned and unplanned projects, which appears to be a consequence of the protracted project-approval process. Project proposals were sometimes drawn up and handed in at a very early stage to ensure projects could be launched in compliance with time limits. Following approval of a project by the section manager of the relevant programme area, each project is examined not only in terms of administrative, political, and legal aspects, but is also subject to a further phase of programme-related evaluation by the PCU. This was criticized by the respondents in strong terms, as the PCU staff generally have little understanding of the programmes and lack relevant qualifications. Criticism was also made of the fact that the length of the financing process depends heavily on personal relationships with senior personnel. Problems were also cited in relation to the OSCE's budgeting system, which functions according to a twelve-month financing cycle, thereby hindering the effective implementation of long-term projects. This is currently being bypassed, on a case-by-case basis, for instance by dividing a three-year project into three one-year phases with corresponding subgoals. A range of opinions were expressed with regard to the handling of the project evaluation phase: While most of those surveyed answered that they were not aware of the PAQ and could therefore not express an opinion on it, one respondent stated that all projects managed by him were evaluated using this instrument. Nonetheless, this individual stated that the benefits of the PAQ were limited, as it did not take account of relevant long-term results. All respondents agreed that the given beneficiaries of a project were competent to undertake comprehensive project evaluation. A similar degree of unanimity was reached in respondents' evaluation of the competency of their superiors in regional offices and section managers at headquarters. Nonetheless, there was

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criticism of a kind of self-censorship that was carried out precisely in the evaluation of projects.

Most respondents agreed that ex-post or long-term evaluation of the desired results was important. This would mean, for example, in relation to a training project run by a mission, examining several times over an extended period how the recipients of the training were applying the skills they had learned on the course. According to several respondents, however, nothing of the kind has yet been planned. There was also criticism of OMiK project managers for being inadequately trained in carrying out long-term impact analysis. At the same time, the difficulty was acknowledged of carrying out effective evaluation where impacts are hard to measure and quantify. Overall, the respondents suggested that the OSCE Mission in Kosovo should place more value on ensuring that those responsible for project management have the requisite skills. Some also warned that the twelve-month financing cycle was detrimental to long-term rolling projects and programmes. Also problematic in this regard is the fact that residual programme resources (e.g. as a result of delays in project implementation or changes to the situation on the ground that mean a project cannot begin) have to be disposed of in full by the end of the financial year or the following year's budget will be reduced.

Overall Results

For many years, the OSCE lacked a standardized approach to project management. Since a general management reform in 2003, the Organization has sought to take a more professional and coherent approach in its operational project management processes. This has affected, above all, the work of OSCE peace missions. Against this background, two easy-to-use project management systems for lean management structures were developed: the original OSCE Project Life Cycle, and the Mission in Kosovo's Project Management Cycle. In answer to the original research questions, we believe the following statements are accurate:

In terms of project phases, neither the OSCE's nor OMiK's project management model explicitly defines an initial or a final phase. Furthermore, in the form of the existing evaluation phase, both PLC and PMC contain specific elements that are geared to the particular needs of the missions. The evaluation phase is particularly significant for the missions, since the results of the evaluation are supposed to provide the foundation for the subsequent (new) project or programme cycle. The cyclical nature of the two OSCE project management approaches (PLC/PMC) is determined by the fact that the projects are embedded in programmes, which distinguishes them clearly from linear project management approaches. OMiK has deployed its PMC approach – a customization of the OSCE's PLC approach it had developed itself – since 2006. The results of the survey of PMC users suggest that strin-

gent and effective project evaluation still needs to be carried out on an on-going basis and using a standardized procedure. OMiK's unusual financing structure may play a crucial role in this, since the continuation of financing and renewal of the mandate of an OSCE mission is a purely political decision and depends on the consent of the national delegations in the OSCE's decision-making bodies. So far, however, these decisions have not been taken on the basis of programme and project evaluations. Consequently, pro-gramme goals can be seen to come about as the result of a top-down, politic-ally driven process rather than a bottom-up one based on analysis of the facts. Equally, analysis of the survey results demonstrate clear discrepancies be-tween theory and implementation in practice in the other project management phases. For one, respondents noted a need to enhance the involvement of beneficiaries in project identification while criticizing the frequent delays in the approval and financing of projects (without which the planned project cannot begin). It also became clear that OMiK's internally developed Project Management Database has so far seen only limited use in the project imple-mentation phase or during project monitoring. The same is true of IRMA, the computerized management system originally developed by the OSCE, at least as far as OMiK project management is concerned (since only section man-agers have access to it). While OMiK's PMC system can be considered ap-propriate to the various types of projects the mission runs, in practice it has not been applied consistently across the board. The problems were found to be based on individual management failings at the micro- and meso-levels, and deficiencies in goal-setting and political considerations at the macro-level of the Organization as a whole, on the other. The ideal goals of the PLC and OMIK's internally developed PMC can only be realized to a limited extent in practice.

Explanatory Factors and Recommendations for Action

Only the integration in practice of all the interlocking project phases can lead to successful project management. Several explanatory factors can be cited for the discrepancies in implementation at mission level, from which various recommendations for action may be derived. In the first instance, it must be noted that the training provided to mission personnel does not provide a comprehensive introduction into the correct use of PMC. Yet a comprehen-sive PMC training programme would be the logical means of ensuring that the project management approach is applied within the mission. Responsibil-ity for training of this kind could be given to the Project Co-ordination Unit, which was already involved in the development of the Programme and Pro-ject Management Toolkit, or to the mission's own internal specialized Training Unit. This would have the advantage of not requiring the creation of any new structures within OMiK, but would rather build on existing ones. In

addition, efforts should be made to publicize the introduction of the PMC throughout the mission's various structures (e.g. via an intensive "marketing" campaign coinciding with the introduction) in order to ensure that mission staff are familiar with the practical advantages of the system.

Additional recommendations concern the evaluation phase of mission projects. So far, follow-up projects have often been granted further funding without undergoing proper evaluation. The missions therefore first need to decide whether they are interested in professional project and programme evaluation. If it is the true political will of the OSCE that mission projects be subject to expert evaluation and that this yield real consequences, then a fundamental overhaul of the OSCE's project management systems at the level of the missions would be advisable. Thus, in the case of impact-oriented projects, long-term evaluations are indispensable if sustainable effects are to be measured. Accomplishing this would require more exacting evaluation methods alongside suitably qualified personnel, and appropriate measures are recommended. To enable project evaluation to be as balanced and objective as possible, it should be also carried out – at least in part – by third parties. For this purpose, involving the beneficiaries would provide a better picture of the real impact of the project on the recipient side. This process could also be carried out by independent evaluation units within the OSCE or the missions (or by external think tanks or consulting agencies), who could evaluate the results of the project from a position of neutrality.

Finally, it should be noted that the OSCE's annual budgeting and programme planning cycle is not adequately tailored to the missions' demand-driven project management. It rather needs to be oriented towards longer financing timeframes. A financing system that was more flexible would help to make the identification of specific future projects dependent on the detailed evaluation of forerunner projects while ensuring that these projects do not overlap in time. This would alleviate the annual rush to spend remaining funds before the end of the financial year while ensuring that approved funds are deployed more effectively and purposefully. If improvements of this kind are to be undertaken, the management of the missions will need to be convinced of their value and sufficient political will to implement them will have to exist in the central organs of the OSCE. Measures of this kind are vital if the project management systems deployed by the OSCE and its missions are to be successful in raising the overall efficiency and effectiveness of the work of the missions.