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GLOSSARY
Project Terms and Keywords

GLOSSARY Project Terms and Keywords	
Accountability	Being responsible for the outcome or results of an activity.
Action Plan	A description of what needs to be done, when and by whom to achieve the results called for by one or more objectives. It contains task assignments, schedules, resource allocations and evaluation criteria. May be a simpler version of a project plan.
Activity	An element of work performed during the course of a project. An activity normally has an expected duration, an expected cost, and expected resource requirements. Activities are often subdivided into tasks.
Activity Schedule	A Gantt chart, a graphic representation similar to a bar chart, setting out the timing, sequence and duration of project activities. It can also be used to identify milestones for monitoring progress, and to assign responsibility for achievement of milestones.
Actual Costs	The costs actually incurred and recorded for work performed.
Added Value	The addition of some worthwhile quality or performance improvement as a result of some action taken, which may or may not have been part of the original understanding, agreement or contract.
Addendum	A document modifying terms and conditions of a contract.
Allowable Cost	A cost that meets the tests of reasonableness, relevance to the contract, accounting in accordance with standards and generally accepted accounting principles and practices appropriate to the particular circumstances.
Assignment	In project management, an assignment is a task or job given to a person, department or team for completion. The assignment can be a simple task or it can encompass a series of activities, and events required in order to reach a pre-defined goal.
Assumptions	Any factors that you are believe will be in place that will contribute to the successful outcome of the project.
Audit	A formal inquiry into the progress, results, or some other aspect of a project or system. The systematic examination of records and documents to determine the adequacy and effectiveness of budgeting, accounting, financial and related policies and procedures, compliance with applicable laws, regulations, policies and procedures, reliability, accuracy and completeness of financial and administrative records and reports, and the extent to which funds and other resources are properly protected and effectively used.

Authority
The ability to get other people to act based on your decisions. Authority is generally based on the perception that a person has been officially empowered to issue binding orders.
Award Letter
A letter sent in response to the submission of a project application which will indicate that the project application has been successfully evaluated and that a grant will be awarded to the applicant.
Baseline
State of the economic, social or environmental context, at a given time (generally at the beginning of the project), and from which changes will be measured. The basic situation is described by the baseline or context indicators which describe the economy, socio-economic environment, concerned groups, etc..
Benchmark
An indicator which allows you to measure the impact or success of a project by comparing it against something similar, e.g. comparing the number of people completing a training course with another similar course in a similar area.
Benchmarking
Qualitative and quantitative comparison of the performance of a project, with that which is reputed to be the best in the same domain of intervention or in a related domain. Benchmarking is facilitated when, at the national or regional level, there are league tables of good and not so good practice.
Bill
A statement relating to goods sold, services rendered, or work done.
Bill of Materials
A complete listing of all parts and raw materials that go into an article showing the quantity of each item required to do the job.
Bill of Quantities
A complete listing of materials, their quantities and descriptions and their unit prices (rates).
Budget
The amount allotted for the project that represents the estimate of planned expenditures and income. The budget may be expressed in terms of money or resource units (effort).
Capital Assets
Land and buildings (including any ownership interest in land, and leasehold buildings), and items of equipment and other movable and immovable assets.
Capital Cost
The total expenditure for acquiring an asset.
Capital Projects
Projects which have the specific aim of providing a new asset or facility or improving an existing one.
Cash Flow
The inflow and outflow of funds to a project. A time-based record of income and expenditures, often presented graphically

<p>Cash Flow Analysis</p> <p>The activity of establishing cash flow (dollars in and out of the project) by month and the accumulated total cash flow for the project for the measurement of actual versus the budget costs. This is necessary to allow for funding of the project at the lowest carrying charges and is a method of measuring project progress.</p>
<p>Conflict Management</p> <p>The process by which the project manager uses appropriate managerial techniques to deal with the inevitable disagreements, both technical and personal in nature, that develop among those working toward project accomplishment</p>
<p>Consumables</p> <p>Supplies that are consumed in the course of a project. A collective term representing a wide variety of items too small to be accounted for individually, although generally identified by groupings.</p>
<p>Context Indicator</p> <p>Measurement of an economic, social or environmental variable concerning an entire region, sector or group which the project seeks to effect (e.g. per capita GDP, annual number of jobs created in the region). Context indicators may describe a basic situation before a project commences and the desired situation after the project is completed. They are generally quantified on the basis of data from statistics offices or statistical teams.</p>
<p>Contingency</p> <p>An amount set aside in a budget to cover unforeseen costs.</p>
<p>Contracting</p> <p>The business of entering into and/or undertaking contracts.</p>
<p>Contract Award Procedure</p> <p>The procedure followed by the Contracting Authority to identify a consultant/supplier/contractor/beneficiary to provide defined services/supplies/works/grants and conclude a contract with them. In the context of the pre-accession funds, the relevant guidance relating to contract award procedures is to be found in the PRAG.</p>
<p>Contracting Authority</p> <p>The European Commission, acting for and on behalf of the beneficiary country, in the case of centralised approach. The Contracting Authority appointed by the government of the beneficiary country, in the case of decentralised approach.</p>
<p>Corrective action</p> <p>Corrective Action is an action taken to eliminate the causes of an existing nonconformity or other undesirable situation arising in relation to the implementation of a project. Changes made to bring expected future performance of a project in line with the plan or to correct the cause of a failure or design deficiency.</p>
<p>Cost</p> <p>The monetary value of project activity.</p>
<p>Cost Reimbursement</p> <p>Payment of direct costs and directly associated overhead costs, but without any allowance for profit.</p>
<p>Cost Variance</p> <p>Any difference between the estimated cost of an activity and the actual cost of an activity.</p>

<p>Costing</p> <p>The process of determining actual costs from actual expenditures. There is often a large difference between the way that costs are estimated initially and the way the money is actually spent as the project progresses.</p>
<p>Critical path</p> <p>The series of activities of a project that determines the earliest completion of the project. The critical path generally changes from time to time as activities are completed ahead of or behind schedule.</p>
<p>Delegation</p> <p>Act of empowering others by giving them responsibilities for activities.</p>
<p>Deliverable</p> <p>A tangible or intangible object produced through project execution. A deliverable can be created from multiple smaller deliverables.</p>
<p>De Minimis (regulation)</p> <p>Is an EC Regulation which exempts small subsidies from the obligation to notify them in advance for clearance by the Commission under EC Treaty state aid rules. Under the new Regulation, aid of up to €200,000, granted over any period of three years will not be considered as state aid. Loan guarantees will also be covered to the extent that the guaranteed part of the loan does not exceed €1.5 million. In order to avoid abuses, forms of aid for which the inherent aid amount cannot be calculated precisely in advance (so-called 'non-transparent' aids) and aid to firms in difficulty have been excluded from the Regulation.</p>
<p>Dependencies</p> <p>Any events or work that are either dependent on the outcome of other activities and works. The realization of the dependent activity or work therefore requires the successful completion of the other activity or work.</p>
<p>Deviation</p> <p>Any variation from planned performance. The deviation can be in terms of schedule, cost, performance, or scope of work. Deviation analysis is the heart of exercising project control.</p>
<p>Direct Costs</p> <p>Those costs (labor, material, and other direct costs) that can be consistently related to work performed on a particular project. Direct costs are best contrasted with indirect costs that cannot be identified to a specific project.</p>
<p>Displacement</p> <p>The extent to which the project or the activity supported by it, takes market share, labour, land or capital from other local firms.</p>
<p>Eligibility Criteria</p> <p>A set of conditions for a candidate to be allowed to take part in a tender/call for proposal and to be awarded an EC funded contract. Nationality and origin are the main ones.</p>
<p>Effectiveness</p> <p>The fact that expected effects have been realised and that objectives have been achieved. An effectiveness indicator is calculated by relating an output, result or impact indicator to a quantified objective. For the sake of clarity, it may be useful to specify whether one is referring to the effectiveness of outputs, results or impacts.</p>

<p>Efficiency</p> <p>The fact that the effects were obtained at a reasonable cost. An indicator of efficiency is calculated by dividing the budgetary inputs mobilized by the quantity of effects obtained. For the sake of clarity, it would be useful to specify whether the efficiency referred to relates to outputs, results or impacts.</p>
<p>Environmental Impact Assessment</p> <p>A technique used for identifying the environmental effects of development projects. An EIA requires a scoping study to be undertaken in order to focus the assessment. This can be carried out in the field or as a desk study depending on the nature/scale of the project.</p>
<p>Evaluation</p> <p>An assessment of the efficiency, effectiveness, impact, sustainability and relevance of a project in the context of stated objectives. It is usually undertaken as an independent examination of the background, objectives, results, activities and means deployed, with a view to drawing lessons that may guide future decision-making.</p>
<p>Facility</p> <p>In project terms, this term usually refers to the constructed environment, e.g. buildings, structures, infrastructure, plant and equipment.</p>
<p>Feasibility Study</p> <p>A feasibility study, conducted during the formulation phase, verifies whether the proposed project is well-founded, and is likely to meet the needs of its intended beneficiaries. The study should design the project in full operational detail, taking account of all technical, economic, financial, institutional, management, environmental and socio-cultural aspects. The study will provide the European commission and partner government with sufficient information to justify acceptance, modification or rejection of the proposed project for further financing.</p>
<p>Fee</p> <p>A negotiated amount to motivate and compensate contractors for their performance in relation to project tasks.</p>
<p>Feedback</p> <p>Feedback exists when the observation of results and impacts in the field is used to adjust the implementation of a project, or to make more radical changes, including calling into question the existence of the project. Feedback is the main purpose of an interim evaluation when it has a managerial and/or formative perspective.</p>
<p>Financial Management</p> <p>Management of the financial activities of the project or major work package.</p>
<p>Fixed Costs</p> <p>Costs that do not vary with the volume of activity such as accommodation, insurance, depreciation, security and minimum fees for utilities.</p>
<p>Fixed Price Contract</p> <p>A lump sum contract where the supplier agrees to furnish goods or services at a fixed price.</p>
<p>Gantt Chart</p> <p>A popular bar chart that shows the timing of tasks or activities as they occur across time. Although the Gantt chart did not initially show the relationships between activities, this has become more common in current use as both timing and interdependencies between tasks can be identified.</p>

<p>General Conditions</p> <p>The General Conditions Applicable to European Community Financed Grant Contracts for External Actions</p>
<p>Grants</p> <p>Where funding is provided to a beneficiary with no obligation to return the money to the donor (a gift). Contracts of a non-commercial nature. They are given either for the promotion of an EU policy aim or for the implementation of an action or functioning of a body.</p>
<p>Grant Application</p> <p>A project proposal following a standard application form in response to an EC call for proposals.</p>
<p>Grant Beneficiary</p> <p>The recipient of a grant.</p>
<p>Guidelines for Applicants</p> <p>Document explaining the purpose of a Call for Proposals for grants. It includes the rules regarding who may apply, the types of actions and costs which may be financed and the evaluation criteria. It also provides practical information on how to complete the application form, which annexes are required, and which procedural and contractual rules apply.</p>
<p>Impact</p> <p>A consequence affecting final beneficiaries following the completion of project activities, almost always occurring after the completion of the project. Certain impacts (specific impacts) can be observed after a few months or in the longer term (e.g. the monitoring of assisted firms after two years). Impacts may be direct or indirect, positive or negative, expected or unexpected.</p>
<p>Indicator</p> <p>A measurable sign that something influenced by the project has changed. To be able to monitor a project's implementation and judge its performance against the objectives set, it is necessary to use a set of indicators, which must be decided in advance or early on in the project's implementation, so that data on them can be collected. They will in most cases be assigned target levels, which in aggregate will correspond to the objectives of the project. The various types of indicators are as follows: i. Resource or input indicators refer to the budget allocated to each level of the assistance. Financial indicators are used to monitor progress in terms of the (annual) commitment and payment of the funds available for any operation, measure or programme in relation to its eligible cost. ii. Output indicators relate to activity. They are measured in physical or monetary units (e.g. length of road constructed, number of firms financially supported, etc.) iii. Result indicators relate to the direct and immediate effect brought about by a project. They provide information on changes to, for example, the behaviour, capacity or performance of the target audience or to direct beneficiaries. Such indicators can be of a physical (reduction in journey times, number of successful trainees, number of roads accidents, etc.) or of a financial nature (leverage of private sector resources, decrease in transportation cost) iv. Impact indicators refer to the consequences of the project beyond the immediate effects on its direct beneficiaries.</p>
<p>Indirect Cost</p> <p>The financial costs for resources expended which are not directly identified to any specific contract, project, product or service, such as overhead and general and administrative costs.</p>

Internal Rate of Return
The Internal Rate of Return (IRR) is the annual financial return for a given outlay without consideration of any external or related factors.
Intervention Logic
The strategy underlying the project. It is the narrative description of the project at each of the four levels of the 'hierarchy of objectives' used in the logframe.
Input
Financial, human, material, organizational and regulatory means mobilised for the implementation of a project. Monitoring and evaluation focus primarily on the inputs allocated by public authorities and used by operators to obtain outputs. The above definition gives a relatively broad meaning to the word "input". Some prefer to limit its use to financial or budgetary resources only.
Invoice
A contractor's bill or written request for payment under the contract for supplies delivered or services performed.
Irregularities
Departures from the practice which is laid out in the conditions/regulations which apply to an action (such as an EC grant scheme). The notion of irregularity does not solely concern established or presumed frauds.
Kick-Off Meeting
A meeting at the beginning of the project or at the beginning of a major phase of the project to align peoples' understanding of project objectives, procedures and plans, and to begin the team-building process.
Leadership
Leadership is the ability to establish vision and direction, to influence and align others towards a common purpose, and to empower and inspire people to achieve project success. It enables the project to proceed in an environment of change and uncertainty.
Leakage
The level of activity, which is lost to the area e.g. the number of jobs created which residents from outside the area take.
Leverage
Additional funds which are committed to a project to complement project funding, usually referring to private sector funds.
Logframe
The matrix in which a project's intervention logic, assumptions and risks, objectively verifiable indicators and sources of verification are presented.
Logical Framework Approach (LFA)
A methodology for planning, managing and evaluating programmes and projects, involving problem analysis, analysis of objectives, strategy analysis, preparation of the logframe matrix and activity and resource schedules.
Means
The inputs required in order to do the work (such as personnel, equipment and materials).
Microsoft Project
Best selling software product for planning and scheduling projects.

Milestone

A key event during the life of a project, usually completing project deliverables or other noteworthy achievement.

Monitoring

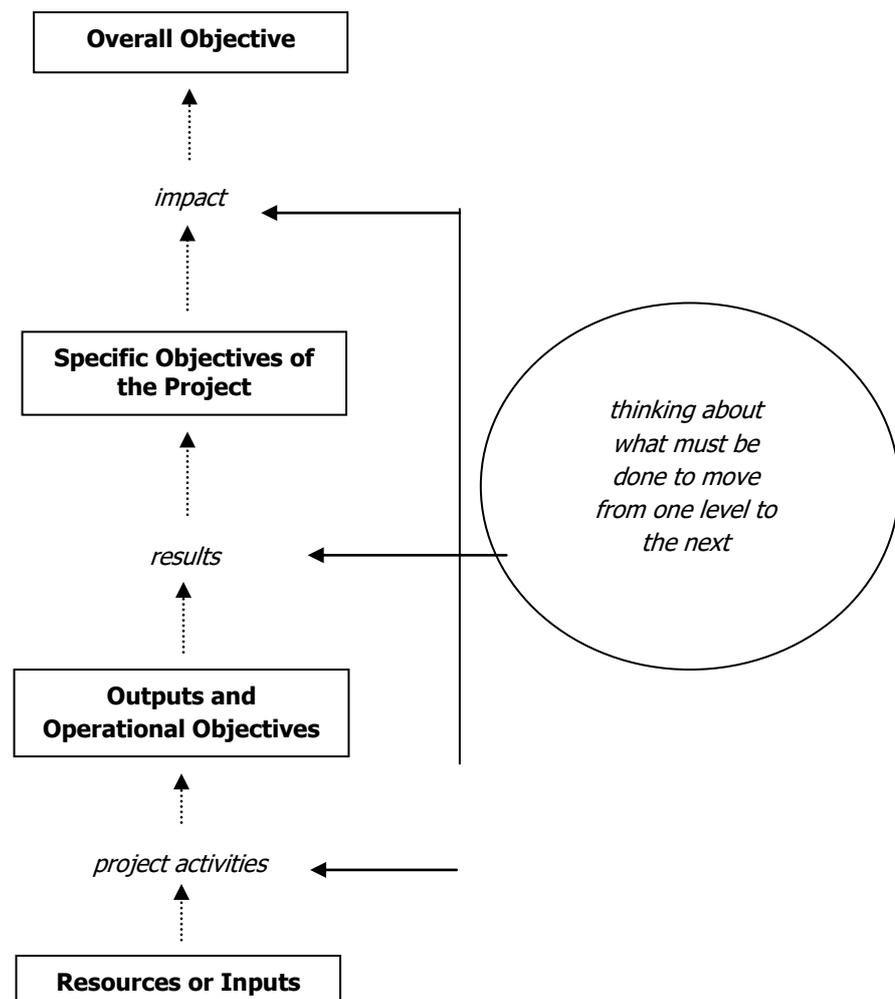
Regular collection and analysis of input, output and outcome data, together with information concerning the problems being addressed.

Multiplier Effect

The knock-on impact of direct project investment. For example, new jobs increase disposable incomes and hence demand, leading to more jobs.

Objective

Description of the aim of a project. Clear, explicit and initial statement on the effects to be achieved by a project. The objective comes directly from the identification of the problem which the project is designed to eradicate or alleviate. A quantitative objective is stated in the form of indicators and a qualitative objective in the form of descriptors, e.g.: 30% of all outputs must first benefit the long-term unemployed. Specific objectives concern the results and impacts of an intervention on direct beneficiaries. The overall objective corresponds to the aim of the intervention. The aim of an intervention is to produce an impact expressed in global terms, e.g. reducing regional disparities in development levels. Objectives may also be intermediate. Objectives which specify outputs to be produced are called operational objectives.



Objective Tree
A diagrammatic representation of the proposed project interventions planned logically, following a problem analysis, showing proposed means, resources and ends.
Objectively Verifiable Indicators (OVIs)
Measurable indicators that will show whether or not objectives have been achieved at each level of the logframe hierarchy. OVIs provide the basis for designing an appropriate monitoring system.
Overall Objective
Objective in the wider sectoral and national sector, to which the project is designed to contribute.
Outputs
The physical products or measurable consequences of individual tasks and activities, for example, the number of persons trained, number of firms assisted, etc..
Outsourcing
Awarding a contract to an external private, public or voluntary sector organisation to supply a service previously provided the awarding organisation.
Per Diem
Per Diem means by the day. In projects the terms is usually applied to a lump sum amount which is allocated to cover all "out of pocket" expenses incurred in relation to project work.
PRAG (Practical Guide to External Aid Contract Procedures)
The European Commission's guide on procurement and contracting procedures and rules which apply to EC external aid contracts. It is also applicable to the projects financed from the pre-accession funds instead of the public procurement rules of the beneficiary country
Prequalification
An assessment of capabilities, current capacity, etc. as an initial part of a selection process. Used to narrow the number of bidders when inviting tenders for contract work and thereby reduce the amount of work for both those bidders unlikely to be successful on these grounds as well as the amount of work in reviewing the submissions and making a final selection for award.
Problem Analysis
A structured investigation of the negative aspects of a situation in order to establish causes and their effects.
Procurement
The process of acquiring goods and services for a public body.
Project Cycle
The project cycle follows the life of a project from the initial idea through to its completion. It provides a structure to ensure that stakeholders are consulted, and defines the key decisions, information requirements and responsibilities at each phase so that informed decisions can be made at key phases in the life of a project. It draws on evaluation to build the lessons of experience into design of future projects.
Project Cycle Management
A methodology for the preparation, implementation and evaluation of projects based on the integrated approach and the logical framework approach.

<p>Project Management</p> <p>Project management is the discipline of planning, organising and managing resources to bring about the successful completion of specific project goals and objectives. The Project Management Institute (PMI) defines project management as "the application of knowledge, skills, tools, and techniques to project activities in order to meet or exceed stakeholder needs and expectations.</p>
<p>Project Purpose</p> <p>The objectives of the project in terms of sustainable benefits to be delivered to the project beneficiaries. It does not refer to the services provided by the project (these are results), nor to the utilisation of these services, but to the benefits which project beneficiaries derive as a result of using project services.</p>
<p>Project Schedule</p> <p>The project timeline, identifying the dates (absolute or relative to a start date) that project tasks will be started and completed, resources will be required and upon which milestones will be reached.</p>
<p>Programme</p> <p>A series of projects with a common overall objective.</p>
<p>Project</p> <p>A series of activities/works with a specific purpose and target, planned to achieve a result within a designated period.</p>
<p>Receipts</p> <p>Written acknowledgements, in the form of a statements on paper, of having received payment (in monetary terms) for goods or a services which have been provided to you.</p>
<p>Results</p> <p>The effects which tasks and activities (and their outputs) have on the target audience and final beneficiaries. Results occur when the behavior of the target audience or final beneficiaries changes. This has to occur if projects are to meet their objectives. Results may or may not be achieved by the projects' completion dates.</p>
<p>Risks</p> <p>There may be potential external events that will have a negative impact on your project if they occur. Risk refers to the combined likelihood the event will occur and the impact on the project if the event does occur. If the combined likelihood of the event happening and impact to the project are both high, you should identify the potential event as a risk and put a plan in place to manage it.</p>
<p>Project Risk Management</p> <p>Project risk management is a structured process that allows individual risk events and overall project risk to be understood and managed proactively, optimising project success by minimising threats and maximising opportunities.</p>
<p>Resources</p> <p>Everything needed to complete the project, but in particular people and money.</p>
<p>Rules of Origin</p> <p>Condition relating to the country of manufacture of equipment.</p>
<p>Schedule</p> <p>The planned dates for performing activities and the planned dates for meeting milestones.</p>

Sources of Verification
The means by which the indicators or milestones will be recorded and made available to project management or those evaluating project performance.
Specification
A document intended primarily for use in procurement, which clearly and accurately describes the essential and technical requirements for items, materials, or services, including the procedures by which it will be determined that the requirements have been met. Specifications for items and materials may also contain preservation, packaging, packing and marking requirements.
Sponsor
The person who has authority over the project, provides funding, approves scope changes, provides high-level direction and champions the project within an organisation.
Stakeholder
A stakeholder is anyone, internal or external to an organisation that has an interest in a project or will be affected by its deliverables.
Steering Committee
A Steering Committee is a group of high-level stakeholders who are responsible for providing guidance on overall strategic direction.
Supply Contract
Commercial contract to purchase goods or materials.
Sustainability
A key requirement for a successful project. Sustainability is the ability to generate results after the external support has been discontinued. While a project is limited by time, the benefits should continue and the activities should be developed long after the project has ended, without the need for external inputs.
Variance
The difference between a current value and the expected value. Used to determine the accuracy of a task prediction.
Target Audience
A group of stakeholders whose behaviour has to be influenced by the project, if the project is to have impact. Often changes in the behaviour of the target audience are required if the project is to have an effect on the final beneficiaries.
Teamwork
Teamwork is when people work collaboratively towards a common goal as distinct from other ways that individuals can work within a group.
Team Building
The process of influencing a group of diverse individuals, each with their own goals, needs, and perspectives, to work together effectively for the benefit of a project such that their team will accomplish more than the sum of their individual efforts could otherwise achieve.
Terms of Reference
Terms of Reference define the tasks required of the contractor and indicate project background and objectives, planned activities, expected inputs and outputs, budget, timetables and job descriptions.
Works Contract
Commercial contract covering works to be completed.

Workplan

The schedule which sets out the activities and resources necessary to achieve a project's results and purpose.