

Lecture 2. Project Design: Conceptualisation, Intervention Logic and Project Justification

Lecture Plan

1. Project design as the initial element of managing an international project.
2. Analysis of problems, needs, cause-and-effect relationships and target groups.
3. Stakeholder analysis: identification, classification, interests, influence and engagement of interested parties.
4. Theory of change and intervention logic: shaping the logic of change in an international project.
5. The logical framework matrix: objectives, results, indicators, sources of verification, assumptions and risks.
6. Conformity of the project idea with the strategic priorities of EU programmes and international donors.

1. Project Design as the Initial Element of Managing an International Project

Project design is a systematic analytical process of transforming a previously formulated idea into a structured, justified project concept suitable for implementation. In the methodology of Project Cycle Management (PCM), design corresponds to the identification and formulation phases that precede the submission of the project proposal to the donor.

High-quality project design ensures:

- **relevance** — conformity with the problems and needs of target groups and with the donor's priorities;
- **logical consistency (internal coherence)** — a transparent cause-and-effect relationship between resources, activities, results and objectives;
- **measurability** — the existence of objectively verifiable indicators of achievement at every level of objectives;
- **feasibility** — conformity of the planned activities with the available resources, time frame and the consortium's capacity;
- **sustainability** — the capacity of the project's results to retain their value after donor funding ends.

Errors made at the design stage (an unclear formulation of the problem, the substitution of objectives by the means of achieving them, or insufficient stakeholder analysis) generally cannot be corrected at later implementation stages without a substantial revision of the project, which underlines the critical importance of this stage.

2. Analysis of Problems, Needs, Cause-and-Effect Relationships and Target Groups

2.1. Needs Analysis

The development of a project begins with a thorough study of the context and the needs of potential target groups. Sources for such analysis include statistical data, sectoral studies, reports of international organisations, strategic documents (national and regional development strategies), as well as primary data obtained through surveys, focus groups and expert interviews.

2.2. The Problem Tree

The problem tree is a tool for structuring a problem situation, used within the logical framework approach to visualise cause-and-effect relationships. Constructing a problem tree involves the following steps:

1. Formulating the core (focal) problem — the central negative state that the project seeks to overcome (for example, “a low level of internationalisation among small and medium-sized enterprises in the region”).
2. Identifying the causes of the core problem — the factors that give rise to it; causes are placed below the focal problem and, where necessary, are broken down into several levels (causes of causes).
3. Identifying the effects of the core problem — the negative consequences that flow from it; effects are placed above the focal problem.
4. Checking the logical integrity of the tree: every element must stand in a direct cause-and-effect relationship with the adjacent levels.

2.3. The Objective Tree

The objective tree is constructed by transforming the problem tree: every negative statement (a problem-state) is reformulated into a positive, desired state (an objective-state). Causes are converted into means of achieving the objective, and effects into expected benefits. The objective tree forms the basis for the subsequent determination of the intervention strategy: the analyst determines which particular “branch” of the objective tree the project will cover (strategy analysis), having regard to the consortium's comparative advantages, resources, and the donor's priorities.

2.4. Target Group Analysis

On the basis of the problem tree, a segmentation is carried out of the population groups or organisations with an interest in resolving the problem, identifying their specific needs and their gender, age and socio-economic characteristics, as well as potential barriers to accessing the project's benefits (the methodology of gender and social analysis).

3. Stakeholder Analysis: Identification, Classification, Interests, Influence and Engagement of Interested Parties

Stakeholder analysis is a systematic process of identifying the persons, groups and organisations relevant to a project, assessing their interests, expectations, influence and potential contribution, and determining a strategy for engaging with each category.

3.1. Stages of Stakeholder Analysis

1. Identification — compiling an exhaustive list of potential stakeholders (public authorities, local self-government, business associations, academic institutions, civil-society organisations, the mass media, international partners, competing initiatives).
2. Classification — dividing stakeholders into categories: primary (those directly affected by the project) and secondary (intermediaries who influence project implementation indirectly); supporters, neutral parties, and opponents of the project.
3. Assessment of interests and influence — applying the Power-Interest Matrix (Power-Interest Grid), which distributes stakeholders across four quadrants:
 - high power / high interest — “key players”, who require active and continuous engagement;
 - high power / low interest — stakeholders who should be “kept satisfied” by being informed of key decisions;
 - low power / high interest — stakeholders who should be “kept informed”;
 - low power / low interest — subjects of minimal monitoring only.
4. Developing an engagement strategy — determining the format, frequency and channels of communication with each category of stakeholder throughout the entire life cycle of the project.

High-quality stakeholder analysis carried out at the design stage is a precondition for the effective management of interested parties at the implementation stage (Topic 7) and is a criterion taken into account by donor experts in assessing the quality of a project proposal.

4. Theory of Change and Intervention Logic: Shaping the Logic of Change in an International Project

Theory of Change (ToC) is a methodology that explains how and why the expected change will occur in a specific context, by explicitly defining the cause-and-effect chain — from inputs, through activities, to immediate outputs, intermediate outcomes, and, ultimately, long-term impact — with the mandatory identification of assumptions, that is, the conditions necessary for each successive level of the chain genuinely to follow from the preceding one.

Unlike the logical framework matrix, which is a structured summary document, the theory of change is a broader analytical and often visual tool (a diagram with cause-and-effect arrows, accompanied by a narrative explanation) that justifies the very logic underlying the project even before it is formalised in the logical framework matrix.

4.1. Intervention Logic

Intervention logic is the vertical hierarchy of a project's objectives, which forms the core of the logical framework approach and consists of the following levels:

- **Overall Objective (Impact)** — the long-term, strategic effect to which the project contributes together with other initiatives (a project generally cannot, on its own, ensure the achievement of the overall objective, but merely contributes to it);
- **Specific Objective / Purpose (Outcome)** — the central element of the intervention logic, the direct effect that the project is to achieve for the target groups as a result of the use of its results; as a rule, it is formulated in the singular;
- **Results (Outputs)** — the specific, measurable products and services that the project undertakes to deliver (directly controlled by the project team);
- **Activities** — the specific actions carried out to obtain the results, using defined resources.

The principle of vertical “if-then” logic: if activities are implemented (given the relevant assumptions), then results are obtained; if results are obtained (given the assumptions), then the specific objective is achieved; if the specific objective is achieved (given the assumptions), then a contribution is made to the overall objective.

5. The Logical Framework Matrix: Objectives, Results, Indicators, Sources of Verification, Assumptions and Risks

The **Logical Framework Matrix (Logframe)** is a tabular representation of a project's intervention logic and is a mandatory element of the vast majority of grant applications under EU programmes and other international donors. The classical structure of the logical framework matrix is a 4×4 table, whose columns correspond to four categories of information and whose rows correspond to the four levels of intervention logic.

Intervention Logic	Objectively Verifiable Indicators (OVIs)	Sources of Verification (SoV)	Assumptions
Overall Objective	Impact indicators	Data sources for impact indicators	—
Specific Objective	Performance indicators at the objective level	Data sources, methods and frequency of collection	Assumptions between the specific objective and the overall objective
Results	Indicators at the results level (quantity, quality, timing)	Sources for verifying results	Assumptions between results and the specific objective
Activities	Resources (funds, staff, equipment)	Sources of information on resource expenditure	Assumptions between activities and results
			<i>Pre-conditions</i>

5.1. Requirements for Indicators (the SMART Principle)

Objectively verifiable indicators must meet the SMART criteria: Specific, Measurable, Achievable, Relevant, and Time-bound. Every indicator must include a baseline value at the start of the project and a target value for its completion.

5.2. Assumptions and Risks

Assumptions are external factors and conditions that lie outside the direct control of the project team but are necessary for the successful transition from one level of the intervention logic to the next. Assumptions whose probability of occurrence is low but whose impact on the project would be critical are classified as killer assumptions and require either a revision of the project design or the development of additional mitigation measures. The relationship between the logical framework matrix and the risk register is examined in detail in Topic 7.

6. Conformity of the Project Idea with the Strategic Priorities of EU Programmes and International Donors

No project idea, however methodologically flawless, will secure funding unless it conforms to the priorities predetermined by a specific donor and a specific call. Strategic fit (alignment) analysis involves:

1. Studying the donor's programming documents — multiannual strategic frameworks (for example, the EU's Multiannual Financial Framework), the work programmes of specific funding instruments, and the thematic priorities of the given year or call.
2. Matching the project's objectives with the priorities of the call — determining which particular priority direction (call topic) the project idea corresponds to, and adapting the wording of the objective and results to the donor's terminology.
3. Analysing horizontal (cross-cutting) priorities — gender equality, environmental sustainability, digitalisation, and non-discrimination — which must be taken into account in the vast majority of EU projects regardless of their thematic focus.
4. Analysing the applicant's comparative advantages — justifying why this particular consortium possesses the institutional capacity, experience and partner network required for the project's successful implementation.

Conformity with strategic priorities is both one of the formal eligibility criteria and a substantive award criterion in the qualitative assessment of an application, examined in detail in Topic 3.

Self-check Questions

1. Explain the logic of transforming a problem tree into an objective tree.
2. How does the power-interest matrix differ from a simple list of stakeholders, and what managerial value does it add?
3. What is the fundamental difference between the theory of change and the logical framework matrix?

4. Give an example of a “killer assumption” for a project in the field of cross-border economic cooperation.
5. Why is it recommended that a project's specific objective (Purpose) be formulated in the singular?
6. Which EU horizontal priorities must be taken into account regardless of a project's subject matter?

Recommended Reading

1. Aid Delivery Methods. Volume 1: Project Cycle Management Guidelines. European Commission, EuropeAid Cooperation Office.
2. Handbook on Sustainable Development and the Logical Framework Approach. Swedish International Development Cooperation Agency (Sida).
3. Guidance on the Use of Theory of Change in International Development. UK Department for International Development / BOND.
4. PM² Project Management Methodology Guide. European Commission, CoEPM².
5. Horizon Europe Programme Guide. European Commission, Directorate-General for Research and Innovation.