

Lecture 2

Project Design: Conceptualisation, Intervention Logic and Project Justification

Content Module 1 · Design and Preparation of International Projects

Full lecture text accompanying the presentation (32 slides)

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Introduction

► SLIDES 1–2

Lecture 1 supplied the vocabulary of INTERNATIONAL PROJECT DESIGN AND MANAGEMENT: what a project is, how it differs from a programme, how it moves through its life cycle, and which actors surround it. It also introduced Project Cycle Management (PCM) and the Logical Framework Approach (LFA), which is mandatory at the formulation stage. This lecture puts those ideas to work. It follows the process by which a project idea becomes a project concept that can be defended before a donor, and it opens Content Module 1, "Design and Preparation of International Projects", in the practical sense: from here to the end of the module, every lecture concerns what must be done before a grant agreement is signed.

Design merits a lecture of its own because the quality of a project is largely settled before implementation begins. An evaluator cannot see a team's enthusiasm or its future performance; what can be seen is the reasoning on the page. Is the problem clearly stated? Have the people affected been identified? Is the chain from activities to change credible? Can progress be verified? Does the idea belong to what the donor wishes to fund? A weakness in any of these cannot be repaired by good management later. The tools examined here make that reasoning explicit, testable and communicable.

The lecture follows the order of the design process itself, in six sections. Section 1 defines project design and locates it within the project cycle. Sections 2 and 3 concern analysis: of problems, needs and target groups, and of stakeholders. Section 4 introduces the theory of change and the intervention logic, and Section 5 formalises the logic in the logical framework matrix. Section 6 asks whether the resulting idea fits the priorities of a specific donor and call. Lecture 3 then shows how the result is written up as a proposal.

By the end of this lecture, students should be able to:

1. define project design, locate it within the phases of Project Cycle Management, and explain the five qualities that high-quality design ensures and why errors made at this stage are so costly;
2. build a problem tree from a core problem, transform it into an objective tree, carry out a strategy analysis, and profile target groups, including the barriers that limit their access to the project's benefits;
3. carry out a stakeholder analysis in four stages and use the power–interest matrix to determine an engagement strategy;
4. distinguish the theory of change from the logical framework matrix, and set out the four levels of intervention logic and the vertical "if–then" logic that connects them;
5. construct a 4×4 logical framework matrix, formulate SMART indicators with baseline and target values, and identify and treat killer assumptions;
6. analyse the strategic fit of a project idea with the programming documents, call topics and horizontal priorities of an EU programme or another international donor, and justify the comparative advantages of the applicant.

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

► SLIDE 3

Every international project begins as an idea, and most ideas are not yet projects. Between the two lies analytical work that determines whether a donor will fund the idea and whether, once funded, it will deliver anything of value. Three questions guide this section. What does project design involve, and how does it differ from simply having a good idea? Where does it sit within Project Cycle Management? And why do mistakes made at this stage cost so much more than mistakes made during implementation?

What Is Project Design?

► SLIDE 4

Project design is a systematic analytical process of transforming a previously formulated idea into a structured, justified project concept suitable for implementation.

Each phrase of this definition carries weight. Design is a *process*, not an event: it takes weeks or months, involves several people and passes through identifiable steps. It is *systematic and analytical*, so its conclusions must follow from evidence and explicit reasoning, not from preference or habit. It starts from a *previously formulated idea*, which is the input and not the product. What it produces is a *structured, justified project concept*: structured because it has a defined architecture of objectives, results, activities and indicators; justified because each element can be defended by evidence about needs, by a credible account of how change will occur, and by the donor's priorities. Finally, the concept must be *suitable for implementation*: a design that the proposing consortium cannot carry out within the time and money available has failed, however elegant it looks on paper.

The slide places design within Project Cycle Management, where it corresponds to two phases. Identification is the phase in which problems, needs and project ideas are analysed; the needs analysis, the problem tree and the stakeholder analysis belong here. Formulation is the phase of detailed design using the Logical Framework Approach: the intervention logic is set out, indicators and assumptions are specified, and the logical framework matrix is completed. Both precede submission, when the proposal is sent to the donor. Students should recall from Lecture 1 that the Logical Framework Approach is mandatory at the formulation stage; this lecture shows what that requirement means in practice.

Design should be distinguished from proposal writing, the subject of Lecture 3. Design is intellectual work on the substance of the project; proposal writing expresses that substance in the format and terminology of a particular call. A consortium that starts writing before the design is complete typically discovers, half-way through the application form, that it cannot state its specific objective in one sentence.

Five Qualities That High-Quality Design Ensures

► SLIDE 5

The lecture outline names five qualities that a well-designed project must possess. They function as a checklist against which a draft design can be tested at any point, and each is served by a particular tool that we shall meet in later sections.

Relevance is conformity with the problems and needs of the target groups and with the donor's priorities. It has two reference points, not one. A project that solves a real problem but falls outside what the donor funds will not be financed; a project that matches a call perfectly but addresses no real need will not be used. Relevance in the full sense requires the overlap of the two, which is why Sections 2 and 6 belong together. **Logical consistency**, or internal coherence, is a transparent cause-and-effect relationship between resources, activities, results and objectives, tested by the problem tree, the theory of change and the vertical logic of the logframe. **Measurability** means objectively verifiable indicators of achievement at every level of objectives, secured through the indicators and sources of verification of Section 5.

Feasibility is the conformity of the planned activities with the available resources, the time frame and the capacity of the consortium. A design that promises more than the team, partners and budget can deliver will fail during implementation, and evaluators are likely to notice it. For projects implemented in Ukraine, an honest assessment of feasibility includes the operating environment, in particular security conditions, which Lecture 7 treats as a question of risk management. **Sustainability** is the capacity of the project's results to retain their value after donor funding ends. It is the most demanding of the five, because the design must show from the outset who will maintain and use the results once the grant has been spent; Lecture 8 returns to it.

Quality	The question it answers	Where it is secured
Relevance	Does the project address real needs and the donor's priorities?	Needs analysis, target group analysis, strategic fit analysis
Logical consistency	Does each level follow from the one below it?	Problem tree, theory of change, intervention logic
Measurability	How will we know that we have succeeded?	Indicators and sources of verification
Feasibility	Can this consortium do this, with these resources, in this time?	Comparative advantages, resource planning
Sustainability	Will the results still matter when the funding stops?	Stakeholder engagement, design of results and their ownership

These qualities are built in at the identification and formulation stages, before the proposal reaches the donor; they cannot be added afterwards as polish.

Why Design Errors Are So Costly

► SLIDE 6

The lecture outline identifies three typical errors of design. The first is an unclear formulation of the problem: the central negative state that the project seeks to overcome is not clearly

defined. Objectives, target groups and activities are all derived from the problem, so if it is vague, or is really a symptom, the project may deliver its activities faithfully and leave the underlying situation unchanged.

The second error is the substitution of objectives by means: the objective names an action instead of a desired change. The lecture's example is "to hold a series of training sessions". Holding the sessions is a means, something the project does; the objective is the change the sessions are intended to bring about for the target group. The difference is not stylistic. A project whose objective is a means can be declared successful when the last session takes place, whether or not anyone has learned anything, and neither donor nor evaluator has a basis for judging otherwise.

Illustrative example. Compare two formulations of the same intention. Version A: "To conduct a series of training sessions on export procedures for small firms." Version B: "Managers of small firms in the region are able to prepare export documentation and negotiate export contracts independently." In Version A, the project has succeeded when the sessions have been held. In Version B, the project has succeeded only if the managers can demonstrably do something they could not do before, and the training sessions become one of the several possible means of reaching that state.

The third error is insufficient stakeholder analysis: relevant parties, their interests and their influence are overlooked. An authority whose consent is needed is not consulted; a competing initiative already serves the same target group; a possible partner learns of the project only when it is announced. Such omissions surface during implementation, when they are hardest to remedy.

The consequence, as the slide states, is that such errors generally cannot be corrected at later implementation stages without a substantial revision of the project. The reason is structural. Once a proposal is approved, its objectives, results and budget form the basis of the agreement with the donor, and the partners plan their work around them. A flaw in the problem definition or the objectives is then a matter of renegotiating the substance of the project, not of editing. Hence the critical importance of the design stage.

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

► SLIDE 7

The analytical core of the Logical Framework Approach lies here. Before a project can state what it will change, it must know what is wrong, why, and for whom. We ask three questions. Which sources of evidence support a needs analysis? How is a problem tree built and turned into an objective tree from which the strategy is chosen? Who are the target groups, and what stands between them and the project's benefits?

Needs Analysis: Where the Evidence Comes From

► SLIDE 8

The development of a project begins with a thorough study of the context and of the needs of potential target groups. The slide divides the available evidence into two families. Existing, or secondary, sources include statistical data, sectoral studies, reports of international organisations and strategic documents such as national and regional development strategies. Primary data are collected by the project developers themselves through surveys, focus groups and expert interviews.

The two families have complementary strengths. Secondary sources are inexpensive, broad and often comparable across regions or countries, and they place the project in its wider context; but they may be out of date, may be aggregated in ways that hide the specific target group, and were not collected with the project's question in mind. Primary data answer exactly the question the designer asks and capture perceptions and obstacles that never appear in official statistics, but they require time, money and methodological care, and they reflect only the people who were asked. Good needs analysis combines both and checks each against the other. Strategic documents serve a double purpose: they document the need, and they show that the theme is already a priority for public authorities and donors, which anticipates the strategic fit analysis of Section 6.

Students often find it difficult to distinguish a need from the absence of a solution. "There is no training programme on export marketing" is not a need; it is a statement about a missing means. The need is that firms cannot enter foreign markets because they lack the relevant knowledge and skills. Stating needs in this way protects the design from the substitution of objectives by means. At this point students should be asked which sources they would use for a project in their own region, and what each would and would not tell them.

The Problem Tree: Structuring Cause and Effect

► SLIDE 9

The problem tree is a tool for structuring a problem situation and visualising cause-and-effect relationships within the Logical Framework Approach. Its construction follows four steps, which the slide numbers. First, the core (focal) problem is formulated: the central negative state that the project seeks to overcome. Second, its causes are identified and placed below it, broken down into several levels where necessary, so that causes of causes appear. Third, its effects, the negative consequences that flow from it, are identified and placed above. Fourth, the logical integrity of the tree is checked: every element must stand in a direct cause-and-effect relationship with the adjacent levels.

The slide works through an example based on the core problem cited in the lecture. Its content can be reproduced as follows.

Level of the tree	Elements in the illustrative example
Effects (above)	Low export revenues of SMEs; weak competitiveness of regional firms; slower economic growth of the region
Core problem	Low level of internationalisation among SMEs in the region
Causes (below)	Limited knowledge of foreign markets; weak export-support services; limited access to export finance
Causes of causes	Few staff with foreign-language and export skills; low capacity of business associations

The tree is read in two directions. Reading downward, each element is explained by the one beneath it: the level of internationalisation is low *because* firms know little about foreign markets, *because* few of their staff have foreign-language and export skills. Reading upward, each element leads to the one above: low internationalisation results in low export revenues, which weaken the competitiveness of regional firms, which in turn slows the region's economic growth. If a link cannot be read aloud in either direction without hesitation, an intermediate step is missing or the two elements do not belong on the same branch. In the example, the shortage of staff with export skills plausibly feeds the limited knowledge of foreign markets, and the low capacity of business associations plausibly feeds the weakness of export-support services; the slide shows no deeper cause for limited access to export finance, and a real analysis would pursue that branch too.

Two cautions apply. A problem must be stated as an existing negative state, not as the absence of a preferred solution: "there is no export-advice centre" is a disguised means, whereas "weak export-support services" describes a condition that could be remedied in several ways. And the tree is only as good as its evidence. The causes and effects on the slide are an illustrative example for discussion, not research findings; in a real project each element would rest on the needs analysis and be tested with target groups and partners.

From the Problem Tree to the Objective Tree

► SLIDE 10

The objective tree is constructed by transforming the problem tree. Every negative statement, that is, every problem-state, is reformulated as a positive, desired state, an objective-state. In the process causes become means of achieving the objective, and effects become expected benefits. The slide shows the transformation for three elements of the example, and their correspondence is set out below.

Problem tree (negative states)	Objective tree (desired states)
Effect: low export revenues of SMEs	Expected benefit: higher export revenues of SMEs
Core problem: low level of internationalisation among SMEs in the region	Objective: higher level of internationalisation among SMEs in the region
Cause: limited knowledge of foreign markets	Means: improved knowledge of foreign markets

The logic of the transformation is that a tree of causes and effects becomes a tree of means and ends. If the level of internationalisation is low because knowledge of foreign markets is limited, then improving that knowledge is a means of raising the level of internationalisation; and if that is achieved, the benefit is higher export revenues. The direction of the arrows does not change; only the state of each box does. This answers the first self-check question: the transformation converts the diagnosis into a set of desired conditions, element by element, so that the causal structure discovered in the analysis is preserved as a structure of means and ends. The wording needs care. A mechanical negation ("knowledge of foreign markets is not limited") is uninformative; the positive statement should describe a state that can actually be reached and later verified. Occasionally a cause cannot be reversed at all, and that branch must then be treated as a given condition, not as a means.

The objective tree usually describes far more than any single project can accomplish. Strategy analysis therefore decides which branch the project will cover, having regard to three considerations: the comparative advantages of the consortium, its resources, and the priorities of the donor. A consortium of a university and a business association, for instance, may be well placed to work on the knowledge and skills branch, whereas export finance may lie with financial institutions that are not partners and may fall outside the call. The branches left aside are not abandoned; they define the context and assumptions of the project and may be taken up by other initiatives. The chosen branch provides the raw material for Section 4, where, as is usual in the Logical Framework Approach, the chosen objective and means are converted into the specific objective, results and activities, and the expected benefits are reflected in the overall objective.

Target Group Analysis: Needs, Profiles and Barriers

► SLIDE 11

The problem tree also directs the analysis of target groups. The question to ask of the core problem is: who is affected by it? On that basis, the designer segments the population groups or organisations with an interest in resolving the problem. Segmentation matters because a group that appears homogeneous in the problem statement, such as "SMEs in the region", is in practice made up of very different actors, and a single offer will not serve them equally well.

Each segment is then profiled in three respects: its specific needs; its gender, age and socio-economic characteristics; and the barriers that may prevent it from accessing the project's benefits. The method is the gender and social analysis named in the lecture outline. The purpose is practical: a service that cannot be used by the people for whom it was intended has solved nothing. Barriers may be geographical, financial, linguistic, technological or cultural, and they frequently fall unevenly on women and men, on the young and the old, and on the better-off and the poorer.

Illustrative example. For the SME example, segments might include firms with no export experience, firms that export occasionally to a single market, and firms owned or managed by women. Barriers to be checked for each segment could include the cost and timing of participation, the distance from the regional centre, the level of foreign-language skills among managers, and

access to digital tools. The analysis might reveal, for instance, that a programme of daytime events in the regional capital would systematically exclude some of the intended beneficiaries; the design can then be adapted before any money is spent.

The profile of each segment feeds later stages. It informs the choice and delivery of activities, allows indicators to be disaggregated by the relevant characteristics, and provides the evidence for the project's treatment of gender equality, one of the horizontal priorities of Section 6. Recall from Lecture 1 that target groups are those on whom the project has a direct effect at the level of its purpose; they, rather than all stakeholders, are the reference point for the specific objective.

3. Stakeholder Analysis: Identification, Classification, Influence and Engagement

► SLIDE 12

Target groups are only some of the people who matter to a project. Section 3 widens the view to everyone who can affect it or be affected by it, building on the distinction made in Lecture 1 between beneficiaries, target groups and stakeholders. Who are the project's stakeholders, and how are they classified? How does the power–interest matrix guide the choice of engagement? And why do donor experts assess the quality of this analysis?

Stakeholder Analysis in Four Stages

► SLIDE 13

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.

The slide breaks the process into four stages. The first is identification, the compilation of an exhaustive list of potential stakeholders. The second is classification, in which stakeholders are grouped as primary or secondary, and as supporters, neutral parties or opponents. The third is the assessment of interests and influence with the power–interest matrix. The fourth is the development of an engagement strategy that fixes the format, frequency and channels of communication for each category. The stages therefore answer four questions in turn: who could affect or be affected by the project, what each party's relationship and attitude are, how much power and interest each holds, and how the team will communicate with each category.

The last line of the slide explains why the work is done at the design stage. A stakeholder analysis produced now is a precondition for managing stakeholders during implementation, which Lecture 7 examines, and it is a criterion used by donor experts when they assess a proposal. The second point deserves emphasis. Evaluators read the stakeholder section to judge whether the applicants understand the environment in which they will work: which authorities can enable or obstruct them, which organisations already work with the same target groups, and

how they will keep the relevant parties informed. A generic list of "cooperating institutions" signals the opposite.

Who Are the Stakeholders, and How Are They Classified?

► SLIDE 14

Identification should be exhaustive, and the lecture outline gives a broad list: public authorities, local self-government, business associations, academic institutions, civil-society organisations, the mass media, international partners and competing initiatives. Exhaustiveness is deliberate, since it is cheaper to draw up a long list and then set priorities than to discover an omitted party in the middle of implementation. The inclusion of competing initiatives, which students may find surprising, is justified on several grounds. A competing initiative may already serve the target group, so that the project risks duplicating its work; it may compete for the same participants, partners or funding; and it may, once contacted, prove a source of experience or a possible partner.

Classification uses two independent dimensions. By relationship to the project, stakeholders are primary, meaning that they are directly affected by it, or secondary, meaning that they are intermediaries who influence implementation indirectly. By attitude, they are supporters, neutral parties or opponents. The dimensions cross: a regional authority may be a secondary stakeholder and a supporter, while a rival service provider may be a secondary stakeholder and an opponent. The classification by attitude is the more sensitive and should be treated as a working hypothesis, since attitudes change as the project shows what it does. Opponents are not to be ignored; understanding why a party opposes a project is often the quickest way to find a real weakness in its design. As the slide concludes, each category calls for a different engagement approach.

Illustrative example. In the SME internationalisation project, the regional economic-development department might be classified as a secondary stakeholder and a supporter, the participating small firms as primary stakeholders whose attitude is initially neutral, and a commercial consultancy that sells export advice as a secondary stakeholder that may see the project as unwelcome competition. The classification is a hypothesis for the consortium to test, not a fact.

The Power–Interest Matrix and Engagement Strategies

► SLIDE 15

The third stage assesses each stakeholder's power (the ability to influence the project's course or outcome) and interest (the degree to which the stakeholder is concerned about the project). The power–interest matrix, or grid, distributes stakeholders across four quadrants, each of which suggests a different intensity of engagement.

	Low interest	High interest
High power	Keep satisfied: inform them of key decisions	Key players: active and continuous engagement
Low power	Minimal monitoring: subjects of minimal monitoring only	Keep informed: keep them informed about the project

Key players, with high power and high interest, require active and continuous engagement; in effect the project is co-managed with them. Stakeholders with high power but low interest should be kept satisfied by being informed of key decisions: they are not concerned with daily activities, but a decision against the project on their part could be fatal, so they should never be surprised. Stakeholders with low power but high interest, often target groups or civil-society bodies, are to be kept informed; their goodwill and feedback are valuable even though they cannot block the project. Those with low power and low interest are subjects of minimal monitoring only.

The matrix feeds the fourth stage, shown on the right of the slide. For each category the team determines the format of engagement (how the category is engaged), its frequency (how often communication takes place) and its channels (which means are used). The plan should cover the entire project life cycle, from the active engagement of key players to minimal monitoring.

This answers the second self-check question. A simple list records who the stakeholders are but treats them all alike; the matrix assigns each a position and a corresponding intensity of engagement. Its managerial value lies in prioritisation. A project team has limited time, and the matrix directs it towards the relationships on which the outcome most depends, preventing both neglect of an influential party and wasteful attention to a peripheral one. It also makes the team's assumptions visible and open to challenge, since two members of the consortium may place the same stakeholder in different quadrants. Because such positions are judgements made at one moment, they must be reviewed during implementation.

4. Theory of Change and Intervention Logic

► SLIDE 16

The analysis of Sections 2 and 3 tells us what is wrong, for whom, and who matters. It does not yet explain how a project will make things better. Section 4 supplies that explanation. We ask how and why the expected change will occur, how the theory of change differs from the logical framework matrix, and what the vertical "if-then" logic of a project is. Both prepare the ground for the matrix in Section 5.

Theory of Change: The Pathway from Inputs to Impact

► SLIDE 17

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 chain of cause and effect.

The chain that the slide shows has five links. **Inputs** are the resources invested in the project. **Activities** are the actions carried out using the inputs. **Outputs** are the immediate products and services that the activities create. **Outcomes** are the intermediate changes for the target groups that follow when the outputs are used. **Impact** is the long-term change to which the whole chain is directed. Between the links the slide places the letter A, for assumption: a condition necessary for each successive level of the chain genuinely to follow from the preceding one. The identification of assumptions is mandatory.

The words "how and why" are the heart of the definition. Many designs state that certain activities will lead to a certain change without saying why. The theory of change insists on the mechanism. Training sessions do not by themselves produce exports; they produce trained managers (an output), and managers change their behaviour (an outcome) only if they have the time, the incentive and the contacts to apply what they learned. Each of those "only if" conditions is an assumption, and the designer must state it so that it can be examined and, where necessary, addressed. The phrase "in a specific context" is equally significant: a chain that works in one region or sector may fail in another because the assumptions differ.

Illustrative example. For the SME project: inputs are the grant, staff time and external experts; activities include establishing a market-information service and training managers; outputs are the service and the trained managers; the outcome is that participating SMEs use the information and skills to enter foreign markets; the impact is stronger competitiveness of regional firms. Assumptions along the chain might include that managers can release time for training and that foreign buyers remain accessible. The example is hypothetical.

Terminology needs a word of caution. Donors and methodologies name the links differently, so students should learn the correspondences, set out with the intervention logic below, and always use the vocabulary of the donor to whom they apply.

Theory of Change and the Logframe Compared

► SLIDE 18

The theory of change and the logical framework matrix are complementary tools, and the third self-check question asks for the fundamental difference between them. In brief, the logical framework matrix is a structured summary document, whereas the theory of change is a broader analytical tool that justifies the logic of the project even before it is formalised in the logframe. The table sets out the contrast.

	Theory of change	Logical framework matrix
Purpose	Explains how and why change will occur in a specific context	Formalises the logic in objectives, indicators, sources and assumptions
Character	A broader analytical and often visual tool	A structured summary document
Form	A diagram with cause-and-effect arrows, plus a narrative explanation	A tabular (4×4) representation of the intervention logic
Role in applications	Justifies the logic before it is formalised	A mandatory element of most grant applications to EU programmes and other donors

The sequence on the slide is significant: the theory of change justifies the logic of the project first, and the logframe then summarises it in a structured form. The two protect against different weaknesses. A logframe on its own can be completed mechanically, each cell plausible but with no evidence that the levels truly connect; the theory of change exposes the reasoning behind them and allows it to be criticised. A theory of change on its own is a narrative, and narratives can persuade without being measurable; the logframe forces the reasoning into a fixed structure in which every level has an indicator, a source of verification and stated assumptions. Because donors ask for the logframe, the designer must master both.

Intervention Logic: The Vertical Hierarchy of Objectives

► SLIDE 19

Intervention logic is the vertical hierarchy of a project's objectives, which forms the core of the Logical Framework Approach.

It consists of four levels, each described on the slide by a characteristic verb. The **overall objective (impact)** is the long-term, strategic effect to which the project *contributes* together with other initiatives; a project generally cannot ensure it on its own. The **specific objective, or purpose (outcome)** is the central element: the direct effect for target groups that the project *achieves* through the use of its results, and, as a rule, it is formulated in the singular. The **results (outputs)** are specific, measurable products and services that the project *delivers*, directly controlled by the project team. The **activities** are the specific actions that the project *carries out* to obtain the results, using defined resources.

The four verbs mark a gradient of control. The team controls its activities and, to a large extent, its results. It does not control the specific objective, which depends on whether target groups actually use the results, but it is accountable for achieving it. It controls the overall objective least, since other initiatives and external circumstances also affect it; the project can only contribute. A project that promises to "achieve" regional economic growth is therefore claiming what it cannot deliver, whereas one that promises to contribute to it makes an honest claim. It also explains why the specific objective is the level at which success is judged.

The correspondence with the theory of change is direct: the overall objective corresponds to impact, the specific objective to outcome, the results to outputs, and the activities, together with the resources that support them, to activities and inputs.

The fifth self-check question asks why the specific objective should be formulated in the singular. The answer lies in focus and accountability. The specific objective states the one change for which the project is answerable; if it is split into several, the design becomes a bundle of separate aims that compete for the same resources and cannot be evaluated against a single measure of success. Several objectives often indicate that the idea comprises more than one project, or that means have been mistaken for objectives. A singular formulation forces the team to decide what the project is for. The recommendation is a rule of thumb ("as a rule"), not an absolute prohibition, but a designer who departs from it should be able to justify why the several changes cannot be expressed as one.

The Vertical "If-Then" Logic

► SLIDE 20

The four levels are connected by a chain of conditional statements. If activities are implemented, then results are obtained; if results are obtained, then the specific objective is achieved; if the specific objective is achieved, then a contribution is made to the overall objective. At each step the statement holds only given the relevant assumptions. The slide presents this as a staircase read from the bottom upwards, and the reading is itself the analytical test: the designer speaks each step aloud and looks for the steps at which the "then" does not follow with certainty.

Those steps are almost always where external conditions enter. The step from activities to results depends largely on the team's competence and resources, so its assumptions are few. The step from results to the specific objective depends on whether target groups adopt and use what the project produces; the step to the overall objective depends on the actions of many others. Each step up therefore holds only if the assumptions at that level hold, and these are external conditions outside the team's control, to which Section 5 turns. The logic is best regarded as a hypothesis about how change will occur, which monitoring during implementation (Lecture 8) will test against evidence.

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

► SLIDE 21

The logical framework matrix (logframe) is a tabular representation of a project's intervention logic and a mandatory element of the vast majority of grant applications under EU programmes and other international donors. Three questions guide this section. How is the classical 4×4 matrix structured? What makes an indicator SMART? And when does an assumption become a "killer assumption"?

The Logframe: A 4×4 Matrix

► SLIDE 22

The classical logframe is a table of four rows and four columns. The rows correspond to the four levels of the intervention logic; the columns correspond to four categories of information: the intervention logic itself, the objectively verifiable indicators (OVIs), the sources of verification (SoV) and the assumptions.

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>

The first column repeats the vertical hierarchy of Section 4. The second column answers the question "how will we know that this level has been reached?", and the third answers "where will the evidence be found?". At the level of activities the indicators column is different in kind: it lists the resources (funds, staff, equipment) required, and the sources column names the sources of information on how they are spent. The fourth column asks "what else must be true?".

The assumptions column should be read diagonally. The assumption in a given row is the condition that must hold for the level of that row to lead to the level above it. Thus the assumptions in the activities row link activities to results, those in the results row link results to the specific objective, and those in the specific objective row link that objective to the overall objective. The overall objective has no assumption of its own, because there is no higher level to which it leads. Below the column, the pre-conditions are the conditions that must be in place before the activities can begin at all.

A completed logframe disciplines the project's own thinking. Evaluators use it to judge the coherence of the design; Lecture 3 uses it to structure the application, and Lecture 8 bases the monitoring of results and objectives on its indicators. Its value depends on the quality of the cells, to which the next two subsections turn.

SMART Indicators with Baseline and Target Values

► SLIDE 23

Objectively verifiable indicators must meet the SMART criteria. An indicator is **Specific** when it states precisely what is measured; **Measurable** when it can be quantified or objectively verified; **Achievable** when it is realistic with the available resources; **Relevant** when it is linked

to the objective or result it tracks; and **Time-bound** when it specifies when the value is to be reached. In addition, every indicator needs a baseline value at the start of the project and a target value at its completion. Without a baseline there is nothing from which to measure change; without a target there is no definition of success.

The slide gives an objective-level indicator as an illustrative example: "Number of SMEs in the target region that conclude at least one export contract by the end of the project". It is specific, naming the unit (SMEs), the place (the target region) and the event (an export contract); measurable, since contracts can be counted; relevant to a specific objective concerned with internationalisation; and time-bound, since it refers to the end of the project. Whether it is achievable depends on the values chosen for baseline and target.

Illustrative example. Suppose that, in the twelve months before the project starts, 40 SMEs in the target region concluded at least one export contract (baseline), and that the consortium sets 60 SMEs as the target for the completion of the project. The intended increase is 20 SMEs, or 50 per cent of the baseline. Whether that target is achievable must be judged against the resources and the expected number of participating firms. The figures are hypothetical and are used only to show what a baseline and a target are; in a real proposal they come from the needs analysis.

For results-level indicators the matrix asks for quantity, quality and timing: how many products or services, of what standard, delivered by when. Every indicator must also have a source of verification. If no reliable source exists, the designer has two choices: to choose a different indicator, or to include data collection among the project's own activities and budget. To leave the cell empty, or to fill it with "project reports", defeats the purpose of the column. Students should formulate an indicator for one result of their own project idea and test it against the five criteria.

Assessing Assumptions: Identifying "Killer Assumptions"

► SLIDE 24

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. The slide offers a sequence of three questions for deciding how any candidate factor is to be treated.

1. Does the factor lie outside the direct control of the project team? If it does not, it is not an assumption: what the team controls is planned as an activity or a management task.
2. Is it necessary for the transition to the next level of the intervention logic? If it is not, it is not an assumption and does not belong in the matrix.
3. Is the probability that the condition will hold low, and would its failure have a critical impact on the project? If the answer is no, the factor is an ordinary assumption and is entered in the fourth column of the logframe. If the answer is yes, it is a killer assumption.

Killer assumptions are those whose probability of occurrence is low, meaning that the favourable condition is unlikely to hold, but whose effect on the project would be critical. A

project built on such a condition rests on something unlikely to be there, and the slide accordingly requires either a revision of the project design or the development of additional mitigation measures. A killer assumption should never simply be entered in the matrix and forgotten. It calls for action while design is still possible: changing the approach so that the project no longer depends on the condition, or planning measures that reduce the dependence.

Illustrative example. The fourth self-check question asks for a killer assumption in a project of cross-border economic cooperation. Consider the assumption that "security conditions in the border region allow representatives of firms from both sides to meet in person and to move goods across the border throughout the project". It lies outside the team's control, it is necessary for the transition from results to the specific objective, and its holding cannot be counted on. The designer might redesign the project so that key activities can be carried out online, engage partners in alternative locations, or build flexibility into the schedule. The example is hypothetical, given to show the method; it is not a statement about any real border.

Assumptions are normally worded as positive conditions ("the regulations governing exporters remain stable"), and the corresponding risks as adverse events. The logframe and the risk register are therefore two views of the same uncertainty, and Lecture 7 shows how the assumptions of the logframe feed the risk register and an assumptions log during implementation.

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

► SLIDE 25

A design may be methodologically flawless and still not be funded. Section 6 completes the design process by asking why even a flawless idea can fail to secure funding, how strategic fit with a donor and a call is analysed, and which horizontal priorities apply to almost every EU project.

Four Elements of Strategic Fit Analysis

► SLIDE 26

No project idea, however methodologically flawless, will secure funding unless it conforms to the priorities predetermined by a specific donor and a specific call. Donors fund what is consistent with their own strategies, and a call is an instrument for advancing those strategies. Strategic fit, or alignment, analysis has four elements.

1. **Studying the donor's programming documents.** These comprise multiannual strategic frameworks, the work programmes of funding instruments, and the thematic priorities of the year or call. This is the starting point of the analysis.
2. **Matching the objectives with the priorities of the call.** The designer identifies the priority direction, or call topic, to which the idea corresponds, and adapts the wording of the objective and results to the donor's terminology.

3. **Analysing the horizontal priorities.** These are gender equality, environmental sustainability, digitalisation and non-discrimination.
4. **Analysing comparative advantages.** The applicant explains why this consortium has the institutional capacity, experience and partner network required.

Alignment is not a matter of relabelling. Adapting the wording to the donor's terminology helps evaluators to recognise the project's relevance, but the underlying idea must genuinely address what the call asks for; an idea stretched to fit a call for which it was not designed will show its seams under evaluation. Equally, a project designed only to chase available money loses the first component of relevance discussed in Section 1, the connection to real needs. The sound order is therefore the one followed in this lecture: analyse the needs first, and then look for the calls whose priorities overlap with them. Strategic fit is that overlap.

Aligning the Project Idea with Donor Priorities

► SLIDE 27

The slide presents the alignment as a funnel to be read from top to bottom. At the top is the multiannual strategic framework, which sets broad priorities; the example given is the EU's Multiannual Financial Framework 2021–2027. Beneath it is the work programme of the funding instrument, which translates those priorities into topics; the example is the Horizon Europe Work Programme 2026–2027. Beneath that are the thematic priorities of the year or call, that is, the call topic to which the idea corresponds. At the bottom of the funnel stands the project's own objective and results, worded in the donor's terminology.

European Commission, "2021–2027 long-term EU budget & NextGenerationEU" (commission.europa.eu); "Horizon Europe work programmes" (research-and-innovation.ec.europa.eu).

The right-hand side of the slide states the two practical tasks: to find the call topic by determining which priority direction the idea corresponds to, and to speak the donor's language by adapting the wording of the objective and results. The reason for the effort is that conformity with strategic priorities is both a formal eligibility criterion and a substantive award criterion in the qualitative assessment of an application; Lecture 3 examines both. An application can thus fail at the threshold, because it is not eligible for the call, or in the ranking, because its contribution to the call's priorities is judged weaker than that of its competitors. The two documents named on the slide are examples of the levels of the funnel; applicants must always check which framework and which work programme apply to the call they have in mind.

Horizontal Priorities and Comparative Advantages

► SLIDE 28

The horizontal, or cross-cutting, priorities are gender equality, environmental sustainability, digitalisation and non-discrimination. They are to be taken into account in the vast majority of EU projects, regardless of their thematic focus, and this is the answer to the sixth self-check question. Whether a project concerns export promotion or vocational training, it is expected to say how it addresses them. They should be treated as design questions, not as a closing paragraph. The gender and social analysis of Section 2 provides the evidence for gender

equality and non-discrimination; the choice of delivery formats influences environmental sustainability and digitalisation.

Illustrative example. In the SME project, gender equality might be addressed by analysing the barriers faced by women-led firms and disaggregating participation indicators by sex; digitalisation and environmental sustainability might be served together by offering part of the training online, which also reduces travel; non-discrimination might be reflected in the accessibility of venues and materials. These are ways of integrating the priorities, not requirements of any particular programme.

The fourth element of the analysis is comparative advantage. The applicant must justify why this particular consortium possesses the institutional capacity, the experience and the partner network necessary for successful implementation. Capacity is shown by staff, facilities and management systems; experience by earlier projects and results; and the network by partners whose roles complement one another. The justification links directly to the quality of feasibility from Section 1, and it anticipates the building of the consortium in Lecture 4.

Conclusion

► SLIDE 29

The lecture has followed a single chain of reasoning. Design begins with analysis of the problem, its causes and effects, and the people concerned, both those who are to benefit and those who can help or hinder the project. The problem tree records that analysis; the objective tree turns it into a picture of the desired state; and strategy analysis selects the branch that this consortium, with these resources, can address in line with the donor's priorities. The theory of change then explains why the chosen intervention should produce the change, and the intervention logic arranges it as four levels linked by "if-then" statements. The logical framework matrix formalises the result by adding indicators, sources of verification and assumptions, and strategic fit analysis tests the completed design against the programming documents, call topics and horizontal priorities of the donor. Each step depends on the one before it, so an error at an early step is carried through to every later one, which is why design errors are so costly.

Key takeaways:

- Project design turns an idea into a structured, justified concept; errors made at this stage are rarely correctable later.
- The theory of change justifies how and why change will occur; intervention logic sets the vertical "if-then" hierarchy.
- Problem and objective trees make cause and effect explicit; strategy analysis selects the branch the project will cover.
- The logframe combines objectives, SMART indicators, sources of verification and assumptions; killer assumptions require redesign or mitigation.

- Stakeholder analysis moves from an exhaustive list, through the power–interest matrix, to an engagement strategy.
- Strategic fit with the donor's documents, the call and horizontal priorities is both an eligibility and an award criterion.

The next lecture, Lecture 3, "Developing an International Project Proposal and Grant Application", takes the design completed here and shows how it is expressed in the documents that a donor actually assesses.

Questions for Self-Assessment

► SLIDE 30

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?

Questions 1, 3 and 6 can be answered directly from the text of this lecture; questions 2, 4 and 5 ask students to apply the concepts to their own reasoning or examples.

Recommended Reading

► SLIDES 31–32

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.

The European Commission's Project Cycle Management guidelines are the core reference for the Logical Framework Approach. The Sida handbook and the DFID/BOND guidance deepen the treatment of the logframe and the theory of change respectively, and the Horizon Europe

Programme Guide shows how programme priorities are expressed for applicants. The lecture closes with questions and discussion.

Glossary of Key Terms

Term	Definition
Project design	A systematic analytical process of transforming a previously formulated idea into a structured, justified project concept suitable for implementation; in PCM it corresponds to the identification and formulation phases.
Problem tree	A tool for structuring a problem situation and visualising cause-and-effect relationships: the core (focal) problem, the central negative state the project seeks to overcome, is placed in the middle, its causes below and its effects above.
Objective tree	The problem tree transformed into positive, desired states: the core problem becomes the objective, causes become means and effects become expected benefits.
Strategy analysis	The selection of the branch of the objective tree that the project will cover, having regard to the consortium's comparative advantages, its resources and the donor's priorities.
Target group analysis	The segmentation of the groups or organisations with an interest in resolving the problem, and the profiling of their needs, characteristics and barriers to access (gender and social analysis).
Stakeholder analysis	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.
Power–interest matrix	A grid that distributes stakeholders across four quadrants (key players, keep satisfied, keep informed, minimal monitoring) according to their power and interest.
Theory of Change (ToC)	A methodology that explains how and why the expected change will occur in a specific context, defining the chain from inputs through activities, outputs and outcomes to impact, with mandatory identification of assumptions.
Intervention logic	The vertical hierarchy of a project's objectives (overall objective, specific objective, results, activities) that forms the core of the Logical Framework Approach.
Overall objective (impact)	The long-term, strategic effect to which the project contributes together with other initiatives, but which it cannot ensure on its own.
Specific objective (purpose, outcome)	The central element of the intervention logic: the direct effect for target groups from using the project's results; as a rule formulated in the singular.
Logical framework matrix (logframe)	A tabular (4×4) representation of the intervention logic, with indicators, sources of verification and assumptions; a mandatory element of most grant applications to EU programmes and other donors.

Term	Definition
Indicator and source of verification	An objectively verifiable indicator (OVI) measures achievement at a given level of objectives; the source of verification (SoV) is the data source, method and frequency of collection by which it is checked.
SMART indicator	An indicator that is Specific, Measurable, Achievable, Relevant and Time-bound, with a baseline value at the start of the project and a target value at its completion.
Assumption	An external factor or condition outside the direct control of the project team that is necessary for the transition from one level of the intervention logic to the next.
Killer assumption	An assumption whose probability of occurrence is low but whose impact on the project would be critical; it requires a revision of the design or additional mitigation measures.
Strategic fit (alignment)	The conformity of a project idea with the programming documents, call topics and horizontal priorities of a specific donor, together with the comparative advantages of the applicant.
Horizontal (cross-cutting) priorities	Priorities to be taken into account in the vast majority of EU projects regardless of thematic focus: gender equality, environmental sustainability, digitalisation and non-discrimination.

Sources for Current Data

The deck cites two external sources, both used on slide 27 and reproduced here without further factual additions.

European Commission, "2021–2027 long-term EU budget & NextGenerationEU", commission.europa.eu (the EU's Multiannual Financial Framework 2021–2027, cited on slide 27).

European Commission, "Horizon Europe work programmes", research-and-innovation.ec.europa.eu (the Horizon Europe Work Programme 2026–2027, cited on slide 27 as an example of an instrument-level work programme).