API CMS

INDIVIDUAL PROJECTS LIFE CYCLE SCHEDULE

Application of the Methodological Principles

March 2013












Background

Conclusions of the GTE Meeting on the API CMS (Lima, Peru)

a) It is necessary to respect the fundamental objective of the API CMS, i.e. **to record the progress of the projects from a regional perspective**, omitting details.

b) In some cases, the task grows more difficult due to the **complexity of a specific project**, which may involve different sectors, modalities, and countries.

c) It was agreed to **continue the practice of classifying the projects into four project life cycle stages**, as agreed by the governments in 2008.

It was agreed that the CCT, in consultation with the governments, would polish up its initial proposal concerning the projects life cycle schedule in order to consider all these aspects, and would define, as accurately as possible, their scope of content.

Refined proposal for the API Individual Projects Life Cycle Schedule (LCS)

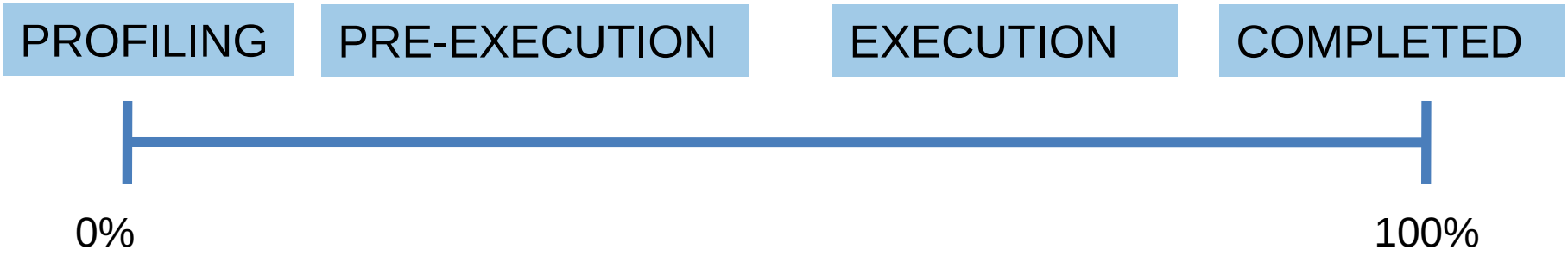
Objective of the LCS

- ✓ Record the progress of the API individual projects from a regional perspective in successive periods (every half-year or year)
- ✓ Later on, monitor the crucial stages of the structured projects
- ✓ Finally, identify any restrictions affecting these projects that require special efforts by the governments involved to be overcome.

The aim of the CMS is to have a broad view that is demanding in terms of the comparability of the projects but avoids too much detail.

Recording Project Progress

- It was agreed to keep using the four project life cycle stages previously adopted by consensus.



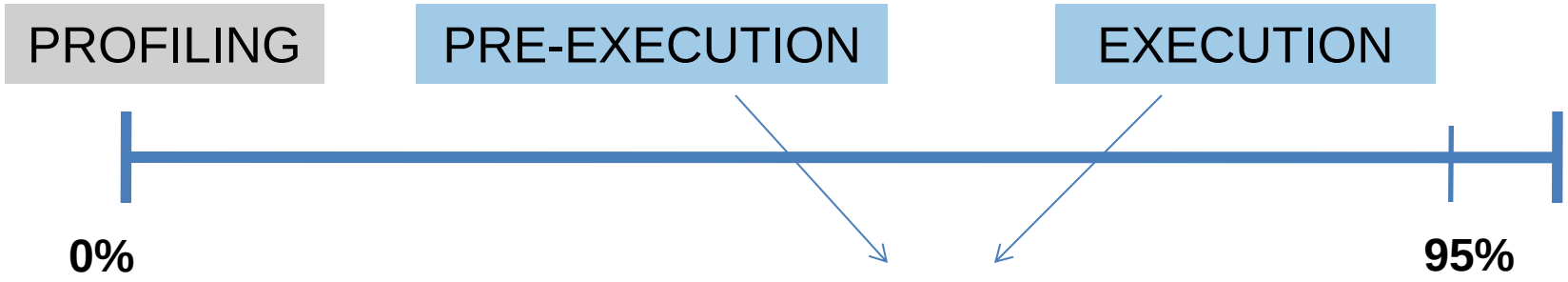
Recording Project Progress (cont.)

PROFILING

0%
STARTING POINT

API Set Up Criterion No. 2: Project feasibility studies should be available, or the country should have the funds allocated to start their execution.

Recording Project Progress (cont.)



These stages take most of the project life cycle time, approximately 10 years in most cases.

It is necessary to subdivide them in order to assses the project progress and prevent it from seeming "frozen" for many years.

PRINCIPLE OF SUBDIVISION

Recording Project Progress (cont.)

PROFILING | PRE-EXECUTION

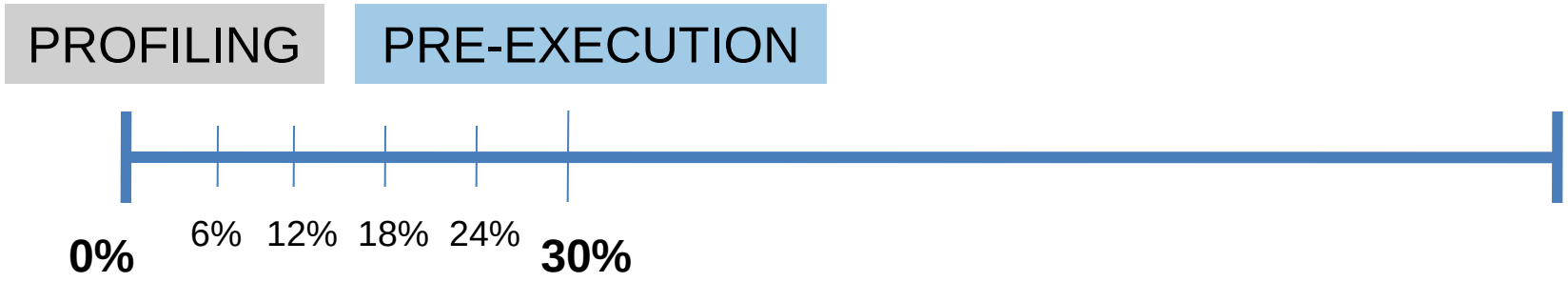
This stage involves:

- Preparatory studies for the works (pre-feasibility, feasibility, and investment)
- Permits and various kinds of formalities (environmental, jurisdictional, and of other nature)
- Resource mobilization from various sources of financing for the works at the execution stage

Possible Practical Problems:

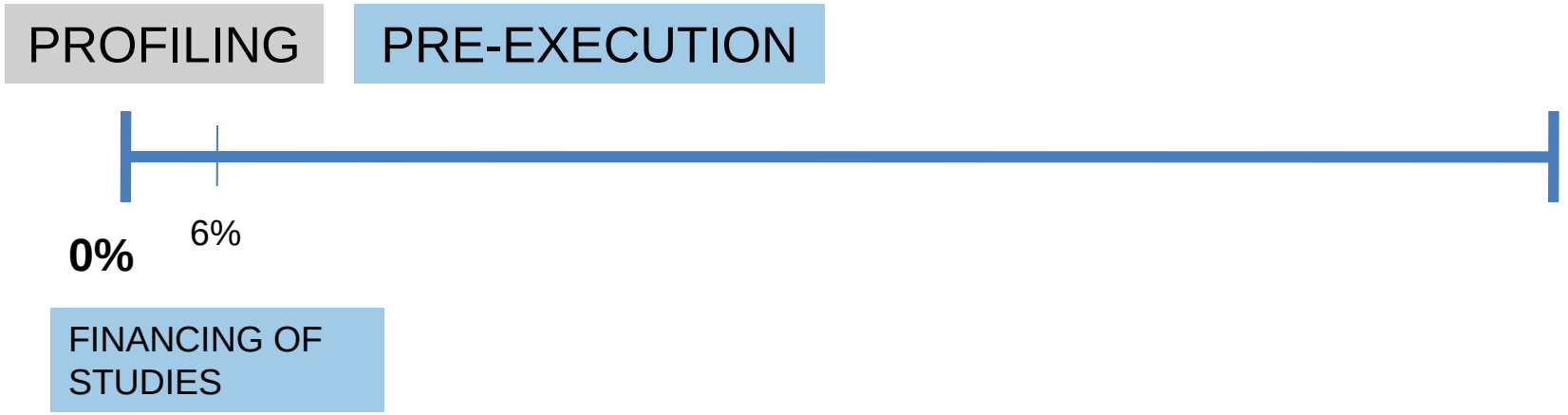
- Variability among projects, sectors and countries
- Sequential, overlapping, or simultaneous tasks
- Sub-stage automatic completion in some cases

Recording Project Progress (cont.)



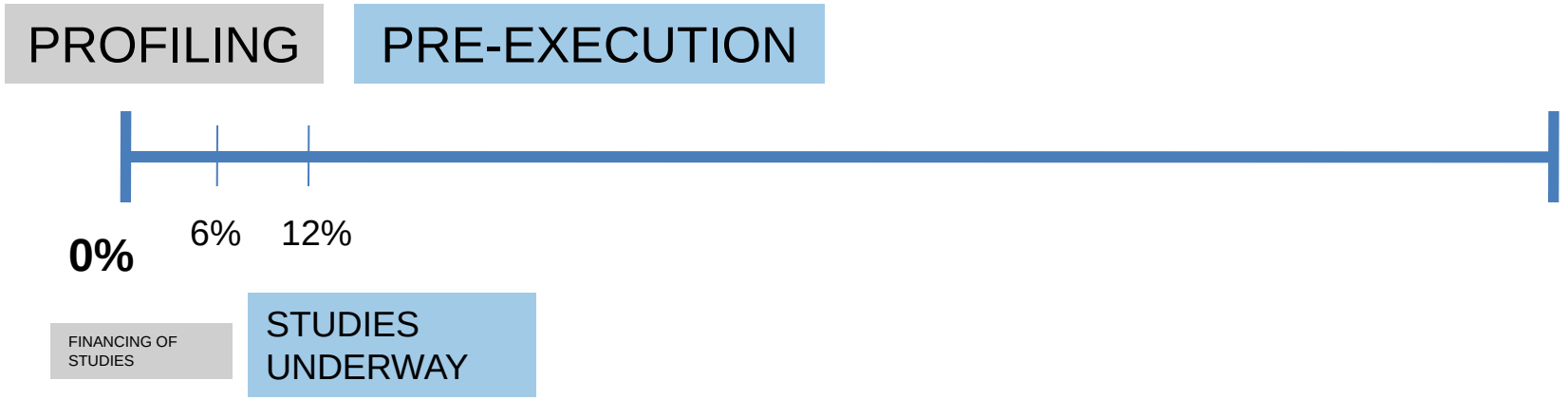
The pre-execution stage ranges from 0 to 30% of the project life cycle schedule, and it is proposed to subdivide it into five sub-stages carrying an equal weighting.

Recording Project Progress (cont.)



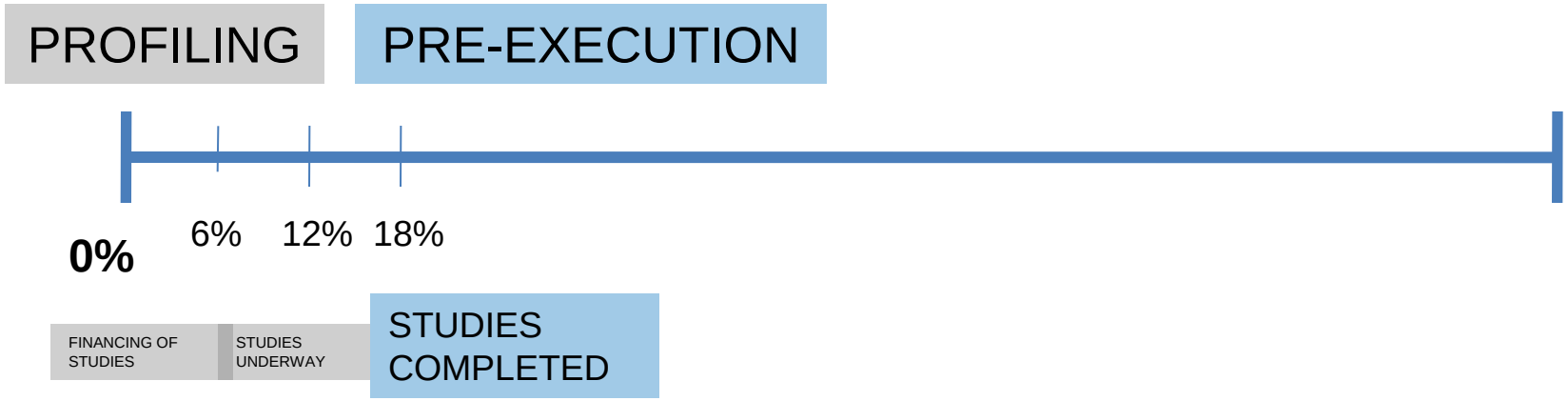
This first sub-stage will be completed when the financial resources are actually available and all the institutional arrangements (e.g. award by tender) necessary to conduct the most advanced studies required for the implementation of the project have been made.

Recording Project Progress (cont.)



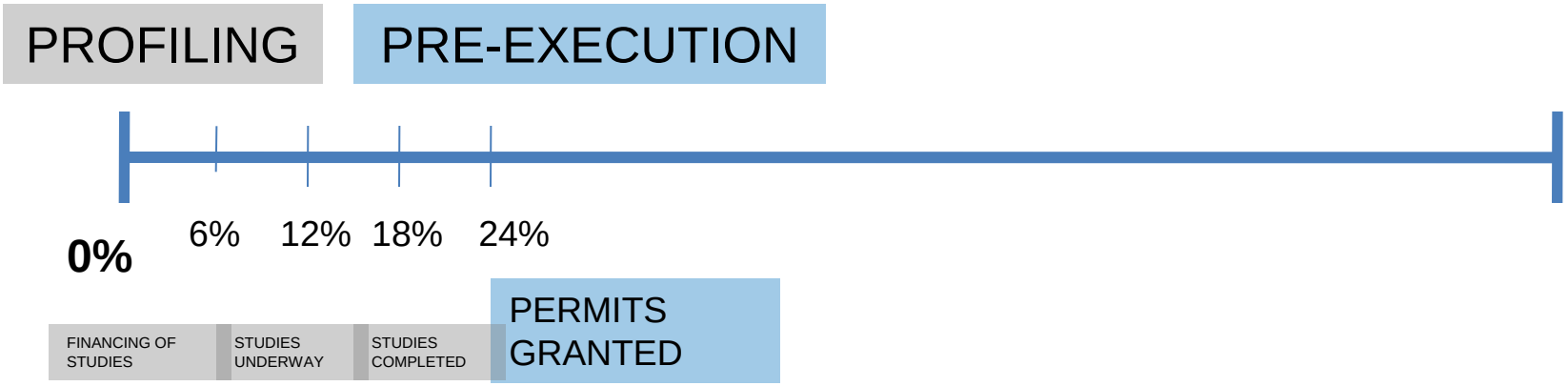
Studies will be considered to be underway when any pre-execution study has been launched, and will be recorded as such until completion of the study representing the level required by the project concerned to move to the "completed studies" sub-stage.

Recording Project Progress (cont.)



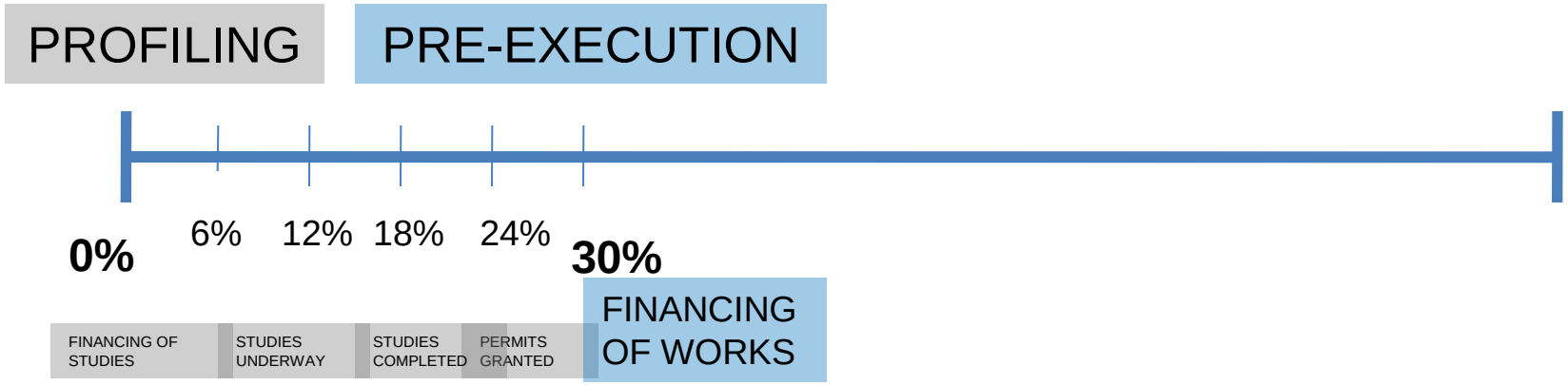
Studies will be deemed to be completed upon approval of the study representing the highest level required by the project concerned to move to the execution stage. The completion of the studies of the previous levels will not be recorded in the system, and such studies will remain at the "studies underway" sub-stage.

Recording Project Progress (cont.)



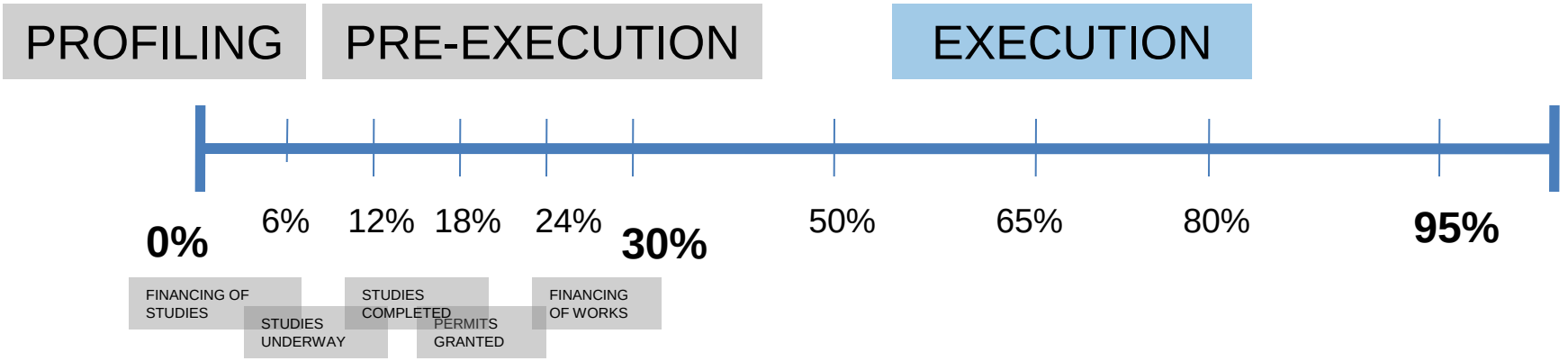
This sub-stage will be considered to be completed only when all permits have been granted and/or all the institutional formalities required by the project to move to the execution stage have been carried out. In other words, no partial completion of this sub-stage will be recorded. In those cases in which interaction with the studies stage is very strong, both sub-stages may be consolidated in order to record their simultaneous completion.

Recording Project Progress (cont.)



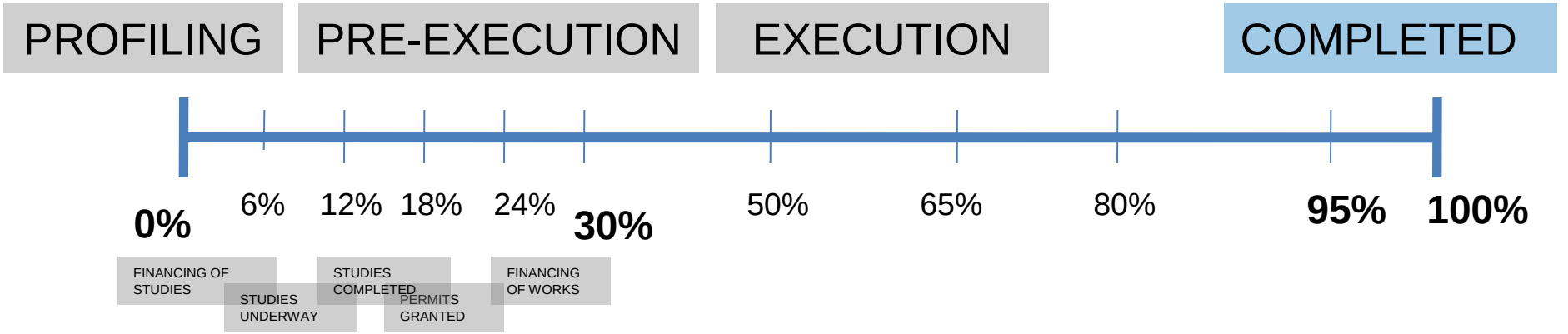
This sub-stage will be deemed completed when the project has been allocated the financial resources for executing the works and all the other actions scheduled. This relates only to the commitment to finance the entire project and does not necessarily involve that all the funds have been disbursed. While the availability of these financial resources may be a mere formality in some cases, in others it may require a considerable effort.

Recording Project Progress (cont.)



The execution stage (which ranges from 30 to 95% of the project scheduled tasks) is proposed to be subdivided into four sub-stages (50%, 65%, 80% and 95%). To establish the end of each stage, the investment amounts required, the time frames involved, or the significant milestones in the progress of the works might be used.

Recording Project Progress (cont.)



It is proposed to reserve 5% of the total schedule to provide for the time gap between the end of the physical works and their effective start-up after handed over to the authorities.

In brief, the projects LCS is as follows:

PROJECT STAGES AND SUB-STAGES										
PROFILING 0%	PRE-EXECUTION 30%					EXECUTION 65%				COMPLETED 5%
0% Initial status	6% Financing of studies	12% Studies underway	18% Studies completed	24% Permits granted	30% Financing of works	50% First quarter of works	65% Second quarter of works	80% Third quarter of works	95% Fourth quarter of works	100% Works handed over
SCHEDULE, PROGRESS, AND DEVIATIONS										
	Completion MM/YY	Completion MM/YY	Completion MM/YY	Completion MM/YY	Completion MM/YY	Completion MM/YY	Completion MM/YY	Completion MM/YY	Completion MM/YY	Completion MM/YY

Conclusions

1) The concept and definition of the project are of critical importance. API involves 88 individual projects with very different degrees of complexity. Therefore, in some cases it may be necessary to disaggregate the most complex individual projects in order to develop a more homogeneous universe of API individual projects.

2) The presence of "automatisms." This issue arouse at the pre-execution stage during past experiences in applying the original methodology (for example, concerning the availability of funds to execute the works). When completion of a sub-stage is automatic, the project will go through it in a very short time, i.e. it will go through two sub-stages in virtually the same period of time.

3) The possible simultaneous completion of the sub-stages, manifestly contrary to the implicit concept of sequential completion. In principle, the extreme version of this idea seems difficult to accept, as it would require that all sub-stages commence at the same time and, also, take exactly the same period of time for completion.

4) The possibility of always finding an escape route from a seemingly insolvable situation. For instance, if there is no way to avoid the automatisms and the simultaneous occurrence of the processes, an imaginary assumption of time frames could be used as a basis for the subdivision and the recording of project progress.

TO SUM UP

A sensible balance between intellectual rigor and imagination is fundamental. On occasions, it is not possible to simply apply the methodology in a direct manner, but finding the “trick” for the specific case is necessary. It is then important to be flexible and use some degree of compromise. In these cases, it is difficult to offer a general recipe, but it is possible to provide some guidelines.

When difficulties are encountered in the application, the first point to bear in mind is what the objective of the CMS is and why the subdivision is necessary.