The Importance of an Effective Project Management Approach to EU Projects

A Case Study: CBRN COE Project Failure Means Putting the EU’s Security at Risk¹

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Abstract

CBRN are weaponized or non-weaponized Chemical, Biological, Radiological and Nuclear (CBRN) materials that can cause great harm and pose significant threats in the hands of terrorists. Recently, the European Union (EU) together with the European Commission’s Joint Research Centre (JRC) and the United Nations Interregional Crime and Justice Research Institute (UNICRI) have established some CBRN Centres of Excellence (CoE) in several regions worldwide. The objective of these CoEs is to mitigate CBRN risks of criminal, accidental or natural origin by promoting a coherent policy, improving coordination and preparedness at national and regional levels and by offering a comprehensive approach covering legal, scientific, enforcement and technical issues. This is planned to be done through projects, but also establishing these CoEs in eight different regions is a complex project in itself that requires an effective plan, execution and project management approach. The relevant EU initiative currently covers African Atlantic Façade; Central Asia; Eastern and Central Africa; Gulf Cooperation Council Countries; Middle East; North Africa; South East Asia; South East Europe, Southern Caucasus, Moldova and Ukraine. In each region a regional secretariat has been or is being established to assist partner countries in the assessment of national needs, to facilitate the implementation of projects and to provide technical support to national chemical, biological, radiological and nuclear teams, in particular in the development of related national action plans and the development or enhancement of an integrated policy in this area.

Although the European Commission (EC) uses the Project Cycle Management (PCM), which is an approach of management activities and decision-making procedures used during the life cycle of a project. There is no standardized project management methodology approach highlighted in the stated plans for the “The Cycle of Activities” of the CoEs. According to PMI, program failure in government can have dreadful consequences. In addition to the very bad visibility of being seen mismanaging public initiatives, project failure can results in taxpayer funds being wasted. Not to mention that in the current political and economic circumstances, the ‘euro-crisis’ governments are highly scrutinize on their spending. According to PMI, government organizations

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in the USA risk $148 million for every $1 billion dollars spent, which demonstrates that
government lags behind private industry in key success areas that point a way forward for
effectively managing programs.

This same assumption applied to the CoE initiative means that without a standardized
project management approach, it will be more difficult to realize the stated goals and benefits of
this initiative in general. There are different project management methodologies that cater to
the needs of different projects spanned across different domains such as PMP, PRINCE2, EXIN
AGILEPM and IPMA. Not to mention, there is a wealth of knowledge on establishing Project
Management Offices as a basis of international best-practices. This paper emphasises the need for a
standardized project management approach to assure success of the CoE initiatives. Just as with
other EU-funded projects, not only is the tax-payers money at stake – but potentially the increased
risk of a CBRN event, which is even more disastrous for the reputation of Europe and safety of its
citizens.

This paper will also explore the importance of an effective project management approach in
the execution of CBRN CoE and their projects and emphasize that in the cycle of the activities of
the programme there are two important steps that must be managed with a careful project
management approach (project implementation and benefits realization). Also, the paper will
examine examples best-practices in implementing a strong project management approach in the
public sector to see how the EU can learn from best practices in other countries that have an
integrated project management approach.

Key words: CBRN, Project Management, Global Risks, Centres of Excellence, EU Institutions
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Introduction

CBRN are weaponized or non-weaponized CBRN materials that can cause great harm and
pose significant threats in the hands of terrorists. Recently, the EU together with the European
Commission’s Joint Research Centre (JRC) and the United Nations Interregional Crime and Justice
Research Institute (UNICRI) have started the implementation of the CBRN CoEs. The objective of
the CoEs is to mitigate CBRN risks of criminal, accidental or natural origin by promoting a
coherent policy, improving coordination and preparedness at national and regional levels and by
offering a comprehensive approach covering legal, scientific, enforcement and technical issues.

This is planned to be done through projects, but also establishing such CoEs in eight
different regions is a complex project in itself that requires an effective plan, execution and project
management approach. The initiative currently covers African Atlantic Façade; Central Asia;
Eastern and Central Africa; Gulf Cooperation Council Countries; Middle East; North Africa; South
East Asia; South East Europe, Southern Caucasus, Moldova and Ukraine. In each region a regional
secretariat will be established to assist partner countries in the assessment of national needs, to
facilitate the implementation of projects and to provide technical support to national chemical,
biological, radiological and nuclear teams, in particular in the development of related national
action plans and the development or enhancement of an integrated policy in this area.
Although the European Commission uses the Project Cycle Management (PCM), which is an approach of management activities and decision-making procedures used during the life cycle of a project, there is no stated standardized project management approach highlighted in the stated plans for the “The Cycle of Activities” of CoE. Without a consistent project management approach and methodology, it will be more difficult to realize the stated goals and benefits of this initiative. There are different project management methodologies that cater to the needs of different projects spanned across different domains such as PMP, PRINCE2, EXIN AGILE and IPMA. A standardized project management approach should be infused into the critical processes, procedures and organizational culture of the initiative to ensure the success of the CoE initiatives worldwide. Just as with other EU-funded projects, not only is the tax-payers money at stake – but potentially the consequences of a CBRN event, which is even more disastrous for the reputation of Europe and safety of its citizens.

This paper will also explore the importance of an effective project management approach in the execution of CBRN CoE and their projects and emphasize that in the cycle of the activities of the programme there are two important steps that must be managed with a careful project management approach (project implementation and benefits realization). Also, the paper will examine examples best-practices in implementing a strong project management approach in the public sector to see how the EU can learn from best practices in other countries which have an integrated project management approach.

Background on CBRN issues and an Introduction to the CoE, an EU Initiative

CBRN are weaponized or non-weaponized Chemical, Biological, Radiological and Nuclear materials that can cause great harm and pose significant risk in the hands of terrorists. Weaponized materials can be delivered using conventional bombs (e.g., pipe bombs), improved explosive materials (e.g., fuel oil-fertilizer mixture) and enhanced blast weapons (e.g., dirty bombs). Non-weaponized materials are traditionally referred to as Dangerous Goods (DG) or Hazardous Materials (HAZMAT) and can include contaminated food, livestock and crops.

The EU CBRN CoE is a worldwide EU initiative jointly implemented with the European Commission’s Joint Research Centre (JRC) and the United Nations Interregional Crime and Justice Research Institute (UNICRI). The objective of the establishment of the regional CBRN CoEs under the EU initiative Instrument for Stability in various parts of the world outside the Europe in order to assist the EU in fighting the international CBRN threats and to minimize the associated hazards by adopting adequate prevention, preparedness and response measures. The main aim of CoEs and their Regional Secretariats is to strengthen the institutional capacities of selected countries to mitigate CBRN risks, including such criminal activities as CBRN proliferation and terrorism. The CoEs are supposed to assist the EU in developing a structural, all-hazards CBRN policy at the national, regional and international levels to be able to respond the these threats, and to reduce the vulnerability of countries to CBRN events. Until recently, the main attention in this field was paid to the countries of the former Soviet Union focusing on nuclear safeguard and security of nuclear material and high-activity radioactive sources. At present, however, the growing interest in developing nuclear, biotechnology and chemical capabilities in many countries in Africa, Middle East and in South East Asia requires the extension in implementing reliable and efficient tools to improve the safety and security of the CBRN material on a global scale.
The EU CBRN CoE aims to mitigate CBRN risks of criminal, accidental or natural origin by promoting a coherent policy, improving coordination and preparedness at national and regional levels and by offering a comprehensive approach covering legal, scientific, enforcement and technical issues. The Initiative mobilizes national, regional and international resources to develop a coherent CBRN policy at all levels, thereby aiming to ensure an effective response.

In each region a regional secretariat will be established to assist partner countries in the assessment of national needs, to facilitate the implementation of projects and to provide technical support to national chemical, biological, radiological and nuclear teams, in particular in the development of related national action plans and the development or enhancement of an integrated policy in this area.

The Cost of Poor Project Management

The EU is still enduring the negative effects of the economic-crisis, and thus it is important to reduce the cost of poor project management. According to PMI, project management in government institutions can have devastating consequences. Not only from the negative visibility of the current government, but also the frustration of mismanaged tax payer’s funds during an economic crisis. A study published by PMI demonstrated that government organizations risk $148 million for every $1 billion dollars spent. This demonstrated that governments are indeed behind in terms of best practices, when compared to private industries in competence areas such as effectively managing projects. Just a quick search in the online press reveals online articles that highlight the poor management of certain EU funds and projects – see figure below:

Figure 1. Examples of Articles highlighting Inefficient Funding for EU Projects
Around the world this trend has been observed, and many countries are taking action, driving government to adopt Project Management methodologies across their departments. For example, the UK government has streamlined PRINCE2 in their complex projects and many Canadian Government departments are now adopting PRINCE2 as a common project management approach in the public sector. Environment Canada, which is a department within the Federal Canadian government, has decided to drive the implementation of PRINCE2. This federal department is responsible for the country’s projects that focus on the environment including: protecting and preserving natural resources, forecasting weather and environmental change. This implementation is a formidable task since the department has a staff of over 6,000 professionals and a budget of over $500 million dollars. In the USA, the Federal government boasts project managers that are supported by the application of PRINCE2 project management method as a standard approach as they deliver IT investments that satisfy requirements of the Clinger-Cohen Act and Capital Planning and Investment Control.

Another positive example of a government-funded organization, which implemented a Project Management Office (PMO) to ensure standardized project execution, is Health Infoway, which also became the 1st Canadian recipient and the first government-funded organization to win the prestigious PMO of the Year Award in Canada. Although independent, it is funded by the government and oversees CA$2.1 billion in public funds, and works on advising on a portfolio of digital healthrecord projects. What is outstanding is that only 4% percent of projects in the Infoway portfolio have failed.

Governments worldwide are aware of this trend, and seeing the headlines from the figure above demonstrate that the EU is no exception. These same problematic issues in project execution are trying to be mended through EU Budget efficiency and improvements in the next financial framework (2014-20). These improvements place a focus on designing rules and programmes in a way that will reduce errors across the board, and in the meanwhile ensuring greater focus on the quality of the spending through Simplification, stronger incentives and stronger deterrents. However, no mention of a stronger project management approach is mentioned.

Also, the European Commission has made a positive stride forward by creating their own project management methodology called Project Cycle Management (PCM). The European Commission requires the use of the PCM principles, for the identification, appraisal, implementation and evaluation of EU funded projects. According to the European Commission, this approach helps to ensure that projects are supportive of the overarching policy objectives of the European Commission and of development partners; are relevant to an agreed strategy and to the real problems of target groups/beneficiaries; are feasible, meaning that objectives can be realistically achieved within the constraints of the operating environment and capabilities of the implementing agencies; and generate sustainable benefits. Nevertheless, a more comprehensive and standardized project management approach is necessary at an EU-level. Now it is the turn for EU to take on the same challenges as Environment Canada and the UK government and let CBRN issues be the impetus for this unified project management approach.
The Butterfly Effect and Risk Management with CBRN Issues

Although the PCM approach has been a good starting point for improved project success, it is by no means the final result, and continuous improvement for a standardized project management approach for the execution of projects is necessary. And unlike the projects that were mentioned in the above figure, the risk of CBRN projects failing translate directly into deadly risks for EU citizens. Not to mention, that with the rise of the world’s interconnectedness, growing integration and complexity, we have entered into an age of new systemic risks as described Dr. Edward Lorzen in the term “Butterfly Effect”. He explained this phenomenon as a butterfly flapping its wings in Brazil will cause a chain reaction which could cause a hurricane or tornado in Texas. What he meant by that was that essentially that small changes in an initial condition can lead to a large scale and unpredictable variation in the state of a system. CBRN risks fall into the category of systematic global risks, just as financial crisis was the first of the systemic crises of the 21st century that started in North America, but whose consequences we are still living today - but certainly this will not be the last.

CBRN threats demonstrate as well the importance of a standardized project management approach, focused also on risk management. In an interconnected world, we have been connected by the forces of globalization in such a way that a CBRN risk in a distance country that one could perceive as inconsequential, could have the potential to cause a chain reaction, which in turn can have a profound consequence somewhere else in the world (i.e. a nuclear substance in a former soviet country could be used for a dirty bomb in the Western world). A strong project management approach also integrates risk management as a central tenant, which in complex times helps to reduce risk and effectively navigate the complexities of our interconnected world. With CBRN projects, which are inherently complex, this additional dimension of risk management must be taken into consideration.

The critical Dependence on Project Management in the Cycle of Activities of the CoE

The cycle of activities of the CoE is represented as six critical phases. The success of two key cycle activities is strongly dependent on the success of the project management and programme management approach. These activities are:

- Project Implementation
- Review and Quality Control and Impact Assessment
Firstly, in Project implementation, the CoE under the supervision of the Regional Secretariats and the European Commission, contracted resources together with the National Teams to implement the projects. The Regional Secretariats also provide logistical support when necessary. According to the CoE website there are currently, 40 EU projects being executed and two pilots being run. Since the CoE initiative is relatively new, with the first project starting in 2013 the majority of the projects can be assumed to be in execution (or implementation) phase. This category is the one that requires the most focus on a strong project management approach because this is the phase in which the plan designed in the prior phases of the project life are put into action. The purpose of project execution is to deliver the project expected results (deliverable and other direct outputs). At this phase, it is necessary that the appropriate Project Management controls and milestones are integrated into the process and that stakeholders are working together (project level, national and EU) to ensure the success of the project. In the various PM methodologies that exist on the market such as PMP this is the moment when clear milestones are reviewed, decision points and metrics to measure your success. Otherwise, it is not such an efficient process and the need for skilled Project Managers is necessary to ensure proper control, checks and monitoring.

Secondly, the Review and quality control and impact assessment step, where according to the CoE “The European Commission, together with the Regional Secretariats and the National Teams, evaluate implementation of activities, and carry out quality control, review and impact assessment. The analysis of the review and feedback will provide the basis for improving the CBRN guidelines, the technical support and the management of the network.” For the projects that will be finishing, this phase can be seen as analogous to the principle of benefits realisation management (BRM) in programme management, which is the process for the identification, definition, tracking, realisation and optimisation ensuring that potential benefits arising from a project are actually realised. Many of the early CoE project will be entering into this phase shortly.
Conclusions - Looking forward to a more effective Project Management Methodology

The PMI 2013 Pulse of the Profession report found that “organizations with developed project management practices, benefits realization processes, portfolio management practices and program management practices and those with high organizational agility all have significantly better project outcomes than their counterparts who are less advanced in their project management practices”. And since the current Programming Period 2014-2020 of the European Commission holds lots of promise to fund projects, the EU must consider the right approach to project management.

The opportunity of European Funds and direct grants continues to offer a wide range of funding prospects in the Member States. However, as the EU engages in more complex projects funding is often not used as effectively as possible due to lack of an effective project management approach. The ‘2012 PMI Pulse of Profession’ study found that organizations with more than 35% PMP certified project managers had a better project performance. And according to a 2007 PricewaterhouseCoopers survey, 80% of high performing projects use a credentialed project manager.

Efficient programme and project management is critical to ensure that EU projects are delivered successfully, while effectively and efficiently using tax payer’s funds. There are many methodologies and standards that can further compliment the current EU PCM. Not to mention, internationally there have been many success stories and best practices that the EU can emulate such as the adoption of PRINCE2 in Environment Canada. Also, tapping into the wealth of knowledge of PM organizations on establishing PMOs and certifications has many benefits, which can help to ensure that complex projects like the CoE initiatives have a better chance of success and expected benefits are maximized. This is especially critical when discussing the case of CBRN threats.

Applying a strong project management approach to these initiatives will complement existing methodologies and in turn diminish the risk of CBRN events. As such helping to guide these projects through a more standardize and predictable set of activities (from controlled start-up to review), through well managed milestones and resources (identifying stakeholders and interdependencies) and will keep all parties clear about their goals and individual responsibilities. Therefore, securing the safety of EU citizens from a CBRN event and ensuring an efficient and positive image of Europe.

More research is needed into this field, especially as many initial CoE initiatives will be soon reaching the “review and quality control and impact assessment step”, which will be a good opportunity to measure progress and benefits of these initiatives, but also take the occasion to look-back and see if a strong project management approach is necessary.
Bibliography


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Kamil Mroz (PRINCE2 Practitioner, LSS Black Belt) is the Managing Director of the European Centre for Project Excellence SCS in Belgium.

Kamil graduated from the University of Ottawa with a double Bachelor's degree in Chemical Engineering and Biochemistry, later completing a Masters of Arts in International Relations at the Brussels School of International Studies (University of Kent), where he also served as the President of the Graduates' Student Union. In 2013, he received the IPMA Young Project Manager of the Year and in 2014 he was awarded the Young Alumni of the Year by the Faculty of Engineering at the University of Ottawa. In addition, he is frequently invited as a keynote speaker on leadership, entrepreneurship, community development, project management and youth empowerment. He enjoys contributing to articles and publications in sharing his experience in project management, and in 2014 was invited to write the forward to Peter Taylor’s (award winning author) book entitled “Real Project Management”.

Kamil was invited twice as ‘Leader of Tomorrow’ to the St. Gallens’ Symposium, received a Coin of Excellence from the Canadian Chief of Defence Staff and is currently the President of JCI ‘The Heart of Europe’, which aims to provide development opportunities that empower young people to create positive change. He is also known to have conceptualized and led two successful international projects as a volunteer Project Manager (Quo Vadis Leadership Conference and Your Future).

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