HUMANITARIAN ACADEMY · HUMANITAIRES JOBS

Mini MBA Project Management and AI: PMP, PRINCE2, Agile and PMD Pro applied to humanitarian work

Course handout · Week 3 : PRINCE2: principles, practices, processes and roles applied to humanitarian work

A programme of exactly 3 months (12 weeks, 144 hours) to manage humanitarian projects with the main methodologies and artificial intelligence: project cycle, PMBOK and PMP, PRINCE2, Agile (Scrum, Kanban) and hybrid approaches, Project DPro (PMD Pro), logical framework, theory of change and results-based management, planning and critical path, donor budget and earned value, risks and stakeholders, MEAL, donor reporting, change management, leadership and closure. At every step, AI (Claude, Gemini, Copilot and project management tools) is used methodically, protecting the data of the people we serve. Corrected numerical exercises, three monthly exams with case studies, and a verifiable diploma from the Humanitarian Academy. Independent preparation programme: it does not award the PMP, PRINCE2 or PMD Pro certifications, which are obtained through the official exams.

https://humanitairejobs.org/en/academy/mini-mba-gestion-projet-ia/semaine-3/

Free document from the Humanitarian Academy. It may be printed and shared freely for training purposes, without modification.

Week 3 : PRINCE2: principles, practices, processes and roles applied to humanitarian work

Objectives

- Explain the five integrated elements of PRINCE2 7: principles, people, practices, processes and project context.
- Use continued business justification, management by stages and management by exception in a donor-funded project.
- Tailor PRINCE2 to an NGO (roles, documents, tolerances) and position the Foundation and Practitioner certifications.

Origin and logic of PRINCE2

PRINCE2 (*PRojects IN Controlled Environments*) is a method born in the UK public sector, now owned by **PeopleCert** (which acquired AXELOS). The 7th edition dates from 2023.

Where the PMBOK describes *what you need to know*, PRINCE2 describes *how to organise and control* a project: who decides what, when, on the basis of which documents. Public donors appreciate it because it makes governance readable.

PRINCE2 7 rests on **five integrated elements**: **principles**, **people** (new in the 7th edition: leadership, culture, change management), **practices**, **processes** and the **project context**, which requires the method to be tailored.

The 7 principles

1. **Ensure continued business justification**: the project must remain justified (benefits, costs, risks) from start to finish. If conflict makes the area inaccessible for a long time, the justification is reviewed instead of continuing out of inertia.
2. **Learn from experience**: lessons are sought at the start, recorded along the way and passed on at closure.
3. **Define roles, responsibilities and relationships**: who represents the interests of the organisation, the users and the suppliers.
4. **Manage by stages**: the project is divided into management stages, with a formal decision at the end of each.
5. **Manage by exception**: **tolerances** are set (time, cost, scope, quality, benefits, risk); as long as you stay within them, the lower level decides; beyond them, it escalates.
6. **Focus on products**: deliverables and their quality criteria are defined precisely before activities are planned.
7. **Tailor to suit the project**: the method adjusts to size, risk and context; a small NGO does not produce 30 documents.

The 7 practices and the 7 processes

The **practices** (called "themes" before 2023) are aspects managed continuously: **business case**, **organizing**, **plans**, **quality**, **risk**, **issues** (which includes change management) and **progress**.

The **processes** describe the flow:

- **Starting up a project**: check that the project is viable and worth launching;
- **Directing a project**: project board decisions throughout;
- **Initiating a project**: project plan, detailed business case, strategies;
- **Controlling a stage**: the project manager's day-to-day work;
- **Managing product delivery**: the team managers' work;
- **Managing a stage boundary**: review and plan of the next stage;
- **Closing a project**: acceptance, evaluation, lessons.

The roles: the project board

The **project board** brings together three interests:

- the **executive**, solely accountable, guardian of the justification: in an NGO, often the country director or programme director;
- the **senior user**, who represents those who will use the results: in humanitarian work, make sure the voice of affected populations is carried, for example through community feedback and local partners;
- the **senior supplier**, who represents those who produce: head of the technical department, construction company, implementing partner.

Below the board: the **project manager**, **team managers**, **project assurance** (independent oversight, for example the quality or MEAL team) and **project support**. One person may hold several roles in a small organisation, except executive and project manager, which must remain separate.

Tailoring PRINCE2 to an NGO and using AI

A realistic tailoring for a project of EUR 300,000 to 2 million:

- a **project initiation document** of 10 to 15 pages (business case, organisation, plan, tolerances, quality approach, risks, communication);
- **stages** aligned with funding tranches or the donor's interim reports;
- simple **tolerances**: for example ±10% on each main budget line and ±3 weeks on milestones;
- a monthly one-page **highlight report**, and an **exception report** as soon as a tolerance is forecast to be exceeded.

AI helps produce these documents from your notes: "From these minutes, write a one-page PRINCE2 highlight report: progress, variances against tolerances, risks and issues, next actions.

Do not invent any figure." It can also play the executive and ask the hard questions before the board. It replaces neither the project manager's analysis nor the board's decision.

PRINCE2 certifications

Certifications are awarded by **PeopleCert** after an official exam:

- **PRINCE2 Foundation**: knowledge of the method, multiple-choice exam, no prerequisites;
- **PRINCE2 Practitioner**: application to a scenario, after the Foundation (or certain other recognised certifications);
- **PRINCE2 Agile**: combines PRINCE2 governance with agile practices.

Formats, durations, pass marks and renewal rules change: check them on the official website before registering. This Mini MBA gives you the basics and case practice; the certification is obtained only through the official exam.

Exercise: tolerances and management by exception

Situation. Stage 2 of a food security project of the fictitious NGO Nahda: stage budget EUR 220,000, cost tolerance ±8%, time tolerance ±2 weeks. Halfway through the stage, the project manager forecasts a final stage cost of EUR 241,000, due to higher seed prices, and a 10-day delay.

Task. 1) What are the limits of the cost tolerance? 2) Does the forecast exceed the tolerances? 3) What must the project manager do?

Answer. 1) 8% × 220,000 = EUR 17,600; tolerance from 202,400 to 237,600 EUR. 2) Cost: yes, 241,000 > 237,600 (forecast overrun of EUR 3,400 beyond tolerance, i.e. +9.5% on the stage budget). Time: no, 10 days remain within ±2 weeks. 3) They must write an **exception report** to the board without delay: cause, impact, options (reduce quantities, change supplier, reallocate, ask the donor for a budget increase), recommendation. The board may request an **exception plan** to replace the stage plan.

Key takeaways

- PRINCE2 7 rests on 5 integrated elements: principles, people, practices, processes and context.
- The 7 principles, including continued justification, management by stages and by exception, are mandatory.
- The project board brings together the executive, the senior user and the senior supplier.
- Tolerances determine who decides; a forecast overrun triggers an exception report.
- PRINCE2 is tailored: an NGO keeps a few short documents, aligned with the donor's stages.

Quiz

1. Who is solely accountable for a PRINCE2 project?
   A. The project manager
   B. The executive
   C. The senior supplier
   D. Project assurance

2. Which element was added as an integrated element in PRINCE2 7?
   A. People
   B. The critical path
   C. The sprint
   D. Earned value

3. Management by exception relies on:
   A. No reports
   B. Daily meetings
   C. Tolerances set for each level
   D. Donor approval for every expense

4. Stage budget EUR 100,000, tolerance ±5%. A forecast of EUR 104,000:
   A. Requires an exception report
   B. Exceeds the tolerance
   C. Requires stopping the project
   D. Stays within tolerance

5. In PRINCE2 7, the "Issues" practice includes:
   A. Change management
   B. Payroll
   C. External communication
   D. Final evaluation

Quiz answers : 1. B · 2. A · 3. C · 4. D · 5. A