1. Download and Install XAMPP which is a free and open-source cross-platform web server solution stack package. It consists of the Apache HTTP Server, MariaDB database and interpreters for scripts written in the PHP and Perl languaes.
2. Open XAMPP and start Apache and MySQL, once done, you can go to `http://localhost` and see the XAMPP welcome page which implies that the Apache server is running. If PHP is already installed, one can create a simple PHP file to verify that PHP is working and by going to `http://localhost/filename`, you should see the file execute in the browser.
3. Create a directory within `C:\xampp\htdocs` called `project` for example and all PHP scripts can be saved there.
4. `http://localhost/phpmyadmin` can be used to create a database to be used by projects .
5. A unique session ID is generated. Session data is stored on the server. Developers can set session variables using the "$\_SESSION" global array. In order to retrieve session data, the session ID is retrieved and thus allows the retrieval of data. After 24 minutes, sessions expire, PHP automatically cleans up expired sessions.

PHP differentiates between different user sessions using session IDs. PHP checks the session ID sent by user to identify the corresponding session data.