



European  
Commission



# *Aid Delivery Methods*

Volume 1

## **Project Cycle Management Guidelines**

Supporting effective implementation of EC External Assistance

March 2004

European Commission

EuropeAid Cooperation Office  
Rue de la Loi 41 — B-1049 Brussels  
Fax (32-2) 299 64 07  
E-mail: europeaid-info@cec.eu.int

Development DG  
Rue de Genève 12 — B-1140 Brussels  
Fax (32-2) 299 25 25  
E-mail: development@cec.eu.int

Internet: <http://europa.eu.int/comm/world>  
<http://europa.eu.int/comm/europeaid>  
<http://europa.eu.int/comm/development>  
<http://europa.eu.int/comm/external.relations>



# *Aid Delivery Methods*

Volume 1

## **Project Cycle Management Guidelines**



# TABLE OF CONTENTS

	ACKNOWLEDGEMENTS	vii
	ABBREVIATIONS	viii
1	INTRODUCTION	1
1.1	PURPOSE OF THE GUIDELINES	1
1.2	USERS AND USE	3
1.3	OVERVIEW OF CONTENTS	3
PART 1		
2	EUROPEAN COMMISSION DEVELOPMENT COOPERATION POLICY	4
2.1	PARTNERSHIP STRATEGIES WITH DEVELOPING COUNTRIES	4
2.2	NEW DIRECTIONS IN DEVELOPMENT COOPERATION POLICY	4
2.3	CROSS CUTTING ISSUES	5
2.4	OWNERSHIP AND PARTICIPATION	6
3	THE PROJECT APPROACH	8
3.1	WHAT IS A PROJECT?	8
3.2	WEAKNESSES OF THE PROJECT APPROACH	9
3.3	SECTOR APPROACH AND BUDGETARY AID	10
3.4	IMPLICATIONS FOR EC SUPPORT TO PROJECTS	13
3.4.1	When is a project appropriate?	13
3.4.2	Improving the quality of projects	14
4	PCM OPERATIONAL GUIDELINES	16
4.1	OVERVIEW	16
4.1.1	The cycle of operations	16
4.1.2	PCM and managing 'Calls for Proposals'	17
4.1.3	PCM principles and the Logical Framework Approach	17
4.1.4	Key documents and responsibilities	18
4.1.5	Decision making points, options and lead responsibilities	20
4.1.6	Quality support and assessment system	21
4.1.7	The financing decision	24
4.2	PROGRAMMING	26
4.2.1	Introduction	25
4.2.2	The programming process	25
4.3	IDENTIFICATION	27
4.3.1	Purpose	27
4.3.2	Key tasks and responsibilities	27
4.3.3	Key assessments and tools	29
4.3.4	Assessment criteria and standards	30
4.3.5	Key documents	32
4.3.6	Deciding next steps	33
4.4	FORMULATION	33
4.4.1	Purpose	33
4.4.2	Key tasks and responsibilities	33
4.4.3	Key assessments and tools	34
4.4.4	Assessment criteria and standards	35
4.4.5	Key documents	38
4.4.6	Deciding next steps	38



4.5	IMPLEMENTATION, INCLUDING MONITORING AND REPORTING -----	39
4.5.1	Purpose-----	39
4.5.2	Main periods -----	39
4.5.3	Definition of monitoring, regular review, evaluation and audit-----	40
4.5.4	Key tasks and responsibilities-----	41
4.5.5	Key assessments, tools and documents-----	43
4.5.6	Information collection and use - overview -----	43
4.5.7	Assessment criteria and standards-----	45
4.5.8	Deciding next steps -----	46
4.6	EVALUATION-----	46
4.6.1	Purpose and principles-----	46
4.6.2	Key tasks and responsibilities-----	47
4.6.3	Tools and key documents-----	47
4.6.4	Information requirements and evaluation criteria -----	49
4.6.5	Decision options-----	50
4.7	AUDIT -----	50
4.7.1	Purpose and principles-----	50
4.7.2	Key tasks and responsibilities-----	50
4.7.3	Tools and key documents-----	51
4.7.4	Information requirements and audit criteria-----	53
4.7.5	Decision options-----	53
<b>PART 2</b>		
<b>5</b>	<b>THE LOGICAL FRAMEWORK APPROACH -----</b>	<b>57</b>
5.1	OVERVIEW OF THE LOGICAL FRAMEWORK APPROACH -----	57
5.1.1	Background -----	57
5.1.2	What is it? -----	57
5.1.3	Link to the project cycle and key PCM documents -----	58
5.1.4	Practical issues in applying the Logframe Approach-----	58
5.1.5	Two main stages -----	60
5.2	THE ANALYSIS STAGE-----	61
5.2.1	Preparatory analysis-----	61
5.2.2	Stakeholder Analysis-----	61
5.2.3	Problem Analysis -----	67
5.2.4	Analysis of Objectives -----	69
5.2.5	Analysis of Strategies -----	70
5.3	THE PLANNING STAGE-----	71
5.3.1	The Matrix format, terminology and the process of preparation-----	71
5.3.2	First Column: Intervention Logic -----	74
5.3.3	Fourth Column: Assumptions-----	78
5.3.4	Second and third columns: Indicators and Source of Verification -----	80
5.3.5	Completing the draft Logframe matrix -----	84
5.4	ACTIVITY, RESOURCE AND COST SCHEDULES -----	85
5.4.1	Overview -----	85
5.4.2	A Checklist for Preparing an Activity Schedule-----	86
5.4.3	Preparing resource and cost schedules-----	90
5.5	USING THE LFA DURING FORMULATION, IMPLEMENTATION, EVALUATION AND AUDIT-----	92
5.6	A NOTE ON INTERLOCKING OR 'NESTED' LOGFRAMES -----	94
<b>6</b>	<b>INSTITUTIONAL CAPACITY ASSESSMENT-----</b>	<b>95</b>
6.1	WHY? -----	95
6.2	WHEN? -----	95
6.3	WHAT AND HOW?-----	95



7	MONITORING, REVIEW AND REPORTING	100
7.1	INTRODUCTION	100
7.1.1	Purpose	100
7.1.2	Definitions	100
7.1.3	Principles of good practice	101
7.1.4	Key steps in developing a project based monitoring system	102
7.2	TOOLS	102
7.2.1	The Logical Framework Approach	102
7.2.2	Risk management	103
7.2.3	Basic data analysis to generate performance information	105
7.2.4	Checklist for planning a short monitoring visit	107
7.2.5	Using question checklists for semi-structured interviews	108
7.2.6	Reviewing administrative and management records	110
7.2.7	Checklist for managing regular review meetings	111
7.2.8	Progress reports and updated plans	113
7.2.9	CRIS 'Implementation Report' format	117
8	PARTICIPATION & FACILITATION	118
8.1	PROMOTING PARTICIPATION AND OWNERSHIP	118
8.1.1	Objectives of participatory approaches	118
8.1.2	Principles	118
8.1.3	Approach	118
8.1.4	Intensity of participation	119
8.1.5	Promoting ownership	120
8.2	FACILITATION SKILLS	121
8.2.1	How we learn and what we remember	121
8.2.2	Adult learning	121
8.2.3	What makes a good participatory trainer/facilitator	122
8.2.4	Workshop Preparation	122
9	PREPARING TERMS OF REFERENCE	126
9.1	PURPOSE	126
9.2	USING TOR IN THE PROJECT CYCLE	126
9.3	FORMAT AND CONTENT OF TOR	126
9.3.1	Background to the assignment	126
9.3.2	Study objectives	127
9.3.3	Issues that might be included in a study/mission TOR	128
9.3.4	Methodology	134
9.3.5	Expertise required	134
9.3.6	Reporting requirements	134
9.3.7	Work plan and time-schedule	135
	ATTACHMENTS	136
	A1 - GLOSSARY OF KEY TERMS	136
	A2 - USEFUL REFERENCES	147



## ACKNOWLEDGEMENTS

These Guidelines have been prepared for the European Commission by the staff of the Aid Delivery Methods Helpdesk with the support of, and input from, a significant number of staff within the European Aid Cooperation Office (EuropeAID). It would be inappropriate to try and name all individuals who have contributed, however thanks to all those who have provided their time and ideas.

The work was directed by EuropeAID's Unit O3, which is responsible for Innovation, Thematic Research, the Quality Support Group and Financing Committees. Comments on these Guidelines should be directed to Virginia Manzitti, who can be contacted by email at [Virginia.Manzitti@cec.eu.int](mailto:Virginia.Manzitti@cec.eu.int)

The previous PCM manual of 2001 and the PCM Handbook of 2002 have been important source documents. Acknowledgement is given in the text (as footnotes) where materials are knowingly drawn from other source documents.

Electronic copies of this Guideline (and other related reference documents) can be accessed through the internet at:

[http://www.europa.eu.int/comm/europeaid/qsm/index\\_en.htm](http://www.europa.eu.int/comm/europeaid/qsm/index_en.htm)



## ABBREVIATIONS

AIDCO	EuropeAid Co-operation Office
ALA	Asia and Latin America (ALA) countries
ATM	Audit Task Manager
AWP	Annual Work Plan
BA	Budgetary Aid
CFPs	Call for Proposals
CRIS	Common Relex Information System
CSP	Country Strategy Paper
DAC	Development Assistance Committee
DG	Directorate-General
DG DEV	Development Directorate-General
DG RELEX	External Relations Directorate-General
EC	European Commission
ECHO	European Commission Humanitarian Office
EcoFin Analysis	Economic and Financial Analysis
EDF	European Development Fund
EU	European Union
EuropeAid	EuropeAid Co-operation Office
FA and FP	Financing Agreement and Financing Proposal
GTZ	German Agency for Technical Co-operation
HoU	Head of Unit
HQ	EC Headquarters in Brussels
IMF	International Monetary Fund
LF	Logical Framework
LFA and LFM	Logical Framework Approach and Logical Framework Matrix
M&E	Monitoring and Evaluation
MDG	Millenium Development Goals
MEDA	Mediterranean (MED) countries (signatories to the Barcelona process)
NIP	National Indicative Programme
OECD	Organisation for Economic Co-operation and Development
OFS	Order For Service
OVI	Objectively Verifiable Indicator
OWP	Overall Work Plan
PCM	Project Cycle Management
PIS	Project Identification Sheet
PG	Partner Government
PRSP	Poverty Reduction Strategy Paper
QSG	Quality Support Group
RELEX	External Relations
SA	Sector Approach
SOV	Source of Verification
SPSP	Sector Policy Support Programme
SWOT	Strengths, Weaknesses, Opportunities and Threats
TOR	Terms of Reference
UNDP	United Nations Development Programme





# 1. INTRODUCTION

In 1992 the European Commission adopted “Project Cycle Management” (PCM) as its primary set of project design and management tools (based on the Logical Framework Approach), and a first PCM manual was produced in 1993. The manual was subsequently updated in 2001, shortly after the publication of the EC’s most recent Development Policy document (April 2000).

A decision was made in early 2003 to update the PCM manual again (now referred to as the PCM ‘Guidelines’) as a result of:

- experience gained through implementing the ‘new’ development policy;
- issues raised by the ongoing international debate on aid effectiveness; and
- feedback from participants attending PCM training

The main refinements that have been made include:

1. Clarifying the main implications of the EC’s Development Policy with regard to the choice of aid delivery modality (namely projects, sector policy support programmes and/or budgetary aid);
2. Highlighting the importance of conducting an appropriate level of institutional and organisational capacity assessment during project identification and formulation;
3. Removing ‘Financing’ as a single stage in the cycle, given that the financing decision is taken at different times depending on the EC Regulation under which projects are financed (sometimes at the end of ‘Identification’ and sometimes after ‘Formulation’);
4. Incorporating some additional information on operational tasks and responsibilities at each stage of the cycle;

5. Providing a set of key quality attributes, criteria and standards (the Quality Frame) that can be consistently applied through the identification, formulation and implementation stages of the project cycle; and

6. Updating the Guidelines on the Logical Framework Approach and providing reference to some additional analytical tools which can support effective PCM.

Nevertheless, much of the core material/information presented in the previous PCM Manual and Handbook remains relevant and has therefore been incorporated in this latest version.

## 1.1 Purpose of the guidelines

These Guidelines have been prepared to support ongoing improvements in the quality of EC development assistance. Quality is defined primarily in terms of the relevance, feasibility and effectiveness of the programmes and projects supported with EC funds, including how well they are managed.

More specifically, the Guidelines aim to support good management practices and effective decision making throughout the project management cycle – from programming, through to identification, formulation, implementation and evaluation. The Guidelines aim to promote consistency and clarity of approach, while allowing for the operational flexibility required of a dynamic and diverse external assistance programme.

The Guidelines therefore provide:

- A description of the policy framework within which EC development assistance is provided, and the role of the project in relation to other aid delivery modalities;<sup>1</sup>

<sup>1</sup> See also the ‘Guidelines for EC Support to Sector Programmes’ and ‘Guide to the programming and implementation of Budget Support to third countries’.



- An operational framework within which staff of the RELEX family (EuropeAID, DG Development and DG External Relations) and other stakeholders can make effective and timely decisions related to Project Cycle Management;
- A description of key tasks, quality assessment criteria, documented information requirements and decision options at each stage of the cycle;
- A description of key tools that support effective PCM; and
- A resource to support training in PCM.

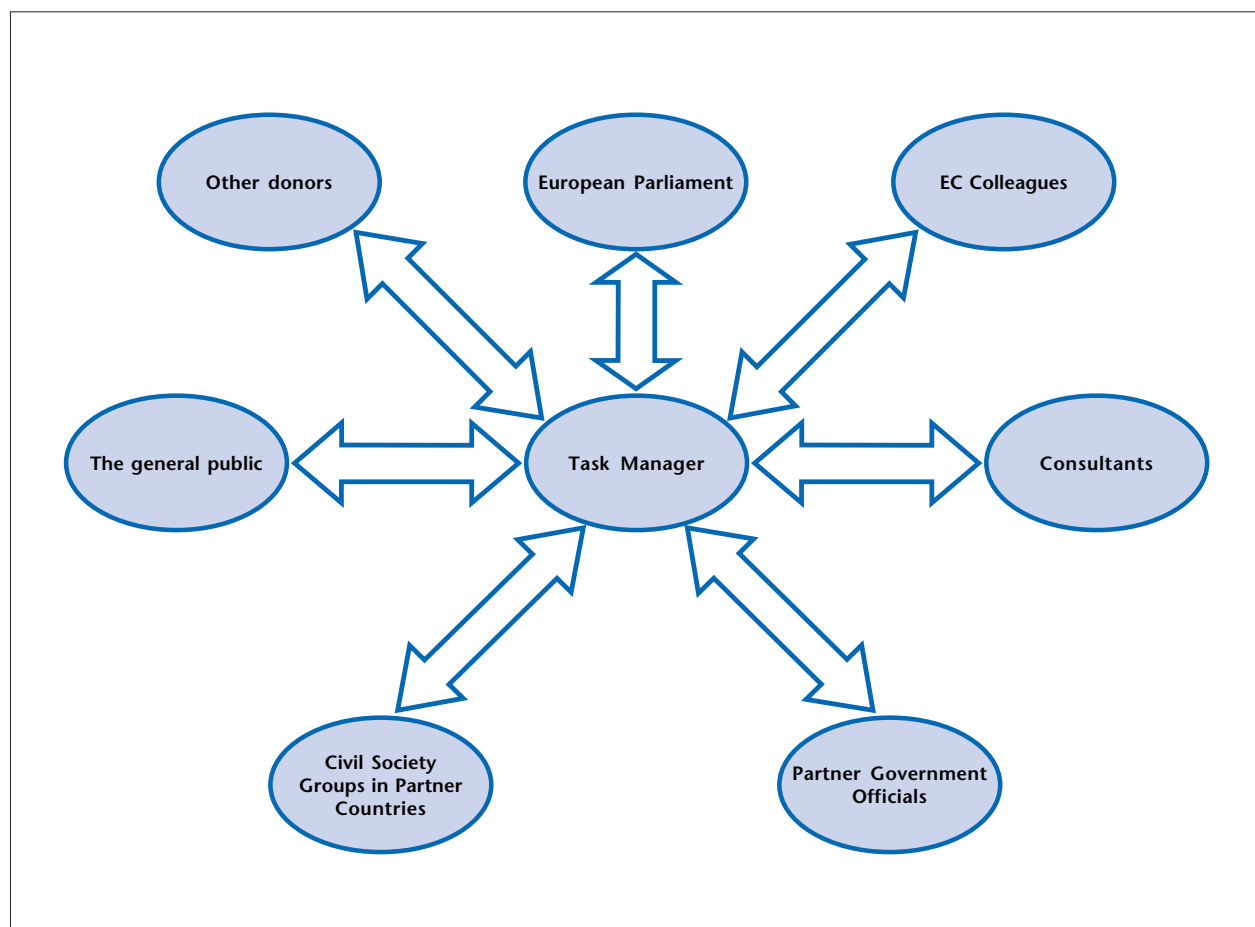
The Guidelines do not describe detailed operational and financial procedures, which are addressed separately in other official EC documents dealing with Financial Regulations.

The Guidelines should be used as an important reference and resource, but not as a substitute for experience, professional judgment and initiative.

Project cycle management is a complex and creative process – as much art as science – involving the negotiation of decisions acceptable to key stakeholder groups. Teamwork, negotiation and communication skills are thus central to effective PCM, as is an appreciation of the political context within which decisions are being made.

PCM provides an overall analytical and decision making framework, which must nevertheless be complemented by the application of other specific ‘technical’ and ‘process’ tools. Thus, the Guidelines should also be used in conjunction with other important EC reference documents relevant to specific sectors (e.g. Transport, health, education), to specific cross-cutting issues (e.g. good governance and human rights, gender, environment) and to specific assessment tools (e.g. Economic and Financial Analysis).

Figure 1 – The Task Manager’s Web of Relationships





## 1.2 Users and use

While the Guidelines are primarily targeted at EC Task/Project Managers (at Delegations and in Brussels) and their official partners in third countries, they should also assist other stakeholders such as NGOs, non-state bodies and consultants who are engaged in the design and delivery of EC supported projects and programmes.

The Guidelines can be used in a variety of ways, depending on the experience and work responsibilities of the reader. Newcomers to Project Cycle Management should familiarise themselves with Sections 2 to 4 of the Guidelines (Part 1) before referring to the Tools in Sections 5 to 9 (Part 2).

Those more experienced with PCM, and who are conversant with the EC's Development Policy (including the use of Sector Policy Support Programmes and Budgetary Aid), should focus on reading the PCM Operational Guidelines (Section 4), and should familiarise themselves with the Tools in Part 2 (Sections 5 to 9).

Once a reader is familiar with the general content of the Guidelines, it is expected that the primary points for ongoing reference will be the Quality Criteria provided at each main stage of the project cycle (Section 4) and the Tools (in Sections 5 to 9).

## 1.3 Overview of contents

Section	Summary description
<b>PART 1</b> <b>Section 2 – EC Development Policy</b> <i>This section sets out the broad policy context within which Project Cycle Management takes place</i>	Based on the objectives for Development Cooperation set out in Article 177 of the EU Treaty, and on priorities described in the EC's Development Policy of April 2000, this section describes: (i) partnership strategies with developing countries; (ii) reasons for a new direction in aid policy and the move towards greater use of Sector Programmes and Budgetary Aid; (iii) the key cross-cutting development issues that need to be considered during the project management cycle; (iv) the emphasis given to ownership and partnership, including the role of civil society; and (v) the need for harmonisation of donor policies and procedures.
<b>Section 3 – Role of the project</b> <i>This section provides an overview of the project approach as an EC aid delivery mechanism</i>	This section of the Guidelines provides: (i) a definition of 'the project' (including the diversity of project 'types'); (ii) highlights some of the potential weaknesses of the project approach, (iii) introduces the main principles behind the EC's approach to supporting Sector Programmes and using Budgetary Aid; and (iv) provides a concluding summary of the main implications with respect to the continued use of projects as an aid delivery mechanism.
<b>Section 4 – PCM operational guidelines</b> <i>This section provides an overview of Project Cycle Management and an operational description of each stage of the project cycle</i>	Project cycle management is described, including: (i) its purpose, (ii) key principles, (iii) stakeholders and responsibilities, (iv) decision options, (v) quality assessment criteria, and (vi) the key documents that are required. The importance of effective teamwork and communication are also emphasized.  At each stage of the project cycle, key information is provided with respect to: (i) the purpose of the stage, (ii) key tasks and responsibilities; (iii) analytical tools; (iv) quality assessment criteria; (v) key EC documents; and (vi) decision options.
<b>PART 2</b> <b>Sections 5 to 9 – Tools</b> <i>These sections provide a description of key tools that can be used to support structured analysis and informed decision-making at various stages of the project management cycle</i>	These sections provide a detailed description of the Logical Framework Approach and reference to a number of other complimentary tools, including: (i) institutional/organisational capacity assessment; (ii) monitoring and reporting tools; (iii) promoting participation and using group facilitation/training skills; and (iv) preparing Terms of Reference for key studies.
<b>Attachments</b>	The Attachments provide: (i) a glossary of key terms, and (ii) a list of useful reference documents and information sources.



## 2. EUROPEAN COMMISSION DEVELOPMENT COOPERATION POLICY

### 2.1 Partnership strategies with developing countries

Article 177 of the European Union (EU) Treaty sets out the three broad areas for European Community (EC) development cooperation. These are:

- The fostering of sustainable economic and social development;
- The smooth and gradual integration of the developing countries into the world economy; and
- The campaign against poverty.

Beyond these overarching Treaty objectives, regulations and international agreements based on geographical regions determine the specific EU/EC cooperation objectives. For example:

- Relations between the countries of Africa, the Caribbean and the Pacific (ACP) are set out in the comprehensive trade and development framework of the Lomé convention;
- In Asia and Latin America (ALA) countries, the emphasis is on strengthening the cooperation framework and on making an effective contribution to sustainable development, security, stability and democracy;
- With the Mediterranean (MEDA) countries, emphasis is on the establishment of a zone of peace, stability and prosperity, and on supporting economic and political reform and transition; and
- With selected partner countries in Eastern Europe and Central Asia, the TACIS program focuses its activities on institutional and legal reform, private sector and economic development, environmental protection, rural economy and nuclear safety.

The EC has three principal means of action to pursue its development objectives – political dialogue, development cooperation and trade. Significant emphasis is being placed by the EC on ensuring that these dimensions are '*Coherent, Complementary and Coordinated*'.

### 2.2 New directions in development cooperation policy

In November 2000, the European Parliament and the Council of Ministers approved the communication of the Commission on the '*Policy of the European Community for Development Cooperation*'. This sets out a new strategic direction for the programming and management of EC development assistance, based on lessons learned from both EC and other international evaluations of donor funded programmes and projects.

Guiding principles behind this policy include: (i) ownership by developing countries of their own development process; (ii) increased attention to the social dimension of growth and development, including giving **priority to poverty reduction** and the needs of vulnerable groups (including children, women and the disabled); and (iii) an increased focus on 'results'.

The main challenges to implementing these principles are:

- adjusting intervention modalities to promote 'local' ownership and the effectiveness of aid; and
- more effectively focusing programmes and projects on poverty reduction.



To address these challenges, the EC is giving particular attention to:

- streamlining aid delivery instruments;
- promoting the use of Sector Policy Support Programmes and Budgetary Aid;
- increasing decentralisation of responsibilities to the EC's Delegations; and
- promoting harmonisation with Member States and other donors.

The implications of the EC's decision to accelerate the transition towards providing a greater proportion of its development assistance through Sector Policy Support Programmes (SPSPs)<sup>2</sup> and the use of Budgetary Aid (BA), rather than through using stand alone projects, are described in more detail in Section 3.

## 2.3 Cross cutting issues

Irrespective of the sector focus, delivery modality (e.g. budgetary aid or projects) or geographic location of EC development assistance, there are a number of critical cross-cutting development issues which must be appropriately addressed throughout the project management cycle.<sup>3</sup>

The key cross-cutting development issues are briefly described in the table below:

X-cutting issue	Description
<p><b><i>Good governance and human rights</i></b></p>	<p>Good governance is defined as: <i>'The transparent and accountable management of human, natural, economic and financial resources for the purposes of equitable and sustainable development, in the context of a political and institutional environment that upholds human rights, democratic principles and the rule of law'</i>.</p> <p>In order to give further focus to this broad definition, the EC has established six essential elements of good governance, which should be applied to the design and implementation of EC-funded programmes and projects in third countries. These are:</p> <ul style="list-style-type: none"> <li>• Support to democratization including support to electoral processes and electoral observation (with an emphasis on participation and accountability)</li> <li>• Promotion and protection of Human Rights (as defined in the international covenants and conventions, respects of norms and non-discrimination)</li> <li>• Reinforcement of the rule of law and the administration of justice (as to the legal framework, legal dispute mechanisms, access to justice, etc)</li> <li>• Enhancement of the role of non-state actors and their capacity building (as a partner in public policy making and implementation)</li> <li>• Public administration reform, management of public finances and civil service reform; and</li> <li>• Decentralisation and local government</li> </ul> <p>Reference should be made to the specific EC Guidelines on Good Governance for more detailed information. Consideration of general good governance issues is also built into the quality criteria provided in these PCM Guidelines.</p>

continued →

<sup>2</sup> A SPSP is the EC's instrument for planning and managing its financial support to the implementation of a partner government's Sector Policy.

<sup>3</sup> These cross-cutting issues can also be development objectives in themselves.



X-cutting issue	Description
<p><b>Gender equality</b></p>	<p>The United Nations Fourth World Conference on Women held in Beijing in 1995 established gender equality as a basic principle in development cooperation. Gender equality refers to equality of opportunity, rights, distribution of resources and benefits, responsibilities for women and men in private and public life and in the value accorded to male and female characteristics. Promotion of gender equality is not only concerned with women's issues, but also covers broader actions to be taken by both women and men. An essential requirement for gender equality is that women should participate in decision-making and political processes on an equal footing with men.</p> <p>Gender disparities are deeply entrenched in policies, institutional and legal practices, households and social relations. Gender is therefore a cross-cutting issue that needs to be built into all aspects of policy formulation, programme and project planning, institutional structures and decision making procedures. The process of integrating gender equality concerns across all these areas is known as gender mainstreaming.</p> <p>References to various guidelines on gender equality and mainstreaming are provided at Attachment 2.</p>
<p><b>Environmental sustainability</b></p>	<p>Sustainable development is development that meets the needs of current generations without compromising the ability of future generations to meet their needs. In this context, environment and natural resources are capital that must be maintained in order to support sustained economic activity. Protecting the environment thus preserves the very basis for development.</p> <p>Environmental sustainability refers to the need to protect biological and physical systems that support life (e.g. ecosystems, the hydrological cycle and climatic systems). Environmental sustainability is a cross-cutting principle which needs to be integrated across all areas of decision making.</p> <p>This requires development planners to assess the environmental impact of all proposed policies, programmes and projects, and to take action to minimize the adverse environmental impacts and to take advantage of opportunities for environmental improvement.</p> <p>References to various guidelines on environmental impact assessment are provided at Attachment 2.</p>

Some specific reference documents on addressing the needs of disabled people are also provided at Attachment 2.

## 2.4 Ownership and participation

The quality of dialogue with partner countries (government and civil society representatives) is a key to establishing effective development cooperation policies and to their successful implementation. Partnership, ownership of development processes by the target population, and strengthening of institutional and administrative capacity to effectively manage change, are principles which are now largely shared by all donors.

Two issues are given emphasis in the EC's development policy in this regard, namely:

**Role of civil society.** Close cooperation with and promotion of civil society provides the conditions for greater equity, inclusion of the poor in the benefits of economic growth and helps strengthen the democratic fabric of society.

The Commission will therefore continue to cooperate with a wide range of civil society actors, including human rights groups and agencies, women's associations, child-protection organisations, environmental movements, farmers' organisations, trade unions, consumers' associations, and other development support structures (e.g. NGOs, teaching and research establishments).

**Harmonisation.** There is an urgent need to streamline and harmonise donor procedures to reduce the significant administrative burden that these can place on partner countries. The insistence on using donor specific procedures can have high transaction costs and works against the principle of promoting partner ownership of project ideas, documentation and decision making/management processes.



The Rome 'Declaration on Harmonisation' of February 2003, states that:<sup>4</sup>

*'We in the donor community have been concerned with the growing evidence that, over time, the totality and wide variety of donor requirements for preparing, delivering and monitoring development assistance are generating unproductive transaction costs for, and drawing down the limited capacities of, partner countries' and that 'donor practices do not always fit well with national development priorities'.*

The EC will therefore play its part in promoting harmonisation of policies and practices. At an operational level, this will require some changes to, *inter alia*: (i) the way that EC staff work and communicate with third country partners and other donors, (ii) the type of information required to support effective decision making, (iii) documentation and reporting requirements; and (iv) financing modalities and conditions. The overall aim is to promote local ownership and to reduce any unnecessary duplication of administrative and reporting procedures.

Consideration of these issues is taken into account in the description of PCM operational tasks provided in Section 4 of these Guidelines.



<sup>4</sup> The Rome Declaration on Harmonisation was endorsed by Ministers, Heads of Aid agencies and other Senior Officials representing 28 aid recipient countries and more than 40 multilateral and bilateral development institutions. More information can be found at: <http://www.oecd.org/dataoecd/0/48/20896122.pdf>



## 3. THE PROJECT APPROACH

### 3.1 What is a project?

**Definition:** A project is a series of activities aimed at bringing about clearly specified objectives within a defined time-period and with a defined budget.<sup>5</sup>

A project should also have:

- Clearly identified stakeholders, including the primary target group and the final beneficiaries;
- Clearly defined coordination, management and financing arrangements;
- A monitoring and evaluation system (to support performance management); and
- An appropriate level of financial and economic analysis, which indicates that the project's benefits will exceed its costs.

Development projects are a way of clearly defining and managing investments and change processes.

**Types of project:** Development projects can vary significantly in their objectives, scope and scale. Smaller projects might involve modest financial resources and last only a few months, whereas a large project might involve many millions of Euro and last for many years.<sup>6</sup>

Examples of projects could include:

- A health service reform and expansion project, implemented primarily by the Ministry of Health of the partner government and with financial support of other donors, costing Euro 30m over 10 years;
- An emergency relief project, coordinated by the UN and implemented through International NGOs, costing Euro 5m over one year;
- Business promotion projects, providing grants to non-profit organizations of up to Euro 200,000 over a maximum time line of 2 years;
- A road and bridge building project, using a contracted project manager, costing Euro 50m over 5 years;

- A regional food security training project, focused on the provision of technical assistance and training services, costing Euro 2m over 3 years; or
- An election monitoring project, conducted primarily by staff from the EC and its member states, costing Euro 600,000 over 5 months.

In order to accommodate this kind of diversity, it is important that project cycle management systems support the application of standard working modalities/rules in a flexible manner.

**Relationship between projects, programmes and policies:** A well-formulated project should derive from an appropriate balance between the EC's development policy priorities and the partner's development priorities.

Within the scope of these policy priorities, the executive arms of government or non-governmental agencies formulate the broad areas of work required to implement policy decisions. These broad areas of work are often called programmes, which, like projects, may vary significantly in scope and scale. The definition of what a programme is depends essentially on how the responsible authority(ies) choose to define it.

For example, a programme may:

- cover a whole sector (e.g. Health Sector Programme);
- focus on one part of the health sector (e.g. a Primary Health Care Programme);
- be a 'package' of projects with a common focus/theme (e.g. ASEAN-EU university links programme); or
- define what is essentially just a large project with a number of different components.

The general relationship between policies, programmes and projects is illustrated in Figure 2.

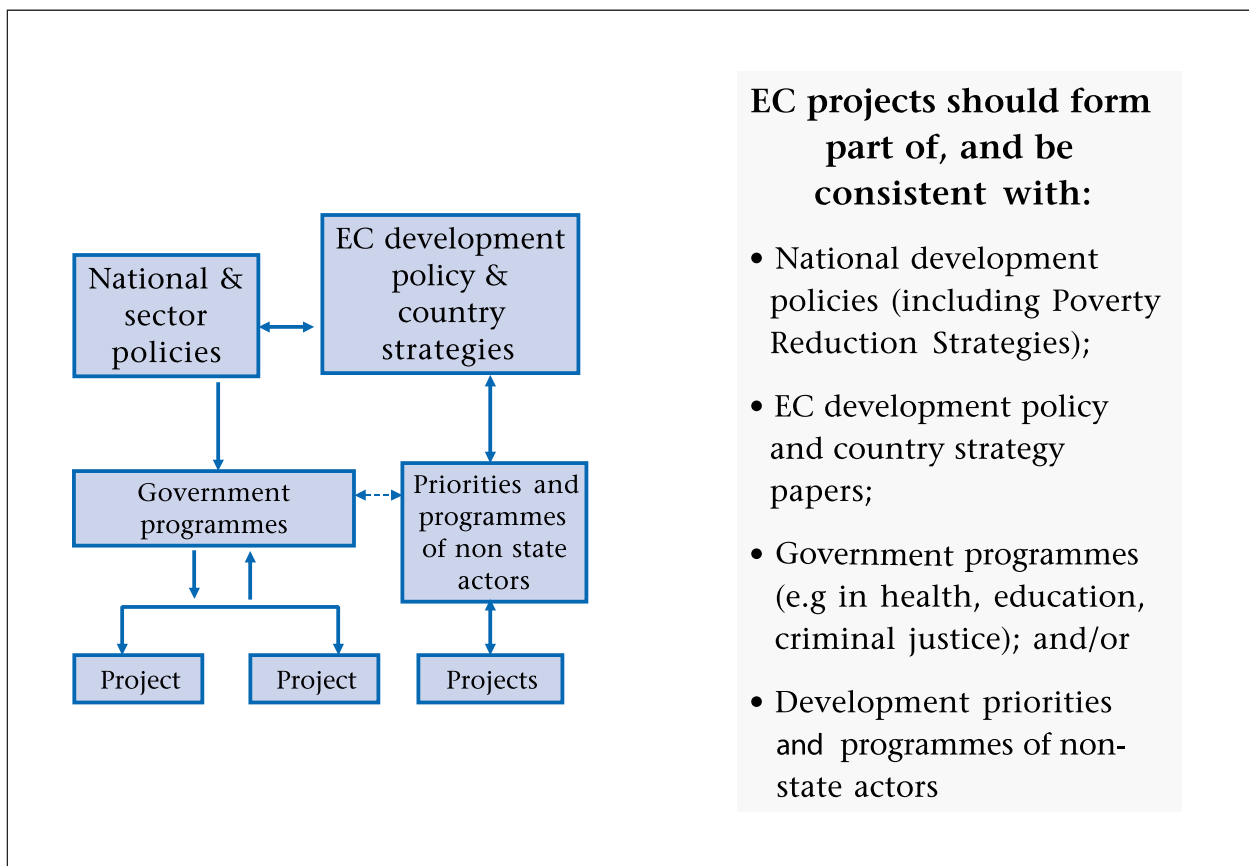
<sup>5</sup> In the context of the Logical Framework Matrix (see Section 5.1), a project is defined in terms of a hierarchy of objectives (inputs, activities, results, purpose and overall objective) plus a set of defined assumptions and a framework for monitoring and evaluating project achievements (indicators and sources of verification).

<sup>6</sup> The EC's financial commitments to projects are usually for less than 5 years, however a project may (through more than one financial commitment) last longer.





Figure 2 – Policy, programmes and projects



Project objectives should therefore contribute to national and sector policies wherever a public sector activity is being supported.

When non-state actors are implementing projects, a distinction needs to be made drawn between activities fully outside the realm of the public sector and activities undertaken on behalf of government. In the latter case, non-state actors typically deliver services of a public nature as if these services had been ‘contracted out’ by government. Even if a formal ‘contracting out’ process has not occurred, it is important that such functions should be consistent with government policy to ensure their relevance and promote prospects for sustainability.

For fully private activities, the framework for judging a project or programme’s relevance is provided by the Commission’s development policies (i.e. as articulated in a Country Strategy Paper) and the demonstrated needs of beneficiaries.

### 3.2 Weaknesses of the project approach

The project approach has been at ‘the cutting edge of development’<sup>7</sup> for many years, primarily because it has helped meet the accountability requirements of donors.

However, significant problems with the ‘classical’ donor-controlled project approach have also become increasingly evident, namely:

- Inadequate local ownership of projects, with negative implications for sustainability of benefits;
- The huge number of different development projects, funded by different donors each with their own management and reporting arrangements, has resulted in large (and wasteful) transaction costs for the recipients of development assistance;<sup>8</sup>

<sup>7</sup> Price Gittinger, *Economic Analysis of Agricultural Projects*, OUP, 1978.

<sup>8</sup> For a definition of ‘transaction costs’ and ‘fungibility’, see the Glossary of Key Terms.



- The establishment of separate management, financing and monitoring/reporting arrangements has often undermined local capacity and accountability, rather than fostering it; and
- The project approach has encouraged a narrow view of how funds are being used, without adequate appreciation of the 'fungibility' issue.

As noted by the World Bank in 1998:<sup>9</sup>

*"Aid agencies have a long history of trying to 'cocoon' their projects using free-standing technical assistance, independent project implementation units and foreign experts – rather than trying to improve the institutional environment for service provision.... They have neither improved services in the short run nor led to institutional change in the long run"*

The concept of **fungibility** of aid resources highlights the fact that donor funded projects can simply allow partner governments to re-direct their own financial resources to other purposes (assuming that governments would have spent their own money on the project(s) even if the donor funding was not available). For example, donor funding of Euro 100m to the Health Sector of a particular country could allow the partner government to then use (or 'divert') Euro 100m of its own resources (which it otherwise would have had to allocate to Health) to fund other uses (e.g. internal security or military expenditures). The **total effect** of donor support therefore depends on how government uses these freed resources (in an economic sense the 'marginal use') and not on the specific project or programme against which the development assistance is specifically earmarked. Reaching agreement between the partner government and donors on overall public expenditure priorities (i.e having a donor/partner government policy dialogue on overall objectives and expenditure planning) is thus a way of helping to ensure that fungibility does not compromise the development objectives that donors specifically want to promote/support.

It is as a result of such issues that the EC and member states have decided to significantly increase the use of sector programme and budgetary aid approaches (described in Section 3.3 below), and to progressively decrease the overall level of funding using the project approach.<sup>10</sup>

The implications of this change on the future use of projects are discussed in Section 3.4.

### 3.3 Sector approach and budgetary aid

This Section provides a brief introduction to the sector approach and budgetary aid, taken from the more detailed "Guidelines for EC support to Sector Programmes" and the "Guide to the programming and implementation of Budget Support to third countries". Budgetary aid transfers and support to Sector Programmes are only appropriate as mechanisms of assistance to the public sector. Thus unlike the project modality, they cannot be used for direct support to the private sector or NGOs.

#### Key definitions

Sector Approaches and Sector Programmes have been labelled over time in different ways: SIPs (Sector Investment Programmes), SDPs (Sector Development Programmes), Sector Expenditure Programmes, and more recently SWAp (Sector Wide Approach). In spite of the varied terminology, there are key principles on which there is agreement in the international donor community.<sup>11</sup>

Firstly, it is accepted that they should be led by partner governments. Secondly, they have the common goal of improving the efficiency and effectiveness with which internal and external resources are utilised. This common goal reflects a mutual concern to improve the results of government and donor spending both by focusing resources on the priorities stated in national poverty reduction strategies or similar documents, and by improving the quality of spending. In striving to attain this goal, sector approaches share three common objectives:

- To broaden ownership by partner Governments over decision-making with respect to sectoral policy, sectoral strategy and sectoral spending;
- To increase the coherence between sectoral policy, spending and results through greater transparency, through wider dialogue and through ensuring a comprehensive view of the sector;
- To minimise as far as possible the transaction costs associated with the provision of external financing, either by direct adoption of government procedures or through progressive harmonisation of individual donor procedures.

<sup>9</sup> World Bank, *Assessing Aid: what works and what doesn't work*, OUP, 1998.

<sup>10</sup> Joint Declaration of November 10<sup>th</sup> 2000.

<sup>11</sup> An economic definition of a 'sector' is that it 'comprises, for the most part, the producing or operating units in the economy that have a common function or output'.



Drawing on international experience, the EC has established the definitions described below.

The **Sector Approach** simply involves working together with partner governments, donors and other relevant stakeholders in pursuit of these three objectives. As a result of following a *sector approach*, partner governments may produce an updated programme of policy and spending for the sector. This is classified as a **Sector Programme**, where and when it includes three components:

- An approved sectoral policy document and overall strategic framework (such as a Poverty Reduction Strategy Paper);
- A sectoral medium term expenditure framework and an annual budget; and
- A co-ordination process amongst the donors in the sector, led by Government.

When funding is made available by the Commission, the purpose is to support the Government's Sector Programme or some agreed sub-set of activities within that Programme. The decision on whether to provide funding will depend upon an assessment of the quality of the Programme. There are seven key assessments<sup>12</sup> which need to be undertaken in order to judge the quality of the Programme, decide on the appropriate EC operating modality and finalise the design of the EC contribution to the Programme.

The **Sector Policy Support Programme (SPSP)** is the programme of the European Commission by which financial support is provided to the partner Government's Sector Programme. An SPSP may follow three types of operating modalities:

- Sector Budget Support – which is the modality of choice, wherever appropriate and feasible;
- Financial contributions to Common Pooled Funds (or “common basket funds”) which fund all or part of the Sector Programme; and
- Commission-specific procedures (European Commission budget or EDF).

#### Typical components of a Sector Programme

Building on international experience, 6 key components of a Sector Programme can be identified:

1. A clear sector policy and strategy to know what government is aiming to achieve in the sector and how – distinguishing government's regulatory role from its service delivery role, specifying the roles of non-government agents and outlining any necessary institutional reforms.
2. A sectoral medium term expenditure programme, based on a comprehensive action plan, to clarify what is the expected level of available internal and external resources and how these resources will be utilised in pursuit of the policy.
3. A performance monitoring system to measure progress towards the achievement of policy objectives and planned results, distinguishing between male and female beneficiaries and ensuring the needs of vulnerable groups (disabled, young/old) are assessed.

Sector Programmes also often aim to correct distortions specific to contexts where there is a high level of aid dependency. These distortions arise in particular where many of the activities in the sector are financed from external funds and where these external funds are not programmed and managed in the same way as government funds.

There are two crucial components of a Sector Programme which aim to correct these distortions:

4. A formalised process of donor coordination; and
5. An agreed process for moving towards harmonised systems for reporting, budgeting, financial management and procurement.

continued →

<sup>12</sup> The key assessments cover: 1) the macro-economic framework; 2) the sector policy and overall strategic framework; 3) the medium term expenditure framework for the sector; 4) accountability and public expenditure management systems; 5) donor co-ordination systems; 6) performance monitoring and client consultation systems; 7) institutional and capacity issues.



The final component common to most Sector Programmes reflects how governments have increasingly learned to respond to their clients – the general public – and to involve non-government agents in service delivery. Hence, a Sector Programme would typically also include:

6. A systematic mechanism of consultation with clients and beneficiaries of government services and with non-government providers of those services.

### Budgetary aid

Budgetary Aid is a resource transfer to the government of partner country. Once received, the transfer is managed by the recipient government, using its existing budget and financial management systems. Thus, it is a way of providing direct support to the implementation of national or sectoral policies, utilising systems which maximise ownership and coherence with national policies, whilst minimising transaction costs.

There are two main types of Budgetary Aid:

1. Macroeconomic Budgetary Aid, which supports the overall national development policy and the macroeconomic and budgetary framework; and
2. Sector Budgetary Aid (within a Sector Policy Support Programme), which provides additional funding to a specific sector, supporting a stated sector policy and agreed spending framework.

Sector Budgetary Aid (also known as Sector Budget Support) is the Commission's preferred method of financing a Sector Programme, where the conditions permit it. Eligibility for Budgetary Aid – whether macro-economic or sectoral – depends on the assessment of four criteria:

1. The extent to which macro-economic management is stable and provides a supportive environment for the private sector;
2. The extent to which National Policy reflects a credible commitment to poverty reduction and growth, and in the case of the MEDA region, a commitment to convergence with the European economy;

3. The quality of the public finance management and/or the existence of a credible programme of reforms to public finance systems; and
4. The existence of agreed performance indicators by which to measure and review progress towards national policy objectives.

Maintaining a close policy dialogue with the partner government is a central feature of both Budgetary Aid and Sector Programmes. The key point being that these aid modalities achieve their objectives by adopting governments' policies, budget systems and service delivery structures. Consistent dialogue – supported sometimes by external audits and reviews – represents the main vehicle for monitoring the effectiveness of government systems and ensuring that they are continuously improved.

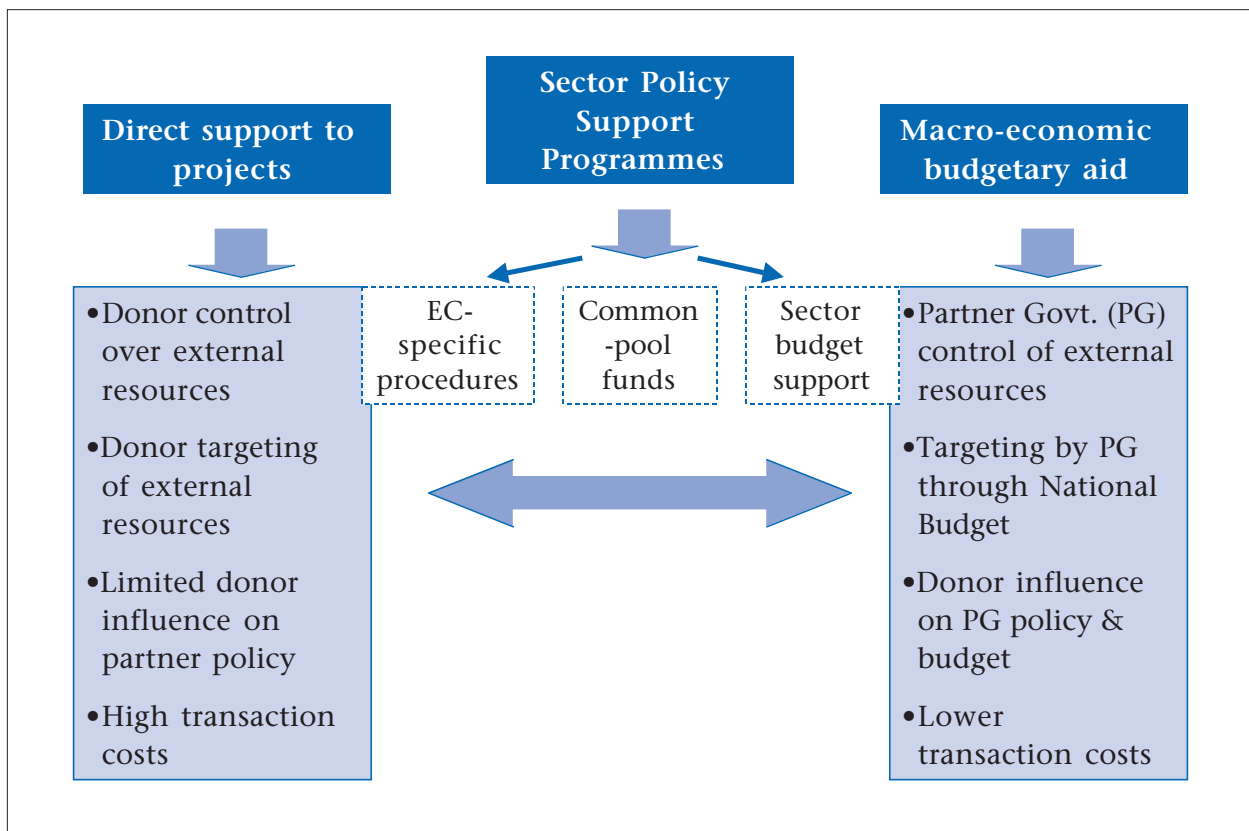
### Choosing appropriate aid delivery methods

The aid delivery methods to be used (at least in the context of a country program) is initially established during the programming phase of the cycle of operations, and documented in the Country Strategy Paper. The choice should be based on an assessment of the social, economic and political development context of the country(s) one is working with and the respective priorities of the development partners. The EC's Guidelines on Budgetary Aid and on Support to Sector Programmes provide a detailed description of the specific assessment criteria to be applied in determining the likely relevance and feasibility of these aid delivery methods.

When considering an appropriate mix of aid delivery methods, four important considerations to be balanced include: (i) the degree of control donors wish to maintain over their resources; (ii) who takes primary responsibility for targeting resources; (iii) the level at which donors and their partners wish to engage in dialogue – policy or project; and (iv) the level of transaction costs associated with managing donor funds. These considerations are illustrated in Figure 3.



Figure 3 – The mix of aid delivery methods



### 3.4 Implications for EC support to projects

#### 3.4.1 When is a project appropriate?

As noted, EC policy is to increase its use of Budgetary Aid and Sector Policy Support Programmes and increasingly transfer responsibility for projects to local partners (Governments, local governments and non-public entities).

Nevertheless, the project will remain an appropriate aid delivery modality in a range of circumstances, including:

- **Decentralised cooperation with non-public entities.** The Commission will continue to directly support initiatives being implemented outside the public sector, such as through NGOs, the private sector and civil society groups.

- **Emergency aid and post-crisis interventions.** There will be circumstances when partner governments do not have the capacity to effectively meet the needs of people in emergency or post-crisis situations, and when projects may therefore remain the most practical and effective option for delivering short-term humanitarian assistance.
- **Technical assistance projects or 'pilot' projects to build capacity.** In some circumstances, individual donor managed projects can encourage innovation and learning, through promoting new methodologies or ways of working. For example, the Commission may directly fund technical assistance to support the piloting of new public sector management processes (including support to sector policy and programme development).



- **Regional environmental projects or international public goods.**

When the expected benefits are very long term or when they spill over national boundaries (e.g. regional environmental management), governments may not be providing funding at socially optimal levels. The Commission may therefore have a role in directly funding such initiatives.

- **Investment projects with high transaction costs for governments.**

Donor managed projects might be a preferable aid mechanism where the transaction costs are lower for the donor than for the partner government. This might be the case for large international tenders (e.g. for airport or harbour development) where the partner government does not possess the necessary capacity to effectively manage the overall contracting process (such as for some smaller island nations).

- **When conditions within a country or sector do not yet allow other approaches to be used.**

As has been noted in the section on the Sector Programme approach and Budgetary Aid, certain conditions need to be met before either of these two approaches/tools can be effectively used. In the meantime, projects will continue to be an aid delivery option as long as they can demonstrate that they support the delivery of sustainable benefits and do not impact negatively on local institutional capacity.

It is also worth noting that some of the analytical tools associated with the project approach can also be usefully applied to the analysis and management of Sector Policy Support Programmes and Budgetary Aid operations. Examples include the use of the Logical Framework Approach (including stakeholder analysis, problems analysis, objective setting etc), institutional capacity assessment, the identification of key indicators and sources of verification, and economic and financial analysis.

### 3.4.2 Improving the quality of projects

There is certainly scope to continue to improve the quality of new (and ongoing) projects by addressing the identified weaknesses in the 'donor controlled' project approach. For example, projects can be identified, formulated and implemented which:

- Are more clearly consistent with the policy framework;
- Integrate with and support local planning/budgeting, management, financing and monitoring systems (rather than creating parallel systems);
- Are better coordinated with other donors;
- Build local capacity and rely less on expatriate technical assistance;
- Take a longer-term (and more realistic) perspective of the process of change; and
- Allow greater flexibility during implementation

This will require ongoing changes in the way that staff within the RELEX family do business, including changes in: (i) attitudes and values; (ii) roles and responsibilities; (iii) skills; and (iv) procedures.

For example:

#### *Change in Attitudes*

Views on 'accountability' need to place greater emphasis on (i) accountability for results (not only expenditure targets or activities undertaken), and (ii) accountability to local partners, including targeted beneficiaries, rather than only to donor 'audit' requirements. Related to this point, attitudes about 'who is in control' need to give greater appreciation to the importance of local ownership, and the practical ways in which this can be supported. There is also a need for a more inclusive approach, taking into account all the differences in society, including such issues as disability, age and gender.

#### *Change in Roles and responsibilities*

More management and decision making responsibility needs to be effectively given to the EC's implementing partners. The EC is, in most cases, not responsible for implementing projects. It is responsible for assessing the quality of proposals, facilitating their formulation, providing finance, monitoring progress (ideally through locally based monitoring systems), and evaluating results in order to support institutional learning and improve future programming decisions. The EC's primary role is to support institutions/agencies in partner countries to carry out their programmes and projects.



### ***Skills***

There is a need to expand the skill sets among EC staff, both at HQ and Delegations. Better understanding of some key analytical tools is required, including how to engage in (and interpret) the results of policy, sector and institutional analysis. Developing a better understanding of partner government's planning, budgeting and financial management systems is also critical. Effective use of the Logical Framework Approach also needs to be further strengthened, while team work and cross-cultural communication skills are also a high priority in the context of establishing effective working relationships between EC staff, implementing partners and other stakeholders.

### ***Procedures***

As highlighted by EC evaluations of projects implemented under the ALA, MEDA and ACP programmes, there is also a need for ongoing changes to promote streamlining and harmonisation of financial management and contracting procedures and regulations within the Commission.





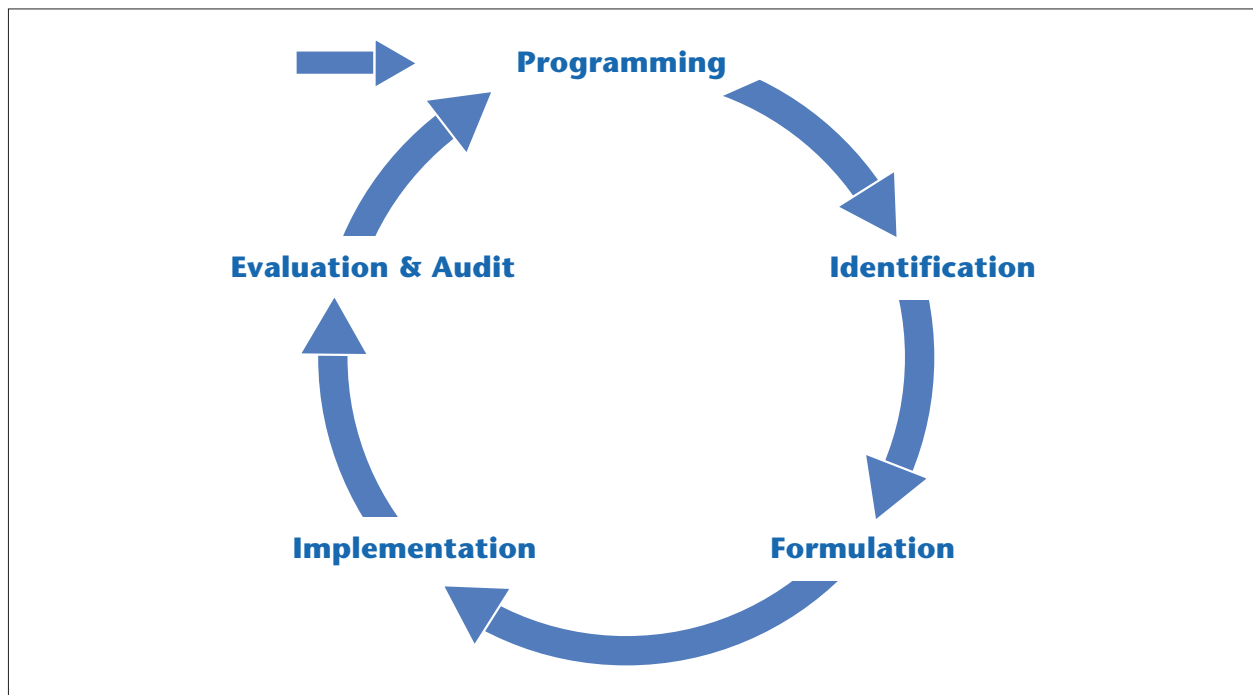
## 4. PCM OPERATIONAL GUIDELINES

### 4.1 Overview

#### 4.1.1 The cycle of operations

The cycle of operations for managing the EC's external assistance projects has five phases, as shown in Figure 4 below.

Figure 4 – The Cycle of Operations



This cycle highlights three main principles:

1. Decision making criteria and procedures are defined at each phase (including key information requirements and quality assessment criteria);
2. The phases in the cycle are progressive – each phase should be completed for the next to be tackled with success;<sup>13</sup> and
3. New programming and project identification draws on the results of monitoring and evaluation as part of a structured process of feedback and institutional learning.

In practice, the duration and importance of each phase of the cycle will vary for different projects, depending on their scale and scope and on the specific operating modalities under which they are set up. For example, a large and complex engineering project may take many years to pass from the identification through to the implementation phase, whereas a project to provide emergency assistance in a post-conflict context may only take a few weeks or months to commence operations on the ground. Nevertheless, ensuring that adequate time and resources are committed to project identification and formulation is critical to supporting the design and effective implementation of relevant and feasible projects.

<sup>13</sup> It should be noted that the type of evaluation referred to in this diagram is 'ex-post' or 'after project completion', while it is possible to conduct 'formative evaluations' which take place during implementation.





Also, there are differences between EC programmes in the way in which financing decisions are made – particularly the timing. Thus for programmes such as MEDA and TACIS, the decision to finance is currently made at the end of the Identification stage (on presentation and approval of a Financing Proposal consisting of a Programme with Project Fiches), whereas for the ACP states and the ALA countries the funding decision is made only after Formulation has been completed. The way in which financing decisions are made is described further in Section 4.1.7.

#### 4.1.2 PCM and managing ‘Calls for Proposals’

‘Calls for Proposals’ (CfPs) are usually used under thematic budget lines (such as for Human Rights, Gender, Environment, Food Security and Co-Financing with NGOs) to provide grant funds, particularly to non-state actors.<sup>14</sup> Geographical budget lines are also increasingly using CfPs to allocate finance to non-state actors (such as through the Asia Links Programme), and this approach is also being used by new Financing Facilities (such as the Water and Energy Initiatives). The use of CfPs is now the general rule when dealing with non-state actors.

The primary distinction between using CfPs and using ‘direct arrangements’ with partner governments relates to the management responsibilities of the EC at different stages of the project cycle. For example, under a CfP approach, the EC establishes the broad objectives it wishes to achieve, the scope of projects it is willing to fund, application and assessment procedures and a set of eligibility criteria for applicants. The responsibility for identifying, formulating and implementing projects is thus passed on to those who apply for co-funding.<sup>15</sup> When working directly with a partner Government (e.g. under EDF or geographical budget line funding arrangements) the EC maintains a more direct role and responsibility for managing the identification and formulation steps in the cycle.

It should therefore be noted that this section (Section 4) of the PCM Guidelines focuses on a description of the key steps and responsibilities for managing geographical budget lines, not for calls for proposals/financing facilities.

The Guidelines should nevertheless still provide a useful framework for those involved in designing and managing calls for proposals/financing facilities, to the extent that:

- all EC supported development projects (however financed and managed) can still be assessed against the established set of quality attributes, criteria and standards (see Section 4.1.6), and
- good practice principles of project cycle management (including the Tools described in Sections 5 to 9) can still be applied by whoever is receiving/managing EC funds.

#### 4.1.3 PCM principles and the Logical Framework Approach

*Project Cycle Management* is a term used to describe the management activities and decision-making procedures used during the life-cycle of a project (including key tasks, roles and responsibilities, key documents and decision options).

PCM helps to ensure that:

- projects are supportive of *overarching policy objectives of the EC and of development partners*;
- projects are *relevant* to an *agreed strategy* and to the real problems of target groups/beneficiaries;
- projects are *feasible*, meaning that *objectives* can be realistically achieved within the constraints of the operating environment and capabilities of the implementing agencies; and
- *benefits* generated by projects are likely to be *sustainable*.

To support the achievement of these aims, PCM:

- requires the active participation of *key stakeholders* and aims to promote *local ownership*;
- uses the *Logical Framework Approach* (as well as other tools) to support a number of key assessments/analyses (including stakeholders, problems, objectives and strategies);
- incorporates *key quality assessment* criteria into each stage of the project cycle; and
- requires the production of *good-quality key document(s)* in each phase (with commonly understood concepts and definitions), to support well-informed decision-making.

<sup>14</sup> An exception would be when there is only one available (monopolistic) supplier.

<sup>15</sup> Another distinction between ‘direct arrangements’ with partner Governments and the CfP approach is the usual requirement for grant recipients to contribute a proportion of total eligible costs, excluding in-kind contributions.



The **Logical Framework Approach** is an analytical and management tool which is now used (in one form or another) by most multi-lateral and bi-lateral aid agencies, international NGOs and by many partner governments. Indeed, the EC generally requires the development of a Logframe Matrix as part of its project formulation procedures for external assistance. This Guideline therefore gives emphasis to the application of the Logical Framework Approach at the various stages of the project management cycle.

The tools that make up the Logframe Approach are referred to at appropriate points in Section 4 (Operational Guidelines), and are also described in detail in Section 5 (The Logical Framework Approach).

The LFA is a very effective analytical and management tool when understood and intelligently applied. However, it is not a substitute for experience and professional judgment and must also be complemented by the application of other specific tools (such as Economic and Financial Analysis and Environmental Impact Assessment) and through the application of working techniques which promote the effective participation of stakeholders.

#### 4.1.4 Key documents and responsibilities

The key documents that are produced within the EC project management cycle, and who is primarily responsible, are shown below in Figure 5.

A distinction is made between the 'Individual Project' approach (financing decision made after formulation) and the 'Programme' approach (financing decision made after identification of a programme or 'package' of projects). These two main approaches are based on the two main currently applicable legal (financing) instruments used to commit funding to development projects, and do not represent funding 'options' for EuropeAID staff to choose from.

The main official EC documents and information sources supporting PCM are therefore:

- The EC's Development Policy, Country Strategy Papers and National Indicative Programme documents;
- The Identification Fiche (sometimes called an End of Identification Document);
- The Financing Proposal (FP) – either for individual projects or for a Programme of projects (sometimes called an 'Action Programme');
- The Financing Agreement and associated Technical and Administrative Provisions and Terms of Reference;
- Information contained in the CRIS (Common Relex Information System), including the Implementation Report window; and
- Evaluation and Audit reports.

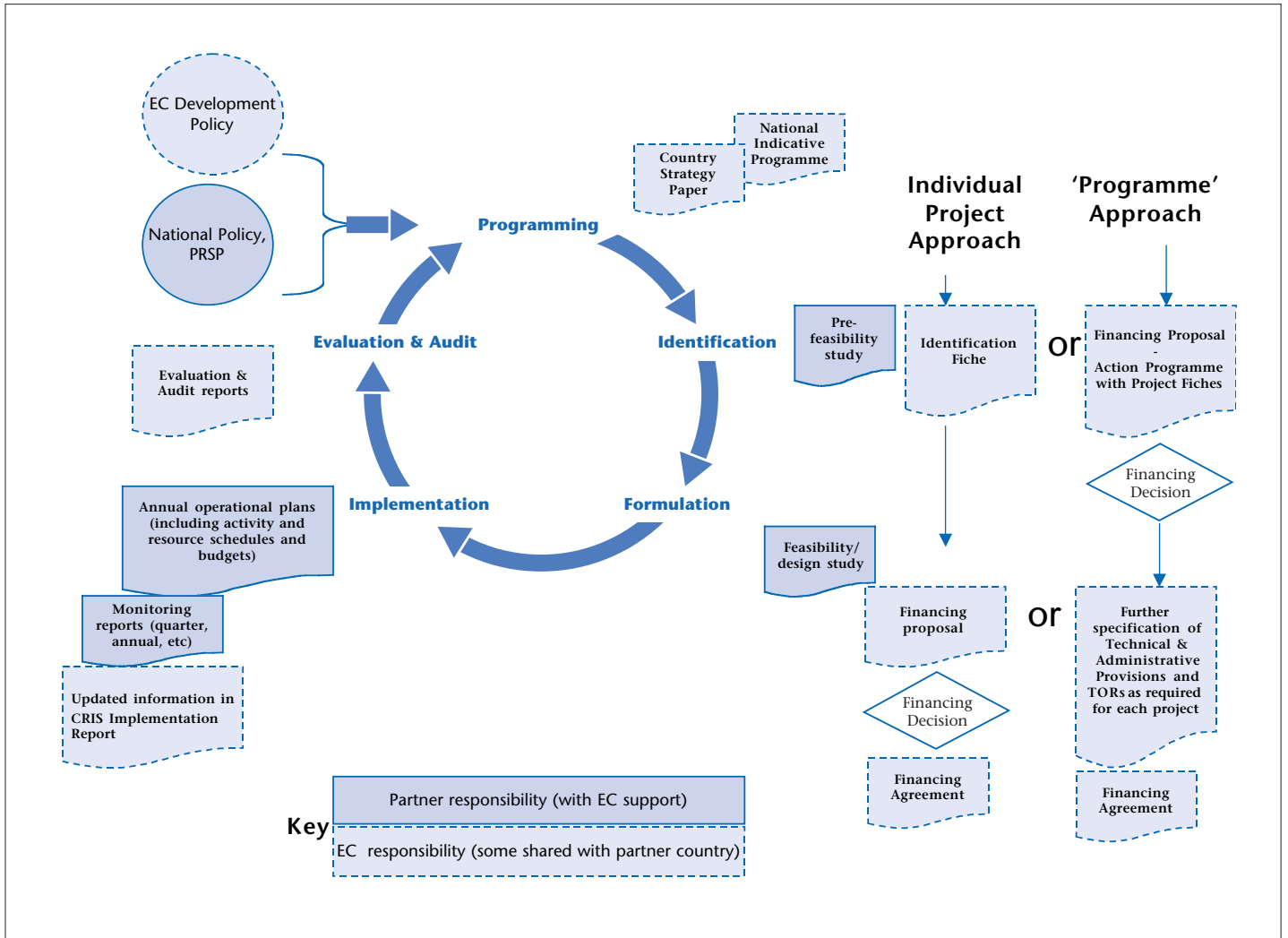
The general structure and expected content of each of these documents is referenced under the relevant stage of the project cycle.

An important point to note is that the preparation of pre-feasibility studies and feasibility studies and the production of annual operating plans and regular monitoring reports should generally be the lead responsibility of implementing partners, not the EC (although the EC may contribute or provide the resources to support these tasks). The EC need not therefore prescribe the exact format of these documents, as they should be 'owned' primarily by implementing partners.<sup>16</sup> The EC must nevertheless ensure that it is provided with adequate information (quantity and quality) on which to assess its investment decisions, monitor implementation and remain accountable for the resources it commits.

<sup>16</sup> Refer to 'Harmonising Donor Practices for Effective Aid Delivery', OECD 2003.



Figure 5 – The project cycle, main documents and responsibilities





#### 4.1.5 Decision making points, options and lead responsibilities

The table below summarises the main decision points for the EC in the project cycle.

Stage & Focusing Question	Key EC decision points	Primary responsibility	Decision options
<p><b>Programming</b> <i>What are the partner's development priorities and what is the EC's focus for assistance?</i></p>	<ul style="list-style-type: none"> <li>Agreement of a Country Strategy Paper and National Indicative Programme</li> </ul>	<ul style="list-style-type: none"> <li>DEV/RELEX in collaboration with Delegations, EuropeAID and Partner Governments</li> </ul>	<ul style="list-style-type: none"> <li>Choice of programme priorities, sector focus, type of assistance and financing modalities</li> </ul>
<p><b>Identification</b> <i>Is the project concept relevant to priority local needs and consistent with EC policy priorities?</i></p>	<ul style="list-style-type: none"> <li>On completion and submission of the Identification Fiche (individual projects) or the Financing Proposal (Programme with Project Fiches)</li> </ul>	<ul style="list-style-type: none"> <li>Delegation makes initial assessment with PG counterparts/other primary stakeholders</li> <li>1<sup>st</sup> step review by QSG – to provide quality support</li> <li>Line management, make decision on next steps from EC perspective</li> </ul>	<ul style="list-style-type: none"> <li>Accept, modify or reject the project idea(s)</li> <li>For Programme of projects, whether or not to commit finance</li> </ul>
<p><b>Formulation</b> <i>Is the project feasible and will it deliver sustainable benefits?</i></p>	<ul style="list-style-type: none"> <li>On completion of Financing Proposal and Technical and administrative provisions/TORs</li> </ul>	<ul style="list-style-type: none"> <li>Delegation makes initial assessment with PG counterparts/other primary stakeholders</li> <li>2<sup>nd</sup> step review by QSG – to provide quality assessment</li> <li>Line management, make decision on next steps from EC perspective</li> </ul>	<ul style="list-style-type: none"> <li>Accept, reject or modify the proposal</li> <li>For individual projects, whether or not to commit finance</li> </ul>
<p><b>Implementation</b> <i>Are results being achieved and resources efficiently and effectively used? What corrective action should be taken?</i></p>	<ul style="list-style-type: none"> <li>On submission of Annual Operating/Work Plans and other monitoring/review reports</li> </ul>	<ul style="list-style-type: none"> <li>Delegation makes assessment with PG counterparts/other primary stakeholders</li> <li>HQ may still make final decision on any <u>major</u> changes to project scope/financing</li> </ul>	<ul style="list-style-type: none"> <li>Continue financing, modify scope of EC support, or terminate support</li> </ul>
<p><b>Evaluation</b> <i>Were planned benefits achieved, will they be sustained, and what lessons have been learned?</i></p>	<ul style="list-style-type: none"> <li>On completion of evaluation studies</li> </ul>	<ul style="list-style-type: none"> <li>Task Manager plans and manages study implementation</li> <li>Follow up actions decided by EuropeAID line management (in consultation with DG DEV/RELEX)</li> </ul>	<ul style="list-style-type: none"> <li>Change policies, scope of forward programme, or EC operating modalities</li> </ul>
<p><b>Audit</b> <i>Has there been compliance with applicable laws and rules? Are efficiency, economy and effectiveness criteria being met?</i></p>	<ul style="list-style-type: none"> <li>On completion of the audit</li> </ul>	<ul style="list-style-type: none"> <li>Audit Task Manager manages the audit</li> <li>Task (project) Manager provides information and input to the audit</li> <li>Task (project) Manager ensures follow-up of response by auditee to audit findings and recommendations</li> </ul>	<ul style="list-style-type: none"> <li>Continue, modify or stop project activities</li> <li>Recover project funds</li> <li>Modify design of future projects</li> <li>Change policies</li> </ul>



It is worth emphasizing the importance of putting adequate time and effort into the programming and identification stages. Once projects have moved in to the formulation stage, it becomes increasingly difficult to stop a (potentially inappropriate) project from being implemented.

#### 4.1.6 Quality support and assessment system

##### The Quality Support Group

The Quality Support Group (QSG) has been established to oversee the ongoing development and management of the quality support and assessment process, its objectives being to:

- Support improvements in the quality of programme/project ideas and documentation;
- Ensure screening is carried out in a harmonised way using a set of consistent quality criteria and standards;
- Ensure appropriate reporting and follow-up; and
- Identify and exchange best practices and innovative approaches.

The QSG undertakes screening of proposals and provides advice to line-managers at two key points in the project cycle:

- at the end of the Identification stage – when the Identification Fiche (individual projects) or the Financing Proposal (for a Programme of projects) is reviewed; and
- at the end of the Formulation stage – when the draft Financing Proposal has been prepared (for individual projects) or when further specification of the Technical and Administrative Provisions has been undertaken (for projects under a Programme).

The QSG operates formally at two main levels, namely at the Office and Directorate levels. The respective composition and responsibilities of the Office and Directorate Quality Support Groups are shown in the table below.

In practice, quality support and assessment work must also generally be undertaken (indeed start) at Delegation level through a process of 'Peer Reviews'.

Further information on the work of the QSG can be found on the intranet at:

X:/Europeaid/Thematicnetworks/qsg/Home\_Page\_QSG\_en.htm

Level	Composition and tasks
<i>QSG at the Office level</i>	<p><u>Composition</u>: Deputy DG, Head of Coordination Unit, Relex/Dev</p> <p><u>Secretariat</u>: Unit O3</p> <p><u>Tasks</u>: Establishing minimum standards, procedures, assessment criteria, review of key issues of interest to the office, synthesis of findings, reporting on findings</p>
<i>QSG at the Directorate level</i>	<p><u>Composition</u>: Director, HoU Coordination, qualified officials</p> <p><u>Tasks</u>: Peer review of proposals (Identification Fiches and Financing Proposals), recommendations for improving the</p>



### The Quality Frame

At each main decision point within the project management cycle, a set of quality assessment criteria are provided to support structured and consistent analysis and decision making. These criteria are also reflected in the information requirements of key documents such as the Identification Fiche and the Financing Proposal.

While a common overall framework for quality assessment has been established (the Quality Frame),

it is recognized that different circumstances will require that specific issues are analysed in more or less detail. Line managers and others involved in applying the criteria and standards must therefore apply their judgment and experience to determine which are more or less important in relation to the context within which they are working.

The Quality Frame is shown in Figure 6 below:

Figure 6 – Quality Frame

A	<b>Relevant</b> <i>The project meets demonstrated and high priority needs</i>	B	<b>Feasible</b> <i>The project is well designed and will deliver sustainable benefits to target groups</i>	C	<b>Effective &amp; well managed</b> <i>The project is delivering the anticipated benefits and is being well managed</i>
1	Consistent with, and supportive of, EC development and cooperation policies	6	The objectives (Overall objective, purpose and results) and the work programme (activities) are clear and logical, and address clearly identified needs	12	The project remains relevant and feasible
2	Consistent with, and supportive of, Partner Government policies and relevant sector programmes <sup>17</sup>	7	The resource and cost implications are clear, the project is financially viable and has a positive economic return	13	Project objectives are being achieved
3	Key stakeholders and target groups are clearly identified, equity and institutional capacity issues analysed, and local ownership demonstrated	8	Coordination, management and financing arrangements are clear and support institutional strengthening and local ownership	14	The project is being well managed by those directly responsible for implementation
4	Problems have been appropriately analysed	9	The monitoring and evaluation (M&E) system and audit arrangements are clear and practical	15	Sustainability issues are being effectively addressed
5	Lessons learned from experience and linkages with other ongoing/planned projects/programmes have been assessed and incorporated into strategy selection	10	Assumptions/Risks are identified and appropriate risk management arrangements are in place	16	Good practice principles of project management are applied by EC Task Managers
		11	The project is environmentally, technically and socially sound and sustainable		

<sup>17</sup> Standards listed under this criterion may not be directly applicable to projects implemented through non-governmental partners.

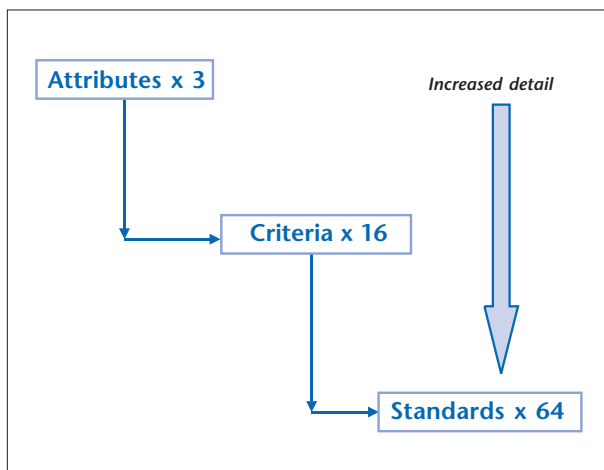


As can be seen, the quality frame consists of three key *quality attributes*, namely:

- **Relevant** – the project meets demonstrated and high priority needs
- **Feasible** – the project is well designed and will provide sustainable benefits to target groups
- **Effective and well managed** – the project is delivering the anticipated benefits and is being well managed

Under each of these 3 main quality attributes are a number of key *criteria* (total of 16), which indicate the key issues that need to be assessed in order to make a judgment about quality. Each of the key criteria is then supported by a set of key quality *standards*, which aim to provide further guidance with respect to promoting quality. These standards are presented within the text of Sections 4.3 to 4.5 of the Guidelines, which respectively deal with each main stage of the project cycle.

— Figure 7 – Attributes, Criteria & Standards —



The key factors affecting *sustainability* of project benefit streams, as identified by the Development Assistance Committee<sup>18</sup>, are integrated within this Quality Frame, rather than being presented as a separate set of criteria.

The quality criteria and standards can be applied/used at three main levels, namely:

- By Task/project managers (at Delegations and at HQ), in the course of their ongoing project cycle management responsibilities;
- By technical and other support staff (i.e thematic networks, QSG, consultant TA) in the course of providing technical support or assessment services to EuropeAID line management; and
- By line-management, in helping them to assess the overall quality of EuropeAID's programme/project portfolio in terms of quality of design, achievement of objectives and quality of project management.

The Quality Frame can either be applied with or without the use of a rating scale for each of the key criteria and standards. Use of a rating scale is a valuable tool if one wishes to make comparisons between projects, or if the intention is to gain an overview of the quality of a large portfolio of projects over time.

#### Link between the quality frame and the EC's evaluation and audit criteria

The five criteria used by the EC to evaluate the success of projects or programmes are: (i) relevance; (ii) efficiency; (iii) effectiveness; (iv) impact and (v) sustainability (see section 4.6.4). The two criteria used by the EC to audit the performance of projects or programmes are: (i) efficiency (including economy); and (ii) effectiveness (see section 4.7.4).

In the context of the quality frame's key quality attributes, the word *Feasibility* is used to describe the expected efficiency, effectiveness and impact of the project prior to the start of implementation. *Effective and well managed* describes the *actual* efficiency and effectiveness of the project during implementation, while the issue of impact can only be assessed through ex-post evaluation. As already noted, the factors promoting sustainability are threaded throughout the attributes of Relevance, Feasibility and Effective & Well-managed.

<sup>18</sup> (i) Ownership by beneficiaries, (ii) policy support, (iii) appropriate technology, (iv) environment, (v) socio-cultural issues, (vi) gender equity, (vii) institutional and management capacity, and (viii) economic and financial viability.



#### 4.1.7 The financing decision

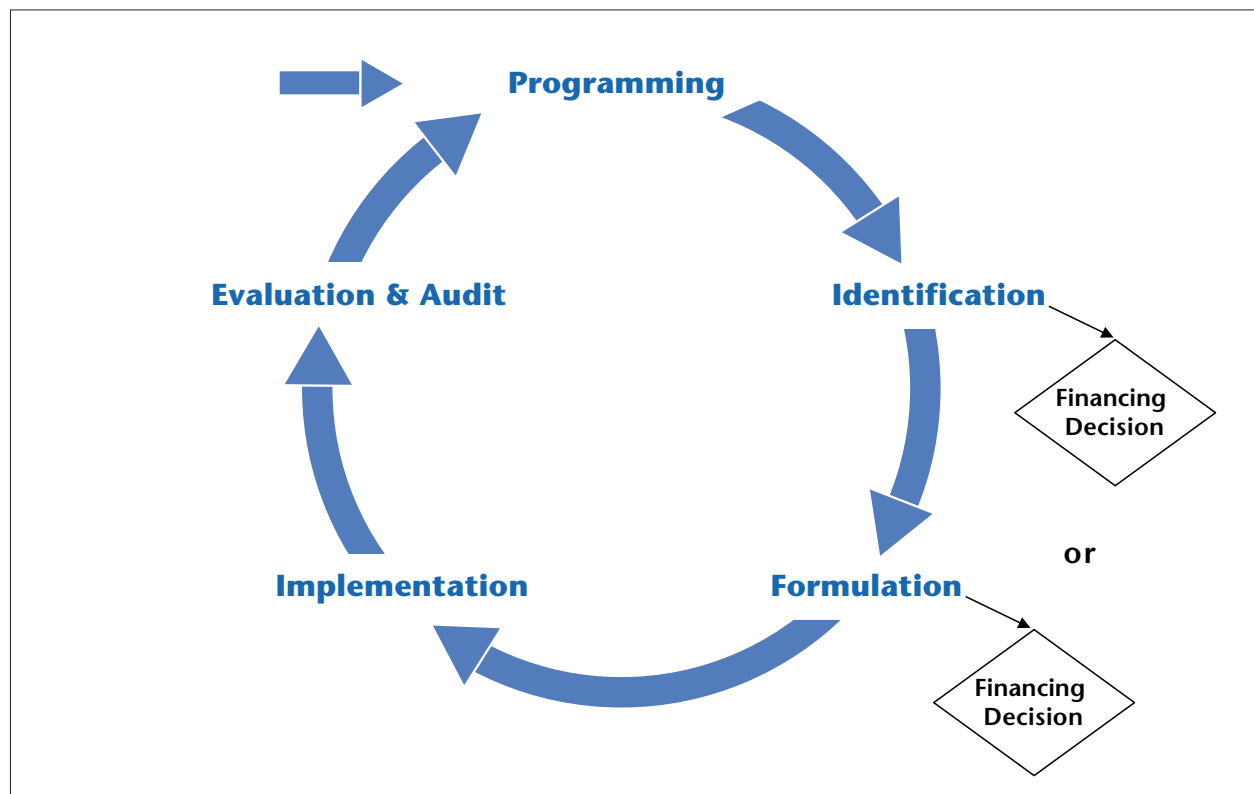
The EC currently uses two main approaches to committing finance under its 'direct arrangements' with partner governments, depending on the Financial Regulation. One involves a decision to finance individual projects after they have passed through the Formulation phase (e.g. for ACP and ALA projects).

The other involves a decision to finance a 'programme/package' of projects at the end of the Identification phase (e.g. for MEDA and TACIS projects). This is illustrated in Figure 8.

The key tasks associated with financing decisions are primarily the responsibility of the EC's Headquarter staff, and generally include:<sup>19</sup>

1. Conduct a quality assessment of the draft Financing Proposal (QSG);
2. Make any required changes to the draft **Financing Proposal** (line management);
3. Approve or reject the Financing Proposal (**Financing Decision** made by the competent authority);
4. For approved projects (individual or under a programme/package) prepare, negotiate and conclude (sign) a **Financing Agreement(s)** between the EC and the implementing partner(s), including the necessary technical and administrative provisions for implementation.

Figure 8 – Timing of the Financing Decision



<sup>19</sup> The responsibilities of Headquarters and Delegation staff are different for centralised and devolved operations.





Partner governments (or non-state implementing partners) are responsible for concluding contractual negotiations, including formal commitment to a Financing Agreement or Memorandum and related provisions.

### Appraisal by Quality Support Group and Inter-Service consultation

When the Draft Financing Proposal is appraised, this may be led either by the Directorate Quality Support Group (d-QSG) chaired by the Director of the relevant operational unit, or by the Office Quality Support Group (o-QSG), chaired by the Deputy Director-General.

The appraisal by o-QSG or d-QSG focuses on three main issues:

- An assessment of the proposed project or programme in relation to the quality criteria of Relevance and Feasibility;
- A judgment on whether the requirements of the PCM Guidelines have been adequately fulfilled; and
- Verification that any comments previously made by QSG have been addressed.

The opinions of the o-QSG/d-QSG are communicated to the Director who will decide whether or not to integrate them in the FP. He or she will then initiate the inter-service consultation.

The decision options are to:

- Accept the Draft Financing Proposal and proceed to concluding the financing arrangements and then Implementation;
- Seek further clarification or amendments to the Draft Financing Proposal before proceeding; or
- Reject the Draft Financing Proposal.

### Opinion of the financing committee and Commission decision

Subject to its total value, the Financing Proposal is then submitted by EuropeAID to the relevant committee of the Member States, chaired by DGs DEV/RELEX. As a general rule, Financing Proposals have

to be ready (with approvals from all the relevant departments) 45 days before the date of the Committee meeting. During this time, they are translated and sent out for advance scrutiny by the Member States.

Once the committee has given a positive opinion on the FP, EuropeAID is responsible for the financing decision procedure. As a general rule, the Commission adopts financing decisions by written procedure, or in exceptional circumstances by habilitation procedure.

After approval of the FP by the Commission, EuropeAID prepares the Financing Agreement and takes responsibility for ensuring complete consistency between the Financing Proposal and the FA. The FA is based upon a model Financing Agreement, prepared by EuropeAID.

As a rule, all implementation arrangements for the project must be specified in the Financing Agreement (through the Technical and Administrative Provisions). However, where some provisions cannot be included in the FA (for reasons of timing or due to technical factors), a complementary contractual procedure should be explicitly provided for in the FA. This will take place preferably in the form of an Exchange of Letters, although a joint implementation memorandum is a possibility.

It is important that Financing Agreements provide adequate flexibility to allow project scope and timing to be adjusted to meet changing circumstances and needs on the ground. They must support, not constrain, effective project implementation.

## 4.2 Programming

### 4.2.1 Introduction

Programming of EC development assistance is multi-annual and is coordinated by Commission Services with contributions from partner country authorities. The output is an agreed Country Strategy Paper including a multi-annual National Indicative Programme. It constitutes the "Order For Service" (OFS) sent formally from DG RELEX/DEV to EuropeAid.



During the Programming phase, the situation at national and sector level is analysed to identify problems, constraints and opportunities which co-operation could address. This involves a review of socio-economic indicators, and of national and donor priorities. The purpose is to identify the main objectives and sector priorities for co-operation, and thus to provide a relevant and feasible programming framework within which programmes and projects can be identified and prepared. For each of these priorities, strategies that take account of the lessons of past experience are formulated.

“Guidelines for the Implementation of the Common Framework for Country Strategy Papers” explaining the process in detail are available on the EC’s intranet.<sup>20</sup> Overall procedures and responsibilities for programming are described in the Inter-service Agreement.

#### 4.2.2 The programming process

The multi-annual programming documents, as defined by the different regulations, are a part of the strategic framework vis-à-vis a partner country/region. Furthermore, the standard Framework for Country Strategy Papers, which applies to EDF, ALA and MEDA programming documents will also be applied progressively to all other countries receiving financial assistance from the EC. Therefore, both programming and implementation are (or will be) managed on the basis of a single, logically coherent document – the Country Strategy Paper (CSP).

A CSP should be drafted on the basis of discussions with the partner country. The process of CSP preparation should promote clear ‘local’ ownership of the strategy so as to facilitate successful implementation. This requires time, financial resources and appropriately skilled personnel.

A CSP contains a series of key elements and has the following structure:

1. A description of the EC’s co-operation objectives;
2. The policy objectives of the partner country;
3. An analysis of the political, economic and social situation, including the sustainability of current policies and medium-term challenges;
4. An overview of past and ongoing EC co-operation (lessons and experience), information on programmes of EU Member States and other donors;
5. The EC response strategy, identifying a strictly limited number of intervention sectors that are complementary to interventions by other donors;
6. Once the response strategy is defined, it must be translated into a National Indicative Programme (NIP). This may be an integral part of the overall CSP document. The NIP is a management tool covering a period of several years (from 3-5 years depending on the applicable Regulation/Agreement). It identifies and defines the appropriate measures and actions for attaining established strategy objectives. The National Indicative Programme should fully derive from and be consistent with the preceding analysis.

The indicative programme specifies:

1. Global objectives: Programming documents set out the strategic choices for EC co-operation, on the basis of the EU’s and the country’s priorities, making possible the setting of priorities within and across sectors and the choice of appropriate aid delivery modalities (i.e. project, sector programme support and/or budgetary aid);
2. Financial envelopes for each co-operation area including, where appropriate, the indicative timing and size of each installment of the Community’s contributions;

<sup>20</sup> [http://europa.eu.int/comm/development/lex/en/sec2000\\_1049\\_0\\_en.htm#menu](http://europa.eu.int/comm/development/lex/en/sec2000_1049_0_en.htm#menu)



3. Specific objectives and expected results for each co-operation area, including any conditionalities and the main performance and outcome indicators. These indicators should relate to developments that are measurable in the medium term. If there is a PRSP process (Poverty Reduction Strategy Paper) under way, the indicators must correspond to those developed within that framework;<sup>21</sup>
4. How crosscutting issues are taken into consideration (gender, environment, etc.); and
5. Programmes to be implemented in pursuit of these objectives, the targeted beneficiaries and the type of assistance to be provided (e.g. macroeconomic support, technical assistance, training, investment, supply of equipment, etc). Furthermore, project ideas may be formulated and general criteria for their realisation defined (such as geographical area, most suitable partners, suitable duration of projects).<sup>22</sup>

The programming process should be consistent with the major analytical elements of the Logical Framework Approach, namely it should:

- Identify key stakeholders and assess their needs, interests and capacities;
- Identify and analyse the priority development problems/constraints and opportunities;
- Identify development objectives which address the identified priority problems; and
- Identify a strategy for EC development assistance which takes account of the preceding analysis, including capacity constraints, lessons learned from previous experience and the ongoing or planned activities of other donors.

## 4.3 Identification

### 4.3.1 Purpose

The purpose of the identification stage is to:

- identify project ideas that are consistent with partner and EC development priorities;
- assess the relevance and likely feasibility of these project ideas;
- under the 'Programme approach', prepare a Financing Proposal (i.e under the MEDA or TACIS regulations), or an Identification Fiche for individual projects (i.e. under ACP and ALA funding arrangements); and
- prepare a financing decision for a Programme of projects, or determine the scope of further work required during the formulation stage for individual projects.

### 4.3.2 Key tasks and responsibilities

The source of project ideas may come from a variety of sources, most importantly from prospective implementing partners (either partner governments, non-state actors or multi-lateral or regional development agencies). Local ownership of, and commitment to, potential projects is a key quality assessment criterion.

Furthermore, project ideas should be drawn from the priorities and targets identified in the relevant Country Strategy Paper and National Indicative Programme. Each project's 'Overall Objective' should therefore generally be derived from an appropriate objective statement contained in the CPS/NIP or from a relevant sector policy or programme objective.

The key tasks and responsibilities of the EC during this stage depend on whether or not the financing decision is being made at this stage or at the end of Formulation. The tasks associated with two main options are summarized below.

<sup>21</sup> As a major step towards concerted international action for development, the OECD, the United Nations and the World Bank have agreed a system for tracking progress towards the 'Millennium Development Goals'. These goals and the indicators being used to monitor progress are contained in the EC's 'Guidelines for the use of Indicators in country performance assessment', DG DEV, December 2002.

<sup>22</sup> For ACP countries, there is a legal obligation to give the NIP an operational content (Annex IV to the Cotonou Agreement). To the extent possible, already identified projects/programmes that warrant funding in the short and/or medium term should therefore be included in the NIP. As the Cotonou Agreement prescribes rolling programming, NIPs for ACP countries should also include a projection of tentative, but nevertheless identifiable, proposals for follow-up in the subsequent years.



**Individual projects – no financing decision made at this stage**

Key tasks generally include:

1. Organise and participate in consultations with key stakeholders throughout the phase (e.g. partner government institutions, non-state entities, civil-society groups, other donors, etc), and ensure their active involvement in decision making.
2. Analyse project concepts/proposals that have been prepared and submitted by those eligible to do so, and collect additional available information as required.
3. Make a decision on whether or not project concepts/proposals merit and require further development prior to finalising the Identification Fiche (e.g. conduct of a pre-feasibility study).
4. As required, prepare Term of Reference for the conduct of a pre-feasibility study(s), manage the implementation of the study, assess the content and quality of study reports, and decide on next steps.
5. If the concept is expected to proceed to the formulation stage, prepare an Identification Fiche, including the TOR for the formulation stage.
6. Submit the Identification Fiche for QSG screening and consideration for approval (to proceed to the formulation stage) by line management.



Primary responsibility for managing these tasks should rest with Delegations, appropriately supported by staff from HQ.

**Programme of projects – financing decision made at end of this stage**

Key tasks generally include:

1. Organise and participate in consultations with key stakeholders throughout the phase (e.g. partner government institutions, non-state entities, civil-society groups, other donors, etc), and ensure their active involvement in decision making.
2. Undertake preparatory work to identify project ideas (led by Delegations with support missions from HQ as appropriate).
3. Prepare draft project list including individual project fiches based on partner proposals.
4. Reach internal agreement (between EuropeAID and DG Relex) on a draft project list and project fiches.
5. Confirm project list with partner(s).
6. Draft the Financing Proposal (e.g. 'Action Programme' or 'National Financing Plan' including Project Fiches) and submit for approval through the QSG process.
7. Send the Financing Proposal to Member States, discuss at Management Committee and seek Commission decision on financing.



Primary responsibility and authority for managing tasks 1 to 3 and 5 to 6 should rest with Delegations, appropriately supported by staff from HQ.



### 4.3.3 Key assessments and tools

During the identification phase the key assessments required to help ensure the relevance and feasibility of a project idea are: (i) assessment of policy and programming framework; (ii) stakeholder analysis, including institutional capacity assessment; (iii) problem analysis, including scoping of cross-cutting issues (e.g. gender, governance, environment); (iv) assessment of other ongoing and planned initiatives, and assessment of lessons learned; (v) preliminary objectives and strategy analysis; (vi) preliminary assessment of resource and cost parameters; (vii) preliminary assessment of project management, coordination and financing arrangements; and (viii) preliminary assessment of economic/financial, environmental, technical and social sustainability issues.

The core PCM tools that can be used include:

1. **Quality assessment criteria** (see section 4.3.4 below). The criteria and standards provide a checklist of key issues which should be assessed at this stage of the cycle, focusing on the relevance and likely feasibility of the proposed project idea.
2. **The Logical Framework Approach** – namely stakeholder analysis, problem analysis, preliminary objective setting and strategy analysis (see Section 5). The LFA Guidelines provide a description of what these tools are and how they can be applied.

3. **Institutional capacity assessment** (see Section 6). This tool is provided to highlight the key questions that need to be asked and answered in undertaking an institutional capacity assessment.
4. **Promoting participatory approaches** and using facilitation skills (see Section 8). This provides ideas and guidance on promoting participation (and thus ownership) and on using facilitation skills during the project management cycle.
5. **Preparation of Terms of Reference** (see Section 9). Guidance is provided as to the structure and content of TOR at each main stage of the project cycle.
6. **The Identification Fiche, Action Programme and Project Fiche formats** (see Section 4.3.5 below).
7. **Economic and Financial Analysis** (see Ecofin Guidelines).

As already noted, other technical or sector specific Guidelines should also be used as appropriate.





### 4.3.4 Assessment criteria and standards

In line with the Quality Frame, the specific assessment criteria and standards to be applied for individual projects, or to a programme/package of projects, are provided in the table below.

The individual standards should be applied in a practical way, given that not all will be appropriate to every project or programme.

Quality Attributes, Criteria and Standards at Identification	
<b>A</b>	<b>RELEVANT – the project meets demonstrated and high priority needs</b>
<b>1</b>	<b>Consistent with, and supportive of, EC development and cooperation policies</b>
1.1	The proposal is consistent with EC development policies and decisions, and a coherent argument is provided to demonstrate how the project will support them (i.e. poverty alleviation and/or economic integration, sustainable development and promoting gender equality)
1.2	A 'project approach' is an appropriate response given the development context
1.3	The initiative is consistent with the Country Strategy Paper (and/or other framework documents)
<b>2</b>	<b>Consistent with, and supportive of, Partner Government policies and relevant sector programmes<sup>23</sup></b>
2.1	Relevant PG policy documents and decisions are referred to, including (where relevant) the country's Poverty Reduction Strategy
2.2	The relevant sector policy is described, including key ongoing initiatives, sector targets and resource commitments
2.3	Relevant policy, programme and project linkages are described, and it is clearly demonstrated that the project is consistent with the programme and policy framework, and supportive of ongoing initiatives
<b>3</b>	<b>Key stakeholder and target groups are clearly identified, equity and institutional capacity issues analysed, and local ownership demonstrated</b>
3.1	Gender disaggregated data is provided on the socio-economic status of target groups (e.g. health, education, income, human rights) and equity issues are explicitly assessed with respect to other vulnerable groups such as the disabled
3.2	The past and ongoing stakeholder identification and consultation process is described – who, how, when – and different stakeholder interests (expectations and concerns) are appropriately analysed
3.3	Existing or potential conflicts between stakeholders have been explicitly identified and analysed
3.4	An assessment of institutional structures, capacity and governance issues is provided (strengths and weaknesses), particularly for the institution(s) which will be primarily responsible for project implementation
3.5	Evidence is provided of local ownership of project ideas, such as previous or current commitments of resources (cash or kind) to related activities and active local involvement in decision making
<b>4</b>	<b>Problems have been appropriately analysed</b>
4.1	The problem analysis includes assessment of cause and effect relationships, and identifies underlying problems which impact on target groups
4.2	The problems facing different socio-economic groups (including gender differences and the needs of disabled people) are appropriately identified and described, including the nature and incidence of poverty
4.3	The set of problems and/or opportunities that the project should aim to address are identified
<b>5</b>	<b>Lessons learned from experience and linkages with other ongoing/planned projects or programmes have been assessed and incorporated into strategy selection</b>
5.1	Reference is made to the lessons learned from other projects/programmes implemented in the sector or in similar environments (from review and evaluation reports), and these lessons are reflected in the proposal
5.2	Complementarity with ongoing or planned programmes/projects is assessed, including those of other donors
5.3	Implementation options/strategies are appropriately analysed, including the requirements for further formulation/design work

<sup>23</sup> These particular standards may not be applicable to some projects being implemented through non-governmental organisations.



Quality Attributes, Criteria and Standards at Identification	
<b>B</b>	<b>FEASIBLE – The project is well designed and is likely to deliver tangible and sustainable benefits to target groups</b>
<b>6</b>	<b>The preliminary<sup>24</sup> objectives are clear and logical, and address clearly identified needs</b>
6.1	The project's (preliminary) Overall Objective is clearly linked to a relevant policy or sector objective, and thus demonstrates how the project is likely to contribute to a long term development outcome
6.2	The project's (preliminary) purpose clearly specifies a direct benefit(s) that the target group(s) will derive from the implementation of the project, and is consistent with the analysis of problems facing the target group(s)
6.3	The project's (preliminary) results/outputs describe tangible improvements to services, facilities or knowledge that will directly support achievement of the project's purpose
<b>7</b>	<b>The preliminary resource and cost implications are clear, and a preliminary economic and financial analysis has been carried out</b>
7.1	The (preliminary assessment of) resources required to implement the project are clearly described
7.2	Project investment and operating costs are described and analysed in sufficient detail, including the financial contributions of different stakeholders
7.3	Recurrent cost implications are estimated, and an assessment made of the local capacity to meet these costs at the end of the project investment phase
7.4	Where appropriate, initial estimates of the likely financial and economic viability of the project are provided, and requirements for further Economic and Financial analysis of the project's costs and benefits is specified
<b>8</b>	<b>Preliminary coordination/management and financing arrangements are clear and support institutional strengthening and local ownership</b>
8.1	Anticipated project management responsibilities are briefly defined, build on the analysis of institutional arrangements and capacity, and promote local ownership and capacity building
8.2	Anticipated arrangements for coordinating the work of different stakeholders are briefly described, give 'voice' to target groups, allow potential conflicts of interest to be addressed, and appear practical to implement
8.3	Anticipated arrangements for providing overall direction to the project are described (i.e role and composition of a project steering committee)
8.4	Anticipated financial management arrangements for providing an adequate level of overall internal control are described (i.e. accounting and financial information and reporting systems).
<b>9</b>	This criteria (on monitoring and evaluation) does not need to be applied at the Identification stage
<b>10</b>	<b>Assumptions/Risks are identified and assessed, and appear acceptable</b>
10.1	Assumptions in the (draft) Logframe Matrix highlight key factors outside the direct control of project managers which have the potential to impact negatively on the project (risks)
10.2	The importance of different risks is assessed, including the degree of negative impact they might have on achieving objectives
<b>11</b>	<b>The project is (likely to be) environmentally, technically and socially acceptable and sustainable</b>
11.1	An appropriate level of environmental impact analysis has been carried out, and the scope of further studies determined
11.2	The project is (likely to be) technically feasible, meets relevant industry standards and uses/introduces technology that is appropriate to the needs/resource endowment of target groups
11.3	Gender analysis has been carried out, and the project has a clear (preliminary) strategy to ensure benefits are appropriately shared by women and men
11.4	The project has a clear strategy to ensure benefits are appropriately targeted at identified vulnerable groups (i.e the poor, women, children, disabled people and the old or infirm)

<sup>24</sup> The term 'preliminary' emphasises the fact that these are initial estimates of what the project might achieve and cost, how it might be managed etc. These issues will then be further developed, tested and documented in more detail during formulation.



Quality Attributes, Criteria and Standards at Identification	
<b>C</b>	<b>WELL MANAGED – The preparation of the project is being well managed (by EC task managers)</b>
<b>16</b>	<b>Good practice principles of project cycle management are applied by EC Task Managers</b>
16.1	Terms of Reference for EC funded studies/work are clear and comprehensive, and understood by concerned staff
16.2	The project is appropriately assessed through the project management cycle, using agreed/relevant Quality Assessment processes and criteria
16.3	The quality of key project documents (e.g. Identification Fiche, Financing Proposal) is assessed and meets established quality standards
16.4	Use of the Logical Framework Approach and its associated tools are being appropriately applied through the project cycle to support analysis and decision making
16.5	Contracts are being effectively managed, including the production of high quality contract documents, briefing of contractors, review of reports and timely payment of certified invoices

#### 4.3.5 Key documents

The key documents required by the EC at the identification stage of the cycle are therefore:

- Terms of reference for any EC funded pre-feasibility studies;
- The Identification Fiche, including as appropriate draft terms of reference for a feasibility/design study; or
- A Financing Proposal for a programme/package of projects (e.g Action Programme together with Project Fiches).

Formats for these documents can be found on the EuropeAID intranet site (Quality Support Group).

From a project management perspective, the information required about a project at the end of Identification (consistent with the key assessments and Quality Criteria used at this stage) should therefore include:

#### Information requirements about a project at end of Identification

1. Policy and programme context (Partner and EC)
2. Stakeholder analysis
3. Problem analysis, including scope of cross-cutting issues
4. Lessons learned and review of other ongoing or planned initiatives
5. Preliminary project description – indicative objective hierarchy
6. Indicative resource and cost implications
7. Indicative coordination, management (including financial management/control) and financing arrangements
8. Preliminary assessment of economic/ financial, environmental, technical and social sustainability
9. Follow-up work plan for the Formulation stage





### 4.3.6 Deciding next steps

The main decision options depend on whether or not a financing decision is being made at the end of this stage.

#### No financing decision at this stage (individual projects)

If the project idea fully or adequately meets each of the quality assessment criteria (based on an assessment of the required documentation and discussions with stakeholders), the project should be considered for progression to the formulation stage.<sup>25</sup>

If the project concept is clearly unsatisfactory in relation to one or more criteria, the decision options would be to either:

- Collect additional information and clarify information gaps with the partner government and/or other key stakeholders;
- Commission further specific studies to help fill information gaps; or
- Reject the project concept.

#### Financing decision at end of this stage (Programme of projects)

If projects are being submitted as part of a Programme/package of projects, the main decision options are:

- Accept the Financing Proposal for the Programme and make a Financing Decision;
- Require modification of the Financing Proposal (including individual project fiches) prior to making a Financing Decision; or
- Reject the Financing Proposal.

## 4.4 Formulation

### 4.4.1 Purpose

The purpose of the Formulation stage is to:

- Confirm the relevance and feasibility of the project idea as proposed in the Identification Fiche or Project Fiche;

- Prepare a detailed project design, including the management and coordination arrangements, financing plan, cost-benefit analysis, risk management, monitoring, evaluation and audit arrangements; and
- Prepare a Financing Proposal (for individual projects) and a financing decision.

### 4.4.2 Key tasks and responsibilities

As with the identification stage, the prospective implementing partners and other local stakeholders should usually take a lead role in the project formulation stage in order to help ensure ownership and commitment. However, donors (including the EC) often take an active supporting role with respect to the financing and management of feasibility/design studies, including the provision of technical assistance/advisory inputs.

The roles and responsibilities of different stakeholders (including the EC) in the formulation stage will be influenced by a number of factors, including:

- the extent to which the project aims to integrate with local institutional structures and build local capacity;
- the anticipated project coordination and management arrangements (including financial management, internal control and reporting framework); and
- stakeholders' capacity to participate in and finance the formulation process.

The key tasks and responsibilities of the EC during this stage depend on whether or not the financing decision is being made at this stage or at the end of Identification. The main tasks associated with the two options are summarized below:

<sup>25</sup> In a few cases, a project may move from the identification stage directly to appraisal and consideration for financing. This might occur if the identified project is already well designed and appears to meet all formulation stage assessment criteria.



### Individual projects – financing decision made at end of Formulation

Key tasks generally include:

1. Organise and participate in consultations with key stakeholders throughout the phase (e.g. partner government institutions, non-state entities, civil-society groups, other donors, etc), and promote their active involvement in decision making.
2. Based/building on the approved Identification Fiche and the contents of any other pre-feasibility study documents, finalise Terms of Reference and any required tendering documents for the feasibility/design study.
3. Manage the tender process (as required), including the selection of a preferred contractor and the conduct of pre-mission briefings.
4. Monitor the progress of the study/mission, assess the content and quality of study reports, and decide on next steps.
5. If the project is to proceed to Financing, prepare a Draft Financing Proposal and submit to QSG for assessment.
6. Manage the Proposal through the financing committee process.
7. Prepare and conclude Financing Agreement.

### Programme of projects – financing decision already made at end of Identification

The approved Project Fiches contained in the Programme may require further specification before they can serve as clear and useful tools to guide implementation. During this stage, further formulation work may therefore be carried out to develop the Technical and Administrative Provisions prior to concluding a Financing Agreement.

Key tasks generally include:

1. Review each Project Fiche to identify issues requiring further analysis and formulation/design work, and determine responsibilities for undertaking the work.
2. Prepare TOR (as appropriate) to contract further formulation/design work.
3. Contract the design work and manage the contractors.
4. Submit implementation documents (TOR/Technical and Administrative Provisions) for review by the QSG (on a sample basis).
5. Undertake other required actions prior to implementation, including ongoing dialogue with project stakeholders to ensure/support local commitment.
6. Prepare and conclude Financing Agreement.

The duration of the formulation stage may vary greatly for different types of project and will be influenced by the availability/accessibility of required information, the capacity of local stakeholders and the degree of political and administrative support provided by local partners. Smaller, less complex or very urgent projects (i.e. for emergency relief) may be formulated in a few weeks or months. Large scale, complex investments which are not critically urgent, may take many months or even years to fully formulate.

The main tasks in the Formulation stage should generally be managed by Delegations, using appropriately resourced 'teams' wherever possible (rather than leaving the task to individuals).

Headquarters should focus on managing those elements where they have a clear comparative advantage and/or where operating and financial procedures require them to take the lead role.

#### 4.4.3 Key assessments and tools

During the Formulation stage the key assessments required are (building on the assessments undertaken during Identification): (i) confirm consistency with the policy and programming framework; (ii) stakeholder analysis, including institutional capacity assessment; (iii) problem analysis, including cross-cutting issues (e.g. gender, governance, environment); (iv) complementarity with other ongoing and planned initiatives, incorporating lessons learned; (v) strategy



assessment; (vi) objective hierarchy assessment (Objective, purpose, results and indicative activities); (vii) assessment of resource and cost requirements; (viii) assessment of management, coordination and financing arrangements (including financial management and internal control/reporting); (ix) assessment of monitoring, evaluation and audit arrangements; and (x) sustainability and risk assessment, including economic/financial, environmental, technical and social.

The tools that can be applied to support the formulation of good quality projects include:

- Quality assessment criteria (see section 4.4.4 below);
- The Logical Framework Approach, including the preparation of the Logframe Matrix (which contains the project description, key assumptions/risks, indicators and sources of verification) and supporting activity, resource and cost schedules (see Section 5);
- Institutional capacity assessment, building on previous analysis undertaken in the identification stage (see Section 6);
- Risk management matrix (See Section 7.2.2);
- Guidance on promoting participation and the use of facilitation skills (see Section 8);
- Guidance on preparation of TORs (see Section 9);

- Guidance on financial management, internal control framework and reporting requirements (to be developed);
- Further ECOFIN analysis; and
- The Financing Proposal format.

There are also a number of other Guidelines (referenced in Section 2 of this Guideline), which provide information on dealing with specific cross cutting issues such as gender mainstreaming, good governance/human rights, environmental impact assessment and meeting the needs of the disabled.

#### 4.4.4 Assessment criteria and standards

The assessment criteria and standards applied during the Formulation stage include those used at the Identification stage. However, in this phase additional focus is given to feasibility (including technical, social, environmental and economic), implementation arrangements, risk and sustainability analysis. Again, professional judgment must be applied in determining whether or not all standards are relevant/applicable to the particular project or programme in question.

The assessment criteria and standards at this stage are shown in the table below:

Quality Attributes, Criteria and Standards at Formulation	
<b>A</b>	<b>RELEVANT – the project meets demonstrated and high priority needs</b> <i>(the standards for relevance are listed in the section on Identification – at this stage of the cycle they need to be reviewed and re-confirmed)</i>
<b>1</b>	<b>Consistent with, and supportive of, EC development and cooperation policies</b>
<b>2</b>	<b>Consistent with, and supportive of, Partner Government policies and relevant sector programmes<sup>26</sup></b>
<b>3</b>	<b>Key stakeholder and target groups are clearly identified, equity and institutional capacity issues analysed, and local ownership demonstrated</b>
<b>4</b>	<b>Problems have been appropriately analysed</b>
<b>5</b>	<b>Lessons learned from experience and linkages with other ongoing/planned projects/programmes have been assessed and incorporated into strategy selection</b>

<sup>26</sup> These standards may not be applicable to some projects being implemented through non-governmental organisations.



Quality Attributes, Criteria and Standards at Formulation	
<b>B</b>	<b>FEASIBLE – The project is well designed and will deliver tangible and sustainable benefits to target groups</b>
<b>6</b>	<b>The objectives (Overall objective, purpose and results/outputs) and the work programme (activities) are clear and logical, and address clearly identified needs</b>
6.1	The project's Overall Objective is clearly linked to a relevant policy or sector objective, and thus demonstrates how the project will contribute to a long term development outcome
6.2	The project's purpose clearly specifies a direct benefit(s) that the target group(s) will derive from the implementation of the project, and is consistent with the analysis of problems facing the target group(s)
6.3	The project's results describe tangible improvements to services, facilities or knowledge that will directly support the achievement of the project's purpose
6.4	A feasible work programme (set of activities) is described which will allow project results to be delivered over a realistic time-frame
6.5	The project design is not overly prescriptive, and allows for necessary changes to operational plans to be made during implementation
<b>7</b>	<b>The resource and cost implications are clear, the project is financially viable and has a positive economic return</b>
7.1	The resources (such as staff, equipment, materials etc) required to implement the project are clearly described, including an analysis of resource contributions from each of the primary stakeholders (e.g. local communities, partner government institutions, other donors and the EC)
7.2	Project investment and operating costs are described and analysed in sufficient detail, including the financial contributions of different stakeholders
7.3	Recurrent cost implications are described, and an assessment made of the local capacity to meet these costs at the end of donor financing
7.4	An appropriate level of Financial and/or Economic analysis of the project's costs and benefits is provided, which shows that the project is financially viable and has a positive economic return
<b>8</b>	<b>Coordination/management and financing arrangements are clear and support institutional strengthening and local ownership</b>
8.1	Management responsibilities are clearly defined (including responsibilities of different stakeholder groups), build on the analysis of institutional arrangements and capacity, and promote local ownership and capacity building
8.2	The arrangements for coordinating the work of different stakeholders are clearly described and practical to implement, and allow project managers to access support from senior decision/policy makers (i.e a Governing Body/Steering Committee)
8.3	Arrangements for regular review, operational work planning and budgeting 'fit' with local systems and support the ability of managers to respond to lessons learned and changing circumstances on the ground
8.4	Financial management arrangements are clearly specified (in particular for providing an adequate level of overall internal control) and promote accountability and transparency
8.5	Audit arrangements are clearly specified (including responsibilities and coordination arrangements where various stakeholders are involved)
<b>9</b>	<b>The monitoring/evaluation and accountability system is clear and practical</b>
9.1	The project's Logframe Matrix includes a set of indicators and sources of verification (namely for the purpose(s) and results), which will allow management information to be collected and used in a timely and cost-effective manner
9.2	Adequate resources are included within the project design to support the implementation of the performance measurement (monitoring and evaluation) system
9.3	Roles and responsibilities for collecting, recording, reporting and using the information are clearly described, and build on/support existing systems (capacity building)
9.4	The information needs of target groups are given adequate priority, and include providing the means by which they can voice their opinions and concerns (local accountability)
9.5	Effective anti-corruption monitoring tools and audit requirements are proposed/in place



Quality Attributes, Criteria and Standards at Formulation	
<b>10</b>	<b>Assumptions/Risks are identified and assessed, and appropriate risk management arrangements are proposed</b>
10.1	Assumptions in the Logframe Matrix highlight key factors outside the direct control of project managers which have the potential to impact negatively on the project (risks)
10.2	The importance of different risks is assessed, including the degree of negative impact they might have on achieving objectives
10.3	Arrangements for managing risks are clear
<b>11</b>	<b>The project is environmentally, technically and socially acceptable and sustainable</b>
11.1	An appropriate level of environmental impact analysis has been carried out, and an environmental management plan is/will be in place
11.2	The project is technically feasible, meets relevant industry standards and uses/introduces technology that is appropriate to the needs/resource endowment of target groups
11.3	Gender analysis has been carried out, and the project has a clear strategy to ensure benefits are appropriately shared by women and men
11.4	The project has a clear strategy to ensure benefits are appropriately targeted at identified vulnerable groups (i.e the poor, women, children, disabled people, the old or infirm)
<b>C</b>	<b>WELL MANAGED – the formulation of the project is being well managed (by EC Task Managers)</b>
<b>16</b>	<b>Good practice principles of project cycle management are applied by EC Task Managers</b>
16.1	Terms of Reference for EC funded studies/work are clear and comprehensive, and understood by concerned staff
16.2	The project is appropriately assessed through the project management cycle, using agreed/relevant Quality Assessment processes and criteria
16.3	The quality of key project documents (e.g. Financing Proposals and Agreements, Operational plans, Progress reports and Mid-term evaluation reports) is assessed and meets established quality standards
16.4	Use of the Logical Framework Approach and its associated tools are being appropriately applied through the project cycle to support analysis and decision making
16.5	Contracts are being effectively managed, including the production of high quality contract documents, briefing of contractors, review of reports and timely payment of certified invoices



#### 4.4.5 Key documents

The key EC documents produced at this stage of the cycle are therefore:

- A Financing Proposal; and/or
- Terms of Reference/Technical & Administrative Provisions for implementation.

Example formats are available on the QSG website at: [X:/Europeaid/Thematicnetworks/qsg/Home\\_Page\\_QSG\\_en.htm](X:/Europeaid/Thematicnetworks/qsg/Home_Page_QSG_en.htm)

The main information elements that should be available by the end of formulation (in order to effectively guide and support implementation) are shown in Figure 9.

#### 4.4.6 Deciding next steps

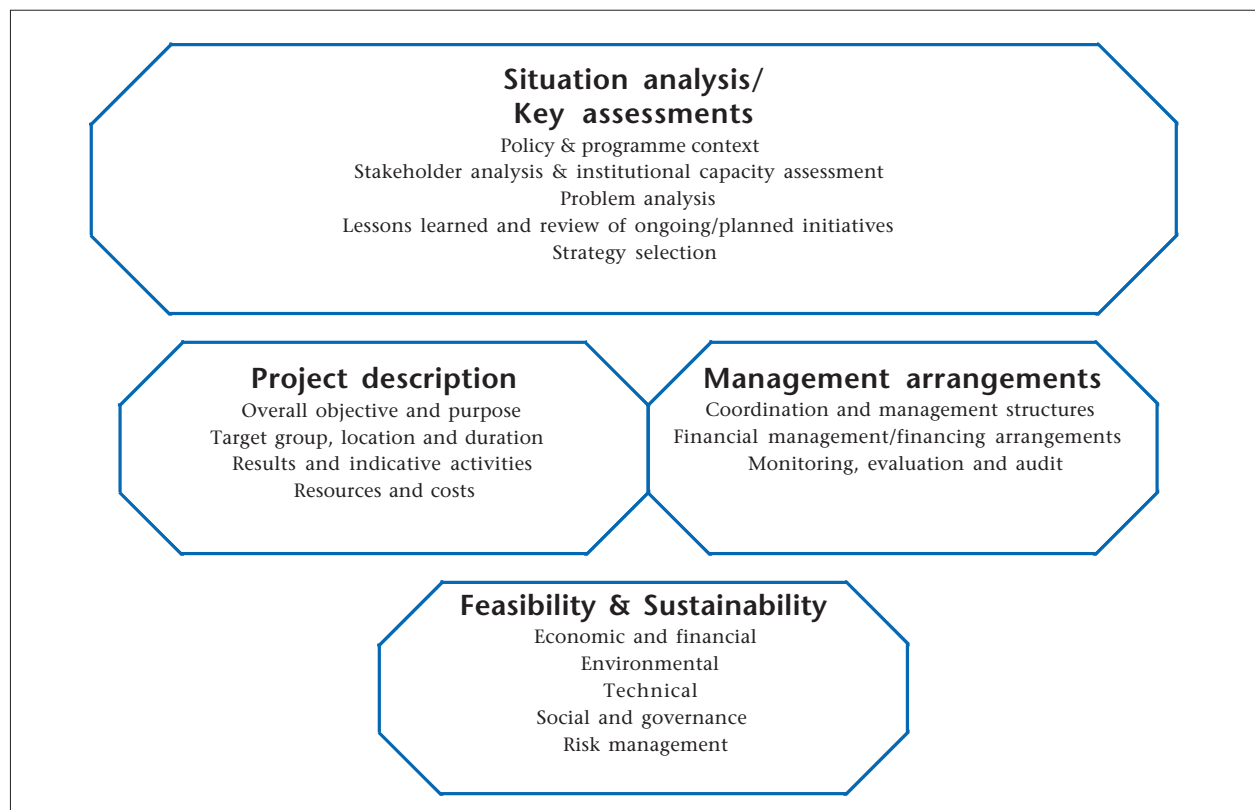
For individual projects (with no financial decision yet made) the decision options at the end of this stage are:

- Accept the Financing Proposal, make the Financing Decision and proceed to concluding the Financing Agreement;
- Seek further clarification or amendments to the Financing Proposal before proceeding; or
- Reject the Financing Proposal.

For projects that are part of an approved Programme (i.e. for which the financing decision has already been made at the end of the identification stage), the decision options at this stage merge with those of the implementation phase, namely:

- What further design/formulation work is required before the start of implementation; and
- What are the final tendering/contracting modalities to be used.

Figure 9 – Information elements produced by end of Formulation





## 4.5 Implementation, including monitoring and reporting

### 4.5.1 Purpose

The purpose of the implementation stage is to:

- Deliver the results, achieve the purpose(s) and contribute effectively to the overall objective of the project;
- Manage the available resources efficiently; and
- Monitor and report on progress.

The implementation stage of the project cycle is in many ways the most critical, as it is during this stage that planned benefits are delivered. All other stages in the cycle are therefore essentially supportive of this implementation stage.

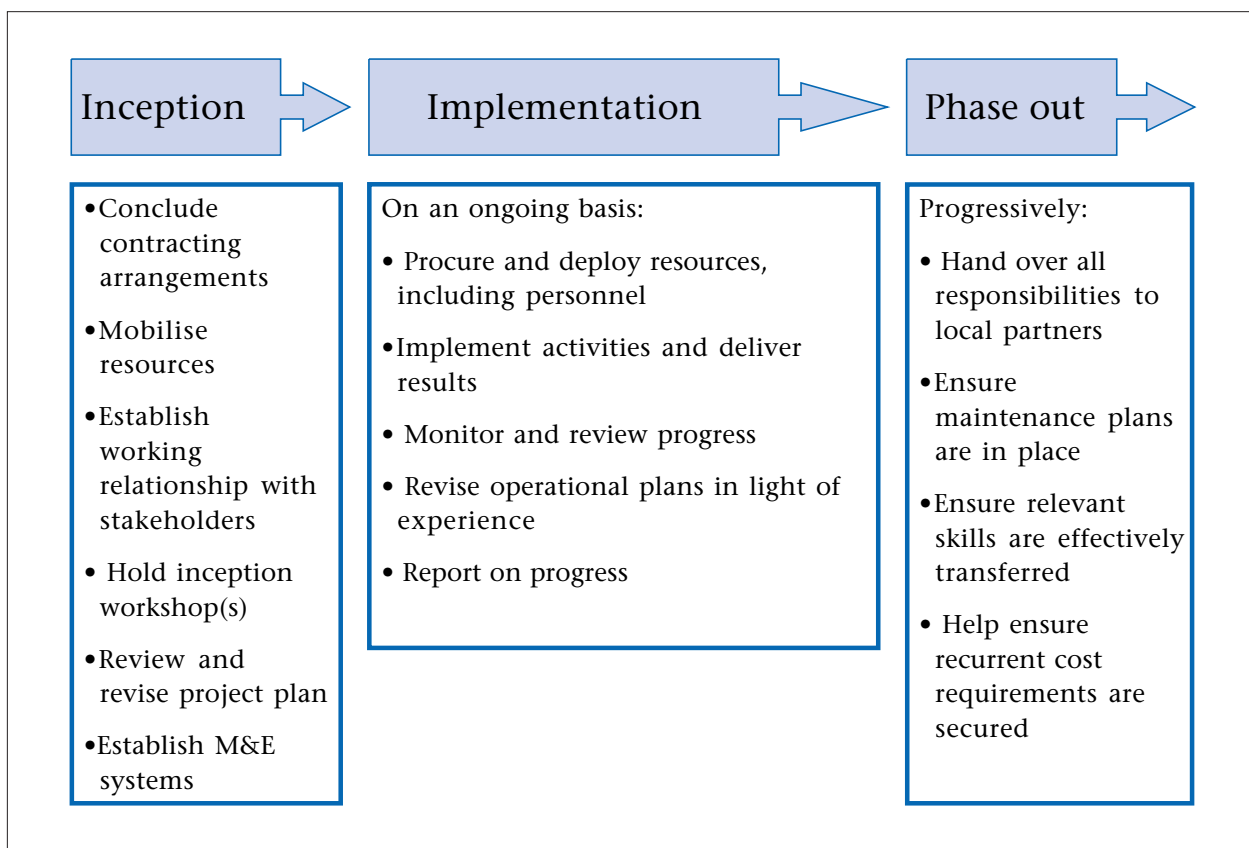
### 4.5.2 Main periods

The implementation stage is usually composed of the following main *periods*:

- Inception period;
- Main implementation period; and
- Phase-out period.

Key tasks associated with each of these periods are summarized in Figure 10 below.

Figure 10 – Main implementation periods





### 4.5.3 Definition of monitoring, regular review, evaluation and audit

While monitoring and evaluation are both concerned with the collection, analysis and use of information to support informed decision making, it is useful to understand the differences between the two in terms of who is responsible, when they occur, why they are carried out and the level of focus in terms of the Logframe objective hierarchy. This distinction is shown in the table below.

**Regular reviews** of project progress should involve key stakeholders with direct responsibilities for implementation on the ground (i.e the project management team). Regular reviews provide a structured opportunity to discuss and agree on the content of progress reports, build a common understanding of key issues/concerns and of actions that need to be taken. Such reviews may be more or less ‘formal’, and should take place regularly throughout the implementation period.

**Definition of monitoring, evaluation and audit**

	<b>Monitoring &amp; regular review</b>	<b>Evaluation</b>	<b>Audit</b>
<b>Who?</b>	Internal management responsibility – all levels	Usually incorporates external inputs (objectivity)	Incorporates external inputs
<b>When?</b>	Ongoing	Periodic – mid-term, completion, ex-post ongoing and upon	Ex-ante (systems reviews), completion
<b>Why?</b>	Check progress, take remedial action, update plans	Learn broad lessons applicable to other programmes/projects and as an input to policy review  Provide accountability	Provide assurance and accountability to stakeholders  Provide recommendations for improvement of current and future projects
<b>Link to Logframe objective hierarchy</b>	Inputs, activities, results	Results, purpose, overall objective (& link back to relevance)	Inputs, activities and results





#### 4.5.4 Key tasks and responsibilities

In line with the EC's policy of fostering ownership, partnership and strengthening institutional capacity, project implementation should, in most cases, be the primary responsibility of implementing partners. The EC's main responsibility is to provide timely finance, management and technical support, to monitor project implementation and ensure an appropriate level of accountability for resources used and results achieved, and to capture and act on lessons learned during implementation.

For the EC Task Manager, whether at a Delegation or at HQ, the main tasks usually include:

1. Prepare the implementation documents for service, works and supply contracts<sup>27</sup>
2. Monitor project progress (including assessment of the content and quality of monitoring reports), and suggest corrective measures if required to support efficient and effective implementation
3. Contribute, as appropriate, to regular review and updating of operational plans
4. Keep appropriate records of project progress, the results achieved and constraints encountered
5. Prepare progress reports and keep the information in the CRIS Implementation Report regularly updated
6. Support timely disbursement of EC resources, based on approved work plans and budgets and an assessment of project performance
7. Facilitate communication and information flow between, and feedback to, key stakeholders
8. Manage formal reviews (i.e. mid-term evaluation)<sup>28</sup> and audits commissioned by the EC, if required
9. Request audits when require and/or considered appropriate, and provide relevant project information to Audit Task Managers and auditors
10. Make timely decisions to solve problems and support implementation

During the implementation of the project, project managers are responsible for undertaking three main sets of tasks:

1. **Monitoring and regular review.** Project management must keep track of how the project is progressing in terms of expenditure, resource use, implementation of activities, delivery of results and the management of risks. This is achieved through 'monitoring', which is the systematic and continuous collection, analysis and use of management information to support effective decision-making. Monitoring is an internal management responsibility, although it may be complemented by 'external' monitoring inputs. These external monitoring inputs can be useful in providing objective verification of results, additional technical advice and a 'big-picture' view for senior management. The use of Logframes and implementation plans are highly recommended as practical tools which directly support effective management, monitoring and review.

Monitoring may also be complemented by audits. In particular, Task Managers are in a position to signal the need for an audit and request that one be launched.

Regular reviews provide an opportunity to reflect on progress, agree on the content of progress reports and follow-up action required.

Implementation should thus be seen as a continuous learning process whereby experience gained is reviewed and fed-back into ongoing planning (see Figure 11).

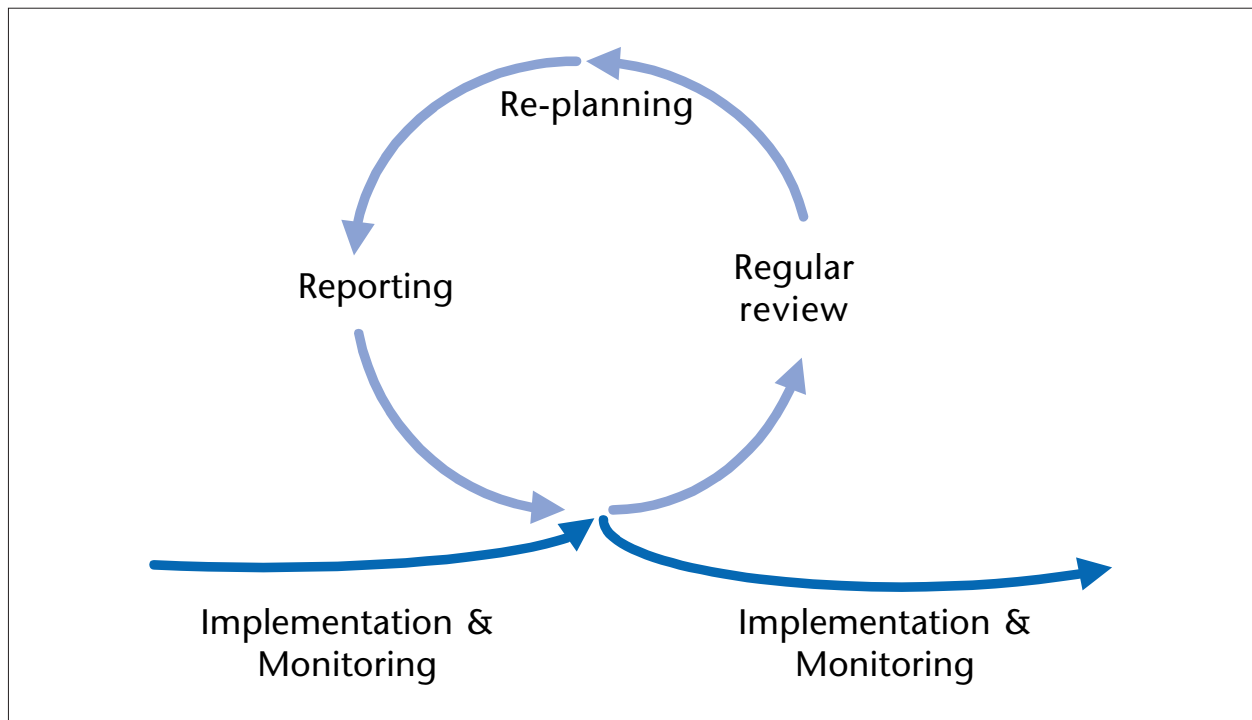
2. **Planning and re-planning.** Plans are best estimates of what will happen in the future, but must be modified on an ongoing basis to take account of what actually happens during implementation. The Logframe, Activity and Resource/Budget Schedules must therefore be periodically reviewed, refined, and updated based on experience. This may sometimes require changes to the scope of Financing Agreements and associated contractual documents.

<sup>27</sup> Detailed tender procedures exist for each co-operation instrument of the EC. Projects are either implemented by independent contractors (for TACIS, this is general) or by the identified partner implementing agencies, with support of technical assistance if required.

<sup>28</sup> A 'formal review' is distinguished from 'regular reviews' primarily by who is involved and their frequency, with formal reviews involving external inputs and occurring less frequently (i.e. mid-term evaluations).



Figure 11 – Implementation: A Learning Process



While effective monitoring is primarily based on 'internal' project systems, some decisions that then need to be made cannot (and should not) be made by project managers themselves. A project 'Governing Body' or 'Steering Committee' is therefore often required to make strategic decisions on project scope, including required changes in objectives, targets, budget, management arrangements, etc. Such a governing body/committee might therefore meet to review project progress and performance on a periodic basis (i.e. six-monthly or annual), and make the necessary decisions to keep the project 'on track'.

3. **Reporting.** Project management/implementing agencies must provide reports on physical and financial progress to stakeholders, particularly those providing financial resources to support implementation. The aim of these reports should be to:

- Inform stakeholders of project progress (against what was planned), constraints encountered and any significant remedial or supportive action required;
- Provide a formal documented record of what has been achieved during the reporting period, and thus facilitate future reviews or evaluations;

- Document any changes in forward plans, including budgetary requirements; and therefore;
- Promote transparency and accountability.

The key concern with respect to project progress reports is that they contain information that is relevant to the reader, that progress against what was planned is assessed (performance), and that the information is clearly and concisely presented. More information is not better information – quality is the key.

The Common Relex Information System (CRIS) provides a standardized structure for reporting on the implementation of EC funded projects (through the 'Implementation Report' window). This information must be regularly updated.

Good quality monitoring reports are also an essential input to project evaluations and audits. Without clearly documented project plans and a documented record of progressive achievements, evaluation becomes an almost impossible task. For audits, clear project budgets and financial progress reports are also particularly important.



#### 4.5.5 Key assessments, tools and documents

During project implementation there should be an ongoing assessment of: (i) the continued relevance and feasibility of the project; (ii) progress in achieving objectives and resources used; (iii) quality of management, including risk management; (iv) prospects for sustainability of benefits; and (v) action required. The quality criteria provided in Section 4.5.7 provide the focus for these assessments.

Key tools that can be used to help make these assessments, and which support effective management and monitoring during the implementation stage include:

- Quality criteria and standards (see Section 4.5.7)
- Logframe matrix (See Section 5)
- Activity/work programme schedules and resource/budget schedules (See Section 5)
- Risk management matrix (see Section 7.2.2)
- Checklists for planning short-visits, conducting interviews and managing regular review meetings (see Section 7)
- Progress report formats (See Section 7) – including CRIS’s ‘Implementation Report’ window
- Guidance on promoting participation and using facilitation skills (See Section 8)
- Terms of Reference (see Section 9)

The key documents required/produced during the implementation stage usually include:

- Operational work plans (usually annual);
- Periodic progress reports (including regular updates to the information contained in the CRIS ‘Implementation Report’);
- Specific reviews/study reports (e.g. mid-term evaluation); and
- Completion report (at end of project).

#### 4.5.6 Information collection and use – overview

The information required during implementation is determined primarily by the scope of the project – namely the purpose, results, activities, resource requirements and budget – and by the management arrangements (roles and responsibilities).

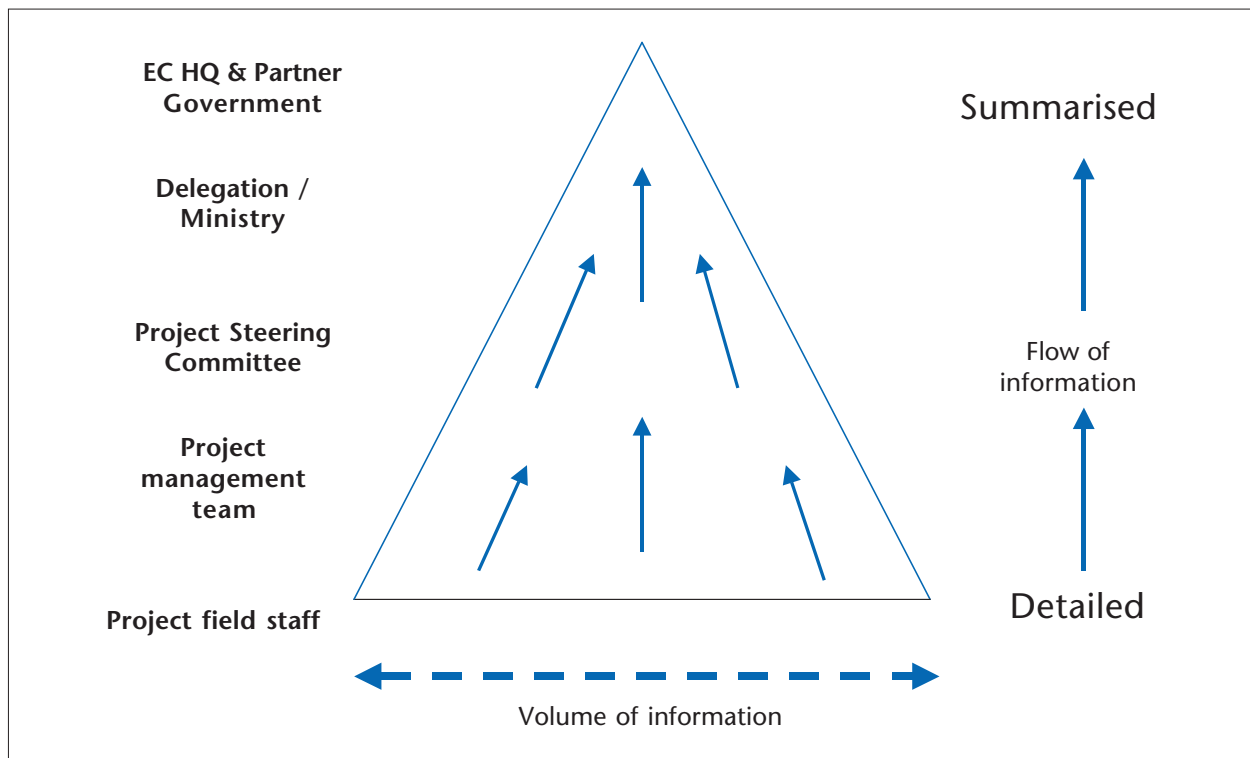
At the purpose and result levels, the key indicators and sources of verification contained in the Logframe matrix provide the focus for information collection and use. The key project planning documents (namely the original Financing Agreement, Technical and Administrative Provisions, and the associated Logframe matrix and schedules) provide the documented reference point as to what information is required.

The project itself is not usually responsible for collecting information at the level of the project’s overall objective, given that this should generally refer to broader impact at the sector or policy level, and it would not make sense for each project to be separately collecting and reporting such information. Also, achievements at this level of the objective hierarchy are only usually expected at the end of the project life or after (ex-post), and are often very difficult to attribute to individual projects.

It is important to relate information needs to the different levels of the management structure. The level of detail of information required and the frequency of reporting will vary according to the level of management. Figure 12 illustrates this principle.



Figure 12: Information Needs and Levels of Management



In the process of monitoring and reporting it is therefore critical to keep the different information needs of key stakeholders in mind. This will generally require a hierarchy of data collection and reporting formats, each designed to meet the information needs of different levels of management.

In the EC context, *an external monitoring system* is currently operational to gather summary information for all Commission-funded external aid projects.<sup>29</sup> In principle, the same questions as for internal monitoring need to be asked, although given that external monitoring systems principally address the information needs of 'high level' management, greater focus is given to questions of continued relevance, effectiveness, likely impact and sustainability.

To support the principles of ownership and participation, it is important that monitoring and reporting systems give priority to:

- The information needs of managers on the ground;
- Using or building on existing systems rather than building parallel ones; and
- Providing feedback to key stakeholders, including target groups.<sup>30</sup>

Information collected through the project's monitoring system (including the work of independent monitors) should be summarised and entered into the Common Relex Information System (CRIS), which provides a means for EC officials (and some others) to access a summary about the status of an EC financed programme or project in a standard format at any point in time.

The CRIS 'Implementation Report' format and information requirements are briefly described in Section 7.

<sup>29</sup> The external monitors are contractors whose role is to analyse project progress, make field visits to projects and prepare monitoring reports which are then submitted to those in charge of supervising implementation (including task managers at HQ and at delegations). They can play an important role in providing an independent follow-up on progress and in liaising with the parties involved to identify implementation problems.

<sup>30</sup> Failure to provide any feedback on monitoring reports means there is little incentive/motivation for providing timely or quality information.



### 4.5.7 Assessment criteria and standards

In order to help assess the quality of project implementation, a set of quality criteria and standards are provided under the attribute heading of 'Effective and Well-managed'.

By making a judgment about how well these criteria and standards are being met, monitoring reports can be completed, and informed management decisions made.

Quality Attributes, Criteria and Standards during Implementation	
<b>C</b>	<b>EFFECTIVE and WELL MANAGED – The project is delivering the anticipated benefits and is being well managed</b>
<b>12</b>	<b>The project remains relevant and feasible</b>
12.1	The project remains consistent with and supportive of current policy and programme priorities
12.2	The project strategy and objectives remain relevant to the needs of beneficiaries (target group and ultimate beneficiaries), including women and men and vulnerable groups such as the disabled
<b>13</b>	<b>Project objectives are being achieved</b>
13.1	Results are being delivered as planned, are of good quality and the project's target group find them relevant to their needs
13.2	The results being delivered are contributing effectively to the achievement of the project purpose
13.3	The project is likely to contribute to the overall objective, and there is evidence that the project's ultimate beneficiaries will indeed benefit from the project (including women and men and particular vulnerable groups such as the disabled)
<b>14</b>	<b>The project is being well managed by those directly responsible for implementation</b>
14.1	Inputs are being provided on time and within budget
14.2	Activities are being implemented on time
14.3	Relevant information on project achievements/results is being collected and used, and is accessible to stakeholders in an appropriate format and language
14.4	Operational plans and budgets are reviewed and updated on a regular basis (including risk management plans), and reflect lessons learned from experience on the ground
14.5	Transparency and accountability systems (including financial management systems and independent audit) are adequate and effective in identifying/deterring corrupt practices
<b>15</b>	<b>Sustainability issues are being clearly addressed</b>
15.1	Financial sustainability issues are being addressed (e.g. affordability, govt. budget commitment, cost-recovery mechanisms, private sector management, etc)
15.2	The technology being used/promoted by the project is appropriate and can be maintained
15.3	Issues of environmental and social sustainability are being appropriately assessed and managed
15.4	Institutional strengthening and capacity building activities (e.g. policy and systems development, training of trainers) are being effectively carried out, and skills transferred
15.5	There is a plan for the phase out of any external assistance/TA, and the handover of any management responsibilities they may have
<b>16</b>	<b>Good practice principles of project cycle management are applied by EC Task Managers</b>
16.1	Terms of Reference for EC funded studies/work are clear and comprehensive, and understood by concerned staff
16.2	The project is appropriately assessed through the project management cycle, using agreed/relevant Quality Assessment processes and criteria
16.3	The quality of key project documents (e.g. Financing Proposals, Operational plans, Progress reports and Mid-term evaluation reports) is assessed and meets established quality standards
16.4	Use of the Logical Framework Approach and its associated tools are being appropriately applied through the project cycle to support analysis and decision making
16.5	Contracts are being effectively managed, including the production of high quality contract documents, briefing of contractors, review of reports and timely payment of certified invoices



### 4.5.8 Deciding next steps

During the implementation stage, the following key decision options are available:

- Continue implementing the project as planned;
- Revise forward plans (budgets, resources, activities and possibly results) in light of experience gained through project monitoring and review; and
- In extreme cases, discontinue the project.

## 4.6 Evaluation

### 4.6.1 Purpose and principles

The purpose of evaluation is to:

- Make an “assessment, as systematic and objective as possible, of an ongoing or completed project, programme or policy, its design, implementation and results. The aim is to determine the relevance and fulfillment of objectives, developmental efficiency, effectiveness, impact and sustainability. An evaluation should provide information that is

credible and useful, enabling the incorporation of lessons learned into the decision-making process of both recipients and donors”.<sup>31</sup>

Principles underpinning the approach to evaluation are:

- **Impartiality and independence** of the evaluation process from the programming and implementation functions;
- **Credibility** of the evaluation, through use of appropriately skilled and independent experts and the transparency of the evaluation process, including wide dissemination of results;
- **Participation of stakeholders** in the evaluation process, to ensure different perspectives and views are taken into account; and
- **Usefulness** of the evaluation findings and recommendations, through timely presentation of relevant, clear and concise information to decision makers.

The distinction between the primary purposes of evaluation, monitoring and audit are summarised in the table below:

### Distinction between evaluation, monitoring and audit

<b>Evaluation</b>	<ul style="list-style-type: none"> <li>• Assessment of the efficiency, effectiveness, impact, relevance and sustainability of aid policies and actions</li> </ul>
<b>Monitoring</b>	<ul style="list-style-type: none"> <li>• Ongoing analysis of project progress towards achieving planned results with the purpose of improving management decision making</li> </ul>
<b>Audit</b>	<ul style="list-style-type: none"> <li>• Assessment of (i) the legality and regularity of project expenditure and income <i>i.e.</i> compliance with laws and regulations and with applicable contractual rules and criteria; (ii) whether project funds have been used efficiently and economically <i>i.e.</i> in accordance with sound financial management;; and (iii) whether project funds have been used effectively <i>i.e.</i> for purposes intended.</li> <li>• Primarily a financial and financial management focus, with the focus of effectiveness being on project results.</li> </ul>

<sup>31</sup> OECD/DAC, 1998: Review of the DAC Principles for Evaluation of Development Assistance.



## 4.6.2 Key tasks and responsibilities

With respect to responsibilities, two types of evaluation can be distinguished within the EC's external co-operation programmes:

1. *Evaluation of individual projects*: Responsibility for the evaluation of individual projects may rest either with EuropeAID or with Delegations. The Evaluation Unit in Brussels is responsible for maintaining a database of all completed evaluation reports. Evaluation studies are usually financed under project/programme funds.
2. *Evaluation of the results of country/regional and sector policies and programmes, of programming performance and of the policy mix*: This type of evaluation is managed by the Evaluation Unit (EuropeAID H/6) under the direct authority of the Board. The unit feeds the results back into the policy-making and programming process.

The Evaluation Unit has a separate budget and is independent of the operational services. It has a key role as an *advisory service* and participates in the activities of the Inter-Service Quality Support Group (i-QSG).

Managing an evaluation exercise usually involves the following major tasks for the "Evaluation Manager":

1. Identifying the need for an evaluation and selecting the topics/themes to be evaluated;
2. Designing the evaluation, including preparing the Terms of Reference;
3. Drafting tender documents for the evaluation study and selecting the contractor according to the established rules;
4. Briefing the contractor and the parties involved, and supporting the evaluation mission; and
5. Ensuring the production of a high quality evaluation report and of the dissemination of evaluation findings and recommendations.

An evaluation is also usually supported by a 'reference group', its principal functions being:

- to comment on the Terms of Reference drawn up by the Evaluation Manager;

- to act as an interface between consultants and Commission Services;
- to advise on the quality of work undertaken by consultants; and
- to assist in feedback on the findings and recommendations from the evaluation into future project/programme design and implementation.

Evaluations may be carried out for individual projects, but are more often conducted on the basis of either: (i) a geographical (country or regional) focus; (ii) a sectoral/thematic focus; or (iii) a focus on a specific financial instrument (i.e budget line) or specific Regulation (such as MEDA, ALA, TACIS etc).

## 4.6.3 Tools and key documents

The primary tools available to support a project evaluation include:

- Terms of reference for the evaluation mission (See Section 9);
- The project's Logframe matrix – to help assess what has been achieved against plan (See Section 5), plus the Financing Agreement and associated Technical & Administrative Provisions;
- Monitoring reports (internal and external), produced during implementation including updated Annual Plans (See Section 7);
- ECOFIN Analysis; and
- The Evaluation Report format (see box below).

The key documents produced during this stage of the cycle are the:

- Terms of Reference for the evaluation mission, and
- final Evaluation Mission Report.

The *evaluation report* should mirror the structure of the main evaluation criteria (see section 4.6.4 below), taking into account the nature of the project, the stage at which the evaluation is carried out, and the users for whom the report is prepared.



When drafting Terms of Reference it is necessary to decide the *relative importance* of each of the evaluation criteria for a given study: usually, a mid-term evaluation will rather focus on questions of continued relevance, efficiency and preliminary indications of effectiveness; whereas ex post evaluations are more likely to focus on questions of impact and sustainability.

A standard format for evaluation reports including explanatory comments can be found on the Internet.<sup>32</sup> However, the structure of an evaluation report should be determined primarily by its intended main purpose and its target groups/users. In general, the *main sections of an evaluation* report should be as follows:

### Outline of an Evaluation Report

<p><b>I – EXECUTIVE SUMMARY</b></p>	<p>It should be tightly drafted, and usable as a free-standing document. It should be short, not more than five pages. It should focus on the main analytical points, indicate the main conclusions, lessons learned and specific recommendations. Cross-references should be made to the corresponding page or paragraph numbers in the main text that follows.</p>
<p><b>II – Main Text</b></p>	<p>The main text should start with an introduction describing, first, the project or programme to be evaluated and, second, the evaluation objectives. The body or core of the report should follow the five evaluation criteria, describing the facts and interpreting or analysing them in accordance with the key questions pertinent to each criterion.</p>
<p><b>III – Conclusions and Recommendations</b></p>	<p>These should be presented as a separate final chapter. Wherever possible, for each key conclusion there should be a corresponding recommendation. The key points of the <i>conclusions</i> will vary in nature but will often cover aspects of the evaluation criteria.</p> <p>The ultimate value of an evaluation depends on the quality and credibility of the recommendations offered. <i>Recommendations</i> should therefore be as realistic, operational and pragmatic as possible.</p> <p>Recommendations should be carefully targeted to the appropriate audiences at all levels.</p>
<p><b>IV – Annexes</b></p>	<ul style="list-style-type: none"> <li>• Terms of Reference of the evaluation</li> <li>• Names of the evaluators and their companies</li> <li>• Methodology applied for the study (phases, methods of data collection, sampling etc)</li> <li>• Logical Framework matrices (original and improved/updated)</li> <li>• Map of project area, if relevant</li> <li>• List of persons/organisations consulted</li> <li>• Literature and documentation consulted</li> <li>• Other technical annexes (e.g. statistical analyses)</li> <li>• 1-page DAC summary</li> </ul>

<sup>32</sup> <http://europa.eu.int/comm/europeaid/evaluation/methods/index.htm>





#### 4.6.4 Information requirements and evaluation criteria

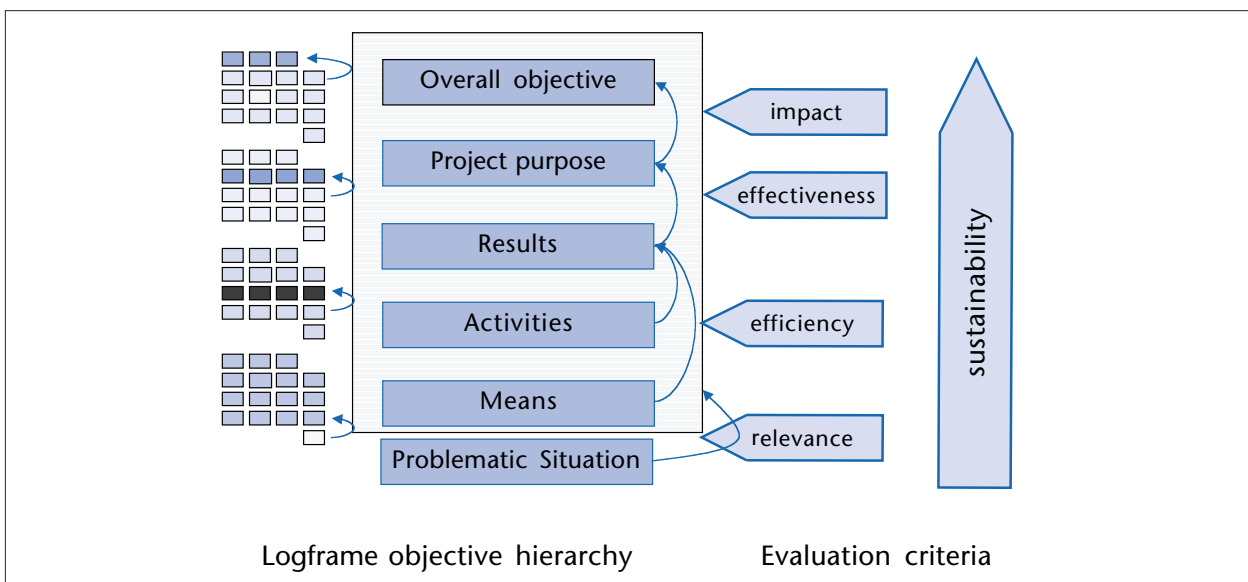
Evaluations under EC funds follow the evaluation criteria of the DAC that are in turn closely linked to the Logframe. These key criteria are shown in the table below:

#### Evaluation Criteria Used by the European Commission

<b>Relevance</b>	The appropriateness of project objectives to the problems that it was supposed to address, and to the physical and policy environment within which it operated. It should include and including an assessment of the quality of project preparation and design – <i>i.e.</i> the logic and completeness of the project planning process, and the internal logic and coherence of the project design.
<b>Efficiency</b>	The fact that the project results have been achieved at reasonable cost, <i>i.e.</i> how well inputs/means have been converted into Activities, in terms of quality, quantity and time, and the quality of the results achieved. This generally requires comparing alternative approaches to achieving the same results, to see whether the most efficient process has been adopted.
<b>Effectiveness</b>	An assessment of the contribution made by results to achievement of the Project Purpose, and how Assumptions have affected project achievements. This should include specific assessment of the benefits accruing to target groups, including women and men and identified vulnerable groups such as children, the elderly and disabled.
<b>Impact</b>	The effect of the project on its wider environment, and its contribution to the wider policy or sector objectives (as summarised in the project’s Overall Objective).
<b>Sustainability</b>	An assessment of the likelihood of benefits produced by the project to continue to flow after external funding has ended, and with particular reference to factors of ownership by beneficiaries, policy support, economic and financial factors, socio-cultural aspects, gender equality, appropriate technology, environmental aspects, and institutional and management capacity.

Figure 13 below illustrates the link between the EC’s evaluation criteria and the Logframe’s objective hierarchy.

**Figure 13: Link between Evaluation Criteria and the Logframe**





### 4.6.5 Decision options

Depending on the timing and objectives of the evaluation, the main decision options are to:

- continue project implementation as planned, to re-orient/restructure the project, or, in the worst case, to stop the project (mid-term evaluation);
- modify the design of future projects or programmes in light of lessons learned (ex-post evaluation); or
- to modify policies, co-operation strategies, and subsequent programming or identification exercises – in the case of sector, thematic or cross-sector evaluations.

## 4.7 Audit

### 4.7.1 Purpose and principles

The purpose of an audit is to:

- Assess an activity/subject that is the responsibility of another party against identified suitable criteria, and
- express a conclusion (i.e. opinion) that provides the intended user with a level of assurance about the activity/subject being audited.

Within the context of external aid the term audit refers to audit of 'external operations'. These external audits are carried out by or on behalf of EuropeAID or a Delegation and focus on the activities of beneficiaries, contractors or intermediaries (i.e. implementing organizations). External audits are conducted by professional audit firms and by EuropeAID auditors, although EuropeAID's policy is to have audits primarily conducted by external audit firms. The objectives of these audits are to enable the auditor to express a conclusion (i.e. provide assurance) on:

- The legality and regularity of project expenditure and income i.e. compliance with laws and regulations and with applicable contractual rules and criteria; and/or

- Whether project funds have been used efficiently and economically i.e. in accordance with sound financial management; and /or
- Whether project funds have been used effectively i.e. for purposes intended.

The principal objective of a **financial** audit is to provide assurance on the legality and regularity of project income and expenditure whereas **performance** audits examine and assess the three E's (i.e. Efficiency, Economy and Effectiveness) of project activities.

Audit firms, who carry out audit engagements for the Commission, are required to observe the ethical principles and standards promulgated by the IFAC (International Federation of Accountants). The fundamental principles that auditors are required to observe are: integrity, objectivity, professional competence and due care, confidentiality, professional behaviour, technical standards and independence.

### 4.7.2 Key tasks and responsibilities

The responsibility for the planning and preparation, supervision, execution and follow-up of the external auditing of projects lies with the audit functions in the Finance, Contract and Audit Units of EuropeAID's Operational Directorates and with the Finance and Contract Sections in Delegations, insofar as they have been deconcentrated.

Audit Task Managers ('ATM') play a critical role in monitoring the audits of external operations which are conducted by external audit firms. They are either staff members of a Finance, Contract and Audit Unit at Headquarters, of a Finance and Contract Section in deconcentrated Delegations or of the Audit of External Operations Unit (Unit G4). ATMs are thus responsible for:

- monitoring audits conducted by audit firms; and
- carrying out planning, organisational, administrative and procedural tasks related to the audit (e.g. preparing terms of reference for the audit engagement).



The audit functions of the Operational Directorates and Unit G4 may also conduct audits themselves.

The role of the Unit G4 is one of co-ordination, of technical and methodological guidance, of support and of improvement in working practices with regard to external audits.

Task (Project) Managers as well as Finance and Contracts Managers provide, on their own initiative or on request, support and information to ATMs.

Unit G4 manages framework contracts for auditing external aid programmes financed by the European Development Funds (EDF) or the European Community Budget (EC Budget). The general guidelines for using the Audit Framework Contracts are set out on EuropeAID's Intranet pages 'Audit of External Operations'. Interested EuropeAID services and Delegations should carefully read these guidelines before they refer to a specific Audit Framework Contract. In case of doubt they should contact Unit G4.

Managing an audit usually involves the following *major tasks* for the "Audit Task Manager":

#### Planning

1. Identifying the need for an audit and establishing audit objectives and scope.
2. Designing the audit, including drafting the TOR, usually on the basis of standard formats.
3. Selecting the audit firm according to the existing rules usually those of the Audit Framework Contract.

#### Conduct

4. Monitoring of the conduct of the audit by external audit firms (e.g. attending opening and closing meetings and observing on-the-spot tests and procedures).

#### Reporting

5. Obtaining and reviewing copies of 'Aide Memoires' (memorandum with findings and conclusions), draft and final audit reports and ensuring their dissemination.
6. Arranging procedures (meetings or written procedures) between EuropeAID services, the Delegation, the audit firm and the auditee.

#### Follow-up

7. Monitoring the follow-up of audit findings and recommendations including reporting on the follow-up. Ensuring follow-up of audit findings and recommendations (i.e. implementation by the auditee) is an operational responsibility. Therefore, it is the task of the Task (Project) Manager and not the ATM.

### 4.7.3 Tools and key documents

The primary tools available to support audit include:

- Terms of reference for the audit mission (See Section 9 for general formats). Refer to the Intranet pages 'Audit of external Operations' for guidelines on the use of the Audit Framework Contract and standard TOR. Drafting TOR for audit engagements requires specific audit expertise and should be left to the Audit Task Managers usually acting in consultation and close co-operation with Unit G4;
- The Logframe matrix - to help assess what has been achieved against plan (See Section 5);
- Monitoring reports (internal and external), produced during implementation (See Section 7);
- Methodological guidance provided by the website 'Audit of External Operations'; and
- The audit report format (see box below).

The key documents to be produced are the:

- Terms of Reference for the audit engagement; and
- the final Audit Report.

The *audit report* should mirror the structure of the main audit criteria (see section 4.7.4 below), taking into account the nature of the project, the stage at which the audit is carried out, and the users for whom the report is prepared.



Standard formats for audit reports including explanatory comments can be found on the EuropeAID Intranet site under 'Audit of External Operations'. In general, the *main sections of an audit report* should be as follows:

### Outline of an Audit Report

<p><b>I – EXECUTIVE SUMMARY</b></p>	<p>It should be tightly drafted, and usable as a free-standing document. It should be short, not more than five pages. It should focus on the main analytical points, indicate the main conclusions, lessons learned and specific recommendations. Cross-references should be made to the corresponding page or paragraph numbers in the main text that follows.</p>
<p><b>II – Main Text</b></p>	<p>The main text should start with an introduction describing, first, the project or programme to be audited and, second, the audit objectives and scope. The body or core of the report should follow the audit criteria, describing the facts and interpreting or analysing them in accordance with the key questions pertinent to each criterion.</p>
<p><b>III – Findings, Conclusions and Recommendations</b></p>	<p><i>Audit findings</i> should be presented as a separate chapter. Audit findings are pertinent statements of fact and emerge by a process of comparing 'what should be' with 'what is' (i.e. comparing facts with criteria). Main findings will vary in nature but should be addressed in the body of the report whereas underlying and more detailed findings can be addressed in the annexes.</p> <p>Wherever possible, for each key finding there should be a corresponding recommendation. The ultimate value of an audit depends on the assurance which the audit provides and the quality and credibility of the recommendations offered. <i>Recommendations</i> should therefore be as realistic, operational and pragmatic as possible. Recommendations should be carefully targeted to the appropriate audiences at all levels.</p> <p><i>Conclusions</i> (or the opinion of the auditor) are the auditors overall assessment of the effects of the findings on the subject (i.e. project activities and financial data) audited. Audit conclusions put the findings in perspective upon their overall implications.</p>
<p><b>IV – Annexes</b></p>	<ul style="list-style-type: none"> <li>• Terms of Reference of the audit</li> <li>• Audit firm references and names of the auditors</li> <li>• Audit Methodology applied</li> <li>• List of persons/organisations consulted</li> <li>• Literature and documentation consulted</li> <li>• Other technical annexes (e.g. list with detailed findings, expenditure tables)</li> </ul>



#### 4.7.4 Information requirements and audit criteria

Audits of external aid project follow criteria that are applicable and suitable for the audit type concerned.

Usually, certain general criteria can be identified such as generally accepted accounting principles, rules provided by Financial Regulations (Budget or EDF) or key principles and criteria for the internal control framework that are suitable for the entity which is responsible for the implementation and management of the project.

More specific criteria may be provided by the funding instruments (e.g. EDF, MEDA, TACIS) or contracts for the project concerned. For example: tender and award procedures and criteria for the eligibility of project expenditure.

It is critical that all relevant criteria, whether general or more specific, are known by the auditor before the audit starts. Consequently, it is also critical that relevant criteria are clearly explained in the TOR as these provide the basic reference framework for both the auditor and the Commission. Some of the most commonly applied criteria are shown in the table below:

#### 4.7.5 Decision options

Depending on the type, objectives and scope of the audit, the main decision options are to:

- continue project implementation as planned, to re-orient/restructure the project, or, in the worst case, to stop the project;
- to adjust final payment claims or recover project funds that have not been used for the purpose intended or that relate to project expenditure which was found to be not eligible;
- modify the design of future projects or programmes in light of lessons learned; or
- to modify policies, such as for example the clarification of modification of criteria with respect to financial management and reporting.

#### Audit Criteria Used by EuropeAID

<b>Compliance</b>	Compliance relates to conformity of project activities and finances with applicable laws and regulations ('legality') and rules ('regularity'). The relevant rules are usually to be found in standard external aid contracts for works, supplies, services and grants and related documents such as general and specific conditions and various other documents annexed to the contracts.
<b>Efficiency &amp; Economy</b>	The fact that the project results have been achieved at reasonable cost, i.e. how well inputs/means have been converted into Activities, in terms of quality, quantity and time, and the quality of the results achieved. The audit examines <u>how</u> the projects resources have been used. An important criterion is the design and functioning of the internal control framework of the entity which is responsible for the management and implementation of the project. The key components of an internal control framework are: control environment, risk management, information and communication, control activities and monitoring. Each of these components can be broken down into various standards that provide a reference framework and criteria to assess the adequacy and efficiency of an organisation's internal control framework.
<b>Effectiveness</b>	An assessment of the contribution made by results to achievement of the Project Purpose, and how Assumptions have affected project achievements. This should include specific assessment of the benefits accruing to target groups, including gender aspects. Audits primarily examine the more tangible and short-term project results and output.



## **PART 2 – TOOLS**

**5. THE LOGICAL FRAMEWORK APPROACH**

**6. INSTITUTIONAL CAPACITY ASSESSEMENT**

**7. MONITORING, REVIEW AND REPORTING**

**8. PARTICIPATION AND FACILITATION**

**9. PREPARING TERMS OF REFERENCE**







## 5.THE LOGICAL FRAMEWORK APPROACH

### 5.1 Overview of the Logical Framework Approach

#### 5.1.1 Background

The Logical Framework Approach (LFA) was developed in the late 1960's to assist the US Agency of International Development to improve its project planning and evaluation system.<sup>33</sup> It was designed to address three basic concerns, namely that:

- Planning was too vague, without clearly defined objectives that could be used to monitor and evaluate the success (or failure) of a project;
- Management responsibilities were unclear; and
- Evaluation was often an adversarial process, because there was no common agreement as to what the project was really trying to achieve.

The LFA has since been adopted as a project planning and management tool by most multilateral and bilateral development agencies. The EC has required the use of LFA as part of its Project Cycle Management system since 1993, and it provides a core set of tools with which to undertake assessments of project quality.

Over time, different agencies have modified the formats, terminology and tools of the LFA, however the basic analytical principles have remained the same. Knowledge of the principles of LFA is therefore essential for all staff involved in the design and delivery of EC development assistance.

#### 5.1.2 What is it?

The LFA is an analytical process and set of tools used to support project planning and management.

It provides a set of interlocking concepts which are used as part of an iterative process to aid structured and systematic analysis of a project or programme idea.

The LFA should be thought of as an '*aid to thinking*'. It allows information to be analysed and organized in a structured way, so that important questions can be asked, weaknesses identified and decision makers can make informed decisions based on their improved understanding of the project rationale, its intended objectives and the means by which objectives will be achieved.

It is useful to distinguish between the LFA, which is an analytical *process* (involving stakeholder analysis, problem analysis, objective setting and strategy selection), and the Logical Framework Matrix (LFM) which, while requiring further analysis of objectives, how they will be achieved and the potential risks, also provides the documented *product* of the analytical process.

The Logical Framework Matrix (or more briefly the Logframe) consists of a matrix with four columns and four (or more) rows, which summarise the key elements of a project plan, namely:

- The project's hierarchy of objectives (Project Description or Intervention Logic);
- The key external factors critical to the project's success (Assumptions); and
- How the project's achievements will be monitored and evaluated (Indicators and Sources of Verification).

The typical structure of a Logframe Matrix is shown in Figure 14.

The Logframe also provides the basis on which resource requirements (inputs) and costs (budget) are determined.

<sup>33</sup> Materials for this LFA Guideline have been drawn from a variety of sources including previous EC PCM documents, the LFA Guidelines of other donors (e.g. AusAID, USAID and SIDA), articles critiquing the LFA, and from the author's own practical experience.



### 5.1.3 Link to the project cycle and key PCM documents

The *Logical Framework Approach* (LFA) is a core tool used within Project Cycle Management.

- It is used during the **identification** stage of PCM to help analyse the existing situation, investigate the relevance of the proposed project and identify potential objectives and strategies;
- During the **formulation** stage, the LFA supports the preparation of an appropriate project plan with clear objectives, measurable results, a risk management strategy and defined levels of management responsibility;
- During project/programme **implementation**, the LFA provides a key management tool to support contracting, operational work planning and monitoring; and
- During the **evaluation** and **audit** stage, the Logframe matrix provides a summary record of what was planned (objectives, indicators and key assumptions), and thus provides a basis for performance and impact assessment.

A common problem with the application of the Logframe Approach (particularly the preparation of the matrix) is that it is undertaken separately from the preparation of the other required project documents, such as the Identification Fiche or the Financing Proposal (i.e as an afterthought).

This then results in inconsistency between the contents of the Logframe matrix and the description of the project contained in the narrative of the main documents. The application of the LFA should come first, and then provide a base source of information for completing the required PCM documents.

### 5.1.4 Practical issues in applying the Logframe Approach

The LFA provides no magic solutions, but when understood and intelligently applied, is a very effective analytical and management tool. However, it is not a substitute for experience and professional judgment and must also be complemented by the application of other specific tools (such as Institutional Capacity Assessment, Economic and Financial Analysis, Gender Analysis, and Environmental Impact Assessment) and through the application of working techniques which promote the effective participation of stakeholders.

The process of applying the analytical tools of LFA in a participatory manner is as important as the documented matrix product. This is particularly so in the context of development projects, where ownership of the project idea by implementing partners is often critical to the success of project implementation and to the sustainability of benefits. Effective team work is critical.

Figure 14: Typical structure of a Logframe Matrix

Project Description	Indicators	Source of Verification	Assumptions
<b>Overall Objective</b> – The project's contribution to policy or programme objectives (impact)	How the OO is to be measured including Quantity, Quality, Time?	How will the information be collected, when and by whom?	
<b>Purpose</b> – Direct benefits to the target group(s)	How the Purpose is to be measured including Quantity, Quality, Time	As above	If the Purpose is achieved, what assumptions must hold true to achieve the OO?
<b>Results</b> – Tangible products or services delivered by the project	How the results are to be measured including Quantity, Quality, Time	As above	If Results are achieved, what assumptions must hold true to achieve the Purpose?
<b>Activities</b> – Tasks that have to be undertaken to deliver the desired results			If Activities are completed, what assumptions must hold true to deliver the results?



Some of the strengths and potential difficulties associated with using the LFA are summarised in Figure 15 below:<sup>34</sup>

In order to help avoid common problems associated with the application of LFA, users should:

- Ensure their colleagues and partners have a common understanding of the key analytical principles and terminology used;
- Emphasise the importance of the LFA *process* as much as the matrix *product*;
- Ensure it is used as a tool to promote stakeholder participation, dialogue and agreement on project scope, rather to impose 'external' concepts and priorities;

- Avoid using the matrix as a blueprint through which to exert external control over the project;
- Treat the matrix as a presentational summary (keep it clear and concise); and
- Refine and revise the matrix as new information comes to light.

It is also important to recognise that while the basic concepts underpinning the LFA are relatively simple, the quality of product is primarily dependent on the skills and experience of those involved in its application.

Figure 15 – Strengths and Common Problems with the application of the LFA

Element	Strengths	Common problems/difficulties
<b>Problem analysis and objective setting</b>	<ul style="list-style-type: none"> <li>• Requires systematic analysis of problems, including cause and effect relationships</li> <li>• Provides logical link between means &amp; ends</li> <li>• Places the project within a broader development context (overall objective and purpose)</li> <li>• Encourages examination of risks and management accountability for results</li> </ul>	<ul style="list-style-type: none"> <li>• Getting consensus on priority problems</li> <li>• Getting consensus on project objectives</li> <li>• Reducing objectives to a simplistic linear chain</li> <li>• Inappropriate level of detail (too much/too little)</li> </ul>
<b>Indicators and source of verification</b>	<ul style="list-style-type: none"> <li>• Requires analysis of how to measure the achievement of objectives, in terms of both quantity and quality</li> <li>• Helps improve clarity and specificity of objectives</li> <li>• Helps establish the monitoring and evaluation framework</li> </ul>	<ul style="list-style-type: none"> <li>• Finding measurable and practical indicators for higher level objectives and for projects with 'capacity building' and 'process' objectives</li> <li>• Establishing unrealistic targets too early in the planning process</li> <li>• Relying on 'project reports' as the main 'source of verification', and not detailing where the required information actually comes from, who should collect it and how frequently</li> </ul>
<b>Format and application</b>	<ul style="list-style-type: none"> <li>• Links problem analysis to objective setting</li> <li>• Emphasises importance of stakeholder analysis to determine 'whose problems' and 'who benefits'</li> <li>• Visually accessible and relatively easy to understand</li> </ul>	<ul style="list-style-type: none"> <li>• Prepared mechanistically as a bureaucratic 'box-filling' requirement, not linked to problem analysis, objective setting or strategy selection</li> <li>• Used as a means of top-down control – too rigidly applied</li> <li>• Can alienate staff not familiar with the key concepts</li> <li>• Becomes a 'fetish' rather than a help</li> </ul>

<sup>34</sup> Adapted from Des Gasper, 'Logical Framework: A Critical Assessment', Institute of Social Studies.



### 5.1.5 Two main stages

Drawing up a Logframe has two main stages, *Analysis* and *Planning*, which are carried out progressively during the Identification and Formulation phases of the project cycle:

There are four main elements of the *Analysis Stage*, namely:

1. Stakeholder Analysis, including preliminary institutional capacity assessment, gender analysis and needs of other vulnerable groups such as the disabled (profile of the main 'players');
2. Problem Analysis (profile of the main problems including cause and effect relationships);
3. Analysis of Objectives (image of an improved situation in the future); and
4. Analysis of Strategies (comparison of different options to address a given situation).

This analysis should be carried out as an *iterative learning process*, rather than as a simple set of linear 'steps'. For example, while stakeholder analysis must be carried out early in the process, it must be reviewed and refined as new questions are asked and new information comes to light.

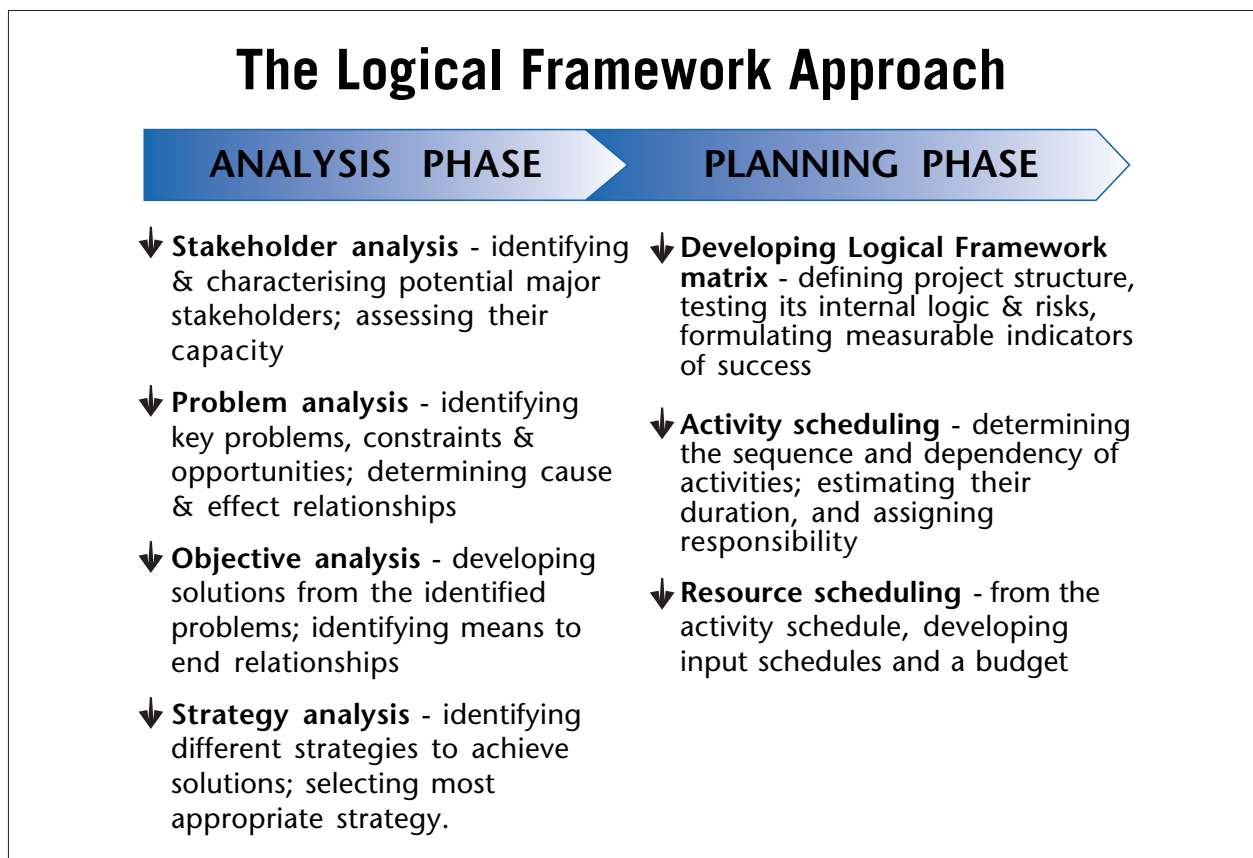
In the *Planning Stage* the results of the analysis are transcribed into a practical, operational plan ready to be implemented. In this stage:

- the logframe matrix is prepared, requiring further analysis and refinement of ideas;
- activities and resource requirements are defined and scheduled, and
- a budget is prepared.

This is again an iterative process, as it may be necessary to review and revise the scope of project activities and expected results once the resource implications and budget become clearer.

Figure 16 summarises the two main phases of LFA.

Figure 16 – Two main phases of LFA





## 5.2 The Analysis Stage

### 5.2.1 Preparatory analysis

Prior to initiating detailed analytical work with stakeholder groups (field work), it is important that those involved in the identification or formulation of projects are sufficiently aware of the policy, sector and institutional context within which they are undertaking their work. Key documents that should be referenced would include the EC's Country Strategy Papers and relevant Partner Government development policy documents, such as their Poverty Reduction Strategy and/or Sector Policy documents.

The scope and depth of this preliminary analysis will depend primarily on how much information is already available and its quality. In general, it should not be the work of each individual project planning team to undertake 'new' analysis of development/sector policies or the broader institutional framework, rather they should access existing information and then work to ensure that the development of the project idea takes account of these elements of the operating environment.

### 5.2.2 Stakeholder Analysis

#### Purpose and key steps

Any individuals, groups of people, institutions or firms that may have a significant interest in the success or failure of a project (either as implementers, facilitators, beneficiaries or adversaries) are defined as '*stakeholders*'. A basic premise behind stakeholder analysis is that different groups have different concerns, capacities and interests, and that these need to be explicitly understood and recognized in the process of problem identification, objective setting and strategy selection.

The key questions asked by stakeholder analysis are therefore 'Whose problems or opportunities are we analysing' and 'Who will benefit or lose-out, and how, from a proposed project intervention?' The ultimate aim being to help maximize the social, economic and institutional benefits of the project to target groups and ultimate beneficiaries, and minimise its potential negative impacts (including stakeholder conflicts).

The main steps involved in stakeholder analysis are:

1. Identify the general development problem or opportunity being addressed/considered;
2. Identify all those groups who have a significant interest in the (potential) project;
3. Investigate their respective roles, different interests, relative power and capacity to participate (strengths and weaknesses);
4. Identify the extent of cooperation or conflict in the relationships between stakeholders; and
5. Interpret the findings of the analysis and incorporate relevant information into project design to help ensure that (i) resources are appropriately targeted to meet distributional/equity objectives and the needs of priority groups, (ii) management and coordination arrangements are appropriate to promote stakeholder ownership and participation; (iii) conflicts of stakeholder interest are recognized and explicitly addressed in project design.

In the context of development projects, a key purpose of stakeholder analysis is to understand and address distributional/equity concerns, particularly in the context of effectively addressing the needs of vulnerable groups (such as the poor, women and children and the disabled). Gender analysis is therefore a core element of stakeholder analysis, the aim being to help promote equitable access to project benefits. Guidelines on undertaking Gender Analysis are referenced in Attachment 2.

#### A note on terminology

There are a variety of key words used to differentiate between different types of stakeholder. A summary of the terminology used in the EC context is provided below:



1. **Stakeholders:** Individuals or institutions that may – directly or indirectly, positively or negatively – affect or be affected by a project or programme.
2. **Beneficiaries:** Are those who benefit in whatever way from the implementation of the project. Distinction may be made between:
  - (a) **Target group(s):** The group/entity who will be directly positively affected by the project at the Project Purpose level. This may include the staff from partner organisations;
  - (b) **Final beneficiaries:** Those who benefit from the project in the long term at the level of the society or sector at large, e.g. “children” due to increased spending on health and education, “consumers” due to improved agricultural production and marketing.
3. **Project partners:** Those who implement the projects in-country (who are also stakeholders, and may be a ‘target group’).

### Tools for conducting stakeholder analysis

There are a variety of tools that can be used to support stakeholder analysis. Some suggested options are described below, namely:

1. Stakeholder analysis matrix
2. SWOT analysis
3. Venn diagrams; and
4. Spider diagrams

In using any of these tools, the quality of information obtained will be significantly influenced by the process of information collection. In this regard, the effective use of participatory planning methods and group facilitation tools can help ensure that the views and perspectives of different stakeholder groups are adequately represented and understood.

The examples shown below, and developed through the subsequent stages of the LFA in this Section of the Guidelines, are based on an issue of river water pollution and its impact on income and health.



### 1. Stakeholder analysis matrix – how affected by the general problem or opportunity?

An example of a stakeholder analysis matrix format is shown in Figure 17 below.

The type of information collected, analysed and presented in the columns of such a matrix can be adapted to meet the needs of different circumstances.

For example, additional columns could be added to specifically deal with the different interests of women and men. Also, when analyzing potential project objectives in more detail (at a later stage in project planning), greater focus should be given to analyzing the potential benefits and costs of a proposed intervention to different stakeholder groups.

Figure 17 – Stakeholder analysis matrix

Stakeholder and basic characteristics	Interests and how affected by the problem(s)	Capacity and motivation to bring about change	Possible actions to address stakeholder interests
<b>Fishing families:</b> c.20,000 families, low income earners, small scale family businesses, organised into informal cooperatives, women actively involved in fish processing and marketing	<ul style="list-style-type: none"> <li>Maintain and improve their means of livelihood</li> <li>Pollution is affecting volume and quality of catch</li> <li>Family health is suffering, particularly children and mothers</li> </ul>	<ul style="list-style-type: none"> <li>Keen interest in pollution control measures</li> <li>Limited political influence given weak organizational structure</li> </ul>	<ul style="list-style-type: none"> <li>Support capacity to organize and lobby</li> <li>Implement industry pollution control measures</li> <li>Identify/develop alternative income sources for women and men</li> </ul>
<b>Industry X:</b> Large scale industrial operation, poorly regulated and no-unions, influential lobby group, poor environmental record	<ul style="list-style-type: none"> <li>Maintain/increase profits</li> <li>Some concern about public image</li> <li>Concern about costs if environmental regulations enforced</li> </ul>	<ul style="list-style-type: none"> <li>Have financial and technical resources to employ new cleaner technologies</li> <li>Limited current motivation to change</li> </ul>	<ul style="list-style-type: none"> <li>Raise their awareness of social and environmental impact</li> <li>Mobilise political pressure to influence industry behaviour</li> <li>Strengthen and enforce environmental laws</li> </ul>
<b>Households:</b> c.150,000 households discharge waste and waste water into river, also source some drinking water and eat fish from the river	<ul style="list-style-type: none"> <li>Aware of industrial pollution and impact on water quality</li> <li>Want to dispose of own waste away from the household</li> <li>Want access to clean water</li> </ul>	<ul style="list-style-type: none"> <li>Limited understanding of the health impact of their own waste/ waste water disposal</li> <li>Potential to lobby government bodies more effectively</li> <li>Appear willing to pay for improved waste management services</li> </ul>	<ul style="list-style-type: none"> <li>Raise awareness of households as to implications of their own waste disposal practices</li> <li>Work with communities and local government on addressing water and sanitation issues</li> </ul>
<b>Environmental protection agency:</b> Etc	etc	etc	etc



## 2. SWOT analysis

SWOT analysis (strengths, weaknesses, opportunities and threats) is used to analyse the internal strengths and weaknesses of an organization and the external opportunities and threats that it faces. It can be used either as a tool for general analysis, or to look at how an organization might address a specific problem or challenge.

The quality of information derived from using this tool depends (as ever) on who is involved and how the process is managed – it basically just provides a structure and focus for discussion.

SWOT is undertaken in three main stages, namely:

1. Ideas are generated about the internal strengths and weaknesses of a group or organization, and the external opportunities and threats;

2. The situation is analysed by looking for ways in which the group/organisation’s strengths can be built on to overcome identified weaknesses, and opportunities can be taken to minimize threats; and

3. A strategy for making improvements is formulated (and then subsequently developed using a number of additional analytical planning tools).

An example of a SWOT matrix, further analyzing the capacity of Fishing Cooperatives to represent members’ interests and manage change, is shown in Figure 18 below:

Figure 18 – SWOT matrix

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Grassroots based and quite broad membership</li> <li>• Focused on the specific concerns of a relatively homogenous group</li> <li>• Men and women both represented</li> <li>• Provide a basic small scale credit facility</li> </ul>	<ul style="list-style-type: none"> <li>• Limited lobbying capacity and environmental management skills</li> <li>• Lack of formal constitutions and unclear legal status</li> <li>• Weak linkages with other organizations</li> <li>• Internal disagreements on limiting fishing effort in response to declining fish stocks</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Growing public/political concern over health impacts of uncontrolled waste disposal</li> <li>• New government legislation in preparation on Environmental Protection – largely focused on making polluters pay</li> <li>• The river is potentially rich in resources for local consumption and sale</li> <li>• New markets for fish and fish products developing as a result of improved transport infrastructure to nearby population centers</li> </ul>	<ul style="list-style-type: none"> <li>• Political influence of industrial lobby groups who are opposed to tighter environmental protection laws (namely waste disposal)</li> <li>• New environmental protection legislation may impact on access to traditional fishing grounds and the fishing methods that can be employed</li> </ul>





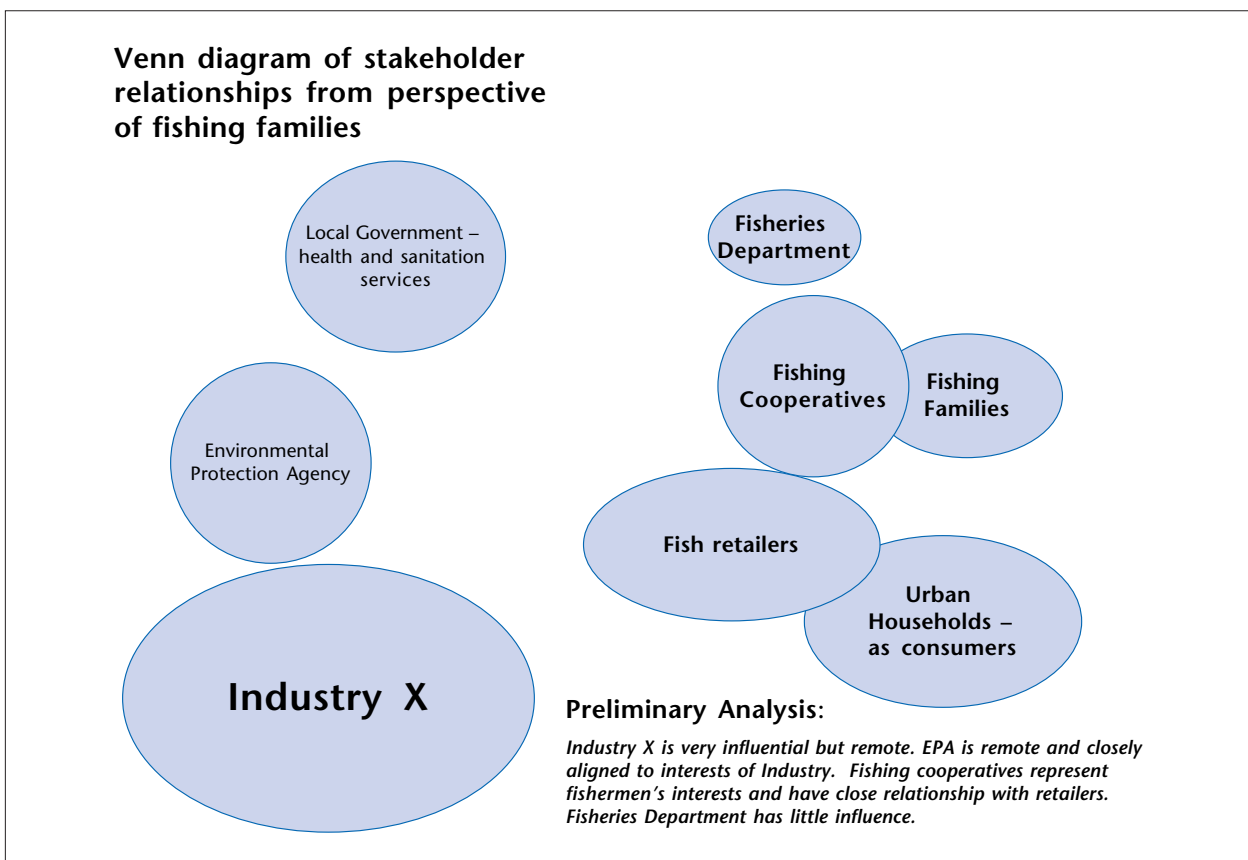
**3. Venn diagrams – relationships between stakeholder groups/organisations**

Venn Diagrams are created to analyse and illustrate the nature of relationships between key stakeholder groups. The size of the circle used can help indicate the relative power/influence of each group/organization, while the spatial separation is used to indicate the relative strength or weakness of the working relationship/interaction between different groups/organizations.

Venn diagrams are commonly used as a participatory planning tool with target groups, to help them profile *their* concept of such relationships.

Venn diagrams can also be used to analyse and highlight potential conflicts between different stakeholder groups. An example of a Venn Diagram is shown in Figure 19.

**Figure 19 – Venn Diagram**





#### 4. Spider diagrams – stakeholder/institutional capacity

Spider diagrams can be used to help analyse and provide a visual summary of institutional capacity.

The collection of relevant information can be undertaken using a variety of tools, including inspection of administrative record and management reports, interviews with staff and clients, and observation of operations/activities ‘on the ground’.

An example of an analysis of the Environmental Protection Agency is shown in Figure 20 below. This indicates that:

- The agency has relatively strong technical and financial management skills/capacity, and that its policy and planning systems are also fairly robust
- However, the agency has some critical shortcomings in terms of transparency and accountability, its relationship with other agencies and with its clients.

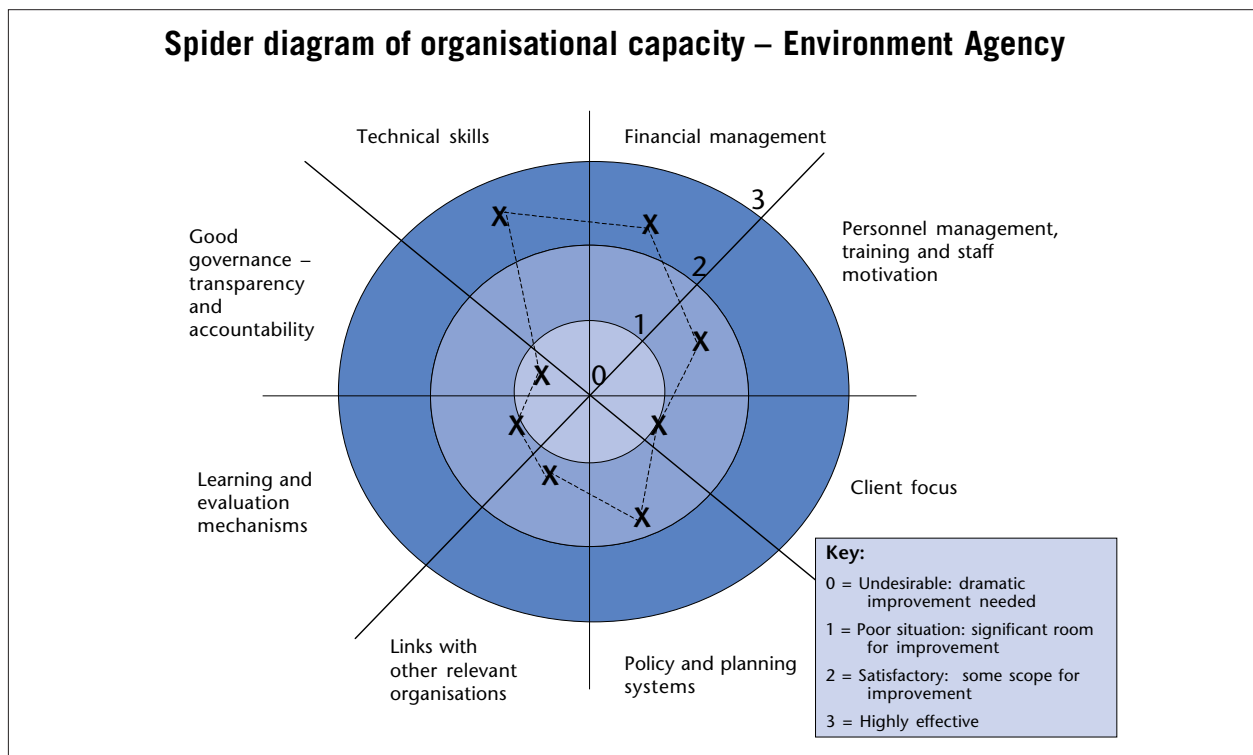
This suggests that the critical constraints to the capacity of this agency to contribute to addressing poor river water quality are therefore related more to organizational culture and management priorities than to either technical skills or basic management competencies.

#### Linking Stakeholder Analysis and the Subsequent Steps

Stakeholder analysis and problem analysis are closely connected as part of the initial “Situation Analysis”. Indeed they should in practice be conducted ‘in tandem’ rather than ‘one after the other’.

All subsequent steps required to prepare a Logical Framework Matrix (or Logframe) should also be related to the stakeholder analysis, making it a point of continuous reference. Stakeholder analysis an iterative process that evolves throughout the stages of the LFA, as well as informing decisions at all stages of both analysis and planning/design. Whenever the Logframe needs to be revised the stakeholder analysis should also be re-considered, as the landscape of stakeholders involved in a project evolves over time. Thus, stakeholder analysis is not an isolated analytical step, but a process.

Figure 20 – Spider Diagram





### 5.2.3 Problem Analysis

Problem analysis identifies the negative aspects of an existing situation and establishes the ‘*cause and effect*’ relationships between the identified problems. It involves three main steps:

1. Definition of the framework and subject of analysis;
2. Identification of the major problems faced by target groups and beneficiaries (What is/are the problem/s? Whose problems?); and
3. Visualisation of the problems in form of a diagram, called a “problem tree” or “hierarchy of problems” to help analyse and clarify cause–effect relationships.

The analysis is presented in diagrammatic form (see Figure 21) showing effects of a problem on top and its causes underneath. The analysis is aimed at identifying the real bottlenecks which stakeholders attach high priority to, and which they wish to overcome. A clear problem analysis thus provides a sound foundation on which to develop a set of relevant and focused project objectives.

#### How to Establish a Problem Tree

**Creating a problem tree should ideally be undertaken as a participatory group event. It requires the use of individual pieces of paper or cards on which to write individual problem statements, which can then be sorted into cause and effect relationships on a visual display.**

**Step 1:** The aim of the first step is to openly brainstorm problems which stakeholders consider to be a priority. This first step can either be completely open (no pre-conceived notions as to what stakeholder’s priority concerns/problems might be), or more directed, through specifying a ‘known’ high order problem or objective (e.g. improved river water quality) based on preliminary analysis of existing information and initial stakeholder consultations.

**Step 2:** From the problems identified through the brainstorming exercise, select an individual starter problem.

**Step 3:** Look for related problems to the starter problem

**Step 4:** Begin to establish a hierarchy of cause and effects:

- Problems which are directly causing the starter problem are put below
- Problems which are direct effects of the starter problem are put above

**Step 5:** All other problems are then sorted in the same way – the guiding question being ‘What causes that?’ If there are two or more causes combining to produce an effect, place them at the same level in the diagram.

**Step 6:** Connect the problems with cause-effect arrows – clearly showing key links

**Step 7:** Review the diagram and verify its validity and completeness. Ask yourself/the group – ‘are there important problems that have not been mentioned yet?’ If so, specify the problems and include them at an appropriate place in the diagram.

**Step 8:** Copy the diagram onto a sheet of paper to keep as a record, and distribute (as appropriate) for further comment/information



Important points to note about using the problem tree tool are:

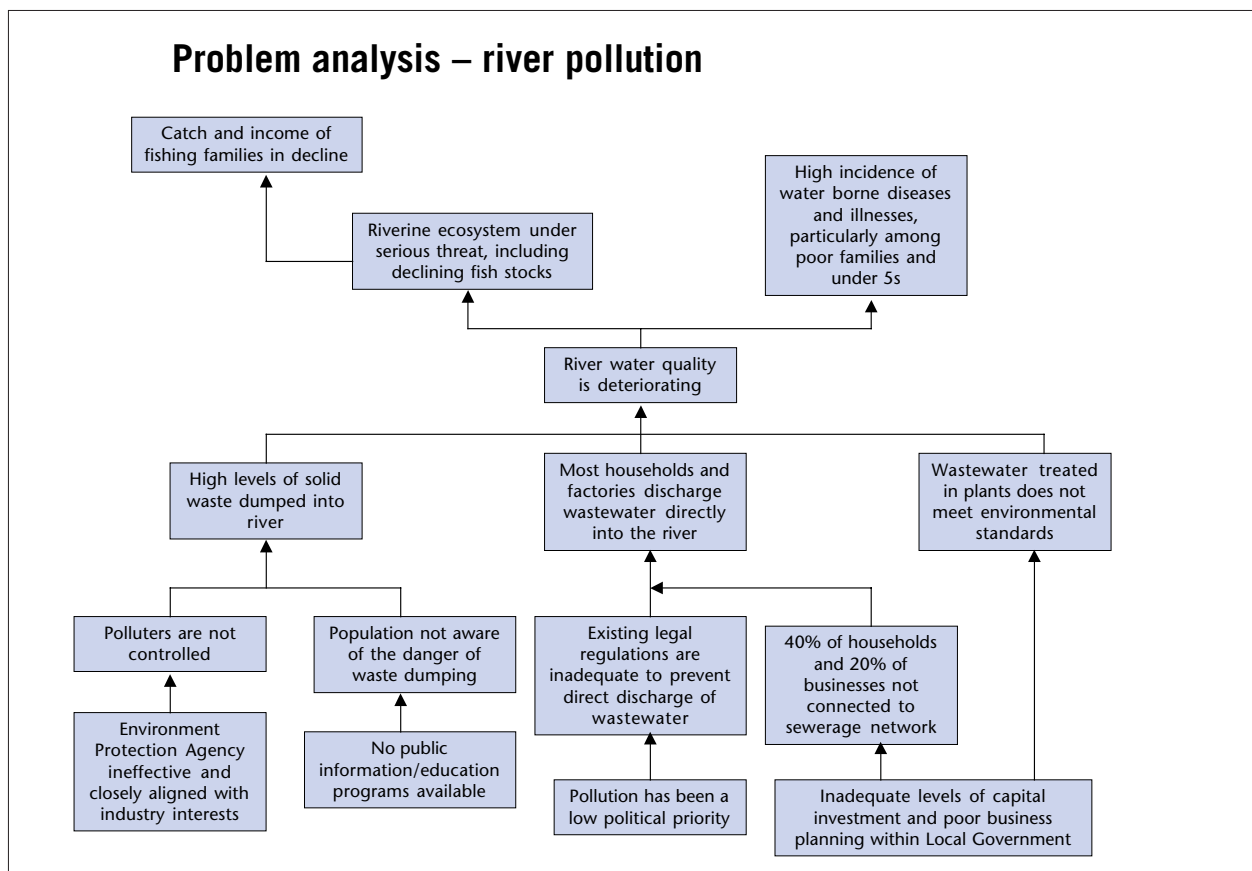
- The quality of output will be determined by who is involved in the analysis and the skills of the facilitator. Involving stakeholder representatives with appropriate knowledge and skills is critical;
- A workshop environment involving groups of up to 25 people is an appropriate forum for developing problem trees, analyzing the results and then proposing next steps;
- It may be appropriate to undertake a number of separate problem tree analysis exercises with different stakeholder groups, to help determine different perspectives and how priorities vary;

- The process is as important as the product. The exercise should be treated as a learning experience for all those involved, and an opportunity for different views and interests to be expressed; and
- The product of the exercise (the problem tree) should provide a robust but simplified version of reality. If it is too complicated, it is likely to be less useful in providing direction to subsequent steps in the analysis. A problem tree cannot (and should not) contain or explain the complexities of every identifiable cause-effect relationship.

Once complete, the problem tree represents a summary picture of the *existing negative situation*.

In many respects the problem analysis is the most critical stage of project planning, as it then guides all subsequent analysis and decision-making on priorities.

Figure 21 – Example of a problem tree





### 5.2.4 Analysis of Objectives

Analysis of objectives is a methodological approach employed to:

- Describe the situation in the future once identified problems have been remedied;
- Verify the hierarchy of objectives; and
- Illustrate the means-ends relationships in a diagram.

The 'negative situations' of the problem tree are converted into solutions, expressed as 'positive achievements'. For example, 'river water quality is deteriorating' is converted into 'quality of river water is improved'. These positive achievements are in fact *objectives*, and are presented in a diagram of objectives showing a *means/ends hierarchy* (see Figure 22). This diagram aims to provide a clear overview of the desired future situation.

The main steps in the process are summarised below:

<b>Step 1:</b>	Reformulate all negative situations of the problems analysis into positive situations that are: <ul style="list-style-type: none"> <li>• desirable</li> <li>• realistically achievable</li> </ul>
<b>Step 2:</b>	Check the means-ends relationships to ensure validity and completeness of the hierarchy (cause-effect relationships are turned into means-ends linkages)
<b>Step 3:</b>	If necessary: <ul style="list-style-type: none"> <li>• revise statements</li> <li>• add new objectives if these seem to be relevant and necessary to achieve the objective at the next higher level</li> <li>• delete objectives which do not seem suitable or necessary</li> </ul>

Once again the analysis of objectives should be undertaken through appropriate consultation with key stakeholder groups. Information previously gained from undertaking stakeholder analysis (including institutional capacity assessment – see also Section 6 of these Guidelines) should also be taken into account. This should help in terms of:

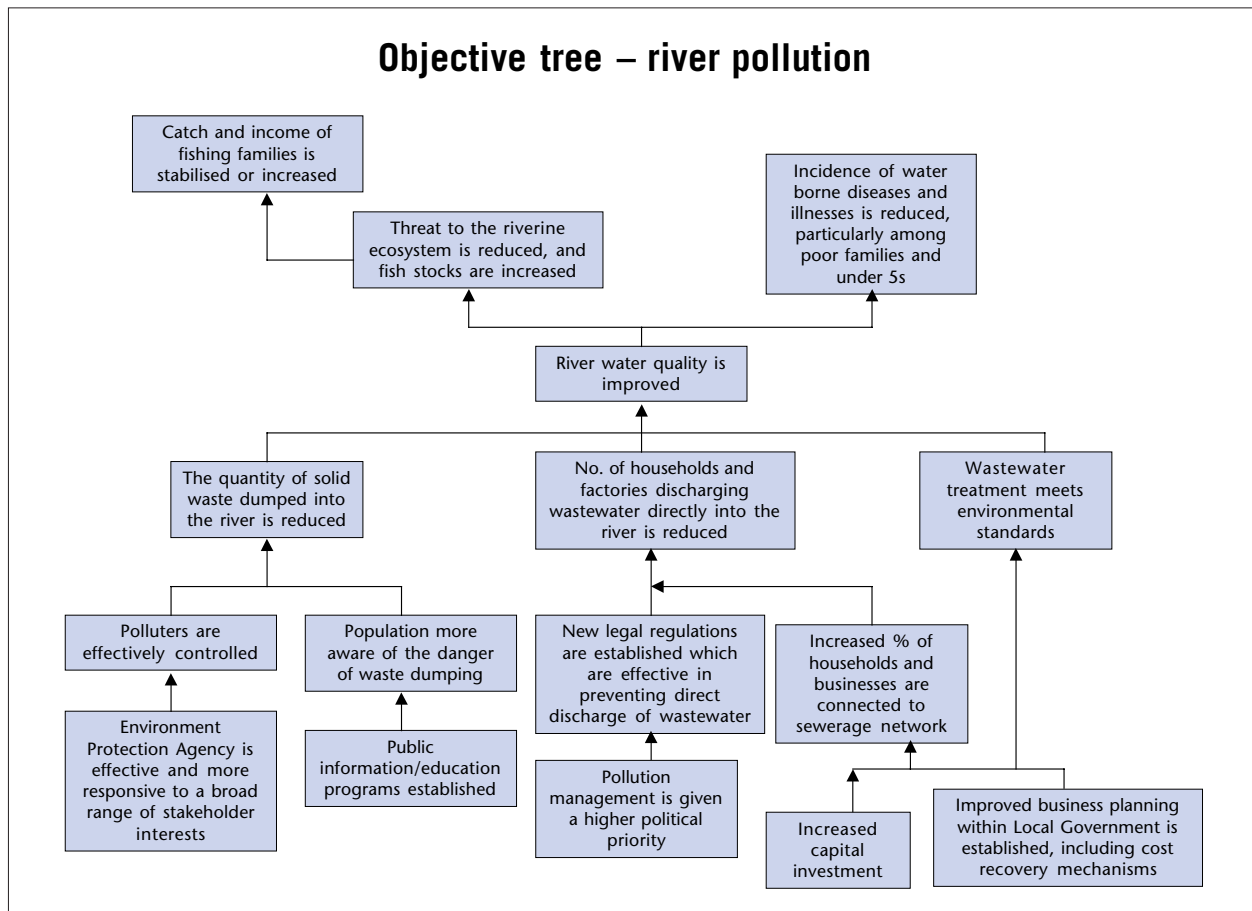
- Considering priorities;
- Assessing how realistic the achievement of some objectives might be; and
- Identifying additional means that might be required to achieve desired ends.

Once complete, the objective tree provides a summary picture of the desired future situation, including the indicative means by which ends can be achieved.

As with the problem tree, the objective tree should provide a simplified but robust summary of reality. It is simply a tool to aid analysis and presentation of ideas.

Its main strength is that it keeps the analysis of potential project objectives firmly based on addressing a range of clearly identified priority problems.

Figure 22 – Objective Tree



### 5.2.5 Analysis of Strategies

During the process of stakeholder analysis, problem analysis and the identification of potential project objectives, views on the potential merits or difficulties associated with addressing problems in different ways will have been discussed. These issues and options then need to be more fully scrutinized to help determine the likely scope of the project before more detailed design work is undertaken.

The type of questions that need to be asked and answered at this stage might include:

- Should all the identified problems and/or objectives be tackled, or a selected few?
- What are the positive opportunities that can be built on (i.e from the SWOT analysis)?
- What is the combination of interventions that are most likely to bring about the desired results and promote sustainability of benefits?

- How is local ownership of the project best supported, including development of the capacity of local institutions?
- What are the likely capital and recurrent costs implications of different possible interventions, and what can realistically be afforded?
- What is the most cost effective option(s)?
- Which strategy will impact most positively on addressing the needs of the poor and other identified vulnerable groups?
- How can potential negative environmental impacts best be mitigated or avoided?



This analytical stage is in some respects the most difficult and challenging, as it involves synthesising a significant amount of information then making a complex judgment about the best implementation strategy (or strategies) to pursue. In practice a number of compromises often have to be made to balance different stakeholder interests, political demands and practical constraints such as the likely resource availability.

Nevertheless, the task is made easier if there is an agreed set of criteria against which to assess the merits of different intervention options. Key criteria for strategy selection could include:

- Expected contribution to key policy objectives, such as poverty reduction or economic integration
- Benefits to target groups – including women and men, young and old, disabled and able, etc
- Complementarity with other ongoing or planned programmes or projects
- Capital and operating cost implications, and local ability to meet recurrent costs
- Financial and economic cost-benefit
- Contribution to institutional capacity building
- Technical feasibility
- Environmental impact

Using these criteria will help to determine what should/can be included within the scope of the project, and what should/cannot be included.

The selected strategy will then be used to help formulate the first column of the Logical Framework, particularly in helping to identify the project Overall Objective, Purpose and potential Results.

In the example shown in Figure 23, a choice has been made to focus the project primarily on a **wastewater** strategy, due to: (i) another planned project working with the EPA, (ii) the positive cost-benefit analysis of improving waste-water treatment plants and implementing cost recovery mechanisms for extending the sewerage network, (iii) the enthusiasm of Local Government to improve its ability to plan and manage waste-water disposal systems; and (iv) indicative budget ceilings which require a choice to be made regarding priorities for EC support.

## 5.3 The Planning Stage

### 5.3.1 The Matrix format, terminology and the process of preparation

#### Introduction

The results of the stakeholder, problem, objectives and strategy analysis are used as the basis for preparing the Logical Framework Matrix.

The matrix should provide a summary of the project design, and should generally be between 1 and 4 pages in length. The 'length' of the matrix will depend on the scale and complexity of the project, and how many 'objective' levels are included in the matrix.

In general, it is recommended that the matrix only includes the project Overall Objective, Purpose and Results, and that Indicative Activities be described/ documented separately (i.e. using an activity schedule). The main reasons for this are:

- To keep the Logframe matrix focused on the results, purpose and overall objective (results based);
- Activities should be subject to regular review and change (an ongoing management responsibility), and their inclusion in the Logframe matrix means that the matrix must be revised more frequently than is often the case to keep it 'current and relevant'; and
- Indicative Activities are often better presented separately, using either a Gantt chart format and/or a narrative description of the activities in accompanying text. Indicative Activities should nevertheless be clearly linked to planned results through appropriate use of reference numbers (example provided in Section 5.3.2, Figure 27).



Similarly, it is recommended that means and costs (the details of inputs and budget) not be included in the Logframe matrix format. This is a departure from past EC practice, however it is increasingly recognized that the matrix format itself is not suited to providing a useful summary of means and costs, and that there are more appropriate ways/places in which to present this information.

Nevertheless, while it is recommended that neither activities, means/resources or costs are included in the matrix itself, the importance of the thinking process – logically linking results, to activities to resources and

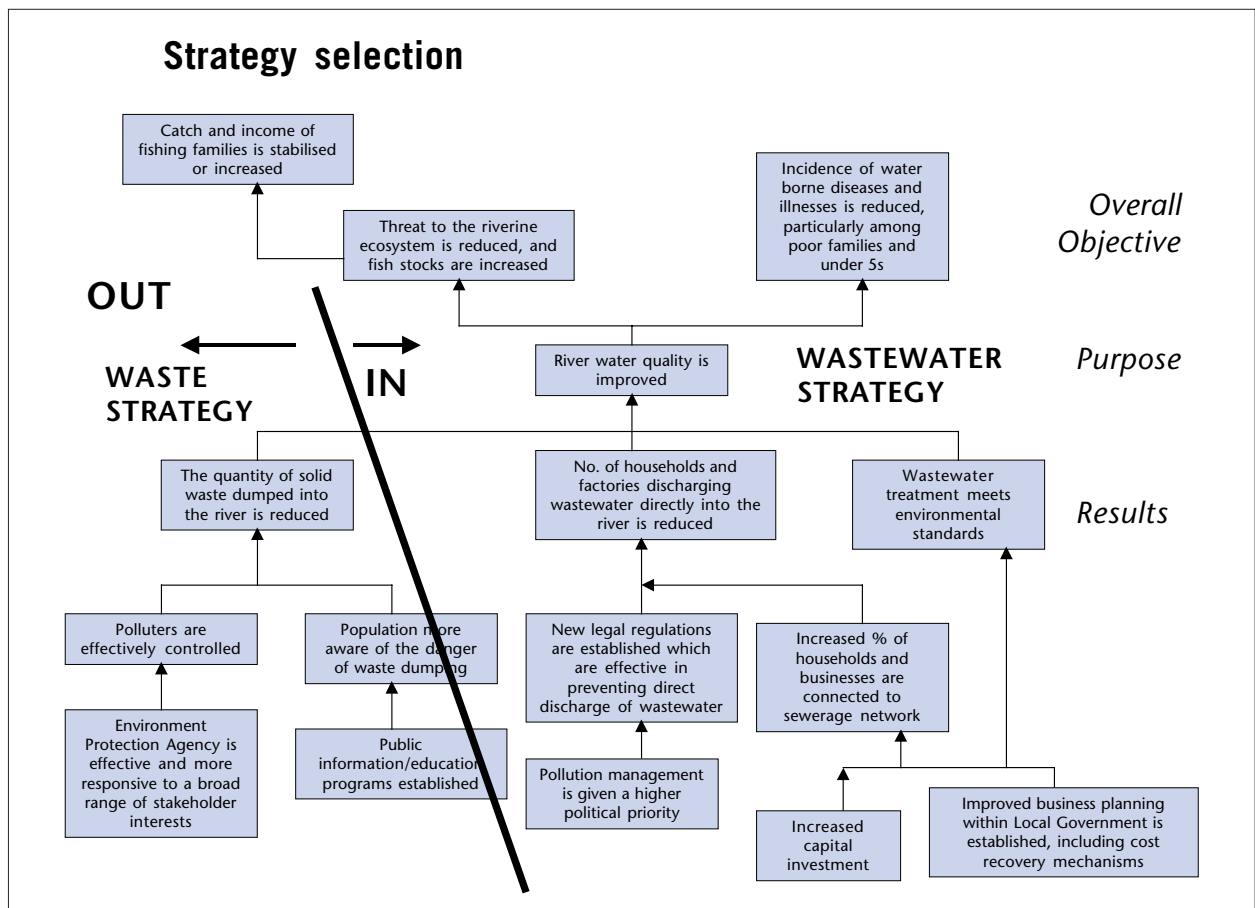
costs – remains. The critical point to keep in mind is that it is the quality of thinking and analysis which is important, rather than adhering to any one specific format.

**Format and terminology**

The basic matrix consists of four columns and a number of rows (usually three or four rows).<sup>35</sup>

A description of the type of information provided in the Logframe matrix is shown in figure 24 (including Activities in this example).

Figure 23 – Strategy Selection



<sup>35</sup> However, some agencies include more rows (levels in the objective hierarchy) to include, for example, a level of 'component objective' (between the result and purpose level), which allows results to be clustered under an identified component heading. The main point to make is that the matrix should be used creatively and productively to help design good projects – if a particular user has a good reason to adapt/modify the format, this should be encouraged rather than frowned upon.





Figure 24 – Information contained in the Logframe Matrix

Project Description	Indicators	Source of Verification	Assumptions
<b>Overall objective:</b> The broad development impact to which the project contributes – at a national or sectoral level (provides the link to the policy and/or sector programme context)	Measures the extent to which a contribution to the overall objective has been made. Used during evaluation. However, it is often not appropriate for the project itself to try and collect this information.	Sources of information and methods used to collect and report it (including who and when/how frequently).	
<b>Purpose:</b> The development outcome at the end of the project – more specifically the expected benefits to the target group(s)	Helps answer the question 'How will we know if the purpose has been achieved'? Should include appropriate details of quantity, quality and time.	Sources of information and methods used to collect and report it (including who and when/how frequently)	Assumptions (factors outside project management's control) that may impact on the purpose-objective linkage
<b>Results:</b> The direct/tangible results (good and services) that the project delivers, and which are largely under project management's control	Helps answer the question 'How will we know if the results have been delivered'? Should include appropriate details of quantity, quality and time.	Sources of information and methods used to collect and report it (including who and when/how frequently)	Assumptions (factors outside project management's control) that may impact on the result-purpose linkage
<b>Activities:</b> The tasks (work programme) that need to be carried out to deliver the planned results  <i>(optional within the matrix itself)</i>	<i>(sometimes a summary of resources/means is provided in this box)</i>	<i>(sometimes a summary of costs/budget is provided in this box)</i>	Assumptions (factors outside project management's control) that may impact on the activity-result linkage

### Sequence of completion

The preparation of a Logframe matrix is an iterative process, not a just a linear set of steps. As new parts of the matrix are drafted, information previously assembled needs to be reviewed and, if required, revised.

Nevertheless, there is a general sequence to completing the matrix, which starts with the project description (top down), then the assumptions (bottom-up), followed by the indicators and then sources of verification (working across). This general sequence is illustrated in Figure 25.

Figure 25 – Logframe Matrix – General Sequence of Completion

Project Description	Indicators	Sources of verification	Assumptions
<b>Overall objective</b>	8	9	
<b>Purpose</b>	10	11	7
<b>Results</b>	12	13	6
<b>Activities</b> <i>(optional inclusion in the matrix)</i>	<i>Not included</i>	<i>Not included</i>	5 <i>(optional inclusion in the matrix)</i>



### 5.3.2 First Column: Intervention Logic

#### If-then causality

The first column of the Logframe matrix summarises the ‘means-end’ logic of the proposed project (also known as the ‘intervention logic’).

When the objective hierarchy is read from the bottom up, it can be expressed in terms of:

**IF** adequate **inputs/resources** are provided, **THEN activities** can be undertaken;  
**IF** the **activities** are undertaken, **THEN results** can be produced;  
**IF results** are produced, **THEN** the **purpose** will be achieved; and  
**IF** the **purpose** is achieved, **THEN** this should contribute towards the overall **objective**

If reversed, we can say that:

**IF** we wish to contribute to the overall **objective**, **THEN** we must achieve the **purpose**  
**IF** we wish to achieve the **purpose**, **THEN** we must deliver the specified **results**  
**IF** we wish to deliver the **results**, **THEN** the specified **activities** must be implemented; and  
**IF** we wish to implement the specified **activities**, **THEN** we must apply identified **inputs/resources**.

This logic is tested and refined by the analysis of assumptions in the fourth column of the matrix (described below in section 5.3.3).

#### Management influence

The Logframe helps to indicate the degree of control managers have over the different levels of the project’s objectives. Managers should have significant direct control over inputs, activities and the delivery of results, and should be held appropriately accountable for effectively managing these elements of the project.

However managers can only exert influence over the achievement of the project purpose through the way in which the delivery of results is managed. Project managers generally have no direct influence over the contribution the project makes to the overall objective, and can only be expected to monitor the broader policy and programme environment to help ensure the project continues to be contextually relevant.



The *necessary* and *sufficient* conditions within the vertical logic are another way of viewing this issue. These indicate that:

- Achieving the purpose is *necessary but not sufficient* to attain the overall objective;
- Producing the project results is *necessary but may not be sufficient* to achieve the purpose;
- Carrying out project activities should be *necessary and sufficient* to deliver the results; and
- Inputs should be *necessary and sufficient* to implement the planned activities.

However, in applying this general logic it is important to recognize that management responsibilities in the context of many development projects are often shared between stakeholders. While this is in some ways the essence of a 'partnership' approach, it is important that actual management responsibilities are made as clear as possible, and that such responsibilities should generally rest with local implementing agencies.

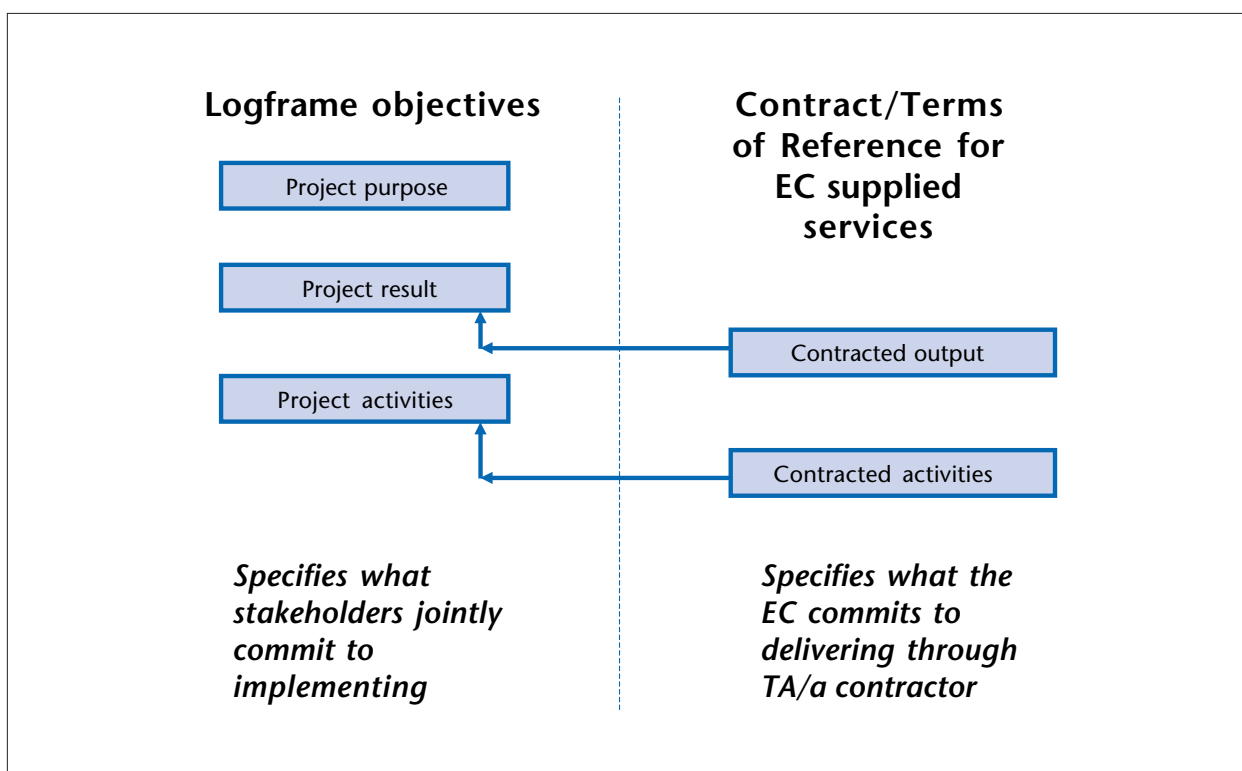
### Project results and 'contracted' outputs

In the context of management influence, it can be useful to make a distinction between project results and contracted outputs. A *project result* (as shown in the Logframe matrix) is generally a product of the actions/activities of a number of different stakeholders (i.e the partner government's ministry of health, local health management boards and the services of Technical Advisory staff funded by a donor).

In such circumstances it is usually inappropriate for the EC to hold any contracted TA/project managers wholly responsible for the project result, but rather for '*contracted*' *output(s)*. Contracted outputs should specifically define what the contractor must deliver (within their control) in order to contribute to the achievement of project results.

This concept is further illustrated in Figure 26 below:

Figure 26 – Relationship between project results and contracted outputs





### Project components

It can be useful to group sets of closely related project results, activities and inputs into project ‘components’, particularly for larger/more complex projects. These ‘components’ can also be thought of as project ‘strategies’.

Components can be identified on the basis of a number of possible criteria, including:

- **Technical focus** (i.e. a research component, a training component and an engineering component within a watershed management project).
- **Management responsibilities/organisational structures** (i.e extension, research and credit components of an agricultural project to reflect the structure of a Department of Agriculture).
- **Geographic location** (i.e a component for each of 4 countries involved in a regional people trafficking project).
- **Phasing of key project activities** (i.e. a component for each of the main stages in a rural electrification project which requires a feasibility study, pilot testing, implementation and maintenance stages).

Identifying and agreeing on what might be useful/appropriate components to include in the project should be based on the objectives and strategy analysis, consultation with key stakeholders and consideration of ‘what makes sense’ from a management perspective.

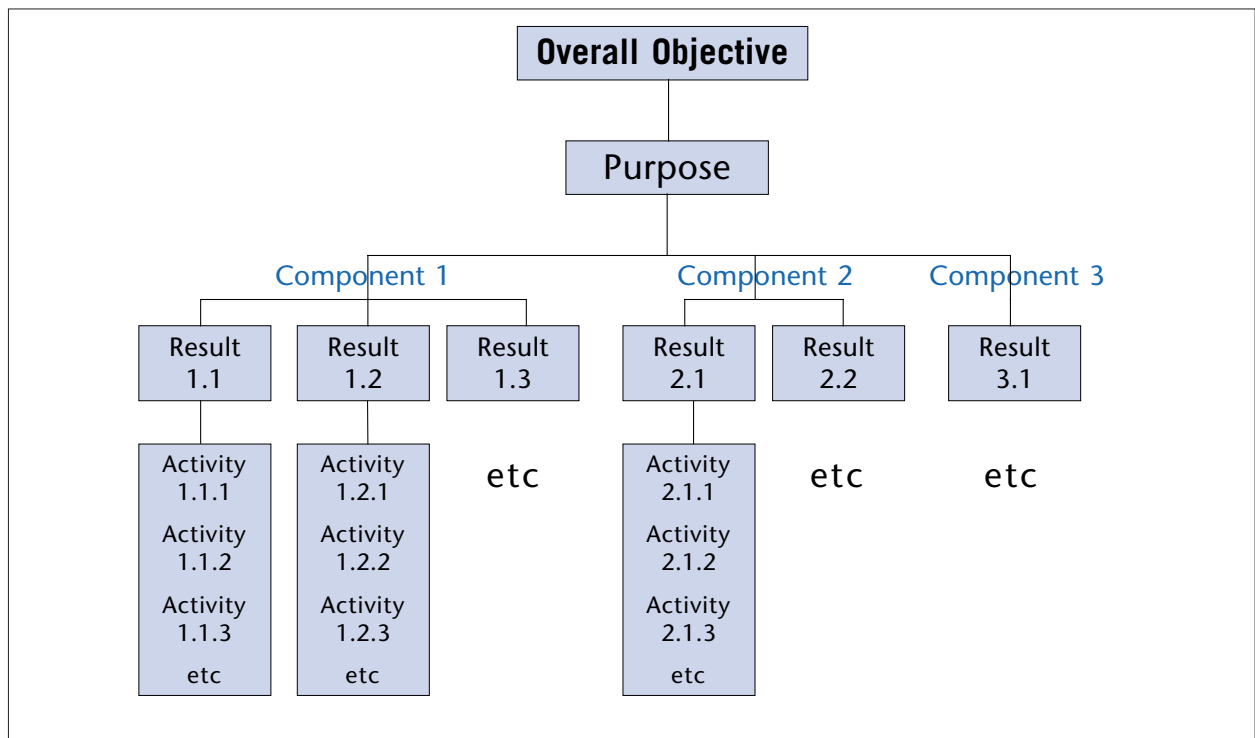
For larger projects which do have more than one component, consideration can be given to having more than one project purpose (one per component). This can be a practical way of disaggregating and allocating a significant number of different project results.

### Objective trees and reference numbers

When thinking about (or helping to explain to others) the logical structure of the first column of the matrix, it is often easiest to present it in the form of an objective tree. This much more clearly demonstrates the ‘means-ends’ hierarchy.

The use of reference numbers in the Logframe (and associated activity, resource and budget schedules), to clearly link inputs, activities and results, is also an extremely useful convention. An example of reference numbering is shown in Figure 27:

Figure 27 – Objective tree with reference numbering





In this example of a Logframe objective tree, it would also be possible to restructure the objective hierarchy to either: (i) have 3 separate purposes (one for each component) rather than one unifying purpose; or (ii) to include another level in the objective hierarchy, such as a 'component objective'. The key issue here is to allow those responsible for using tools such as LFA to have some flexibility to adapt the formats to their practical needs. If the ideas are good and the logic is sound, the number of levels in the objective hierarchy or the exact formats used should not be of any great concern.

### Writing clear statements and avoiding a common problem of logic

Objective statements in the Logframe matrix should be kept as clear and concise as possible.

It is also useful to standardize the way in which the hierarchy of project objectives is described. A useful convention to follow in this regard is: (i) for the Overall Objective to be expressed as 'To contribute to.....'; (ii) the Purpose to be expressed in terms of benefits to the target group being 'Increased/improved/ etc.....', (iii) Results to be expressed in terms of a tangible result 'delivered/produced/conducted etc', and (iv) Activities to be expressed in the present tense starting with an active verb, such as 'Prepare, design, construct, research .....'. An example is shown in Figure 28.

Figure 28 – Writing objective statements

Objective hierarchy	Example of how to write statements
<b>Overall objective</b>	To contribute to improved family health, particularly of under 5s, and the general health of the riverine eco-system
<b>Purpose</b>	1. Improved river water quality
<b>Results</b>	1.1 Reduced volume of waste-water directly discharged into the river system by households and factories 1.2 Waste-water treatment standards established and effectively enforced
<b>Activities</b> <i>(may not be included in the matrix itself, but rather presented in an activity schedule format)</i>	1.1.1 Conduct baseline survey of households and businesses 1.1.2 Complete engineering specifications for expanded sewerage network 1.1.3 Prepare tender documents, tender and select contractor 1.1.4 Identify appropriate incentives for factories to use clean technologies 1.1.5 Prepare and deliver public information and awareness program 1.1.6 etc



A common problem in formulating objective statements is that the purpose statement is formulated as a re-statement of the sum of the results, rather than as a higher-level achievement.

For example:

BAD PRACTICE	GOOD PRACTICE
Purpose is <u>sum</u> of results: <i>“Water treatment is improved and levels of direct discharge into the river reduced”</i>	Purpose is <u>consequence</u> of results: <i>“Improved quality of river water”</i>
<b>Results:</b> 1.1 Direct discharge of waste-water into the river reduced 1.2 Waste water treatment standards improved and enforced 1.3 Public awareness of environmental management responsibilities improved	

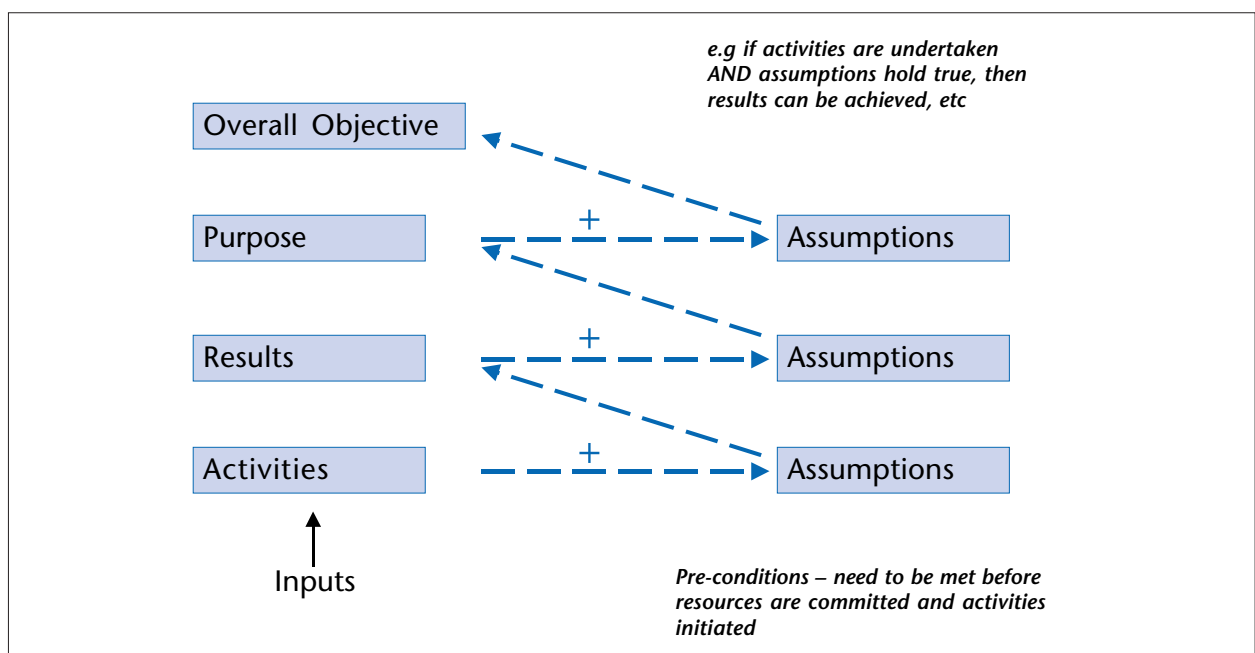
### 5.3.3 Fourth Column: Assumptions

Assumptions are external factors that have the potential to influence (or even determine) the success of a project, but lie outside the direct control of project managers. They are the answer to the question: “What external factors may impact on project implementation and the long-term sustainability of benefits, but are outside project management’s control?”

The assumptions are part of the *vertical logic* in the logframe. This works as follows:

- once the Activities have been carried out, and if the Assumptions at this level hold true, results will be achieved;
- once these Results and the Assumptions at this level are fulfilled, the Project Purpose will be achieved; and
- once the Purpose has been achieved and the Assumptions at this level are fulfilled, contribution to the achievement of the Overall Objectives will have been made by the project. This relationship is illustrated in Figure 29.

Figure 29 – Relationship between assumptions and objective hierarchy





### How do we identify assumptions?

Assumptions are usually progressively identified during the analysis phase. The analysis of stakeholders, problems, objectives and strategies will have highlighted a number of issues (i.e. policy, institutional, technical, social and/or economic issues) that will impact on the project 'environment', but over which the project may have no direct control. In choosing a strategy for the project, there are also usually some issues that have been identified during the problem and objectives analysis that are not then directly addressed in the project implementation strategy, but which may nevertheless have the potential to impact on the success of the project.

For example, as a result of the river water pollution stakeholder, problem and objective analysis, the chosen strategy has not included working directly with the Environmental Protection Agency to address the dumping of solid wastes directly into the river. In order to achieve the project purpose, some assumptions would therefore need to be made about improvements that need to be made to the EPAs capacity to regulate solid waste disposal.

Additional assumptions might also be identified through further consultations with stakeholders, as the hierarchy of project objectives is discussed and progressively analysed in more detail (i.e. through analyzing technical feasibility, cost-benefit, environmental impact assessment, etc).

In the case of the river water pollution example, other important assumptions might include issues related to:

1. Rainfall and river flow (beyond the project's control, but potentially critical in terms of changes in levels/concentration of pollutants found in the river)
2. Householders and businesses willingness to pay for improved sewerage connections (indicated as positive through preliminary discussions, but not yet fully confirmed)
3. Sustained political commitment to address the problem of water pollution (again, some positive preliminary indications, but by no means guaranteed, and with the potential to impact significantly on whether or not sustainable benefits are realised)

### What do we do with our initial assumptions?

The probability of these assumptions holding true needs to be further analysed to help assess the project's 'feasibility' (probability of success). There is no set formula for doing this, and some degree of subjectivity is involved.

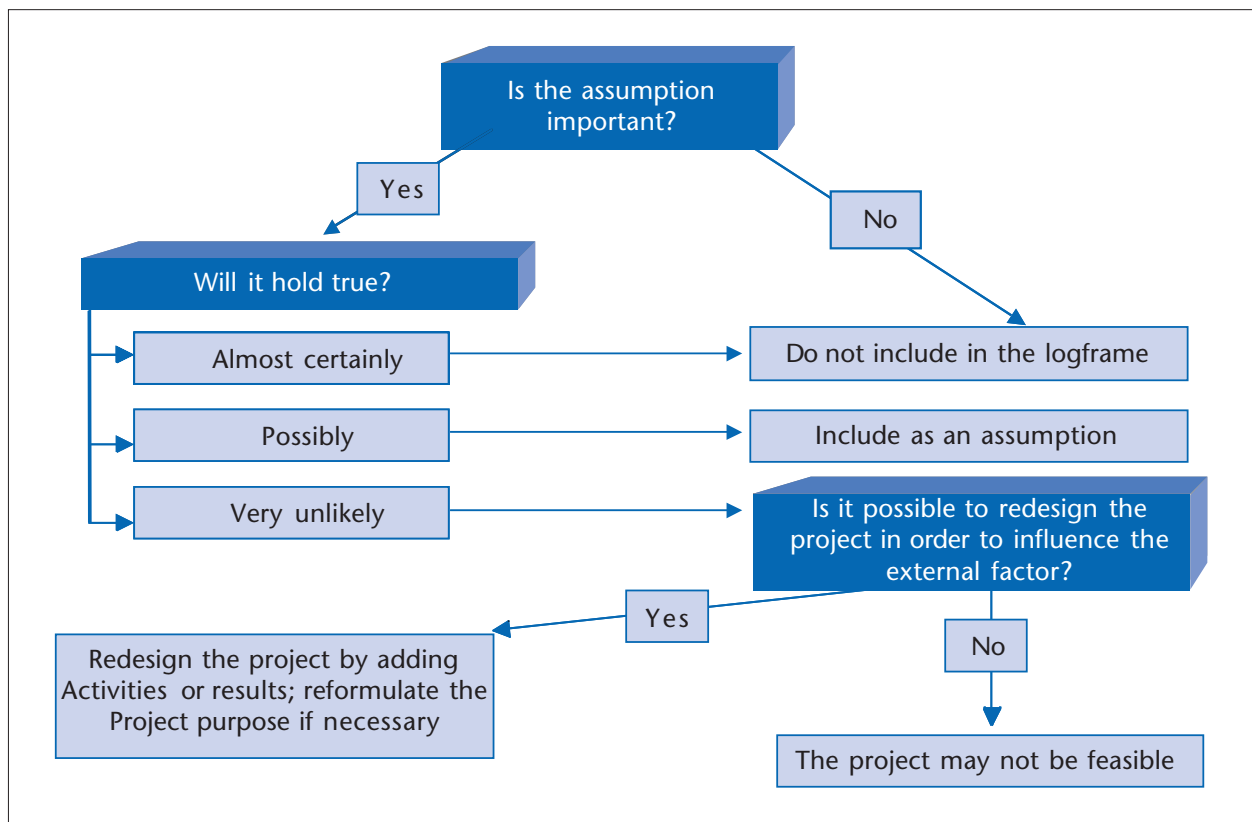
For example, with respect to rainfall and river flow, we may have an initial assumption relating to 'Xmm of rainfall per year within the catchment, and a river flow of Xmega litres per second'. The next question to be answered is 'what is the probability of these levels being realised?' This might be determined through examination of historical records. If we then find that this is an unrealistic assumption (rainfall and water flows are historically lower than our initial assumption), we would then need to take some steps to see if we can address this in the project design (e.g. additional inputs, activities and/or results, or different targets). Maybe the targets with respect to reducing waste water disposal need to be increased, or alternatively, other actions may need to be taken to reduce river water extraction further upstream (to help maintain flows). Maybe another project (or project component) would need to be designed and initiated to deal with this specific issue. If this assumption cannot be effectively dealt with, the project may need to be abandoned as unworkable, at least in current circumstances.

The probability and significance of external conditions being met is thus part of assessing how 'risky' the project is. Some assumptions will be critical to project success, and others of marginal importance. The main issue is to assemble and analyse adequate information from an appropriate range of sources, including the different viewpoints of different stakeholders. What is considered a key assumption to one group, may not be so important to others. Sharing these different perspectives is an important part of the planning process.

A useful way of assessing the importance of Assumptions during design is with the decision making flowchart shown in Figure 30.



Figure 30 – Assessment of Assumptions



Once the assumptions have been analysed and tested, and assuming the project is still considered 'feasible', the only assumptions that should remain in the Logframe matrix are those which are likely to hold true, but which nevertheless need to be carefully monitored during project implementation. They then become part of the project's monitoring and risk management plan.

An example of assumptions that might be included in a Logframe matrix is shown in Figure 31.

### 5.3.4 Second and third columns: Indicators and Source of Verification

Once the project description and assumptions have been drafted (columns 1 and 4 of the matrix), the next task is to identify indicators that might be used to measure and report on the achievement of objectives (column 2) and the sources of that sources information (column 3). Because one reads across the matrix when analysing indicators and means of verification, this is referred to as the 'horizontal logic'.

### Indicators

Objectively Verifiable Indicators describe the project's objectives in operationally measurable terms (quantity, quality, time – or QQT). Specifying OVIs helps to check the feasibility of objectives and helps form the basis of the project's monitoring and evaluation system. They are formulated in response to the question "How would we know whether or not what has been planned is actually happening or happened? How do we verify success?"

OVI should be measurable in a consistent way and at an acceptable cost.





A good OVI should also be **SMART**:

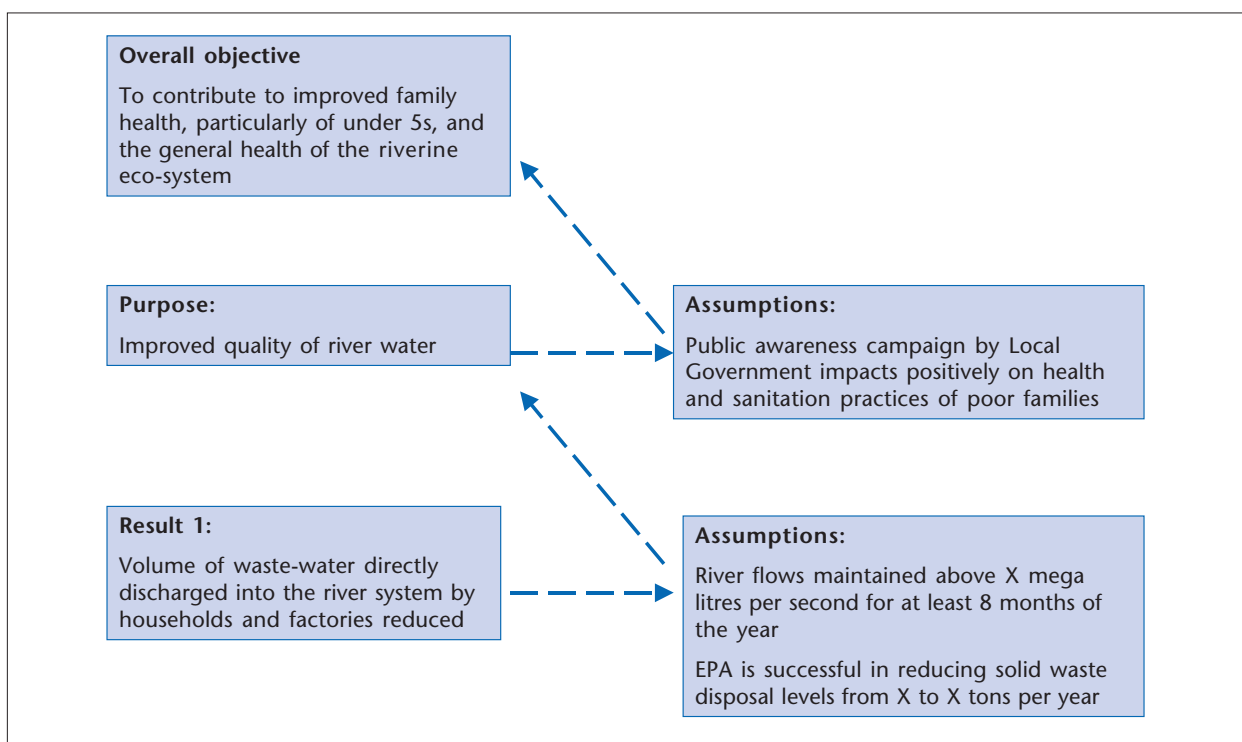
- **S**pecific to the objective it is supposed to measure
- **M**easurable (either quantitatively or qualitatively)
- **A**vailable at an acceptable cost
- **R**elevant to the information needs of managers
- **T**ime-bound – so we know when we can expect the objective/target to be achieved

In addition, Indicators should be independent of each other, each one relating to only one objective in the Intervention Logic, i.e. to either the Overall Objective, the Project Purpose or to one Result. For example, indicators at the level of a Result should not be a summary of what has been stated at the Activity level, but should describe the measurable consequence of activity implementation.

It is often necessary to establish more than one indicator for each objective statement. For example one indicator may provide good *quantitative* information, which needs to be complemented by another indicator focused on *qualitative* matters (such as the opinions of target groups). At the same time, the trap of including too many indicators should be avoided. The guiding principle should be to collect the minimum amount of information required to help project managers and evaluators determine whether objectives are being/have been achieved.

The meaning of an *Objectively Verifiable* indicator is that the information collected should be the same if collected by different people (i.e it is not open to the subjective opinion/bias of one person). This is more easily done for quantitative measures than for those that aim at measuring qualitative change.

Figure 31 – Example of assumptions





OVI should be defined during the formulation stage (and sometimes in a preliminary way during identification), but they often need to be specified in greater detail during implementation when the practical information needs of managers, and the practicality of collecting information, becomes more apparent.

Figure 32 simply clarifies the relationship between the levels of the objective hierarchy and the terminology used in the EC 'Guidelines for the use of indicators in Country Performance Assessment' of December 2002.

**Source of Verification**

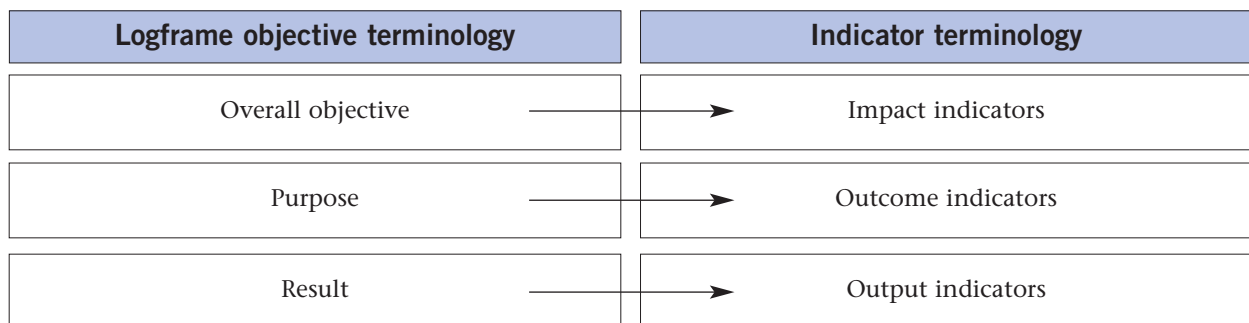
The source of verification should be considered and specified at the same time as the formulation of indicators. This will help to test whether or not the Indicators can be realistically measured at the expense of a reasonable amount of time, money and effort. The SOV should specify:

- **How** the information should be collected (e.g from administrative records, special studies, sample surveys, observation, etc ) and/or the available documented source (e.g. progress reports, project accounts, official statistics, engineering completion certificates etc.)

- **Who** should collect/provide the information (e.g. field extension workers, contracted survey teams, the district health office, the project management team)
- **When/how regularly** it should be provided. (e.g. monthly, quarterly, annually, etc.)

In order to support institutional strengthening objectives, avoid the creation of parallel information systems, and minimize additional costs, the first point of call should be to see if the required information can be collected through existing systems, or at least through supporting improvements to existing systems. For the 'big picture' the Bureau of Statistics, local research agencies, donor and business reports may be useful sources. At the local level – civil society organizations, local government agencies and other service delivery agencies are likely to be keeping records that can provide relevant information to project implementers. The main point is to build on existing systems and sources (where possible and appropriate) before establishing new ones.

Figure 32 – Link between logframe and Indicator Terminology





There is often a direct relationship between the complexity of the SOV (i.e. ease of data collection and analysis) and its cost. If an OVI is found to be too expensive or complicated to collect, it should be replaced by a simpler, cheaper and often indirect (proxy) OVI: e.g. instead of conducting a detailed sample survey on incomes of farm households (to measure income increases at the level of the project Purpose or Overall Objective), it may be more practical to assess changes in household assets through a set of case studies.

A key question to keep in mind when specifying both indicators and sources of verification, is 'Who is going to use this information?' Once again, in light of the fact that projects should be 'owned' by local stakeholders/implementing partners, it is their information needs that are of primary importance. Indicators should not therefore reflect just what the 'donor' (or donor funded technical assistance) would like to know, but what local managers need. The best way to determine this is to understand how local information systems work, and to ensure local stakeholders take a lead role in defining relevant OVIs and SOVs.

### Indicators and SOVs at the level of the project's Overall Objective

The project's Overall Objective should link the project specific intervention into a broader policy or programme context, and indicate the longer term development objective(s) to which the project contributes. It is therefore not generally the responsibility of the project itself (or within the project's competence) to collect information on the contribution of the project to this overall objective. Nevertheless, it is useful for project planners to determine what policy/sector indicators are being used (or targets set), and how this information is being collected (SOV). This can help project managers understand the policy/sector context within which they are working and keep them focused on a longer term vision.

From the project manager's perspective it is therefore the result and purpose indicators and SOV's which are of most importance.

An example of possible indicators and sources of verification for the 'Purpose' of the river water pollution reduction project is provided in Figure 33.

Figure 33 – Example of an indicator and source of verification

Project description	Indicator	Source of Verification
<p><b>Purpose</b> Improved quality of river water</p>	<p><b>The Indicator:</b> Concentration of heavy metal compounds (Pb, Cd, Hg) and untreated sewerage</p> <p><b>The Quantity:</b> Is reduced by 25% compared to levels in 2003</p> <p><b>The Quality:</b> And meets established national health/pollution control standards</p> <p><b>The Time:</b> By end of 2006</p>	<p>Weekly water quality surveys, jointly conducted by the Environmental Protection Agency and the River Authority, and reported monthly to the Local Government Minister for Environment (Chair of Project Steering Committee).</p>



### 5.3.5 Completing the draft Logframe matrix

At this stage of plan preparation the Logframe would still be in draft form, as further work would need to be undertaken on analysing the indicative activities, and assessing the resource and cost implications.

Remember that while the LFA is presented (for simplicities sake) as a set of broad ‘steps’, in practice it is an iterative process, with each of the analytical tools being revisited and re-applied as new information comes to light. Thus while the activity scheduling, resource and cost analysis cannot be *detailed* until the framework of objectives, assumptions and

indicators/SOV’s has been considered, some preliminary work on activities, resources and costs must be undertaken at the same time as the project purpose and results are being analysed. If not, there is the risk that the broader framework of objectives would suddenly be determined to be ‘unfeasible’ due to practical considerations of cost/resource limitations.

An example of a how key elements of the draft Logframe matrix might look (at this stage of preparation) for the River Water Pollution Reduction project is shown in Figure 34.

Figure 34 – Example of key elements of a draft Logframe Matrix

Project description	Indicators	Means of Verification	Assumptions
<b>Overall objective</b> To contribute to improved family health, particularly the under 5s, and to improve the general health of the riverine eco-system	- Incidence of water borne diseases, skin infections and blood disorders caused by heavy metals, reduced by 50% by 2008, specifically among low-income families living along the river	- Municipal hospital and clinic records, including maternal and child health records collected by mobile MCH teams. Results summarized in an Annual State of the Environment report by the EPA.	
<b>Purpose</b> Improved quality of river water	- Concentration of heavy metal compounds (Pb, Cd, Hg) and untreated sewerage; reduced by 25% (compared to levels in 2003) and meets established national health/pollution control standards by end of 2007	- Weekly water quality surveys, jointly conducted by the Environmental Protection Agency and the River Authority, and reported monthly to the Local Government Minister for Environment (Chair of Project Steering Committee)	- The public awareness campaign conducted by the Local Government impacts positively on families sanitation and hygiene practices - Fishing cooperatives are effective in limiting their members exploitation of fish ‘nursery’ areas
<b>Result 1</b> Volume of waste-water directly discharged into the river system by households and factories reduced	- 70% of waste water produced by factories and 80% of waste water produced by households is treated in plants by 2006	- Annual sample survey of households and factories conducted by Municipalities between 2003 and 2006	- River flows maintained above X mega litres per second for at least 8 months of the year - Upstream water quality remains stable
<b>Result 2</b> Waste-water treatment standards established and effectively enforced	- Waste water from 4 existing treatment plants meets EPA quality standards (heavy metals and sewerage content) by 2005	- EPA audits (using revised standards and improved audit methods), conducted quarterly and reported to Project Steering Committee	- EPA is successful in reducing solid waste disposal levels by factories from X to X tons per year
<b>Etc</b>			



As noted previously in this Guideline, the Logframe matrix can include indicative activities for each result, or not. However, whichever option is chosen, there is still a need to think through what the key activities are likely to be, otherwise the feasibility of the plan cannot be assessed, particularly with respect to timing, resource implications and cost. The issue is therefore not whether activities need to be considered, but simply *where and how they are documented*.

## 5.4 Activity, resource and cost schedules

### 5.4.1 Overview

An Activity Schedule is a format for analysing and graphically presenting project activities. It helps to identify their logical sequence, expected duration, any dependencies that exist between activities, and provides a basis for allocating management

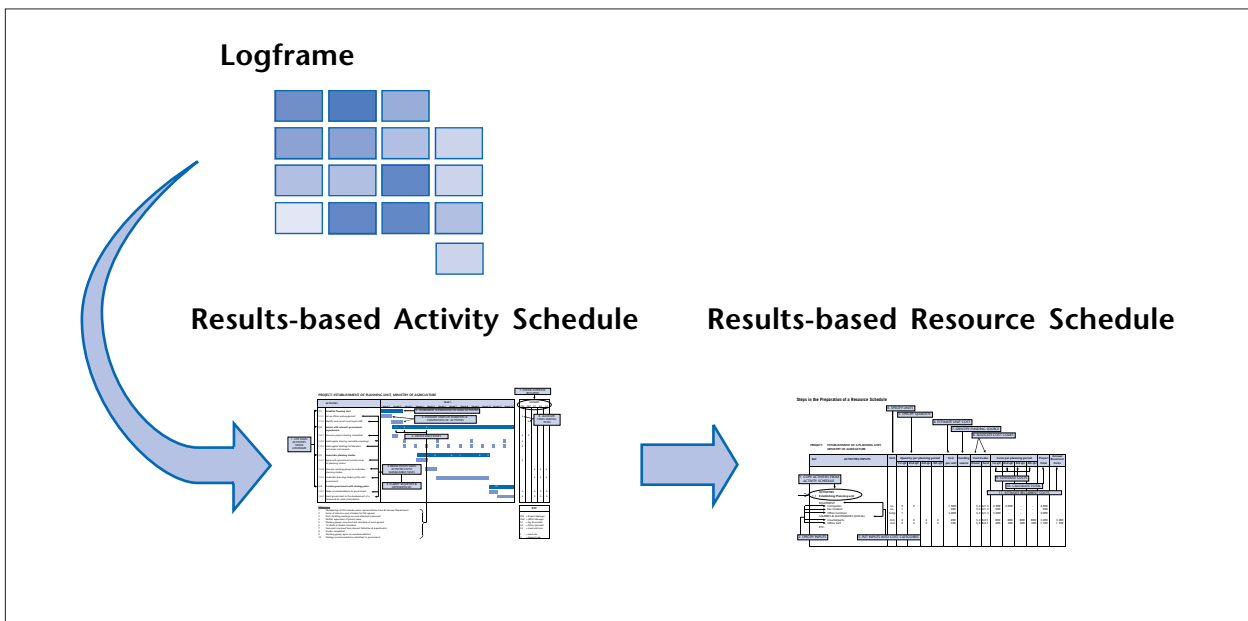
responsibility. With the Activity Schedule prepared, further specification of resources and scheduling of costs can be undertaken.

Both Activity and Resource Schedules need to be drafted during the feasibility study. Without this information feasibility cannot be adequately assessed, particularly in terms of cost-benefit analysis.

The level of detail required will depend on the nature and scale of the project, its stage in the project cycle, and expected implementation modalities. During the planning stage, activity specification should be indicative, as it is usually inappropriate to try and specify too much detail, particularly when project implementation may not commence until a year or more after design work (due to the time it takes to approve financing, conclude a financing agreement and, as required, contract consultants).

Activity Schedules should be clearly linked to the delivery of project results (as specified in the Logframe matrix), as should the resource schedules and budget. This linkage is illustrated in Figure 35.

Figure 35 – Link between logframe, activity and resource schedules





### 5.4.2 A Checklist for Preparing an Activity Schedule

Once the Logframe matrix itself is complete, it is then possible to use the identified Activities (which may or may not be actually included in the matrix itself) to further analyse issues of timing, dependency and responsibility using an activity scheduling (or Gantt chart) format (see Figures 36 and 37).

The format can be adapted to fit with the expected duration of the project in question and to the level of detail that it is useful and practical to provide. The first year's Activities may be specified in more detail (i.e. showing the indicative start and finish of Activities to within a week or month of their expected timing) while subsequent years scheduling should be more indicative (to within a month or a quarter). These are just preliminary estimates that will subsequently be revised by project management once implementation starts (i.e. in an inception report) and then should be continue to be reviewed and revised during implementation in the light of actual implementation performance.

A step-by-step approach to the preparation of a detailed activity schedule can be followed:

#### Step 1 – List Main Activities

The main Activities identified through the Logframe analysis are a summary of what the project must do in order to deliver project results. These can therefore be used as the basis for preparation of the Activity Schedule which helps to specify the likely phasing and duration of key activities.

An example of a detailed activity schedule, which has been completed following the steps listed below, is shown as Figure 37.

#### Step 2 – Break Activities Down into Manageable Tasks

This step may not be appropriate until Financing is approved and the project implementation phase has commenced.

The purpose of breaking Activities down into sub-activities or tasks, is to make them sufficiently simple to be organised and managed easily. The technique is to break an Activity down into its component sub-activities, and then to take each sub-activity and break it down into its component tasks.

Each task can then be assigned to an individual, and becomes their short-term goal.

The main skill is in getting the level of detail right. The most common mistake is to break the Activities down into too much detail. The breakdown should stop as soon as the planner has sufficient detail to estimate the time and resources required, and the person responsible for actually doing the work has sufficient instructions on what has to be done. This is where individual planning of tasks by project implementers starts.

#### Step 3 – Clarify Sequence and Dependencies

Once the Activities have been broken down into sufficient detail, they must be related to each other to determine their:

- *sequence* – in what order should related Activities be undertaken?
- *dependencies* – is the Activity dependent on the start-up or completion of any other Activity?

This can best be described with an example. Building a house consists of a number of separate, but inter-related Activities: digging and laying the foundations; building the walls; installing the doors and windows; plastering the walls; constructing the roof; installing the plumbing. The sequence dictates that digging the foundations comes before building the walls; while dependencies include the fact that you cannot start installing doors and windows until the walls have reached a certain height; or you cannot finish plastering until the plumbing has been fully installed. Dependencies may also occur between otherwise unrelated Activities that will be undertaken by the same person (i.e. the person may not be able to complete both tasks at the same time).

#### Step 4 – Estimate Start-up, Duration and Completion of Activities

Specifying the timing involves making a realistic estimate of the duration of each task, and then building it into the Activity Schedule to establish likely start-up and completion dates. However, it is often not possible to estimate timing with great confidence. To ensure that the estimates are at least realistic, those who have the necessary technical knowledge or experience should be consulted.



The most common problem arising in the preparation of activity schedules is to underestimate the time required. This can happen for a number of reasons:

- omission of essential Activities and tasks
- failure to allow sufficiently for interdependence of Activities
- failure to allow for resource competition (i.e. scheduling the same person or piece of equipment to do two or more things at once)
- a desire to impress with the promise of rapid results

#### Step 5 – Summarise Scheduling of Main Activities

Having specified the timing of the individual tasks that make up the main Activities, it is useful to provide an overall summary of the start-up, duration and completion of the main Activity itself.

#### Step 6 – Define Milestones

Milestones can provide the basis by which project implementation is monitored and managed. They are key events that provide a measure of progress and a target for the project team to aim at. The simplest milestones are the dates estimated for completion of each Activity – e.g. *training needs assessment completed by January 200x*.

#### Step 7 – Define Expertise

When the tasks are known, it is possible to specify the type of expertise required. Often the available expertise is known in advance. Nonetheless, this provides a good opportunity to check whether the action plan is feasible given the human resources available.

#### Step 8 – Allocate Tasks Among Team

This involves more than just saying who does what. With task allocation comes responsibility for achievement of milestones. In other words, it is a means to define each team member's accountability - to the project manager and to other team members.

Task allocation should therefore take into account the capability, skills and experience of each member of the team. When delegating tasks to team members, it is important to ensure that they understand what is required of them. If not, the level of detail with which the relevant tasks are specified may have to be increased.





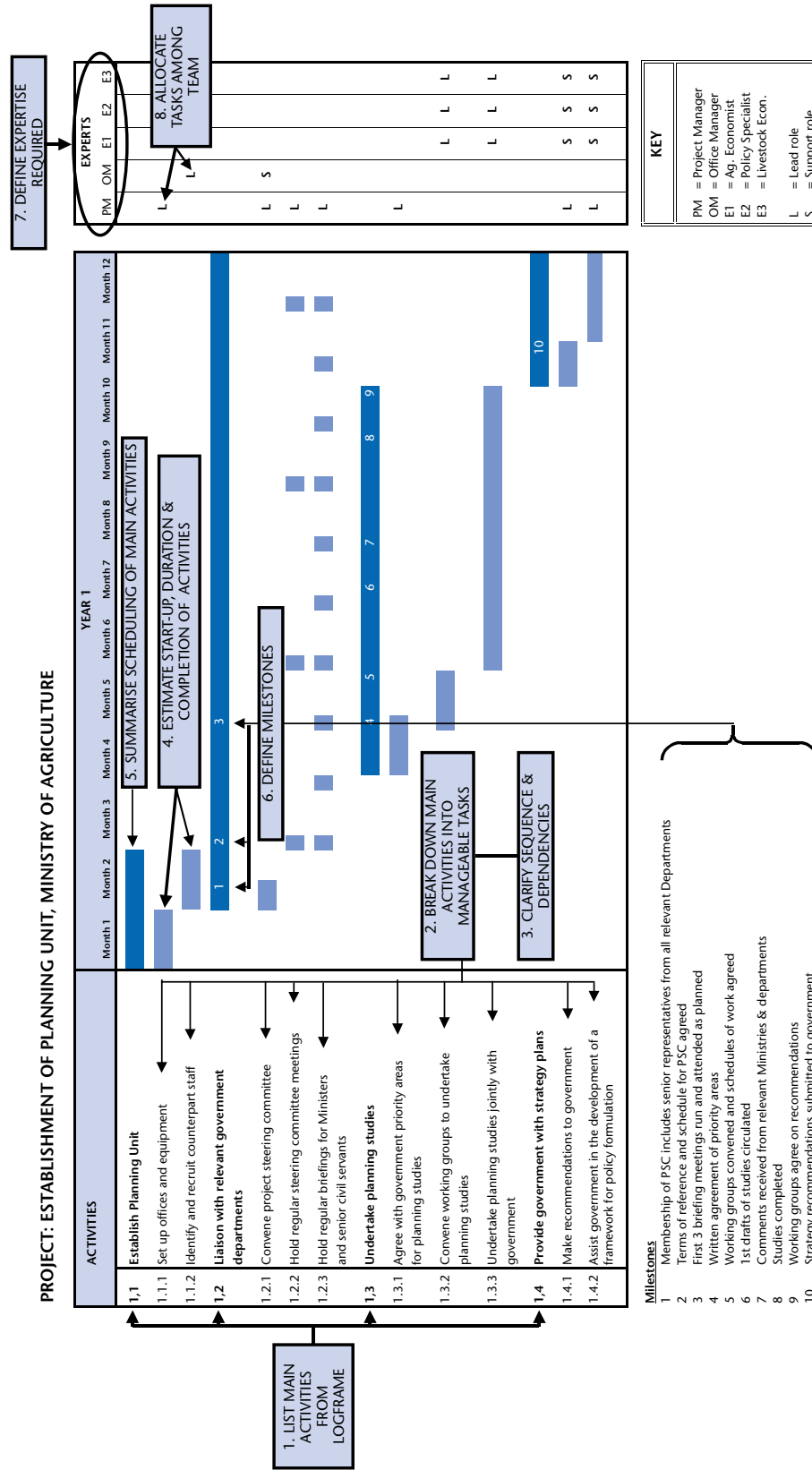
Figure 36 - Example of indicative Activity Schedule - prepared during the Formulation Stage

INDICATIVE ACTIVITY SCHEDULE		Year 1				Year 2				Year 3										
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4							
Ref no	Results and Indicative Activities	Responsibility																		
1.1	Reduced volume of waste water directly discharged into the river system																			
<b>Activities</b>																				
1.1.1	Conduct baseline survey of households and business		▲																	
1.1.2	Complete engineering specifications for expanded sewerage network		▲																	
1.1.3	Prepare tender documents, tender and select contractor			▲																
1.1.4	Implement and monitor capital works																			
1.1.5	Identify appropriate incentives for factories to use clean technologies																			
1.1.6	Design and implement incentive program																			
1.1.7	Prepare and deliver public information and awareness campaign on waste-water disposal																			
1.1.8	Etc																			





Figure 37 – Example of detailed activity schedule format for Operational Planning (During implementation phase)





### 5.4.3 Preparing resource and cost schedules

Cost estimates should be based on careful and thorough budgeting. They will have significant influence over the investment decision at project appraisal and subsequently on the smooth implementation of the project if the go-ahead is given. Again, the list of Activities should be copied into a Resource Schedule pro-forma. Each Activity should then be used as a checklist to ensure that all necessary resources/inputs required under that Activity are provided for. Budgeting of management activities should not be forgotten at this stage.

Once the Activities have been entered into the schedule, the resources necessary to undertake the Activities must be specified. As there will be a need to aggregate or summarise the cost information, the resources should be allocated to agreed cost categories.

For example, in Figure 38 the activity of establishing a Planning Unit requires Equipment and Salaries and Allowances. *The Units, Quantity Per Period, and estimated Unit Cost* should then be specified. If entered on a spreadsheet, *Cost per Period* and *Total Project Cost* can be calculated using simple formulae.

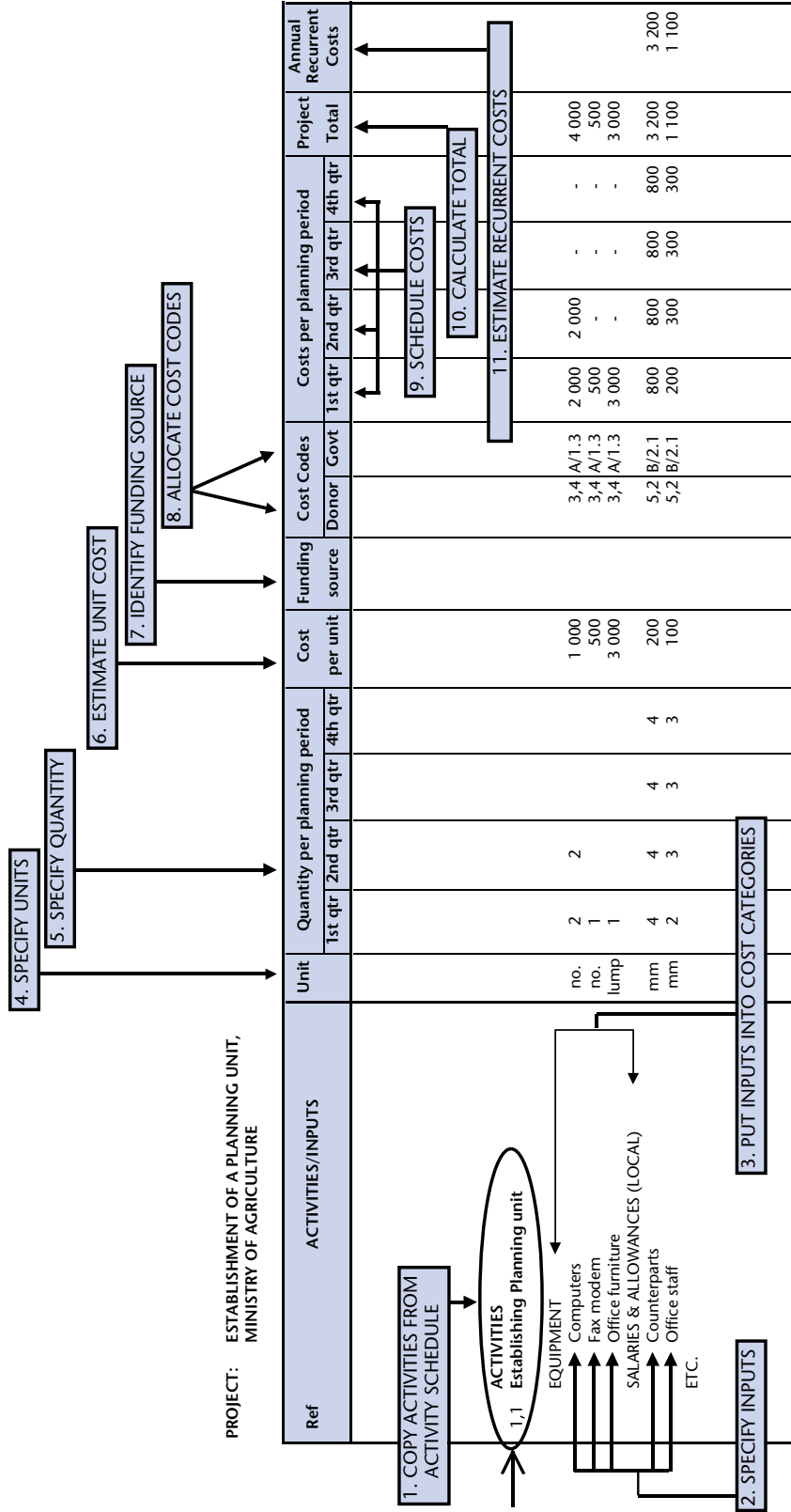
Project costings should allow the allocation of costs between the different funding sources so that each party is clear about their respective contributions. The code for *Funding Source* can then be used to sort all costs and to determine respective totals. Those providing funding for the project are likely to have cost codes for each established cost category. By specifying the *Cost Code*, costs can again be sorted to determine total cost by cost category.

It is now possible to *schedule cost* per planning period using simple formulae to multiply the annual quantity by the unit cost. Once *Total Costs* have been calculated, it is important to remember that the implementing agency will be required to meet any recurrent costs of maintaining service provision beyond the life of the project. *Recurrent Costs* may be covered (fully or partly) through increased revenue that has been generated through project Activities. Whether or not this is the case, it is important that the net recurrent cost implications of the project are clearly specified so that the future impact on the implementing agency's budget can be determined.



Figure 38 – Preparing a Resource Schedule

Steps in the Preparation of a Resource Schedule





## 5.5 Using the LFA during formulation, implementation, evaluation and audit

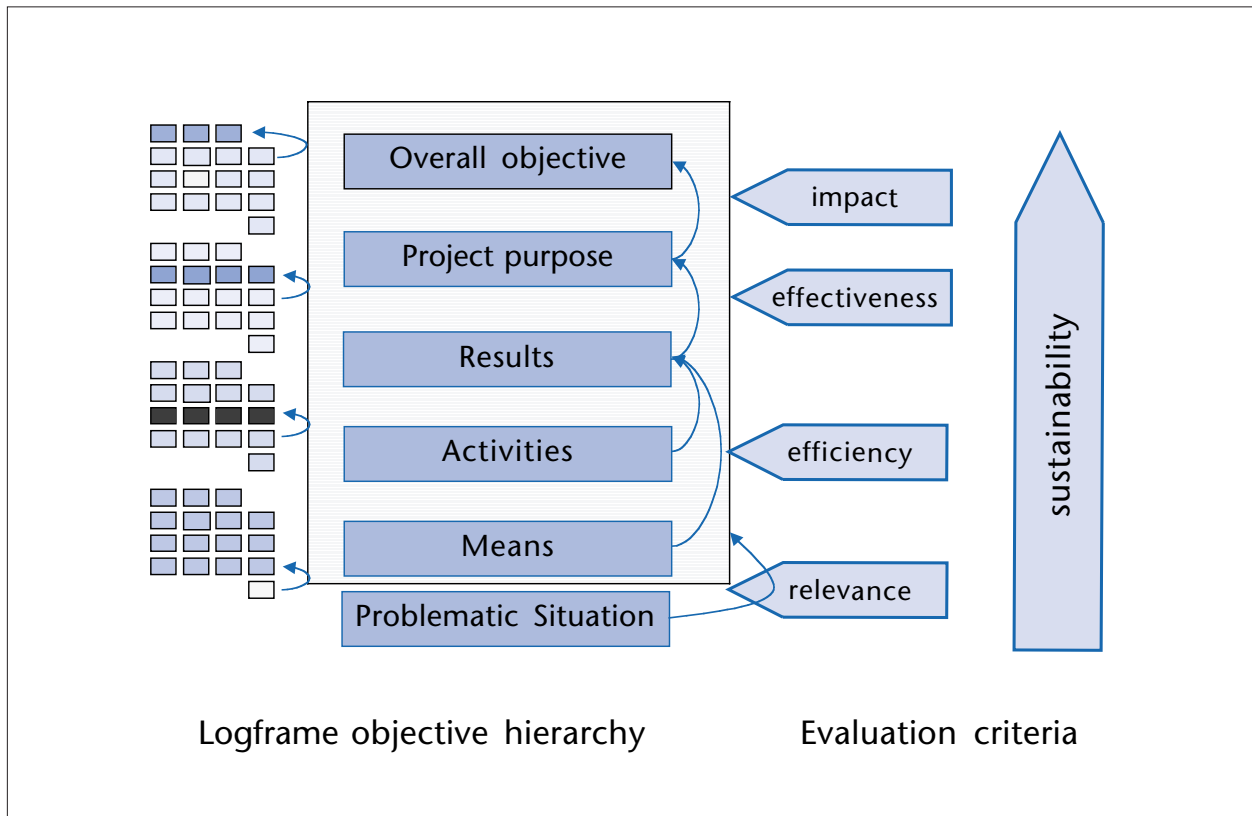
A brief summary of how LFA (particularly the matrix, activity and resource schedules) can be used during project formulation, implementation and evaluation is provided below:

Project cycle stage	Use of LFA
<i>Formulation</i>	<ul style="list-style-type: none"> <li>• The Logframe Matrix provides a summary of key project elements in a standard format, and thus assists those responsible for appraising the scope and logic of proposed investments.</li> <li>• The tools that make up LFA can be applied to de-construct the proposed project, to further test its relevance and likely feasibility</li> <li>• The objectives specified in the Logframe, combined with the activity, resource and cost schedules, provide information to support cost-benefit analysis</li> <li>• The cost-schedules allow cash-flow implications to be assessed (including the contributions of different stakeholders), and the scope of Financing Agreements to be determined</li> </ul>
<i>Implementation</i>	<ul style="list-style-type: none"> <li>• The Logframe provides a basis on which contracts can be prepared – clearly stating anticipated objectives, and also the level of responsibility and accountability of project managers and other stakeholders</li> <li>• The Logframe and associated schedules provide the basis on which more detailed operational work plans can be formulated</li> <li>• The Indicators and Means of Verification provide the framework for a more detailed Monitoring and Evaluation Plan to be designed and implemented by project managers</li> <li>• The Assumptions provide the basis for an operational risk management plan</li> <li>• The Results, Indicators and Means of Verification (+ activities, resource and costs) provide the framework for preparing project progress reports (to compare what was planned with what has been achieved)</li> </ul>
<i>Evaluation and Audit</i>	<ul style="list-style-type: none"> <li>• The Logframe provides a framework for evaluation, given that it clearly specifies what was to be achieved (namely results and purpose), how these achievements were to be verified (Indicators and Means of Verification) and what the key assumptions were.</li> <li>• The Logframe provides a structure for preparing TOR for Evaluation studies and for performance audits.</li> </ul>



The link between the levels of the Logframe's objective hierarchy and the key evaluation criteria is summarised in Figure 39 below:

Figure 39 – Evaluation criteria and LF levels





## 5.6 A note on interlocking or ‘nested’ logframes

The concept of ‘interlocking’ or ‘nested’ Logframes can be useful to see how the objectives of a policy, a sector programme and a specific project might be linked.

This is illustrated in Figure 40, using a National Agricultural Research example:

Figure 40 – Nested objectives (policy, programme and project)

<b>Policy</b> (Of the National Agricultural Research Council)	<b>Programme</b> (Of the Research Stations)	<b>Project</b> (Of the Research Teams)
<b>Overall objective:</b> To contribute to the improved livelihood of hill farming families		
<b>Purpose:</b> Increased agricultural production, productivity and incomes among hill farming households	<b>Overall objective:</b> To contribute to increasing agricultural production, productivity and incomes among hill farming households	
<b>Result:</b> The use of improved agricultural technologies increased among targeted farmers	<b>Purpose:</b> Increased use of improved agricultural technologies by hill farmers (e.g. rice)	<b>Overall objective:</b> To contribute to increased use of recommended improved technologies
	<b>Result:</b> Recommendations for targeted farmers provided/disseminated	<b>Purpose:</b> Recommendations provided for improved technologies suitable for targeted farmers
		<b>Results (e.g.):</b> <ol style="list-style-type: none"> <li>1. Technologies identified based on farmer priorities</li> <li>2. Technologies generated and adapted</li> <li>3. Technologies verified in farmers fields</li> </ol>



## 6. INSTITUTIONAL CAPACITY ASSESSMENT

### 6.1 Why?

Institutional capacity assessment is required to:

- Help identify appropriate stakeholding partners and assess their capacity to deliver services and manage change;
- Identify and design relevant and feasible project interventions, which take account of absorptive capacity and effectively support local institutions and organisations to deliver a sustainable stream of benefits; and
- Support an assessment of good governance issues (including organisational adequacy, accountability and transparency);

Institutional capacity assessment is particularly important for projects which rely on local partners to manage implementation. This should be the case for most projects.

### 6.2 When?

Institutional capacity assessment should be initiated early on in the project cycle. This is important, as it will influence the choice of key stakeholding partners with whom project identification and formulation teams might work.<sup>36</sup>

During the *programming* stage (i.e. as part of the process of preparing the Country Strategy Paper), an overall assessment needs to be made of the capabilities of key institutions and organisations within the country in question, based on experience gained from the monitoring and evaluation of ongoing and completed programme and project measures. This assessment should help to determine the focus of the country strategy with respect to the likely balance of support provided to public, private or civil society organisations.

During project *identification*, institutional and organisational capacity assessment is undertaken to help determine the capacity of different (potential) stakeholding organisations to participate in the project (including delivery of services and/or

management of change processes), and the likely relevance of a particular project idea to institutional and organisational needs. It can thus support the selection of appropriate project implementing partners.

During project *formulation*, further institutional analysis is undertaken to help determine the specific roles and responsibilities of different organisations/ stakeholders in managing the desired changes and/or delivering services, to further design appropriate capacity building elements of the project and thus help formulate a feasible implementation strategy.

During *implementation*, planned changes in institutional and organisational capacity are monitored, as well as changes to the institutional operating environment within which the project is working but over which it has no direct influence.

### 6.3 What and how?

Analysis of the *institutional* framework focuses on an assessment of the structure of formal and informal rules and regulations within which individual organisations must work (e.g. linkages between organisations and the influence of the policy framework, law, culture and convention). *Organisational* capacity assessment then focuses on the mix of technical and managerial competencies within an agency, which create or limit their implementation capacity (e.g. leadership, policy making, financial management, human resource management and technical capacities).

There is a range of tools available to help analyse institutional and organisational capacity. Specialists in this field will apply elements of systems theory, management theory, learning and behavioural theory, etc, and might use a range of specific tools such as institutiogrammes, stakeholder analysis matrices, environmental scans, problem tree analysis, force– field analysis, process mapping, participatory assessment tools, etc. Sometimes it will be necessary/ desirable to have such specialist inputs.

<sup>36</sup> The use of the word 'team' here is not to suggest that this work needs to be undertaken by consultants. Even when local agencies lead the process of project identification, formulation and implementation, there is usually still the requirement for a clearly identified team of people to lead the process.



The thematic support networks in EuropeAID’s operational Directorates which are responsible for economic and commercial cooperation (in particular Unit C3) and Unit G4 (Audit of External Operations) can provide specific expertise, advice and support with regard to public finance assessments. A useful reference tool is the ‘Guide to the programming and implementation of budget support in third countries’ (see virtual library on the EuropeAID intranet). Moreover, Task Managers should also be aware of the possibility of using public finance specialists provided through the Audit Framework Contract managed by Unit G4.

However, for the generalist involved in the management of the project cycle, the most useful thing to understand is the type of questions that need to be asked and answered. These are summarised below.

**Question checklist for assessing the capacity of an organisation**

This list of questions is provided as a general guide to the type of questions that may need to be asked and answered in undertaking an institutional and organizational capacity assessment.

The relevance of each of the questions will depend on the nature of the proposed project and the organizations being assessed. The first stage in using such a checklist is therefore to determine whether or not each question is relevant, and if relevant, whether it then needs to be adapted to suit the specific circumstances of the enquiry. The checklist is therefore provided as an indication of the type of questions that need to be considered in the conduct of an organizational capacity assessment, not as a blueprint questionnaire.<sup>37</sup>

Organisational elements to be analysed	Issues to be assessed
<p><b>External aspects of an organisation</b></p> <p><i>External factors</i></p>	<ul style="list-style-type: none"> <li>✓ How does the legal framework affect the functioning of the organisation?</li> <li>✓ How does the political climate affect the functioning of the organisation?</li> <li>✓ How are macro-economic and financial conditions influencing the functioning of the organisation?</li> <li>✓ Is the performance of the organisation impacted by other socio-cultural influences, e.g. attitudes to corruption?</li> </ul>
<p><i>Linkage/relationship with other organisations</i></p>	<ul style="list-style-type: none"> <li>✓ Is the organisation outward looking?</li> <li>✓ Does it pay adequate attention to building and maintaining effective relationships with other key stakeholders?</li> <li>✓ How are its relations with key financing institutions/donors?</li> <li>✓ How are its relations with policy making bodies?</li> <li>✓ How are its relations with NGOs and civil society groups?</li> <li>✓ How is the organisation perceived by external actors (does it have a good image)?</li> <li>✓ Is the organisation’s mission statement understood and accepted by external stakeholders?</li> </ul>

<sup>37</sup> Adapted from materials prepared by ‘Management for Development Foundation’ as part of materials produced for a training course in Institutional Sector and Organisational Analysis.





Organisational elements to be analysed	Issues to be assessed
<i>Views of clients/users</i>	<ul style="list-style-type: none"> <li>✓ Are the needs/demands of target groups/clients known by the organisation?</li> <li>✓ How adequate is the relationship between target groups/users and the organisation?</li> <li>✓ How satisfied are users with services delivered by the organisation?</li> <li>✓ Is the organisation adequately assessing target group/client needs?</li> </ul>
<b>Internal aspects of an organisation</b>	
<i>Management style and culture</i>	<ul style="list-style-type: none"> <li>✓ Does the organisation have strong and effective leadership?</li> <li>✓ Are management well informed of the operations of the organisation?</li> <li>✓ Is the attention of management adequately divided between internal and external relations/concerns?</li> <li>✓ Is there an appropriate balance between delegation of responsibilities and maintaining overall control of staff performance?</li> <li>✓ Is there a service-oriented culture?</li> <li>✓ Are decisions taken in a timely manner?</li> <li>✓ Are management adequately accountable for their decisions and performance?</li> <li>✓ Are staff kept adequately informed of management decisions?</li> <li>✓ Is there a learning culture within the organisation?</li> </ul>
<i>Organisational structure</i>	<ul style="list-style-type: none"> <li>✓ Is there a description of the structure of the organisation with a division of authorities, responsibilities and activities for each department, division or unit?</li> <li>✓ Does the organisation function in line with the formal structure?</li> <li>✓ Is the decision making structure based on a clear division of responsibilities?</li> <li>✓ Is the division of responsibilities and tasks clear and understood by staff?</li> <li>✓ Is their sufficient coordination between departments/units?</li> </ul>
<i>Policy making and planning</i>	<ul style="list-style-type: none"> <li>✓ Does the organisation have a clearly defined mission statement which is understood and supported by management and staff?</li> <li>✓ Is the mission adequately translated into organisational policy, strategies and plans?</li> <li>✓ Does the policy and strategy state well defined and realistic development objectives?</li> <li>✓ Is the strategy translated into well-defined annual implementation plans and operational budgets?</li> </ul>



Organisational elements to be analysed	Issues to be assessed
<p><i>Policy making and planning</i></p>	<ul style="list-style-type: none"> <li>✓ Is there a structured process for monitoring and reviewing the implementation of operational plans, and adjusting plans in light of lessons learned?</li> <li>✓ Has the organisation effectively realised former plans and budgets?</li> <li>✓ Is there an evaluation capacity within the organisation, and do lessons learned get fed back into policy making – either formally or informally?</li> <li>✓ Is there an equal opportunities policy, which ensures non-discrimination on grounds of gender, race, religion or disability?</li> </ul>
<p><i>Systems, including financial management and accountability</i></p>	<ul style="list-style-type: none"> <li>✓ Does the organisation have financial and annual reports approved by an independent auditor? Are these of an adequate quality?</li> <li>✓ Are experiences of other stakeholders (including donors) with regard to management of funds by the organisation satisfactory?</li> <li>✓ Does the organisation provide regular information of an adequate quality about its operations and achievements?</li> <li>✓ Are basic administrative and financial management systems and procedures documented?</li> <li>✓ Is there a clear system of work planning and operational monitoring which adequately involved the organisation's staff?</li> <li>✓ Are these systems understood and applied by managers and staff?</li> <li>✓ Are procurement procedures appropriate?</li> </ul>
<p><i>Personnel management, training and motivation</i></p>	<ul style="list-style-type: none"> <li>✓ Does the organisation have a HRM policy, and if so, how adequate is it?</li> <li>✓ Do staff have job descriptions/terms of reference, and if so, are these clear and useful?</li> <li>✓ Are salaries/staff remuneration appropriate?</li> <li>✓ Are there appropriate incentives in place to motivate staff?</li> <li>✓ Is staff performance assessed periodically, and are these systems appropriate and effective?</li> <li>✓ What is the status of recruitment procedures?</li> <li>✓ Is staff turnover at acceptable levels?</li> <li>✓ Are appropriate training opportunities available for staff?</li> <li>✓ Is there an organisational policy on gender equality?</li> <li>✓ Is there an occupational health and safety policy and system in place?</li> <li>✓ Are staff adequately motivated?</li> </ul>



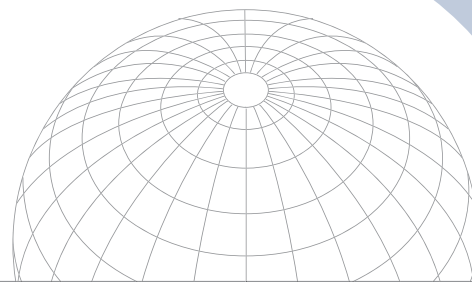
Stakeholder analysis tools such as SWOT analysis (Strengths, Weaknesses, Opportunities, Threats) can also be used to support institutional and organisational capacity assessment.

A description of some such tools is provided in Section 5 on the Logical Framework Approach.

#### **How are the results of this analysis translated into project formulation?**

The results of institutional and organisational capacity assessment should inform decision making on such issues as:

- Identification and selection of institutional partners
- Defining the roles and responsibilities of stakeholders with respect to management, coordination and financing arrangements
- Modulating the scope of the project (including financing levels) to take account of capacity constraints
- Determining the project's institutional/organisational capacity building objectives and strategies, including realistic time-frames and resource requirements; and
- Designing an appropriate sustainability strategy for the project.





## 7. MONITORING, REVIEW AND REPORTING

### 7.1 Introduction

#### 7.1.1 Purpose

Monitoring, review and reporting are core management responsibilities, which involve the collection, analysis, communication and use of information on the physical and financial progress of the project and the achievement of results. Monitoring, review and reporting support, *inter alia*:

- Identification of successes and problems during project implementation
- Informed and timely decision making by project managers to support implementation
- Accountability for the resources used and results achieved
- Stakeholder awareness and participation; and
- The evaluation of project achievements and audit of activities and finances

#### 7.1.2 Definitions

##### **Monitoring**

Monitoring involves the collection, analysis, communication and use of information about the project's progress. Monitoring systems and procedures should provide the mechanism by which relevant information is provided to the right people at the right time to help them make informed decisions. Monitoring should highlight strengths and weaknesses in project implementation and enable responsible personnel to deal with problems, improve performance, build on successes and adapt to changing circumstances.

Monitoring should focus on collecting and analysing information on:

- Physical progress (input provision, activities undertaken and results delivered) and the quality of process (i.e. stakeholder participation and local capacity building);
- Financial progress (budget and expenditure)

- The preliminary response by target groups to project activities (i.e use of services or facilities and changes in knowledge, attitudes or practices)
- Reasons for any unexpected or adverse response by target groups, and what remedial action can be taken

##### **Review**

Regular reviews provide the opportunity for project implementers and other key stakeholders to further analyse information collected through monitoring, reflect on the implications, make informed decisions and take appropriate management action to support effective implementation. The main purpose of reviews is to *share* information, make collective decisions and re-plan the forward programme as appropriate.

Regular reviews may be conducted at different levels within the project management structure (i.e at field level or at HQ), at different times and with varying frequency. However, the main point is that they should be regular (pre-planned) and they should have a clear agenda and structure.

##### **Evaluation**

Evaluation can be distinguished from monitoring and regular review by:

- Its scope (broader – being concerned with whether or not the right objectives and strategies were chosen)
- Its timing (less frequent – usually at completion or ex-post)
- Those involved (will usually involve 'external/independent' personnel to provide objectivity); and
- The users of the results (including planners and policy makers concerned with strategic policy and programming issues, rather than just managers responsible for implementing the tasks in hand).



## Audit

Audit can be distinguished from monitoring, regular review and evaluation by:

- Its objectives (to provide independent assurance)
- Its scope (financial focus or focus on the efficiency, economy and effectiveness of activities)
- Those involved (qualified independent auditors); and
- The users of the results (for the EC and other donors, partner country authorities and senior project managers)

### 7.1.3 Principles of good practice

#### Keep the users of information clearly in mind

When designing or managing a project's monitoring and review system it is vitally important to carefully consider *who* needs *what* information. This is particularly important in the context of a management hierarchy, where field level staff (e.g. extension/service delivery agents) will require a different level of detail (more input/activity focused) compared to a senior manager (e.g. the Head of the Health Planning Unit) who should be more concerned with assessing results (i.e. result delivery and achievement of purpose). If this is not done there is a risk of collecting information that is not directly relevant/useful to particular users.

The danger of establishing a purely 'extractive' monitoring system should also be avoided (i.e. a system which is designed to meet only the needs of financiers or senior planners/policy makers, but has no or little relevance to project implementers or other stakeholders 'on the ground'). Such systems often produce poor quality information, do little to build local capacity and are not sustainable.

The identification of *'what'* information to collect should be determined through an analysis of: (i) project objectives, (ii) stakeholders interests and capacity, (iii) institutional and management structures, and (iv) decision making responsibilities. Primary emphasis should be given to the information needs of project implementers.

#### Build on local information systems and sources

Linked to the assessment of *'what'* information to collect, is *'how'* that information is to be collected, analysed and used. Wherever possible, existing information systems should be used/supported to avoid the creation of parallel structures and to help build local capacity. Where project specific systems need to be created, cost and sustainability issues need to be carefully assessed.

#### Collect only the minimum amount of information required

Collecting, analysing and using information takes up scarce time and resources. An effective monitoring system should therefore collect only enough information to impact tangibly on the quality of decision making. More information is not better information if it is not effectively used. Systems should be appropriately simple and practical.

#### Triangulate

Where possible and cost-effective, the quality of information can be enhanced by collecting information from more than one source and through more than one method. For example, if one wants to know about the results of capacity building activities in the Criminal Justice System, it is useful to seek evidence from more than one source (i.e. court officials, lawyers, victims of crime) and through more than one collection method (court records, interviews with court clerks/judges and observation of court proceedings).

This principle of 'triangulation' comes from the surveying profession, where one must take a minimum of three theodolite readings to be confident of the exact location of a reference point.

#### There must be a plan against which performance can be assessed

Without a plan (physical and financial) monitoring, evaluation and audit become difficult. A plan is required to provide a 'benchmark' against which progress can be assessed, and provides the basis on which a judgment about performance can be made (including efficiency and effectiveness). An appropriately documented plan is therefore a pre-requisite to effective monitoring, review, evaluation and audit.



### 7.1.4 Key steps in developing a project based monitoring system

There are six main stages that need to be covered when developing a project based monitoring system. These are:

1. Clarify project scope – stakeholders, institutional capacity, project objectives and resources
2. Understand the nature of organizational relationships, management arrangements and capacity constraints
3. Determine the information needs of project implementers and other key stakeholders
4. Review existing information collection systems and procedures
5. As appropriate, develop and document monitoring system guidelines and formats
6. Provide training and resources to support systems development and implementation

## 7.2 Tools

### 7.2.1 The Logical Framework Approach

The Logical Framework Approach is an extremely useful tool to support the design and establishment of effective monitoring, review and reporting systems. A full description of the Logical Framework Approach is provided in Section 5 of the Guidelines.<sup>38</sup> These notes simply highlight how key elements of the LFA support monitoring, review and reporting functions:

#### Analysis of existing situation

Provides:

- An analysis of stakeholder interests and institutional capacity, including information needs
- Insight into the strengths and weaknesses of existing monitoring, review and reporting systems

#### The Logframe Matrix

Provides:

- A framework of objectives, indicators (and targets) and sources of information which should

be used to further develop and implement the monitoring, review and reporting system

- A list of key assumptions which must be monitored as part of the project's risk management arrangements
- A clear and consistent reference point and structure for completing progress reports

#### Activity schedules

Provide:

- A structure for preparing operational work plans (at least annually) against which implementation progress can then be periodically assessed (key tasks, timing, duration and responsibilities)
- An easily understood visual presentation of key tasks that can be used to promote participatory planning and review of physical progress
- An opportunity to highlight monitoring, review and reporting tasks within the work programme

#### Resource and budget schedules

Provide:

- A clear format for preparing operational budgets which are explicitly linked to planned activities and results
- A clear reference point for resource and financial monitoring, allowing comparison to be made between planned and actual resource utilisation and expenditure (including cost variance analysis)
- A framework for explicitly identifying the resources and costs required to implement the monitoring, review and reporting system

#### Link between the Logframe's hierarchy of objectives and monitoring, review, evaluation and audit

Figure 41 summarises the relationship between the Logframe's hierarchy of objectives and the primary focus of monitoring, review, evaluation and audit.

<sup>38</sup> Some of the information provided in this section is sourced directly from 'Bridging the Gap : A Guide to monitoring and evaluating development projects', ACFOA, 1997, with permission of the authors.



— Figure 41 – Link between Logframe objectives & monitoring, review, evaluation and audit —

Focus	Logframe hierarchy of objectives
Evaluation	Overall objective
Evaluation and Review	Purpose
Monitoring, Review & Audit	Results
Monitoring and Audit	Activities and resources

### 7.2.2 Risk management

The achievement of project objectives is always subject to influences beyond project manager’s direct control (assumptions and risks). It is therefore important to monitor this ‘external’ environment to identify whether or not the assumptions that have already been made are likely to hold true, what new risks may be emerging, and to take action to manage or mitigate these risks where possible.

A format (risk management matrix) is shown in Figure 42 which can be used to provide a clear record of how a project plans to manage identified risks. This then needs to be reviewed and updated on a regular basis (i.e as part of the annual review and planning process).





Figure 42 – Risk management matrix – example format

LF ref.	Risks	Potential adverse impact	Risk level (H/M/L)	Risk management strategy	Responsibility
1	The Program Stream Coordination Unit (PSCU) and ASEAN Secretariat (ASEC) staff do not establish an effective working relationship	Delays in processing proposals through the committee endorsement system	M	Annual Managing Contractor/PSCU staff performance assessment by co-chairs of Joint Selection & Review Panel (JSRP) and appropriate remedial action taken by all parties	Delegation, ASEC and Contractor
1	Promotional activities do not generate an adequate number of quality proposals that meet selection criteria.	Under-commitment of funding and/or selection of relatively poor quality proposals for implementation	L	Widespread and intensive promotional activities using a variety of media and dissemination channels	Contractor
1	Regionality requirements are difficult to meet	Under-commitment of funding, or approval of proposals that could be better handled through bilateral programs	M	Activities only require one European and one ASEAN <b>implementing</b> partner, but will be open to participation by all member countries	JSRP at appraisal
1	There are not enough 'new' ideas, rather 'old' re-hashed proposals	Expected benefits of the RPS are not fully realised. Good new ideas may be left out of the RPS portfolio	M	Application guidelines and JSRP appraisal checklist emphasise preference for 'new' innovative ideas	JSRP
1.1	Contractor staff for the PSCU are not acceptable to ASEC	Delays in commencing implementation of the RPS	M	EC sends copies of short-listed bidders proposals to ASEC and invites ASEC to sit on selection panel	EC
1.1	Roles of PSCU and European based staff of the contractor are not clearly defined	Duplication of functions and confusion	M	Clear functional roles established during the preparatory stage, building on draft TOR presented in this design document	AMC
1.2	EC and ASEC do not appoint appropriately qualified/skilled members to the JSRP	Inadequate appraisal of proposals and selection of 'weak' activities for implementation	L	EC and ASEC must commit adequate time/resources to the JSRP process. Stringent appointment process.	EC and ASEC

H= High, M=Medium, L=Low





### 7.2.3 Basic data analysis to generate performance information

Collecting data is one thing – analysing it effectively and turning it into useful management information is another. A large amount of information produced through monitoring activities can be wasted if it is not appropriately analysed and presented.

When thinking about the way in which data should be analysed, different approaches are usually required for quantitative and qualitative data. By definition, quantitative data involves numbers that can be subjected to various forms of statistical analysis. Qualitative data on the other hand usually provides information on people's views, opinions or observations and is often presented (at least initially) in a narrative form.<sup>39</sup>

An appropriate balance between the two is often best – with the interpretation of quantitative data being 'enriched' through an understanding of 'what people think'. Conversely, the statistical analysis of quantitative data may help confirm, or raise questions about, the information collected from surveying people's opinions.

The table below notes provides an overview of some of the main methods that can be used to analyse and present quantitative data in a way which project manager's are likely to find useful. In most cases there is no need for any complex statistical analysis.

Type of analysis	Description
<b>Planned vs actual</b>	Monitoring is primarily about comparing what was originally planned with what actually happens. This analysis should therefore form the base of any monitoring, review and reporting system. For example, if we learn from administrative records that 1,500 primary school teachers have received an 'improved package' of in-service training, we need to know how this compares to what was planned in order to make an assessment of performance. If the plan was to provide training for 3,000 teachers, and all the resources/costs originally budgeted have been applied/spent, this would then indicate a problem either with implementation performance, and/or with the original plan and budget. Planners and managers would need to analyse the causes of the problem and determine an appropriate course of remedial action.
<b>Percentages/ratios</b>	Calculating percentages and ratios is a particularly useful way of presenting performance information. Assuming that the planned targets are reasonably accurate/realistic, such ratios help us see how close we are to achieving what we originally intended. If for example we are comparing planned with actual performance, low percentage figures immediately highlight areas of potential concern and should trigger an analysis of cause and subsequent decisions on taking remedial action.
<b>Trends over time and comparisons between periods</b>	<p>An analysis of available data over different time periods can be extremely useful in revealing how the project is performing. This can help us to see whether things are getting 'better' or 'worse' (i.e in immunization coverage rates), and allows seasonal variability to be identified.</p> <p>Comparison with previous periods can also be useful when there are no clear current targets for the activity being monitored or reviewed. Reference to what happened at the same time in previous periods/years can at least then provide an indication of what results might reasonably be expected.</p> <p>When analysing trends over time it is important to remember that one must compare 'like with like'. The use of a consistent set of indicators (measuring the same thing in the same way at different points in time) is therefore essential.</p>

<sup>39</sup> However it is of course possible to turn qualitative information (people's views and opinions) into a quantitative form, such as through the use of questionnaire formats which ask respondents to rate or rank preferences, priorities, interests, etc.



Type of analysis	Description
<p><b>Geographic variance</b></p>	<p>Projects which are being implemented (or providing support) in a number of different locations can be monitored in such a way that geographic variations in performance can be identified. Aggregate service delivery or ‘outcome’ indicators may show results that accord generally with planned targets, but not reveal location specific problems that need to be addressed. An analysis of data from different districts, provinces or regions may therefore reveal issues requiring management attention.</p>
<p><b>Group variance</b></p>	<p>As with geographic variance, it may be important to monitor variance in outcomes between different social groups. For example, an important concern for many projects will be the impact of the project on both women and men. This requires that data be disaggregated by gender and this then be systematically analysed on a regular basis. It is also important to investigate if the project is including specific vulnerable groups, including the disabled (i.e in terms of building design).</p> <p>Poverty alleviation projects will also be concerned with identifying which groups within the community are benefiting from project interventions. A rural credit project, for example, which targets low income farmers or female headed households should be collecting data which will allow the client profile to be analysed.</p>
<p><b>Work-norms and standards</b></p>	<p>Many service delivery activities can be usefully monitored by establishing, and then collecting information on, work-norms or standards. For example – an agency’s response time to requests for assistance, waiting lists for minor surgery, the number of prisoners held on remand and the duration of their detention before sentencing, or pupil/teacher ratios – can all be analysed and compared with agreed work norms or standards to help managers measure performance and identify where improvements might need to be made.</p>



### 7.2.4 Checklist for planning a short monitoring visit

Monitoring often includes making short visits to a project 'site' (anywhere where project activities can be observed at first hand).

Making the most of a short-visit is important, whether it is a visit for one day or one week.

One way of improving the value of short visits is to put some time and effort into planning and preparing for the visit. A simple checklist of things to plan for is provided below:

No.	Checklist of things to do/consider	Done?
1	Collect background documents, including (as appropriate): (i) Financing proposal, (ii) Logframe matrix, (iii) most recent annual/updated work plan and budget; (iv) previous monitoring/progress report(s); (v) relevant financial statements.	
2	Familiarise yourself with the content of these documents, and discuss issues with colleagues who may be working on the same or similar projects.	
3	Clarify the purpose of the visit: What will the visit achieve? Is the purpose of the visit primarily to 'audit/check', or is there also a support/advisory role to be played? What will the implementing agency/stakeholders get out of the visit? How can you add value?	
4	Identify the key issues that need to be addressed during the visit (look at the plan, the key assumptions and any issues raised in previous progress reports).  Develop a preliminary list of key questions that it would be useful to ask and answered.	
5	Clarify who will/should be involved in the visit, both in terms of the 'monitoring team' and other stakeholders who you wish to meet with.	
6	Think through and clarify the proposed approach/methods to be used to collect, record and analyse information:  Who do you want to meet, where and when? Do you want to conduct group or individual interviews? Do you want to meet with women separately from men? What do you want to see? What administrative records would you like to inspect? How will you avoid 'bias' in terms of who you meet and what you are shown by partners/stakeholders who may try to show you only 'success' stories?	
7	Further develop a checklist(s) of key questions.	
8	Develop a timetable/itinerary for the visit and confirm with those who need to know.	
9	Identify the resources that will be required and who will provide them/pay. Confirm that these resources are available (i.e transport/fuel, accommodation, meeting rooms, etc)	
10	Clarify the expected output of the visit, including reporting requirements and how information will be 'fed back' to those who need to know	
11	Make final confirmation of travel arrangements, itinerary, etc	



### 7.2.5 Using question checklists for semi-structured interviews

Question checklists are a relatively simple and practical tool which can make field visits a more structured activity. When regular field visits are being conducted as part of project monitoring, the checklists can also support the collection of information that can be compared over time, or between different locations.

The main potential benefits of using question checklists can include:

- They help to ensure that key issues are covered during field monitoring visits
- They help to support some consistency and comparability of reporting, particularly when different people may be undertaking visits over a period of time, or in different locations
- The discipline of checklists helps to institutionalize a system of monitoring which assists 'new' staff to familiarize themselves with the project and thus become effective more quickly
- The completed question checklists can sometimes provide some raw data for subsequent analysis, if the questions are adequately structured. Issues of statistical significance should nevertheless be understood – determined largely by the way in which the sample for interview/observation is chosen.

The following principles should be kept in mind when preparing a project monitoring checklist (particularly when the checklist is to be used by a number of people over a period of time, rather than just as a 'one-off'):

- Those responsible for actually conducting the monitoring visits/interviews should draft the checklists
- The checklist(s) should be reviewed by managers at higher levels to ensure clarity, brevity and specificity in relation to project objectives and management information needs
- The checklists should be field tested by those who are going to use them
- Checklists should be brief and topic specific. Different checklists should be prepared to cover different issues
- Checklists should generally be used as a guide and not restrict the interviewer from enquiring about other pertinent issues if/as they arise
- Checklists can be more or less structured – some highly structured questions (i.e requiring a yes/no answer, or for recording some specific quantitative data) may be useful if one wishes to undertake some quantitative analysis.

An example of a structured field monitoring checklist (for a Maternal Child Health clinic support project) is shown on the following page.



**Field Monitoring Checklist**  
**Maternal Child Health Clinics**

<i>Name of Clinic:</i>	<i>Date visited:</i>
<i>District:</i>	<i>Visited by (print name):</i>

<i>Question</i>	<i>Circle</i>	<i>Comment</i>
1. Was the Nurse Aide present during the visit? If no, state the reason .....	Yes/No	
2. Has the Nurse Aide received the 'new' in-service training in the past six-months?	Yes/No	
3. Are the following equipment and supplies available at the clinic?  Baby weighing scale?  Bathroom scale?  Measuring containers for ration distribution?  Oral rehydration salts?  Gas/kerosene fridge?  Supplies for expanded immunisation programme?	Yes/No  Yes/No  Yes/No  Yes/No  Yes/No  Yes/No	
4. Are the registers properly maintained, namely:  List of clinic attendance?  Growth charts?  Age and weight?  Birth register?  Food stock register?  Is the monthly report form up-to date?	Yes/No  Yes/No  Yes/No  Yes/No  Yes/No  Yes/No	
5. Are the supply storage facilities:  Adequate?  Well kept in terms of stacking and cleanliness?	Yes/No  Yes/No	
6. Is the Nurse Aide receiving his/her salary on time?	Yes/No	
7. Other observations		



### 7.2.6 Reviewing administrative and management records

Within most organizations there will be a requirement to keep some basic administrative records of what is being done on a day to day, weekly or monthly basis. These records will then often be summarised periodically in a management report.

Information that may be recorded as part of such administrative records might include:

- Financial information – income and expenditure
- Staffing – numbers, location, designation, training received and performance
- Procurement, inventory and asset records
- Service delivery/provision records (e.g number of farmers receiving credit or other inputs, number of children vaccinated, no. of children attending school, no. of nurse-aides receiving training, number of households connected to the electricity grid, etc)

A big advantage of using administrative records as a source of verification is that they tend to be institutionalized, routine activities and therefore do not require the establishment of ‘new’ project specific systems or procedures. Administrative record keeping is also usually an integral part of someone’s work responsibilities and therefore does not require an additional expense (unlike special surveys).

Projects that are supporting the development of institutional capacity may also be specifically aiming to improve the quality of record keeping, data analysis and the mechanisms for effectively using the information to aid management decision making.

Key questions to ask when reviewing the content and quality of administrative records include:

- ✓ Are appropriate records being kept, and are they up to date?
- ✓ Are those responsible for keeping the records clear about their responsibilities and the record keeping procedures/systems?
- ✓ Are record keeping systems and procedures appropriately documented (i.e in a Manual/Guideline)?
- ✓ Is the quality of information periodically checked and verified?
- ✓ Is an appropriate level/type of training in record keeping systems provided to staff?
- ✓ Is appropriate technology being used to record, analyse and report information?
- ✓ Are adequate resources available to support effective record keeping and information management?
- ✓ Are records and reports securely stored and easily retrieved?
- ✓ Is the information summarised and reported on a regular basis, and is it then made available to managers/decision makers in a clear and usable format?
- ✓ Is the information presented in a timely manner, and is it used by managers to help them make informed decisions?



### 7.2.7 Checklist for managing regular review meetings

Regular review meetings are an extremely useful mechanism to support:

- ✓ Reflection on project progress
- ✓ Exchange of information and ideas
- ✓ Team building
- ✓ Problem solving; and
- ✓ Forward planning

Regular reviews may be undertaken more or less regularly, and be more or less formal – depending primarily on their purpose and who is expected to participate. Generally speaking, it is useful to have an ‘internal’ review of project progress (that involves key individuals directly involved in project implementation) on at least a six-monthly basis.

A checklist of things to consider in organizing and managing regular reviews is provided below:

#### Preparation

Prior to conducting a review meeting, the following tasks should be undertaken:

- ✓ Confirm who will attend/participate and who will chair the meeting
- ✓ Confirm the date, time and location of the meeting with participants
- ✓ Prepare a draft agenda and distribute it for comment/additions (see next page)
- ✓ Assemble relevant data/information (including management/monitoring reports) and distribute copies in advance to those attending the review meeting
- ✓ Organise other logistics for the review meeting (e.g. secretarial support, transport, venue, required equipment/materials for presentations, refreshments, etc)

#### The review meeting

Managing the review meeting is primarily the responsibility of the ‘chairperson’. The chair should help ensure that:

- ✓ the available time is effectively managed, based on the agreed agenda/timetable
- ✓ each participant is given adequate opportunity to share his/her views (the meeting is not dominated by the loudest/most talkative)
- ✓ key issues are clarified
- ✓ disagreements are cordially resolved
- ✓ a problem solving approach is taken
- ✓ agreement is reached (by consensus or vote) on key actions that need to be taken
- ✓ an accurate record of discussions and decisions is taken

#### Follow-up

Key follow-up actions should include:

- ✓ Finalisation and dissemination of a record of key decisions taken/agreements reached
- ✓ Revision to forward work plans as required



### Indicative agenda for Regular Reviews

Time		Topic
9.00-10.30	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Welcome and introductions. Statement of purpose of the meeting. Review of agenda – topics, timing, responsibilities for presentations , etc Summary overview of issues arising from last review meeting, actions to be taken and responsibilities. Brief reports from participants on progressing these follow-up actions.
<b>10.30-11.00</b>		<b>Morning refreshment break</b>
11.00-12.30	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Overview of the workplan and budget for the period under review, including key tasks, indicators and targets (i.e using Logframe matrix, activity schedules and resource/budget schedules). Presentation of available data/information on physical progress made in implementing the work plan and achieving results. Highlight areas of success and concern. Present summary of financial records
<b>12.30-1.30</b>		<b>Lunch break</b>
1.30-3.00	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Further discussion on ‘performance’ issues (comparing planned with actual performance) and clarification of the reasons for any significant deviation Review of risks/assumptions and management action taken during reporting period Highlight areas requiring management action and/or significant ‘re-planning’
<b>3.30-4.00</b>		<b>Afternoon refreshment break</b>
4.00-5.30	<input type="checkbox"/>	Agree on program of follow-up action. What, who, when?





## 7.2.8 Progress reports and updated plans

### Overview

Plans must be regularly reviewed and updated if they are to remain relevant. The preparation of an annual plan provides this opportunity for multi-year projects. A description of the recommended content of an Annual Plan is shown further below.

However, given the Commission's concern with (i) building local ownership of projects, (ii) ensuring partners take on responsibility for project implementation, and (iii) harmonizing procedures with other donors, the specific requirements for progress reporting should be established with these considerations in mind. *Parallel and duplicate reporting systems and procedures should be avoided wherever possible.*<sup>40</sup>

Nevertheless, there are some basic 'good practice' requirements that should be kept in mind, namely that reports should:

- focus on progress towards achieving results (results and purpose in the Logframe), and not simply list activities undertaken and inputs provided
- compare progress against plan, so that an assessment of performance can be made
- briefly explain deviations from plan and highlight remedial actions taken or required (recommendations)
- be clear and concise so that the information is easily accessed and understood

### Main types of report

Project implementing partners/project managers are usually required to provide the following types of reports:

Report type	Summary description
<i>An inception report (including first annual plan)</i>	<p>An inception report is highly recommended for all projects. It should usually be produced within 3 months after the launch of the project (funding release and key staff in place).</p> <p>An inception report provides the opportunity for project managers to review the design in consultation with stakeholders, update the first annual workplan to ensure its relevance and feasibility and build both management and other stakeholder commitment to, and 'ownership' of, the project. This is particularly important in situations where much of the design work has been undertaken by 'others' (i.e not the team now tasked with its implementation) and when the design has been prepared some time in the past (there may in some cases be a time gap of more than a year between finishing a feasibility study and financing proposal and the commencement of project implementation).</p>
<i>Progress reports</i>	<p>Progress reports must be produced by implementing partners/project managers on a regular basis (as specified in the Agreement with the EC). Overburdening project managers with reporting requirements should nevertheless be avoided, and report formats and timing should take account of/build on existing systems rather than duplicate them. As a formal requirement, it is often best to require such reporting no more than quarterly, and six-monthly may be more appropriate.</p>

<sup>40</sup> See also 'Harmonising Donor Practices for Effective Aid Delivery, OECD 2003'.



Report type	Summary description
	<p>EC Task Managers must prepare regular summary reports/updates on each project (every 4 months) through the 'Implementation Report' window of the Common Relex Information System (CRIS). This provides a summary of each project's status in a standard format that is accessible to RELEX staff.</p>
<p><i>Annual plan and progress report</i></p>	<p>Annual plans are required for every multi-year project. The timing of annual reports should ideally fit with the local planning and budgeting calendar, rather than the donors.</p> <p>Annual reports should focus on documenting progress towards delivering planned results and achieving the project purpose. Comparison against the original project design (or as updated by the inception report) and the last annual workplan should be provided.</p> <p>The annual report should not only focus on what the project itself has achieved (or not), but also on any significant changes in the 'external' environment. It should also provide an overview of prospects for the sustainability of benefits.</p> <p>The annual report also includes an updated annual plan for the next year. This provided the opportunity for project implementers to re-schedule results, activities and resource requirements in light of experience gained/lessons learned.</p> <p>A clear Executive Summary should be provided, specifically addressing the decisions and actions required from relevant stakeholders.</p>
<p><i>A final/completion report</i></p>	<p>A completion report is required at the end of the project financing period. Given that only a small proportion of all projects are formally evaluated (ex-post), the completion report may be the last opportunity to document and comment on overall achievements against the original plan, prospects for sustainability of benefits, highlight lessons learned and make recommendations on any follow-up actions required.</p>

### Report formats and content

The following table indicates the type of information that should be included in each of these main report types. The specific sub-headings and the quantity of information provided should be adapted to suit the scope and scale of the project, and to existing monitoring and reporting systems within partner agencies.



Suggested content of main types of project report that are prepared by implementing agencies/partners

Inception Report (First Annual Plan)	Progress Report and Annual Plan	Completion Report
<p><b>Table of contents and list of abbreviations</b></p> <p><b>1. Introduction</b> 1 page that summarises (i) basic project data (name, location, duration, value, key stakeholders, purpose and key results, etc) (ii) the status of the project at the time of reporting; and (iii) who has prepared the report, why and how</p> <p><b>2. Executive summary and recommendations</b> Concise summary (i.e 2 pages) of the main issues and recommendations for the attention of key decision makers</p> <p><b>3. Review of project design/financing proposal (relevance, feasibility and any changes required to design)</b> (up to 10 pages) 3.1 Policy and programme context, including linkage to other ongoing operations/activities 3.2 Objectives to be achieved (Overall Objective, purpose, results) 3.3 Activities 3.4 Resources and budget 3.5 Assumptions and risks 3.6 Management and coordination arrangements 3.7 Financing arrangements 3.8 Monitoring, review and evaluation arrangements 3.9 Key Quality/Sustainability issues (update)</p> <p><b>4. Workplan for the next period (Annual Plan)</b> 4.1 Results to be delivered – quantity, quality and time 4.2 Activity schedule – including any key milestones and lead responsibilities 4.3 Resource schedule and budget 4.4 Updated risk management plan 4.5 Special activities to support sustainability</p> <p><b>Annexes</b> • Updated Logframe Matrix • Monitoring and Evaluation Plan, including revised overall targets • Updated Annual Workplan for first year • Updated Annual Resource Schedule and budget • Other</p>	<p><b>Table of contents and list of abbreviations</b></p> <p><b>1. Introduction</b> 1 page that summarises (i) basic project data (name, location, duration, value, key stakeholders, purpose and key results, etc) (ii) the status of the project at the time of reporting; and (iii) who has prepared the report, why and how</p> <p><b>2. Executive summary and recommendations</b> Concise summary (i.e 2 pages) of the main issues and recommendations for the attention of key decision makers</p> <p><b>3. Review of Progress and Performance to date (comparing against plan – efficiency and effectiveness)</b> (up to 10 pages) 3.1 Policy and programme context, including linkage to other ongoing operations/activities 3.2 Progress towards achieving objectives (Overall Objective, purpose, results) 3.3 Activities undertaken 3.4 Resources and budget used 3.5 Assumptions and risks – status/update 3.6 Management and coordination arrangements 3.7 Financing arrangements 3.8 Key Quality/Sustainability issues</p> <p><b>4. Workplan for the next period (Annual Plan)</b> 4.1 Results to be delivered – quantity, quality and time 4.2 Activity schedule – including any key milestones and lead responsibilities 4.3 Resource schedule and budget 4.4 Updated risk management plan 4.5 Special activities to support sustainability</p> <p><b>Annexes to the Annual Plan</b> • Updated Logframe Matrix • Summary performance data (results, milestones and expenditure – for reporting year and cumulative to date) • Updated Annual Workplan for next period • Updated Annual Resource Schedule and budget for next period • Other</p>	<p><b>Table of contents and list of abbreviations</b></p> <p><b>1. Introduction</b> 1 page that summarises (i) basic project data (name, location, duration, value, key stakeholders, purpose and key results, etc) (ii) the status of the project at the time of reporting; and (iii) who has prepared the report, why and how</p> <p><b>2. Executive summary and recommendations</b> Concise summary (i.e 2 pages) of the main issues and recommendations for the attention of key decision makers</p> <p><b>3. Review of Progress and Performance at completion (comparing against plan – efficiency, effectiveness and impact)</b> (up to 10 pages) 3.1 Policy and programme context, including linkage to other ongoing operations/activities 3.2 Objectives achieved (Overall Objective, purpose, results) 3.3 Activities undertaken 3.4 Resources and budget used 3.5 Assumptions and risks – status/update 3.6 Management and coordination arrangements 3.7 Financing arrangements 3.8 Key Quality/Sustainability issues</p> <p><b>4. Lessons learned</b> 4.1 Policy and programme context – including institutional capacity 4.2 Process of project planning/design 4.3 Project scope (objectives, resources, budget, etc) 4.4 Assumptions and risks 4.5 Project management/coordination arrangements and stakeholder participation 4.6 Project financing arrangements 4.7 Sustainability</p> <p><b>Annexes</b> • Updated Logframe Matrix from last Annual Report • Summary performance data (purpose, results and expenditure – cumulative to date) • Other</p>

The level of detail and length of these reports will depend on the scope and complexity of the project, the capacity of stakeholders and project managers to provide the required information, and the information requirements/needs of donors/financing agencies.



**Example tabular report format for basic narrative reporting  
on physical progress – based on the Logframe structure**

Ref No.	Result description and indicators	Planned target/achievements for the reporting period	Progress/issues	Action required
1.1	<p><b>Increased coverage of sewerage network</b> No. of households and factories connected</p>	800 households and 10 factories	<p>400 households (50%) have been connected to mains sewerage and all 10 factories (100%).</p> <p>Primary constraints have been (i) willingness/ability of households to pay the connection fee; and (ii) some delays to engineering works in residential areas due to labour disputes.</p>	<p>Investigation required into householders ability/willingness to pay. To be conducted as matter of urgency by water board and local government.</p> <p>Labour disputes require action by management of construction contractor. Contract penalty clauses to be applied.</p>
Etc				



### 7.2.9 CRIS 'Implementation Report' format

The main information headings in the Common Relex Information System (CRIS) 'Implementation Report' window for projects are:

**Sections to be filled first time the operation is registered in CRIS or if context, objectives and envisaged results are modified during implementation.**

Heading	Description of contents
<b>1. Description</b>	Describe the project including: (i) overall objective, purpose and results; (ii) main activities, (iii) location and duration, and (iv) cost and key inputs. (Maximum 25 lines)
<b>2. Origin, context and key assessments</b>	Briefly describe the: a) rationale/justification for the project, the link with the Commission policy and with the programming document and any complementarities with other ongoing and planned initiatives  b) main conclusions arising from the assessment of the project context, namely: (i) link to partner policy priorities; (ii) stakeholders' analysis, including institutional capacity assessment; (iii) problem analysis; and (iv) strategy analysis. (Maximum 30 lines)

**Sections to be updated regularly (at least every four months).**

Heading	Description of contents
<b>3. Summary of project implementation</b>	Summarize the main features of the implementation of the project highlighting main developments, problems encountered solutions given and lessons learned. (15 lines)
<b>4. Changes in context and in the key assessment areas</b>	Summarise changes in the project operating environment/context (positive or negative) since the start of the project, which may impact on the project's relevance and/or feasibility, mentioning where relevant major developments since the last report. Reference should be made to assumptions/risks and to the quality of project management, highlighting any implications for modifications to project plans. (Maximum 25 lines)
<b>5. Progress in achieving objectives</b>	Summarise state of progress since the start of the project towards achieving the project purpose, delivering results and implementing main activities, mentioning where relevant major developments since the last report. Compare progress against plans (using Logframe indicators as appropriate). Focus on positive achievements and prospects for the sustainability of benefits. (Maximum 25 lines)
<b>6. Financial execution</b>	Indicate time elapsed as % of total project duration as well as project contracting commitments and payment rates. Briefly review causes of possible deviations from plans and if necessary indicate correcting measures. (Maximum 10 lines)
<b>7. Issues arising and action required</b>	What constraints/problems are currently being faced? What action has been taken, and by whom, to address these? What further action is required to support effective implementation, by whom and when? (Maximum 25 lines)
<b>8. Cross-cutting and other issues</b>	What progress is being made in achieving cross-cutting objectives in relation to such concerns as gender equality, environmental protection and good governance? Other issues should include references to evaluation, audit or Result Orientated Monitoring reports if any. (Maximum 15 lines)



## 8. PARTICIPATION & FACILITATION

### 8.1 Promoting participation and ownership

Local ownership of development programmes and projects is a key theme of EC Development policy. This part of the Guidelines therefore provides a brief introduction to the concept of 'participation' and briefly profiles key issues associated with supporting 'ownership' objectives.

Participation and ownership are fundamental to ensuring relevance, effectiveness and sustainability.

#### 8.1.1 Objectives of participatory approaches

##### Empowerment

Empowerment is often a key objective of participation i.e. bringing about a more equitable sharing of power, increasing the political awareness of disadvantaged groups, and supporting them in taking actions that will allow them to take more control of their own futures.

##### Capacity building

People learn best by doing things for themselves. If people are assisted to plan and manage their own affairs the outcomes are more likely to meet their real needs. Building capacity within local agencies and groups is thus an important objective of participatory approaches. Capacity building is also important because it is a precondition for the sustainability of development initiatives.

##### Effectiveness

Participation can be a vehicle for increasing the effectiveness of development projects or programs. If people have a genuine stake in a development activity and are actively involved in decision making, they are likely to give a greater degree of commitment, and shared objectives are more likely to be met.

##### Efficiency

While effectiveness is about the degree to which stated objectives are met (using whatever means and inputs that might be required), efficiency incorporates the additional consideration of cost. If project activities can be undertaken in a more timely manner through a participatory approach, it will contribute to the improved efficiency of operations.

#### 8.1.2 Principles

The following dot points highlight key principles of participatory approaches.

- Involving people as subjects not objects
- Respect for local knowledge and skills
- Ensuring influence over development decisions, not simply involvement
- A learning process as much as an outcome
- An approach and attitude rather than a specific set of technical skills

#### 8.1.3 Approach

Participatory approaches emphasise behavioural principles. These include:

- reversing the traditional roles of outside 'experts' (a reversal of learning - from extracting to empowering);
- facilitating local people to undertake their own analysis (handing over the stick);
- self-critical awareness by facilitators; and
- the sharing of ideas and information.



Participatory techniques are not just tools. The participatory approach is also a state of mind, an attitude. It is about having a genuine concern and respect for the values, skills and needs of others, particularly those who are least advantaged.

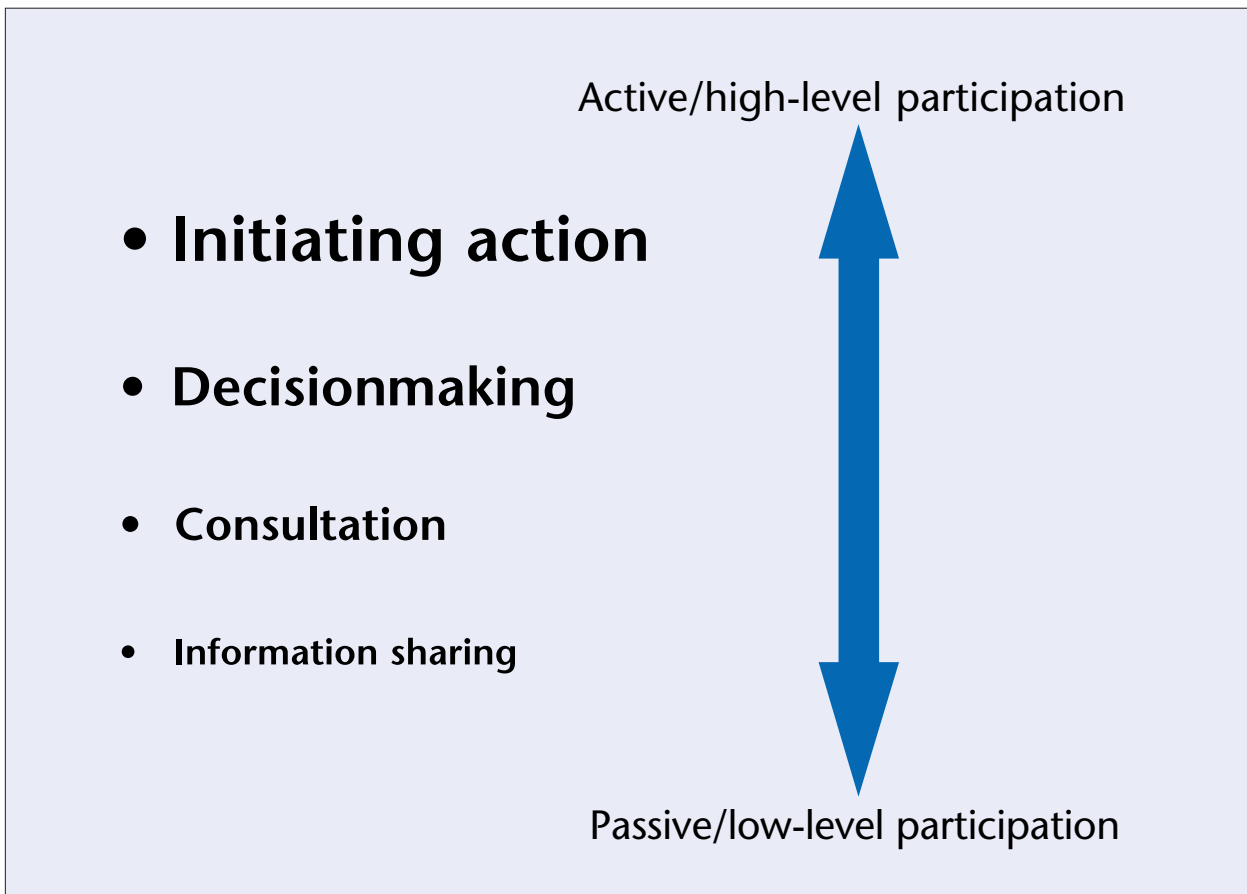
#### 8.1.4 Intensity of participation

Participation may take on various forms, and occur in varying intensities depending on the nature of the activity and the roles and responsibilities of the people and groups involved. Community members or groups may simply be required to contribute labour or some cash inputs, or be represented on a management committee, or take on full management and decision making responsibilities and authority.

The nature, scale and scope of the project will influence the level of participation that is practical and possible, as will a realistic assessment of skills and capacity among participating communities and groups. Building such capacity is often a specific objective of participatory approaches.

Four levels of intensity might be distinguished (they are not mutually exclusive):

- **Information sharing.** This is the minimal level of 'participation' and often consists of little more than keeping people informed – i.e a one way flow of information.
- **Consultation.** Consultation means that there is a two-way flow of information – a dialogue. However, this dialogue may not necessarily impact on decision making.
- **Decision making.** Participation reaches a higher level when it involves individuals or groups (particularly those who are usually excluded) in actually making decisions. They have the authority and responsibility to take action.
- **Initiating action.** The highest level of participation is achieved when people take it on themselves to initiate new actions. To do so indicates a significant level of self-confidence and empowerment and the establishment of organisational and management capacity.





### 8.1.5 Promoting ownership

Practical ways in which EC staff and their agents can promote ownership of projects by ‘local’ agencies and individuals might include:

<p><i>Process of project identification and formulation</i></p>	<ul style="list-style-type: none"> <li>• Use participatory working techniques and respect local knowledge and skills</li> <li>• Ensure local stakeholders take a lead role in the identification and formulation stages, including use of local expertise/TA where possible</li> <li>• Allow time for consultation and for building consensus – don’t force the pace</li> <li>• Promote appropriate cost-sharing arrangements</li> <li>• Link into local planning and budgeting calendars</li> <li>• Present project proposals and costs using local budget lines/cost categories</li> <li>• Ensure key documents are presented clearly/concisely and in an appropriate language</li> </ul>
<p><i>Project management arrangements</i></p>	<ul style="list-style-type: none"> <li>• Build on/use established project management or coordination structures rather than establishing separate or parallel structures</li> <li>• Ensure local partners have a lead role in decision making, including as part of management/coordination committee structures</li> <li>• If there is EC funded TA, make it clear how they are to be locally accountable</li> </ul>
<p><i>Project financing arrangements</i></p>	<ul style="list-style-type: none"> <li>• Channel funds through appropriate local financial management and accounting systems</li> <li>• Decentralise the responsibility and authority for use of funds to local partners</li> <li>• Establish clear local accountabilities</li> <li>• Keep financing arrangements as simple as possible</li> </ul>
<p><i>Project monitoring and reporting requirements</i></p>	<ul style="list-style-type: none"> <li>• Build on local information collection, recording and reporting systems</li> <li>• Prioritise the information needs of local managers who are ‘on the ground’</li> <li>• Promote monitoring as a learning process, not an ‘auditing’ tool</li> <li>• Keep reporting requirements to a necessary minimum</li> <li>• Ensure the burden of reporting is realistic and reasonable</li> </ul>
<p><i>Project evaluation</i></p>	<ul style="list-style-type: none"> <li>• Prepare the TOR for evaluation studies jointly with partners</li> <li>• Plan joint/collaborative evaluations which involve team members from partner agencies</li> </ul>





## 8.2 Facilitation skills<sup>41</sup>

There are many dimensions to development work. One critical element is the extent to which 'outsiders' (whether EC staff, consultants, International NGO's or local partner government officials) can effectively facilitate learning and understanding among the people they are working with.

This section of the Guidelines provides a brief overview of some principles of adult learning and a checklist of key things to consider when planning and managing workshops or small-scale training events.

### 8.2.1 How we learn and what we remember

Much of what we learn is not an outcome of formal teaching. Instead it comes from a process of self-development and through experience.

#### We learn:

- 1% through taste
- 2% through touch
- 3% through smell
- 11% through hearing
- 83% through sight

#### We remember:

- 10% of what we read
- 20% of what we hear
- 30% of what we see
- 50% of what we see and hear
- 80% of what we say
- 90% of what we say and do

This implies that we must use visual aides as part of any learning activity and give people the chance to articulate and act on what they have learned.

### 8.2.2 Adult learning

- Adults are voluntary learners. They perform best when they have decided to attend the training for a particular reason. They have a right to know why a topic or session is important to them.
- Adults have usually come with an intention to learn. If this motivation is not supported, however, they will switch off or stop coming.
- Adults have experience and can help each other to learn.
- Adults learn best in an atmosphere of active involvement and participation.
- Adults learn best when it is clear that the context of the training is close to their own tasks or jobs. Adults are best taught with a real-world approach.
- All learning is best done through active involvement. The process of learning often matters more than the actual subject.

To encourage learning among adult trainees/workshop participants:

- Ensure that they feel necessary, involved or important. This gives them the motivation which is necessary for learning to take place.
- Communicate clearly what the training program will entail. They must be convinced that it will be relevant, and that specific skills learnt will fulfil needs.
- Ensure that there are plenty of practical exercises. As they are 'doing', self confidence increases and they able to adapt what they are learning to their own circumstances.
- Respect and encourage individuality since people learn at different rates and have different styles.
- Continue to relate new material to information and skills which they already know.

<sup>41</sup> This material is drawn from 'Bridging the Gap: A guide to monitoring and evaluating development projects', by Bernard Broughton and Jonathan Hampshire (published by ACFOA, 1997). Some materials were originally sourced (with permission) from 'Participatory Learning and Action – A Trainers Guide (Pretty et al), published by the IIED, London, 1995.



### 8.2.3 What makes a good participatory trainer/facilitator

- a warm personality, with an ability to show approval and acceptance of trainees
- social skill, with an ability to bring the group together and control it without damaging it
- a manner of teaching which generates and uses the ideas and skills of the participants
- organising ability, so that resources are booked and logistical arrangements smoothly handled
- skill in noticing and resolving participants' problems
- enthusiasm for the subject and capacity to put it across in an interesting way
- flexibility in responding to participants' changing needs
- knowledge of the subject matter

### 8.2.4 Workshop Preparation

The following section discusses the role of the trainer/facilitator and some ways to plan for your workshop.

#### Basic preparations

Before you begin you must be clear about the objectives of your assignment:

- Why are you training/facilitating
- Who is your target group
- What is the primary topic content you are hoping to communicate

#### Workshop purpose

A workshop may have a number of different purposes, such as:

- To change behaviour
- To persuade people
- To inform
- To stimulate thought
- To motivate for action

The purpose will shape the way you conduct the workshop and what information you present.

#### Training/workshop objectives

It is important to set objectives for the training or workshop activity so that facilitators/trainers and the participants do not lose sight of what they are doing and where they aim to end up.

In setting objectives it is useful to establish general and specific objectives.

- **General objectives** usually describe the outcome you expect after training is completed e.g. to improve the quality of project monitoring reports being prepared by field staff. Such objectives are difficult to evaluate however, particularly during the workshop or training activity (as the results will not be seen until later).
- It is therefore useful to have a set of more **specific objectives** related to what participants are expected to learn/achieve during the training. What specific new skills do you hope participants will have? Examples might include such things as "Trainees will be able to complete the required monthly monitoring format", "Participants will be able to design and conduct a farmer survey on technology adoption rates" or "Trainees will be able to prepare quarterly work programmes and budgets". These types of objectives can be assessed more easily by both participants and outsiders.

#### Knowing the participants

If you are going to facilitate a workshop or run a short training activity you need to find out at the earliest opportunity:

- How many people will be present?
- Why they are attending; is it their own choice or have they been told to come?
- What are their hopes and expectations?
- What are their fears and concerns?
- What range of experience, age, gender and status is likely to be represented?
- Is there any major conflict among the group which is likely to disrupt proceedings?
- What prior knowledge might they have about the subject matter being presented?



These questions can help you determine the sort of program you will prepare and the training materials and teaching aids you will select. However, in practice it will often only be possible to answer many of these questions once the training activity has started.

### Timing and duration

When planning a workshop or training session, it is important to consider the following points:

- what are the overall time constraints? Who has set these?
- select appropriate start and finish times for each day's work through consultation with colleagues, counterparts or participants
- make allowance for the fact that you may have to start later than you originally planned. If you are prepared for this eventuality you will be more relaxed when the workshop does kick off
- keep verbal presentations or lecture style sessions to no more than 30 minutes at any one time – then incorporate an activity which requires active participation
- be flexible with the duration of individual sessions depending on the response of participants, while remembering that overall time constraints still apply.
- if participants are restless or sleepy – change the pace with an energising activity

### Training venue, furniture and equipment

The choice of venue can influence the success or otherwise of the workshop. You may have little choice in the matter, but it remains important that you try and visit the venue at least one day prior to the workshop commencing, or if this is not possible, make sure you allow at least an hour or two for setting up the venue on the day the training starts.

Key considerations include:

- light, ventilation and acoustics
- space for group work
- availability of chairs and tables
- wall space for displays
- availability of white or black boards
- availability of photocopying facilities on site or nearby
- proximity to potential distractions (e.g. phone, offices, busy roads, pubs)
- access for participants (e.g. is it difficult to get to?)
- toilet facilities for men and women

The nature of the workshop and the available budget will strongly influence what is both desirable and feasible.

### Seating arrangements

Seating arrangements will influence the way in which participants and the trainer/facilitators interact. There are a number of possible options. Selecting the most appropriate options will depend on:

- the training methods you plan to use (particularly the amount of group work)
- the size and layout of the venue
- the number of participants
- the background and expectations of the participants

Try to avoid the traditional schoolroom approach (lines of chairs and desks all facing the front) unless the workshop is to be almost exclusively lecture based.



### Training materials

The type of training materials you will require will depend on the nature of the workshop and the participants attending. Some general tips are given below for workshops delivered to participants who can read and write:

- have all written and visual materials prepared well in advance – including copies that you are going to hand out. Assume that the photocopier will play its usual tricks!
- if you are using overhead transparencies, make paper copies for each participant so that they can use these as a reference and make additional notes directly on to these sheets
- make sure that the text in transparencies is produced in a large enough font so that all participants can easily read them
- find out well in advance whether or not you can purchase the required materials locally. If there is any doubt, take adequate supplies with you
- if you are recording participant responses to questions/issues raised during the workshop -

record these on butchers paper or cards rather than on a white/black board. Then they won't get erased once the board is full

- spend time organising and laying out any handouts before the workshop starts so that you can access them quickly as you need them
- don't provide too much reading material during workshop sessions. This can overload the participants and distract them from engaging in more participatory activities

If you are conducting a workshop in a village setting with participants who do not necessarily read and write, material requirements will differ considerably from those required for classroom based workshops.

### Detailed session plans

Each main workshop session should be planned in some detail. A session planning format is a useful tool for ensuring that this task is undertaken systematically. An example is shown below.





Session 1.4	Stakeholder analysis
<b>Responsibility</b>	J. Hampshire & Duck Mingam
<b>Time/Duration</b>	9.40 - 10.40 <span style="float: right;">60 minutes</span>
<b>Purpose</b>	To identify the main groups with rights over, or interests in, the use of the land covered by the Mount Pierre pastoral lease
<b>Topics</b>	<ul style="list-style-type: none"> <li>• Want to clarify who is involved. This is an important starting point in understanding the issues and then developing a plan to deal with them</li> <li>• Two main groups of interests – Aboriginal and ‘outsider’</li> <li>• Who are the main families with rights over the land covered by the Mount Pierre lease, including the Mimbi caves are?</li> <li>• How many people in each family (roughly?)</li> <li>• Who are the main outside interests? e.g. government or business</li> <li>• What are their main interests? What do they want?</li> <li>• Which of these outside groups are the main players? e.g. causing most ‘humbug’</li> <li>• Once the profile is developed and recorded, emphasise the importance of developing an understanding of the other interest groups so that one can negotiate from a well-informed position</li> </ul> <p>Lead into next session – lets now look specifically at the interests/objectives of the workshop participants (the Traditional Owners).</p>
<b>Method</b>	<p>Brief verbal presentation to explain purpose of session and how it will be run. Then ask participants the relevant questions about stakeholders. Record ideas on white board or cards</p> <p>Sort and comment on ideas. Encourage reflection and new ideas from participants. Re-read what has been recorded a number of times to ensure people are reminded of what has been said (particularly for those who don’t read).</p>
<b>Materials &amp; Handouts</b>	White board and/or cards, pens & blutak



## 9. PREPARING TERMS OF REFERENCE

### 9.1 Purpose

Terms of reference (TOR) should provide a clear description of:

1. the rationale for undertaking an assignment or study
2. the expected methodology and workplan (activities), including timing and duration
3. the anticipated resource requirements, particularly in terms of personnel; and
4. reporting requirements

TOR can be a key contractual document against which the performance of contractors, consultants, EC staff members and/or other stakeholders can be judged.

### 9.2 Using TOR in the project cycle

The EC uses TOR throughout the project cycle to help specify the work it wants to carry out or support. When EC funds are being used, TOR are usually required for:

- Pre-feasibility studies
- Feasibility and design studies
- Appraisal/quality support missions
- Implementation contracts
- Monitoring and review missions/contracts
- Evaluation studies
- Other technical advisory/support work required at any stage of the project cycle
- Audits (see EuropeAID's Intranet pages on 'Audit of External Operations' for standard TOR formats)

### 9.3 Format and content of TOR

While the exact content of TOR will clearly vary depending on the scope of the project and the assignment in question, a generic format is suggested, namely:

1. Background to the assignment
2. Study/mission objectives
3. Issues to be studied
4. Methodology
5. Expertise required
6. Reporting requirements
7. Workplan and timetable

A brief description of the type of information that might be contained in a TOR is provided in the following sub-sections. This is provided for guidance only and does not aim to imply that all the issues listed need to be considered by every study team/mission, or that the work necessarily needs to be contracted out.

#### 9.3.1 Background to the assignment

This section should provide an overview of the history behind the assignment and its rationale. It should clearly establish why the assignment is being carried out and relate it to the wider policy or programming context.

This section could vary in length from a few paragraphs to one or two pages, and should generally:

- Place the assignment in the context of the EC's Country Strategy Paper and National Indicative Programme, and the Partner Government's policy and programme priorities
- State the role of the partner government/other local stakeholders in undertaking the assignment



- Provide a brief history of the project to date. This should allow the reader to understand what important prior work has been carried out (and by whom), what formal approvals/agreements have been reached, and the current 'status' of the project in the project cycle.

### 9.3.2 Study objectives

The purpose of the section is to clearly and concisely state what the assignment is expected to achieve, and who the target audience is.

Some generic examples of study objectives at different stages of the project cycle are shown below:

Type of mission/study	Generic objectives
<i>Pre-feasibility study (at Identification)</i>	<b>Objective:</b> To provide decision makers in the [.....] Government and the European Commission with sufficient information to justify the acceptance, modification or rejection of the proposed project idea, and determine the scope of follow-up planning work (i.e. a feasibility/design study).
<i>Feasibility/design study (at Formulation)</i>	<b>Objective:</b> To provide decision makers in the [.....] Government and the European Commission with sufficient information to justify the acceptance, modification or rejection of the project proposal, and if deemed feasible, adequate information on which to proceed to concluding a financing agreement.
<i>External monitoring missions and mid-term reviews</i>	<b>Objective:</b> To provide decision makers in the [.....] Government and the European Commission with sufficient information to make an informed judgment about the performance of the project (its efficiency and effectiveness), and decisions about any required changes to project scope (such as objectives, duration, financing, management arrangements etc).
<i>Evaluations</i>	<b>Objective:</b> To provide decision makers in the [.....] Government and the European Commission with sufficient information to make an informed judgment about the past performance of the project (its efficiency, effectiveness and impact), to document lessons learned and to provide practical recommendations for follow-up action.
<i>Audits</i>	<b>Objective:</b> To provide decision makers in the European Commission with assurance on: <ul style="list-style-type: none"> <li>• The legality and regularity of project expenditure and income <i>i.e.</i> compliance with laws and regulations and with applicable contractual rules and criteria;</li> <li>• Whether project funds have been used efficiently and economically <i>i.e.</i> in accordance with sound financial management; and</li> <li>• Whether project funds have been used effectively <i>i.e.</i> for purposes intended.</li> </ul>



### 9.3.3 Issues that might be included in a study/mission TOR

Type of mission/study	Key issues to be studied
<p><b>Pre-feasibility study at Identification</b></p>	<p>At this stage the following issues could be included for study/assessment:</p> <ul style="list-style-type: none"> <li>✓ assess the proposed project's coherence with the EC's Country Strategy Paper and National Indicative Programme</li> <li>✓ assess the proposed project's coherence with the Partner Government's development policy and sector policies and expenditure plans</li> <li>✓ identify key stakeholders and target groups (including gender analysis and analysis of other vulnerable groups), and assess institutional capacity issues and degree of local ownership</li> <li>✓ identify the key problems to be addressed and development opportunities, and prepare a preliminary problem analysis</li> <li>✓ identify lessons learned from past experience and analyse the proposed project's coherence with current/ongoing initiatives</li> <li>✓ analyse and as appropriate re-formulate preliminary project objectives and proposed implementation strategy</li> <li>✓ analyse and as appropriate formulate proposed management/coordination arrangements</li> <li>✓ analyse and document sustainability issues – including the likely financial and economic sustainability of the proposed measure</li> <li>✓ analyse and document cross-cutting issues – including gender, environment and human rights implications (including the human rights of disabled people)</li> <li>✓ analyse and document likely resource/cost implications</li> <li>✓ prepare a draft Logframe matrix (as appropriate); and</li> <li>✓ highlight areas requiring further analysis and provide clear recommendations on next steps (including TOR for a Feasibility/Design Study)</li> </ul>
<p><b>Feasibility/design study during Formulation</b></p>	<p>Building on the work of any previous studies, the following issues could be further assessed/analysed:</p> <ul style="list-style-type: none"> <li>✓ analyse the proposed project's coherence with the EC's Country Strategy Paper and National Indicative Programme</li> <li>✓ analyse the proposed project's coherence with the Partner Government's development policy and sector policies and expenditure plans</li> <li>✓ identify key stakeholders and target groups (including gender analysis and analysis of vulnerable groups such as the disabled), institutional capacity issues and degree of local ownership</li> <li>✓ prepare a clear and appropriately structured problem analysis</li> <li>✓ Analyse lessons learned from past experience and ensure coherence with current/ongoing initiatives</li> <li>✓ Provide a clear analysis of strategy options and justification for the recommended implementation strategy</li> </ul>





Type of mission/study	Key issues to be studied
<b>Feasibility/design study during Formulation (continued)</b>	<ul style="list-style-type: none"> <li>✓ Provide a set of clear and logically coherent project objectives (Goal, purpose, outputs) and a set of indicative activities for delivering each project output</li> <li>✓ Provide a Logframe matrix with supporting activity and resource/cost schedules</li> <li>✓ Provide a description of the proposed performance measurement (monitoring, review and evaluation) and accountability system</li> <li>✓ Provide a description of the proposed management/coordination arrangements, which demonstrates how institutional strengthening and local ownership will be effectively supported</li> <li>✓ Provide an analysis of assumptions/risks, and a risk management plan</li> <li>✓ Provide an analysis of sustainability issues – including the financial and economic sustainability of the proposed measure, environmental impact, benefits to both women and men and the use of appropriate technology</li> <li>✓ Prepare Terms of Reference for any consultants/TA to be involved in project implementation</li> <li>✓ Prepare any other documents as may be required for supporting the preparation/conclusion of a Financing Agreement</li> </ul>
<b>External monitoring missions and mid-term reviews</b>	<p>The study/mission could be asked to deliver an assessment of some or all of the following issues:</p> <ul style="list-style-type: none"> <li>✓ the extent to which the project is/remains consistent with, and supportive of, the policy and programme framework within which the project is placed</li> <li>✓ stakeholder participation in the management/implementation of the project, and the level of local ownership</li> <li>✓ project performance with respect to efficiency (input delivery, cost control and activity management) and effectiveness (delivery of outputs and progress towards achieving the purpose). Comparison should be made against what was planned. Gender issues should be specifically monitored.</li> <li>✓ project management and coordination arrangements, and the extent to which timely and appropriate decisions are being made to support effective implementation and problem resolution</li> <li>✓ the quality of operational work planning, budgeting and risk management</li> <li>✓ the quality of information management and reporting, and the extent to which key stakeholders are kept adequately informed of project activities (including beneficiaries/target groups)</li> </ul>



Type of mission/study	Key issues to be studied
<p><b>External monitoring missions and mid-term reviews (continued)</b></p>	<ul style="list-style-type: none"> <li>✓ the prospects for sustainability of benefits – including (as appropriate) financial viability/recurrent cost financing, equipment/asset maintenance, institutional capacity building and local ownership, environmental impact, social acceptability, etc.</li> </ul> <p>Based on these assessments, the study team would be expected to provide:</p> <ul style="list-style-type: none"> <li>✓ Recommendations for any required change/modification to project scope (including objectives, management arrangements, financing, etc) in order to support effective implementation and the delivery of a sustainable benefit stream.</li> </ul>
<p><b>Completion and Ex-Post Evaluations<sup>42</sup></b></p>	<p>The study/mission could incorporate an assessment of the following key issues:</p> <p><b>Relevance</b></p> <p>The analysis of relevance would focus on the extent to which the design effectively/appropriately:</p> <ul style="list-style-type: none"> <li>✓ analysed the project’s coherence with the EC’s Country Strategy Paper and National Indicative Programme</li> <li>✓ analysed the project’s coherence with the Partner Government’s development policy and sector policies</li> <li>✓ identified key stakeholders and target groups (including gender analysis and analysis of vulnerable groups such as the disabled), assessed institutional capacity issues and effectively promoted local ownership</li> <li>✓ clearly and accurately identified real problems</li> <li>✓ analysed lessons learned from past experience and ensured coherence with current/ongoing initiatives</li> <li>✓ provided a clear analysis of strategy options and justified the recommended implementation strategy</li> <li>✓ established a clear and logically coherent set of project objectives (Goal, purpose, outputs) and a set of indicative activities for delivering each project output</li> <li>✓ developed a clear and useful Logframe matrix with supporting activity and resource/cost schedules</li> <li>✓ analysed assumptions/risks</li> <li>✓ established appropriate management and coordination arrangements</li> <li>✓ established appropriate and effective monitoring and evaluation systems</li> <li>✓ Provided an analysis of sustainability issues – including the financial and economic sustainability of the proposed measure, environmental impact, benefits to both women and men and the use of appropriate technology</li> </ul>

<sup>42</sup> Reference should also be made to ‘A Guide to the Evaluation Procedures and Structures in the Commission’s External Co-operation Programmes’, Evaluation Unit, March 2001, from which these key issues are drawn.



Type of mission/study	Key issues to be studied
<p><b>Completion and Ex-Post Evaluations (continued)</b></p>	<p><b>Efficiency</b></p> <p>The <u>efficiency</u> criterion concerns how well the various <b>activities</b> transformed the available resources into the intended outputs (sometimes referred to as results), in terms of quantity, quality and timeliness.</p> <p>The assessment of Efficiency would therefore focus on such issues as:-</p> <ul style="list-style-type: none"> <li>✓ the quality of day-to-day management, for example in (i) management of the budget (including whether an inadequate budget was a factor); (ii) management of personnel, information, property, etc, (iii) whether management of <b>risk</b> was adequate, i.e. whether flexibility was demonstrated in response to changes in circumstances; (iv) relations/co-ordination with local authorities, institutions, beneficiaries, other donors; (v) respect for deadlines.</li> <li>✓ costs and value-for-money: how far the costs of the project were justified by the benefits – whether or not expressed in monetary terms – in comparison with similar projects or known alternative approaches, taking account of contextual differences;</li> <li>✓ partner country contributions from local institutions and government (e.g offices, experts, reports,. tax exemption, as set out in the LogFrame resource schedule), target beneficiaries and other local parties: were they provided as planned, could re-allocation of responsibilities have improved performance, were communications good?</li> <li>✓ Commission HQ/Delegation inputs (e.g. procurement, training, contracting, either direct or via consultants/bureaux): key questions as for local/government inputs (above);</li> <li>✓ technical assistance: how well did it help to provide appropriate solutions and develop local capacities to define and produce results?</li> <li>✓ quality of monitoring: its existence (or not), accuracy and flexibility, and the use made of it; adequacy of baseline information;</li> <li>✓ did any unplanned outputs arise from the activities?</li> </ul> <p><b>Effectiveness</b></p> <p>The <u>effectiveness</u> criterion, in LogFrame terminology, concerns how far the project's outputs were used, and the project purpose realized.</p> <p>The analysis of Effectiveness would therefore focus on such issues as:</p> <ul style="list-style-type: none"> <li>✓ whether the planned benefits have been delivered and received, as perceived by all key stakeholders (including women and men and specific vulnerable groups such as the disabled)</li> <li>✓ in institutional reform projects, whether behavioural patterns have changed in the beneficiary organisations or groups at various levels; and how far the changed institutional arrangements and characteristics have produced the planned improvements (e.g. in communications, productivity, ability to generate actions which lead to economic and social development);</li> </ul>



Type of mission/study	Key issues to be studied
<p><b>Completion and Ex-Post Evaluations (continued)</b></p>	<ul style="list-style-type: none"> <li>✓ if the assumptions and risk assessments at results level turned out to be inadequate or invalid, or unforeseen external factors intervened, how flexibly management adapted to ensure that the results would still achieve the purpose; and how well it was supported in this by key stakeholders including Government, Commission (HQ and locally), etc.</li> <li>✓ whether the balance of responsibilities between the various stakeholders was appropriate, which accompanying measures were or should have been taken by the partner authorities, and with what consequences;</li> <li>✓ how unplanned results may have affected the benefits received;</li> <li>✓ whether any shortcomings at this level were due to a failure to take account of cross-cutting or over-arching issues such as gender, environment and poverty during implementation.</li> </ul> <p><b>Impact</b></p> <p>The term <u>impact</u>, sometimes referred to as outcome, denotes the relationship between the project's purpose and goal, that is the extent to which the benefits received by the target beneficiaries had a <u>wider overall effect on larger numbers of people</u> in the sector or region or in the country as a whole..</p> <p>At Impact level the analysis generally examines such aspects as:</p> <ul style="list-style-type: none"> <li>✓ to what extent the planned goal have been achieved, and how far that was directly due to the project;</li> <li>✓ in institutional reform projects, how far enhanced economic and social development resulted from improved institutional capabilities and communications;</li> <li>✓ in infrastructure-type projects, how far did they also enhance economic and social development <i>beyond</i> the level of their immediate users?</li> <li>✓ if there were unplanned impacts, how they affected the overall impact;</li> <li>✓ where appropriate, all gender-related, environmental and poverty-related impacts were achieved; and</li> <li>✓ how the economic effects were spread between economic growth, salaries and wages, foreign exchange, and budget, and how this relates to the project's overall objectives.</li> </ul> <p><b>Sustainability</b></p> <p>The fifth criterion, <u>sustainability</u>, relates to whether the positive outcomes of the project at purpose level are likely to continue after external funding ends.</p> <p>An analysis of sustainability would therefore focus on such issues as:</p> <ul style="list-style-type: none"> <li>✓ <b>ownership of objectives and achievements</b>, e.g. how far all stakeholders were consulted on the objectives from the outset, and whether they agreed with them and remained in agreement throughout the duration of the project;</li> </ul>



Type of mission/study	Key issues to be studied
<p><b>Completion and Ex-Post Evaluations (continued)</b></p>	<ul style="list-style-type: none"> <li>✓ <b>policy support and the responsibility of the beneficiary institutions</b>, e.g. how far donor policy and national policy corresponded, and the effects of any policy changes; how far the relevant national, sectoral and budgetary policies and priorities affected the project positively or adversely; and the level of support from governmental, public, business and civil society organizations.</li> <li>✓ <b>institutional capacity</b>, e.g. the degree of commitment of all parties involved, such as Government (e.g. through policy and budgetary support) and counterpart institutions; the extent to which the project is embedded in local institutional structures; if it involved creating a new institution, how far good relations with existing institutions were established; whether the institution appears likely to be capable of continuing the flow of benefits after the project ends (is it well-led, with adequate and trained staff, sufficient budget and equipment?); whether counterparts were properly prepared for taking over, technically, financially and managerially;</li> <li>✓ <b>the adequacy of the project budget</b> for its purpose;</li> <li>✓ <b>socio-cultural factors</b>, e.g. whether the project is in tune with local perceptions of needs and of ways of producing and sharing benefits; whether it respects local power-structures, status systems and beliefs, and if it seeks to change any of those, how well-accepted are the changes both by the target group and by others; how well it was based on an analysis of such factors, including target group/ beneficiary participation in design and implementation; and the quality of relations between the external project staff and local communities.</li> <li>✓ <b>financial sustainability</b>, e.g. whether the products or services provided were affordable for the intended beneficiaries and remained so after funding ended; whether enough funds were available to cover all costs (including recurrent costs), and continued to do so after funding ended; and <b>economic sustainability</b>, i.e. how well the benefits (returns) compared to those on similar undertakings once market distortions are eliminated.</li> <li>✓ <b>technical (technology) issues</b>, e.g. whether (i) the technology, knowledge, process or service provided fits in with existing needs, culture, traditions, skills or knowledge; (ii) alternative technologies were considered, where there was a choice; and (iii) the intended beneficiaries were able to adapt to and maintain the technology acquired without further assistance.</li> <li>✓ wherever relevant, <b>cross-cutting issues</b> such as <b>gender equity</b>, <b>environmental impact</b> and <b>good governance</b>; were appropriately accounted for and managed from the outset of the project.</li> </ul>



### 9.3.4 Methodology

The section on methodology should describe *how* the study/mission will be carried out, including the main methods to be used to collect, analyse, record and report information.

This section should therefore include a description of:

- Main phases in the study (i.e. preparatory activities, field work, analysis, report drafting, feedback, editing, report finalisation)
- How stakeholders will be involved and participation promoted, including specific target groups (such as women, the poor and other vulnerable groups such as the disabled)
- The location and duration of study activities
- The data/information collection tools that will be used, including any planned surveys, questionnaires, field observations, reference to administrative records and management reports, key interviews, etc.
- How data will be analysed and recorded; and
- How and when specific reports will be produced

### 9.3.5 Expertise required

The purpose of this section is to specify the professional requirements of the individual and/or team who will undertake the assignment.

There are two broad approaches to establishing the required expertise:

- A skills or attributes based approach in which the skills and other qualities of the whole team are specified, but not the exact number of team members or specific composition of the team; and
- A duties approach in which individual team members are identified by title, and specific duties specified for each of them.

The attributes approach may be preferred when the outputs of the mission can be clearly specified and the intention is to contract a team to undertake the task. This then allows tenderers to be innovative in putting forward a proposed team, methodology, workplan and budget.

However, if the outputs of the mission cannot be adequately specified (but specific tasks can), or if the contracting authority wishes to maintain more control over the inputs they are 'buying' – then a duties based approach may be preferred. The duties based approach would generally specify:

- The exact number of team members and the their required qualifications, experience and other attributes;
- The period of engagement of each team member
- The exact duties and responsibilities of each team member; and
- The relationship between the each team member, including team leadership roles.

### 9.3.6 Reporting requirements

This section of the TOR should clearly specify the reporting requirements, and might include details of:

- The table of contents for the required report (i.e. for a feasibility/design study or an evaluation report), including annexes
- The anticipated length of the report
- The language to be used
- The format or font to be used
- The computer software programmes to be used
- The submission date(s) for drafts and final copies
- To whom the report(s) should be submitted
- The number of copies to be produced, and whether in hard copy/and or electronic copy



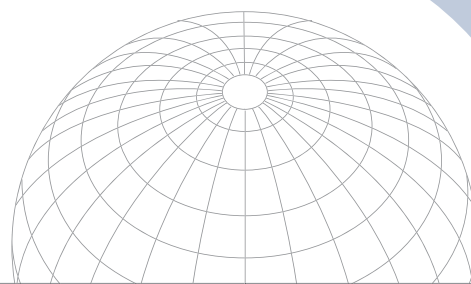
- Whether or not a (face to face) presentation of the contents of the report is required, when and to who
- Responsibilities for report production and presentation

Reference might also be included to other EC Guidelines, such as the PCM Guidelines, Sector Program Guidelines, Guide to Evaluation Procedures, etc, where these provide further guidance with respect to report formats or other reporting requirements.

### 9.3.7 Work plan and time-schedule

This section should provide a summary of the anticipated work plan and time-schedule, based on an analysis of the issues to be studied, the proposed method and the reporting requirements. This is best presented in the form of an activity schedule/Gantt chart.

The workplan may be presented in more or less detail, depending on whether or not the contracting authority has a clear idea of how the study should be carried out, and to what extent they want bidders to propose their own methodology, team composition and/or workplan.





## ATTACHMENTS

### A1 - Glossary of key terms

Term	Description
<b>Action Programme</b>	A general term used to describe the contents of a Financing Proposal which presents a programme/package of projects for financing approval at the end of the Identification stage of the project cycle.
<b>Activities</b>	In the context of the Logframe Matrix, these are the actions (tasks) that have to be taken to produce results.
<b>Activity Schedule</b>	A Gantt chart, a graphic representation similar to a bar chart, setting out the timing, sequence and duration of project Activities. It can also be used to identify milestones for monitoring progress, and to assign responsibility for achievement of milestones.
<b>Analysis of Objectives</b>	Identification and verification of future desired benefits to which the beneficiaries and target groups attach priority. The product of an analysis of objectives is the objective tree/hierarchy of objectives.
<b>Analysis of Strategies</b>	Critical assessment of the alternative ways of achieving objectives, and selection of a set of 'feasible' objective clusters for inclusion in the proposed project.
<b>Appraisal</b>	Analysis of a proposed project to determine its merit and acceptability in accordance with established quality criteria. In the context of the EC's Project Cycle, appraisal is carried out both during project identification and formulation, prior to the submission of a Financing Proposal. At Headquarters level, appraisal should generally involve input from the Quality Support Group.
<b>Assumptions</b>	External factors which could affect the progress or success of the project, but over which the project manager has no direct control. They form the 4th column of the Logframe, and are formulated in a positive way, e.g.: "Reform of penal procedures successfully implemented". If formulated as negative statements, assumptions become 'risks'.
<b>Audit</b>	The objective of an audit (i.e. an assurance engagement) is for an auditor to evaluate or measure a subject that is the responsibility of another party against identified suitable criteria, and to express a conclusion (i.e. opinion) that provides the intended user with a level of assurance about that subject. In other words: auditing is measuring facts against criteria and reporting a conclusion.
<b>Bar Chart</b>	See "Gantt Chart".
<b>Beneficiaries</b>	Are those who benefit in whatever way from the implementation of the project. Distinction may be made between: <ul style="list-style-type: none"> <li>(a) Target group(s): the group/entity who will be immediately positively affected by the project at the Project Purpose level;</li> </ul>





Term	Description
	(b) Final beneficiaries: those who benefit from the project in the long term at the level of the society or sector at large, e.g. “children” due to increased spending on health and education, or “consumers” due to improved agricultural production and marketing.
<b>Budgetary aid</b>	Budgetary aid is a resource transfer from the donor directly to the partner government (into the consolidated account). The resources can be either non-targeted or targeted. Targeted budget aid requires that resources only be used for specific lines of the national budget (such as supply of medicines, building of schools, provision of educational supplies, etc).
<b>Commission</b>	The European Commission.
<b>Commitment</b>	A commitment is a formal decision taken by the Commission to set aside a certain amount of money for a particular purpose. No expenditure can be incurred in excess of the authorised commitment.
<b>Contractor</b>	The public or private organisation, consortium or individual with whom the contracting authority enters into a contract. The firm, individual or consortium to which a contract is awarded.
<b>Costs</b>	Costs are the translation into financial terms of all the identified resources (“Means”).
<b>Cost-benefit analysis</b>	Cost-benefit analysis involves the valuation of the flow of the project’s costs and benefits over time to determine the project’s return on investment. A comparison is made between the situation ‘with’ and ‘without’ the project to determine the net benefit of the project.
<b>Cost effectiveness analysis</b>	Cost-effectiveness analysis is used to choose between variants of a project or between alternative projects whose purpose or results are identical or comparable. It allows a decision to be made as to the most effective way to deliver an established set of benefits which are not easily valued in monetary terms (i.e for non-tangible products).
<b>Country Strategy Papers</b>	Country Strategy Papers (CSPs) are an instrument for guiding, managing and reviewing EC assistance programmes. The purpose of CSPs is to provide a framework for EU assistance programmes based on EU/EC objectives, the Partner Country government policy agenda, an analysis of the partner country’s situation, and the activities of other major partners. CSPs are drawn up for all ACP, MEDA (except Cyprus, Malta and Turkey) and ALA countries.
<b>Country Support Strategy</b>	Term used as a synonym for Country Strategy Papers (CSP).
<b>DAC</b>	Development Assistance Committee of the OECD (Organisation for Economic Co-operation and Development).



Term	Description
<b>Delegation</b>	The diplomatic office representing the European Commission accredited to countries or international institutions at the level of an Embassy. The Head of Delegation is often called Delegate or Ambassador.
<b>Development Indicators</b>	<p>The OECD, the United Nations and the World Bank have agreed to focus on a series of key goals in partnership with developing countries. These <u>goals</u> have been endorsed by major international conferences. A system for tracking progress has also been agreed. A core set of indicators will be used – at a global level – to monitor performance and adjust development strategies as required. In terms of development policy, the following terminology is applied for indicators:</p> <ul style="list-style-type: none"> <li>• <i>Input</i> indicators measure the financial, administrative and regulatory resources provided by the Government and donors. It is necessary to establish a link between the resources used and the results achieved in order to assess the efficiency of the actions carried out. <i>E.g.: Share of the budget devoted to education expenditure, abolition of compulsory school uniforms</i></li> <li>• <i>Output</i> indicators measure the immediate and concrete consequences of the measures taken and resources used: <i>E.g.: Number of schools built, number of teachers trained</i>. In the EC's Logframe structure these 'outputs' are referred to as 'results'.</li> <li>• <i>Outcome</i> indicators measure the results in terms of target group benefits. <i>E.g.: school enrolment, percentage of girls among the children entering in first year of primary school</i></li> <li>• <i>Impact</i> indicators measure the long-term consequences of the outcomes. They measure the general objectives in terms of national development and poverty reduction. <i>E.g.: Literacy rates</i></li> </ul>
<b>Economic analysis</b>	Economic analysis assesses projects from the view of society as a whole (the national economy). Costs are defined as economic resources lost by the national economy (foreign currency losses), while benefits are defined as the new incomes distributed to domestic entities (i.e contribution to the growth of the economy), to which may be added increases in domestic consumption.
<b>Effectiveness</b>	The contribution made by the project's results to the achievement of the project purpose
<b>Efficiency</b>	The fact that the results were obtained at reasonable cost, i.e. how well means and activities were converted into results, and the quality of the results achieved.
<b>European Commission</b>	The executive arm of the European Union. It initiates European Union policy and implements programmes and policies established by the EU legislative and budgetary authorities.



Term	Description
<b>Evaluation</b>	A periodic assessment of the efficiency, effectiveness, impact, sustainability and relevance of a project in the context of stated objectives. It is usually undertaken as an independent examination with a view to drawing lessons that may guide future decision-making.
<b>Evaluation Phase</b>	The sixth and final phase of the project cycle during which the project is examined against its objectives, and lessons are used to influence future actions.
<b>Feasibility</b>	Addresses the issue whether the project objectives can really be achieved.
<b>Feasibility Study</b>	A feasibility study, conducted during the Formulation phase, verifies whether the proposed project is well-founded, and is likely to meet the needs of its intended target groups/ beneficiaries. The study should design the project in full operational detail, taking account of all policy, technical, economic, financial, institutional, management, environmental, socio-cultural, and gender-related aspects. The study will provide the European Commission and partner government with sufficient information to justify acceptance, modification or rejection of the proposed project for financing.
<b>Financial Analysis</b>	Financial analysis involves comparison of the actual <i>costs</i> of the project (operating and investment expenses) with the <i>benefits</i> of the project (revenues generated).
<b>Financing Agreement/ Memorandum</b>	The document signed between the European Commission and the partner country or countries subsequent to a financing decision. It includes a description of the particular project or programme to be funded. It represents the formal commitment of the European Union and the partner country to finance the measures described.
<b>Financing Memorandum</b>	See "Financing Agreement".
<b>Financing Phase</b>	The fourth phase of the project cycle during which projects are approved for financing.
<b>Financing Proposal</b>	Financing proposals are draft documents, submitted by the Commission's services to the relevant Financing Committee for opinion and to the Commission for decision. They describe the general background, nature, scope and objectives and modalities of measures proposed and indicate the funding foreseen. After having received the favourable opinion of the Financing Committee, they are the subject of the Commission's subsequent financing decision and of the Financing Agreement which is signed with the respective partner country.



Term	Description
<b>Formulation Phase</b>	The formulation phase is the 3 <sup>rd</sup> stage of the project cycle. The primary purpose of this phase is to: (i) confirm the relevance and feasibility of the project idea as proposed in the Identification Fiche or Project Fiche; (ii) prepare a detailed project design, including the management and coordination arrangements, financing plan, cost-benefit analysis, risk management, monitoring, evaluation and audit arrangements; and (iii) prepare a Financing Proposal (for individual projects) and a financing decision.
<b>Fungibility</b>	Fungibility refers to the fact that donor funding of a project that government would have undertaken anyway (even if the donor funding were not available) has the effect of freeing government resources to be used for other purposes. The total effect of donor support therefore depends on how government uses these freed resources and not on the specific project or programme against which the development assistance is specifically earmarked. Agreement on overall public expenditure priorities is a way of ensuring that fungibility does not compromise the objectives of the providers of the development assistance.
<b>Gantt Chart</b>	A method of presenting information graphically, often used for activity scheduling. Similar to a bar chart.
<b>Gender</b>	The social differences that are ascribed to and learned by women and men, and that vary over time and from one society or group to another. Gender differs from sex, which refers to the biologically determined differences between women and men.
<b>Gender Analysis</b>	EU policy on gender mainstreaming in development co-operation requires the integration of gender analysis at macro, meso and micro levels, throughout the project cycle. A gender analysis allows the identification and integration of the dynamics of change in a given situation, as well as the monitoring of their evolution, particularly in relation to the disparities between women and men. A gender analysis includes attention to: the different roles (productive, reproductive, decision-making) of women and men; their differential access to and use of resources and their specific needs, interests and problems; and the barriers to the full and equitable participation of women and men in project Activities and to equity between women and men in the benefits obtained.
<b>Gender Equality</b>	The promotion of equality between women and men in relation to their access to social and economic infrastructures and services and to the benefits of development is vital. The objective is reduced disparities between women and men, including in health and education, in employment and economic activity, and in decision-making at all levels. All programmes and projects should actively contribute to reducing gender disparities in their area of intervention.



Term	Description
<b>Hierarchy of Objectives</b>	A diagrammatic representation of the proposed project interventions planned logically, following a problem analysis, and showing a means to ends relationship. Synonym: Objectives tree.
<b>Identification Phase</b>	The second phase of the project cycle. It involves the initial elaboration of the project idea in terms of its relevance and likely feasibility, with a view to determining whether or not to go ahead with a feasibility study (Formulation).
<b>Impact</b>	The effect of the project on its wider environment, and its contribution to the wider sector objectives summarised in the project's Overall Objective, and on the achievement of the overarching policy objectives of the EC.
<b>Impact Indicators</b>	See "Development Indicators"
<b>Implementation Phase</b>	The fifth phase of the project cycle during which the project is implemented, and progress towards achieving objectives is monitored.
<b>Inception Period</b>	The period from project start-up until the writing of the inception report, usually two to three months.
<b>Inception Report</b>	The first report produced at the end of the inception period, which updates the project design and or the terms of reference and sets the work plan for the rest of the project.
<b>Indicative Programmes</b>	These are prepared by the European Commission in co-ordination with partner country governments. They provide general guidelines and principles for co-operation with the European Union. They specify focal sectors and themes within a country or region and may set out a number of project ideas.
<b>Indicators</b>	See "Objectively Verifiable Indicators" and "Development Indicators".
<b>Input indicators</b>	See "Development Indicators"
<b>Inputs</b>	See "Means".
<b>Integrated Approach</b>	The continuous examination of a project throughout all the phases of the project cycle, to ensure that issues of relevance, feasibility and sustainability remain in focus.
<b>Intervention Logic</b>	The strategy underlying the project. It is the narrative description of the project at each of the four levels of the 'hierarchy of objectives' used in the Logframe.



Term	Description
<b>Logframe</b>	The matrix in which a project's Intervention Logic, Assumptions, Objectively Verifiable Indicators and Sources of Verification are presented.
<b>Logical Framework Approach (LFA)</b>	A methodology for planning, managing and evaluating programmes and projects, involving stakeholder analysis, problem analysis, analysis of objectives, analysis of strategies, preparation of the Logframe matrix and Activity and Resource Schedules.
<b>Means</b>	Means are physical and non-physical resources (often referred to as "Inputs") that are necessary to carry out the planned Activities and manage the project. A distinction can be drawn between human resources and material resources.
<b>Medium Term Expenditure Framework</b>	A medium term expenditure framework is a system for planning actions and programming spending over a 3 to 5 year period. It reconciles systematically the achievement of strategic objectives with respect for aggregate resource limits. It must be clear, realistic, comprehensive and endorsed at a senior political level.
<b>Milestones</b>	A type of OVI providing indications for short and medium-term objectives (usually Activities), which facilitate measurement of achievements throughout a project rather than just at the end. They also indicate times when decisions should be made or action should be finished.
<b>Monitoring</b>	The systematic and continuous collecting, analysis and using of information for the purpose of management and decision-making.
<b>Objective</b>	In its generic sense it refers to Activities, Results, Project Purpose and Overall Objective.
<b>Objective Tree</b>	A diagrammatic representation of the situation in the future once problems have been remedied, following a problem analysis, and showing a means to ends relationship.
<b>Objectively Verifiable Indicators (OVI)</b>	Measurable indicators that will show whether or not objectives have been achieved at the three highest levels of the logframe. OVIs provide the basis for designing an appropriate monitoring system.
<b>Outcome Indicators</b>	See Development Indicators
<b>Output Indicators</b>	See Development Indicators



Term	Description
<b>Overall Objective</b> (also sometimes known as the 'Goal')	The Overall nObjective explains why the project is important to society, in terms of the longer-term benefits to final beneficiaries and the wider benefits to other groups. They also help to show how the project/programme fits into the regional/sector policies of the government/organisations concerned and of the EC, as well as into the overarching policy objectives of EC co-operation. The Overall Objective will not be achieved by the project alone (it will only provide a contribution), but will require the contributions of other programmes and projects as well.
<b>Pre-conditions</b>	Conditions that have to be met before the project can commence, i.e. start with Activities. Pre-conditions (if any) are attached to the provision of aid.
<b>Pre-feasibility Study</b>	The pre-feasibility study, conducted during the identification phase, ensures that all problems are identified and alternative solutions are appraised, and selects a preferred alternative on the basis of Quality Factors. The study will provide the European Commission and partner government with sufficient information to justify acceptance, modification or rejection of the proposed project for further appraisal.
<b>Problem Analysis</b>	A structured investigation of the negative aspects of a situation in order to establish causes and their effects.
<b>Problem Tree</b>	A diagrammatic representation of a negative situation, showing a cause-effect relationship.
<b>Programme</b>	Can have various meanings, either: (i) a set of projects put together under the overall framework of a common Overall Objective/Goal; (ii) an ongoing set of initiatives/services that support common objectives (i.e a Primary Health Care Programme); or (iii) a Sector Programme, which is defined by the responsible government's sector policy (i.e a Health Sector Programme).
<b>Programming Phase</b>	The first phase of the project cycle during which the Indicative Programme is prepared. See also "Indicative Programme".
<b>Progress Report</b>	An interim report on progress of work on a project submitted by the project management/contractor to the partner organisation and the Commission within a specific time frame. It includes sections on technical and financial performance. It is usually submitted quarterly or six-monthly.
<b>Project</b>	A project is a series of activities aimed at bringing about clearly specified objectives within a defined time-period and with a defined budget.



Term	Description
<b>Project Cycle</b>	The project cycle follows the life of a project from the initial idea through to its completion. It provides a structure to ensure that stakeholders are consulted, and defines the key decisions, information requirements and responsibilities at each phase so that informed decisions can be made at each phase in the life of a project. It draws on evaluation to build the lessons of experience into the design of future programmes and projects.
<b>Project Cycle Management</b>	A methodology for the preparation, implementation and evaluation of projects and programmes based on the principles of the Logical Framework Approach.
<b>Project Partners</b>	Those who implement projects in the partner country (government ministries and departments, Non Government Organisations, etc.).
<b>Project Purpose</b>	The central objective of the project. The Purpose should address the core problem(s), and be defined in terms of <u>sustainable benefits for the target group(s)</u> . For larger/complex projects there can be more than one purpose (i.e one per project component)
<b>Quality Frame – including Quality Attributes, Criteria and Standards</b>	The Quality Frame is a tool for supporting consistent and structured assessment of the quality of projects as they pass through the phases of the project cycle. It consists of a matrix which contains a set of 3 key Quality Attributes (Relevant, Feasible and Effective & Well Managed) and 16 supporting Quality Criteria. Each Quality Criteria is in turn supported by a set of more detailed Quality Standards. The Quality Frame can be used either as a general checklist of key issues to be assessed/analysed at each stage of the project cycle, or it can be used as part of a more structured and formal assessment process involving independent assessors and a rating system.
<b>Recurrent Costs</b>	Costs of operation and maintenance that will continue to be incurred after the implementation period of the project.
<b>Relevance</b>	The appropriateness of project objectives to the real problems, needs and priorities of the intended target groups and beneficiaries that the project is supposed to address, and to the physical and policy environment within which it operates.
<b>Resource Schedule</b>	A breakdown of the required project resources/means linked to Activities and Results, and scheduled over time. The resource schedule provides the basis on which costs/budget and cash flow requirements can be established.
<b>Results</b>	In the EC's Logframe Matrix hierarchy of objectives, Results are the tangible products/services delivered as a consequence of implementing a set of Activities. The hierarchy of objectives used by some other donors (and indeed within the context of some EC programmes) refer to these results as 'Outputs'.





Term	Description
<b>Risks</b>	See also “Assumptions”. Risk is the probability that an event or action may adversely affect the achievement of project objectives or activities. Risks are composed of factors internal and external to the project, although focus is generally given to those factors outside project management’s direct control.
<b>Sector Approach</b>	A Sector Approach is defined as a way of working together between government and development partners. The aim is to broaden Government ownership over public sector policy and resource allocation decisions within the sector, to increase the coherence between policy, spending and results and to reduce transaction costs. It involves progressive development of a comprehensive and coherent sector policy and strategy, or a unified public expenditure framework for local and external resources and of a common management, planning and reporting framework.
<b>Sector Policy Support Programme</b>	A Sector Policy Support Programme (SPSP) is a programme of the European Commission by which financial support is provided to the partner Government’s Sector Programme. An SPSP may follow three types of operating (financing) modality, namely: (i) Sector Budget Support; (ii) Financial contributions to pooled Common Funds which fund all or part of the Sector Programme; and (iii) Commission specific procedures (European Commission budget or EDF).
<b>Sector Programme</b>	As a result of following a Sector Approach, Governments in consultation with partner donors and other stakeholders may develop a sector policy and action plan. This is identified as a Sector Programme if it includes the following three components: (i) an approved sectoral policy document; (ii) a sectoral medium term expenditure framework; and (iii) a coordination process amongst the donors in the sector, led by the Government.
<b>Sources of Verification</b>	They form the third column of the logframe and indicate where and in what form information on the achievement of the Overall Objective, the Project Purpose(s) and the Results can be found (described by the Objectively Verifiable Indicators). They should include summary details of the method of collection, who is responsible and how often the information should be collected and reported.
<b>Stakeholder Analysis</b>	Stakeholder analysis involves the identification of all stakeholder groups likely to be affected (either positively or negatively) by the proposed intervention, the identification and analysis of their interests, problems, potentials, etc. The conclusions of this analysis are then integrated into the project design.



Term	Description
<b>Stakeholders</b>	Any individuals, groups of people, institutions or firms that may have a relationship with the project/programme are defined as stakeholders. They may – directly or indirectly, positively or negatively – affect or be affected by the process and the outcomes of projects or programmes. Usually, different sub-groups have to be considered.
<b>Sustainability</b>	The likelihood of a continuation in the stream of benefits produced by the project after the period of external support has ended. Key factors that impact on the likelihood of sustainability include: (i) ownership by beneficiaries; (ii) policy support/consistency; (iii) appropriate technology; (iv) environment; (v) socio-cultural issues; (vi) gender equity; (vii) institutional management capacity; and (viii) economic and financial viability.
<b>SWOT Analysis</b>	Analysis of an organisation's Strengths and Weaknesses, and the Opportunities and Threats that it faces. A tool that can be used during all phases of the project cycle.
<b>Target Group(s)</b>	The group/entity who will be positively affected by the project at the Project Purpose level.
<b>Technical Assistance</b>	Specialists, consultants, trainers, advisers, etc. contracted for the transfer of know-how and skills and the creation and strengthening of institutions.
<b>Terms of Reference</b>	Terms of Reference define the tasks required of a contractor and indicate project background and objectives, planned Activities, expected inputs and results/outputs, budget, timetables and job descriptions.
<b>Transaction Costs</b>	The concept of transaction costs aims to capture the aggregate costs of the administrative activities involved in managing development assistance, which have no value either to the recipient of assistance or to the donor other than to permit an aid transfer to take place. All development assistance will have some transaction costs and, in most cases, these will be shared by donors and recipients. Sector programmes and budgetary aid aim to minimize transaction costs either by reducing their sum total or by altering the way these costs are shared (to the benefit of the recipient).
<b>Transparency</b>	Transparency implies that information is available in the public domain, and is accessible both in terms of its location and presentation – in a format and language that can be widely understood.
<b>Work plan</b>	The schedule that sets out the Activities (and may include the Resources) necessary to achieve a project's Results and Purpose.



## A2 - Useful references

Topic	Institution	Address
<b>RELEX family websites:</b>		
	EuropeAID Cooperation Office	<a href="http://europa.eu.int/comm/europeaid">http://europa.eu.int/comm/europeaid</a>
	External Relations	<a href="http://europa.eu.int/comm/external_relations">http://europa.eu.int/comm/external_relations</a>
	DG Development	<a href="http://europa.eu.int/comm/development">http://europa.eu.int/comm/development</a>
<b>Project Cycle Management:</b>		
Information and Guidelines on Aid Delivery Methods, including PCM, Sector Approaches and Budget Aid	EC (internet)	<a href="http://europa.eu.int/comm/europeaid/qsm/index_en.htm">http://europa.eu.int/comm/europeaid/qsm/index_en.htm</a>
	EC (intranet)	<a href="http://www.cc.cec/EuropeAID/Thematicnetworks/qsg/AidDelivery/ADM-helpdesk-en.htm">http://www.cc.cec/EuropeAID/Thematicnetworks/qsg/AidDelivery/ADM-helpdesk-en.htm</a>
<b>Monitoring &amp; Evaluation:</b>		
Monitoring & Evaluation	IADB	<a href="http://www.iadb.org/cont/evo/evo_eng.htm">http://www.iadb.org/cont/evo/evo_eng.htm</a>
Evaluation Guidelines	EC	<a href="http://europa.eu.int/comm/europeaid/evaluation/methods/index.htm">http://europa.eu.int/comm/europeaid/evaluation/methods/index.htm</a>
International development goals: Indicators of progress	OECD	<a href="http://www.oecd.org/dac/goals">www.oecd.org/dac/goals</a>  <a href="http://www.oecd.org/dataoecd/30/28/2754929.pdf">http://www.oecd.org/dataoecd/30/28/2754929.pdf</a>
International development goals	IMF	<a href="http://www.paris21.org/betterworld">www.paris21.org/betterworld</a>  and related OECD Observer: <a href="http://www.oecdobserver.org/news/sectionfront.php/locale/70">http://www.oecdobserver.org/news/sectionfront.php/locale/70</a>
World Development Indicators	World Bank	<a href="http://www.worldbank.org/data">www.worldbank.org/data</a>
Indicators	UNDP	<a href="http://www.undp.org/eo/documents/Indicators.pdf">http://www.undp.org/eo/documents/Indicators.pdf</a>
Human rights indicators	UNDP	<a href="http://hdr.undp.org/reports/global/2000/en/pdf/hdr_2000_ch5.pdf">http://hdr.undp.org/reports/global/2000/en/pdf/hdr_2000_ch5.pdf</a>



Topic	Institution	Address
Gender-related indicators	UNDP Gender in Development Programme (GIDP)	<a href="http://www.sdn.undp.org/gender/datastats/">http://www.sdn.undp.org/gender/datastats/</a>
<b>Audit:</b>		
Audit of external Operations	EuropeAID Cooperation Office	<a href="http://www.cc.cec/EUROPEAID/audit/home_en.htm">http://www.cc.cec/EUROPEAID/audit/home_en.htm</a>
<b>Cross-cutting issues:</b>		
Environmental Assessment (manual)	EC (intranet)	<a href="http://www.cc.cec/Europeaid/environm/">www.cc.cec/Europeaid/environm/</a>
Social, Human and Cultural Development and gender issues	EC	<a href="http://europa.eu.int/comm/development/sector/social/index_en.htm">http://europa.eu.int/comm/development/sector/social/index_en.htm</a>
Guidelines on Good Governance	EC	In production
Development issues – general	International Institute for Environment & Development	<a href="http://www.ied.org">http://www.ied.org</a>
Development issues – general	Overseas Development Institute	<a href="http://www.odi.org.uk">http://www.odi.org.uk</a>
Gender Equity	EU/DG Employment (with numerous links)	<a href="http://europa.eu.int/comm/employment_social/equ_opp/links_en.html">http://europa.eu.int/comm/employment_social/equ_opp/links_en.html</a>
	UNIFEM (United Nations Development Fund for Women)	<a href="http://www.unifem.org">http://www.unifem.org</a>
	UNDP Gender in Development Programme (GIDP)	<a href="http://www.undp.org/gender/">http://www.undp.org/gender/</a>
	ELDIS (specialised portal)	<a href="http://www.ids.ac.uk/eldis/gender/Gender.htm">http://www.ids.ac.uk/eldis/gender/Gender.htm</a>
	World Bank	<a href="http://worldbank.org/gender/gendermdg.pdf">http://worldbank.org/gender/gendermdg.pdf</a>



Topic	Institution	Address
Disability	EC – Guidance note on disability and development	<a href="http://europa.eu.int/comm/development/body/theme/human_social/docs/health/03-11_guidance_note_disability_en.pdf">http://europa.eu.int/comm/development/body/theme/human_social/docs/health/03-11_guidance_note_disability_en.pdf</a>
	UN guidelines on Physical Environments for Disabled Persons:	<a href="http://www.unescap.org/decade/publications/z15009gl/z1500901.htm">http://www.unescap.org/decade/publications/z15009gl/z1500901.htm</a>
	Stakes – Rapid handicap analysis:	<a href="http://www.stakes.fi/sfa/rhachecklist.htm">http://www.stakes.fi/sfa/rhachecklist.htm</a>
	World Bank – Participation sourcebook	<a href="http://www-wds.worldbank.org/cgi-bin/cqcgj/@production.env?CQ_CUR_LIBRARY=1&amp;CQ_USER_NAME=worldbank&amp;CQ_PASSWORD=anonymous&amp;CQ_LOGIN=yes&amp;WBDOCS=YES&amp;CQ_QUERY_STRING=&amp;CQ_QUERY_STRING.Entity_ID=0000092653961214175537">http://www-wds.worldbank.org/cgi-bin/cqcgj/@production.env?CQ_CUR_LIBRARY=1&amp;CQ_USER_NAME=worldbank&amp;CQ_PASSWORD=anonymous&amp;CQ_LOGIN=yes&amp;WBDOCS=YES&amp;CQ_QUERY_STRING=&amp;CQ_QUERY_STRING.Entity_ID=0000092653961214175537</a>

