PROJECT CYCLE MANAGEMENT

goals

reporting

Team Work

theory of change

budget

communication

analysis
planning
time

result based
management
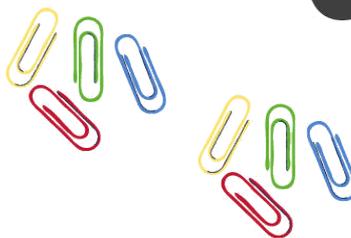
Training course handbook

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International Committee for Development of Peoples (CISP)

Index of contents

LIST OF ACRONYMS

AICS	Agenzia Italiana per la Cooperazione allo Sviluppo
CfP	Call for Proposal
CISP	Comitato Internazionale per lo Sviluppo dei Popoli
CSO	Civil Society Organizations
C&V	Communication and Visibility
DAC	Development Assistance Committee
EC	European Commission
EU	European Union
HQ	Head Quarter
LF	Logical Framework
LFA	Logical Framework Approach
M&E	Monitoring and Evaluation
MDGs	Millennium Development Goals
NGO	Non-Governmental Organisation
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OVI	Objectively Verifiable Indicator
PCM	Project Cycle Management
PRS	Poverty Reduction Strategy
SDGs	Sustainable Development Goals
SWOT	Strengths, Weaknesses, Opportunities and Threats
ToC	Theory of Change
ToR	Terms of Reference
ToT	Training of Trainers
UN	United Nations
VAT	Value Added Tax
WB	World Bank

1 INTRODUCTION

This **handbook** has been prepared **for the training workshop** "Building Organizational Efficiency and Effectiveness in Emergency/Development Cooperation", on *Key Elements of Project Cycle life and Management*, promoted by AICS Khartoum, from 8th to 12th December 2019 in Khartoum, Sudan, and addressed to CSOs representatives.

It includes all the topics presented during the workshop:
- To familiarize the attendants with the conceptual and practical dimensions of the Project Cycle Management (PCM) in the current debate on accountability
- To highlight the conceptual and practical interrelations between the PCM components
- To provide the attendance with essential skills to formulate a project proposal as per internationally recognized standards
- To familiarize the attendants with methods and practices about how to implement and manage a project
- To familiarize the attendants with methods and practices about how allocate resources for project activities implementation and how to prepare a project budget.

This handbook therefore provides:
1. An introduction to the conceptual framework and background where humanitarian and development cooperation projects are developed.
2. A description of the Project Cycle Management approach and the Theory of Change
3. An analysis of PCM phases
4. A more detailed focus on Logical Framework as a tool for projects conceptualization, elaboration and management for different kinds of interventions.
5. The identification of indicators for the project monitoring and evaluation.
6. The elaboration of a budget
7. The implementation of a projects, its monitoring and evaluation using the identified indicators

This handbook does not describe detailed operational and financial procedures which are based on different contractual aspects depending on the specific funding agency.

*It is **important** to mention that the structure of international development cooperation is a dynamic system which must adequately respond to evolving conditions and needs in developing and transition countries as well as to lessons learned by donors, governments, Civil Society Organizations and all other development actors. Communication and exchange of experience among all stakeholders is thus the key precondition for effective use and for timely updating of guidelines and practices.*

All the information contained in this handbook are freely extrapolated from the main documents and websites produced and in use by the major international donors and stakeholders involved in international cooperation programs, from CISP M&E manual and CISP management manual, from training modules carried out by CISP in the framework of International Cooperation and Development Masters.
Furthermore, the contents reflect guidelines and formats in use by different international cooperation programs/projects.

2 THE GLOBAL AGENDAS AND THE TARGETS OF AID INTERVENTIONS

2.1 The 2030 AGENDA and the Sustainable Development Goals

2015 was the year of global agendas, marking a shift from the 2000-2015 Millennium Development Goals (MDGs) agenda to "Transforming our World: The 2030 Agenda for Sustainable Development 2016-2030 one.

The 2015 had been also the year of the UN Climate Change Conference; the year of Third International Conference on Financing for Development held in Addis Ababa in July and it had been the year of the 20th anniversary of the Fourth World Conference on Women (1995) and of the adoption of the Beijing Declaration and Platform for Action. This last was unanimously adopted by 189 countries and considered as the most progressive scheme and road map for advancing women's rights.

So, a very crucial and important year during which unprecedented global efforts to reflect on development strategies and to meet the needs of the world with more and more effectiveness and determination were done.

As it is well-known, the former Agenda included 8 strategic goals the Millennium Development Goals (MDGs) – which ranged from halving extreme poverty rates to halting the spread of HIV/AIDS and providing universal primary education, all by the target date of 2015 – and foresaw 18 targets.

Before the year 2000 a similar framework did not exist and therefore different actors were orienting their efforts towards different goals. The idea itself of an international agenda against poverty marked a real "revolution" in the development cooperation system.

The Agenda 2030 foresees 17 SDGs and 169 target most of them interlinked and indivisible, some of them strengthening the achievements of others or favouring the achievements of others.

Two main aspects can be considered as elements of continuity between the MDGs and the SDGs agendas:

The first lies in the idea itself of **having an international shared agenda**, in order to make possible that different efforts undertaken by civil societies, governments, private sectors, international institutions can reinforce each other and go in the same directions.

2. The other element of continuity is **the approach to poverty**. Both the **agendas recognise that poverty does not embrace only one or two dimensions**. It is a multidimensional reality, as poor peoples are deprived in many ways: they lack resources, access to health and education, power, representation, freedom, opportunities, entitlements.

The fight against poverty has to be multidimensional as well, at both country and individual level.

The main **conceptual news and innovation** embedded in the new AGENDA 2030 that were not foreseen in the MDGs are:
- **A universalistic approach.** From a solidarity approach to a strong emphasis on shared responsibilities and a global agenda for everyone, not just for poorer countries.
- **Reduction of inequalities within and among countries**. From an issue of interest for external development assistance policy, to national strategy for the whole country.
- **Involvement of the private sector and domestic resources** in the strategies to fight poverty (other resources besides those of public aid)
- **Effectiveness** and on **Rule of Law. F**rom alignment and ownership to a strong emphasis on effectiveness in all actions for development
- **Multi-dimensional sustainability**: economic, social, institutional and environmental. From one-dimensional sustainability – environmental sustainability with an emphasis on **social inclusion and accountability**

The definition of the Global Agenda 2030 has involved 193 countries who adopted it and its SDGs and in the same time all the main international and national institutions and organisations has aligned their strategies, operations and their Official Development Assistance (ODA) to it.

Consequently, the Agenda 2030 states binding principles for all of us: individuals, communities, private and public actors, civil society organisations, international organisations, national government and supranational entities and request to play, each of us their own role, accordingly with the identified, shared and agreed upon objectives and targets.

Based on that, it is important to highlight the **169 SDGs' target** as the main framework in which international cooperation policies and projects will be programmed by the main donors and identified, formulated implemented by Civil Society Organisations. Furthermore, the Global indicator framework for the Sustainable Development Goals and targets of the 2030 Agenda, foresees **232 targets indicators, based on which monitoring and Evaluation are carried out.**

2.2   The push towards accountability of the aid system actors

The political philosopher Leif Wenar, holder of the Chair of Ethics at King's College London, in an essay entitled "Accountability in International Development Aid" (2006) defined accountability as the "Obligation to demonstrate that work has been conducted in compliance with agreed rules and standards or to report fairly and accurately on performance results vis-à-vis mandated roles and/or plans".

During the last decade, a number of international events have been echoing the close relationship between accountability and aid effectiveness.

Although these are different concepts, they tend to be merged within a same agenda: donors, aid givers, governments are accountable when they are able to demonstrate the proper management and the actual results of the aid.

With the NEW Agenda 2030, "Transforming Our World" inevitably and at last, accountability has been given its central and critical role to play in monitoring progress, highlighting gaps and preventing backsliding on commitments and ensure sufficient civic space in all countries and contexts and it has been recognized as a shared endeavour.
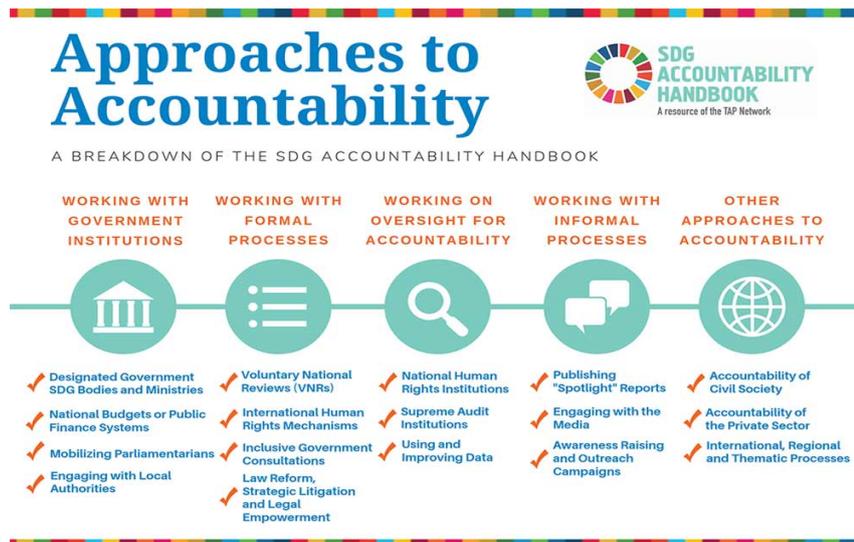
2.3   Accountability dimensions

Accountability it is a multidimensional concept and it tends to have three main elements in the context of development which concerns Governance

- Answerability. Referring to the obligation of the government, its agencies and public officials to provide information about their decisions and actions and to justify them to the public and especially to the people affected by them;
- Enforceability. The notion that authorities may be subject to formal consequences or sanctions for their actions or omissions;
- Responsibility. The notion that authorities have clearly defined duties, performance standards or responsibilities to take certain actions;

The 2030 Agenda's pledges to "leave no one behind" and to "reach the furthest behind first" should also be considered guiding principles in all formal and informal accountability processes through:

- **Transparency towards beneficiaries,** through high quality of Monitoring and Evaluation in order to provide reliable information on critical issues, such as targeting criteria and methodologies and financial resources allocation

- **Transparency towards local community and local institutions,** through high quality of Evaluation, in order to provide reliable information, to be available to inform the public on the results of the projects and to respect and demonstrate to respect the existing laws and policy frameworks; to be open to provide financial and technical information as per the required standards

- **Transparency towards donors** through high quality of monitoring and reporting in order to respect and demonstrate to respect the "rules of the game"; to be transparent and reliable in reporting successes and constraints

- **Transparency toward public opinion of donor countries (tax payers)**, through high quality of audit in order to provide reliable information and be available to inform the public on the use of financial resources and on the results of the projects

Remarks / Recommendations		
Directions: to be accountable to whom?	Donors	To respect and demonstrate to respect the "rules of the game"; to be transparent in reporting successes and constraints
	Public Opinion of the donor countries	To provide reliable information and be available to inform the public on the results of the projects
	Beneficiaries	To provide reliable information on critical issues, such as targeting criteria and methodologies and financial resources allocation
	Public Opinion of beneficiary countries	To provide reliable information and be available to inform the public on the results of the projects
	Governments of the beneficiary countries	To respect and demonstrate to respect the existing laws and policy frameworks; to be open to provide financial and technical information as per the required standards

	Project	The result achieved, the constraints met, the resources allocated have to made known to all stakeholders
Object/s what has to be accountable	Strategic choices orienting the aid	It has to be explained why to reach some goals some approaches have been selected
	The Organization / Institution's decision making and fund-raising strategies	It has to be explained who and how takes decisions within the Organization / Institution
Instrument/s: how to ensure the accountability?	Evaluations	They should be considered as compulsory. Evaluations can also be conducted internally but need in any case to be done
	Audits	
	Dissemination of results vis a vis resources allocated	The dissemination of the results of evaluations and audits has to be guaranteed not only for the donors but for all the main stakeholders

2.4   The world humanitarian summit and the humanitarian – development NEXUS

As we have seen the 2030 Sustainable Development Goals represent a global vision where "no one is left behind". This represents a frame as well for humanitarian and development actors to contribute to a common future vision.

In a number of contexts humanitarian and development actors interact in different ways while in principle "purely humanitarian" and "pure developmental" actors are different in terms of vision and mandate.

In very broad terms those visions and mandates could be resumed as follows:

Development assistance:
- Is long term oriented
- Focused on poverty reduction / promoting human rights and good governance/ strengthening of civil society…
- Gives high importance to the cooperation with the government/ local authorities
- Has a system-building focus
- Is in some way focused on transforming the societies

Humanitarian action
- Is in principle a short term measure: save lives, alleviate suffering
- Is based on the principles of humanity, impartiality, neutrality, independence
- Very often a service-delivery response
- Based on direct hand-out of goods
- focus on maximizing impact vs. cooperative processes that could weaken the principles
- The priority is to save lives vs. saving societies

While separated in conceptual terms humanitarian action and development assistance are, at field level, strongly interconnected. For example:
- Even in areas where long term development plans are being implemented, emergencies may occur and, unless they are given a proper attention, they will hamper the effectiveness of developmental strategies, disrupting economic and social development. Disaster risk reduction (mitigation and preparedness measures) should be integrated in the development process
- To avoid creating a situation of dependency from external support for local communities protracted humanitarian action and relief assistance have to take into consideration development dynamics
- Relief and reconstruction are not seen as simply restoring the status quo ante, but also seeking improvement of living conditions
- The participation of beneficiaries, target groups and host communities is in any case crucial in decision making and implementation at all stages of response and recovery
- We cannot ignore long term needs of affected groups e.g. livelihood opportunities, land, access to basic services, support for vulnerable groups
- In humanitarian crises is always crucial to understand "how people fall into crisis"

The majority of the humanitarian actors' interventions take place mostly
- in situation of chronic, recurrent or protracted crisis.
- where the root causes of the emergency are linked to violence and conflict On this background relief and reconstruction tend to develop in a long term or even permanent condition.

Long-, medium- and short-term recipients of official humanitarian assistance, 2002–2016
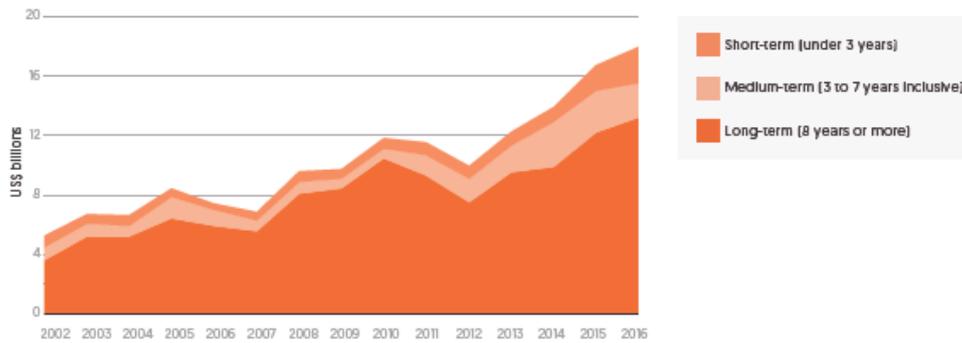
The UN Secretary General convened in 2016 in Istanbul a World Humanitarian Summit resulting in a series of commitments for the international community resumed in the "Agenda for humanity". Focused on 5 Core Responsibilities:

- Core responsibility one: political leadership to prevent and end conflicts
- Core responsibility two: uphold the norms that safeguard humanity
- Core responsibility three: leave no one behind
- Core responsibility four: change people's lives — from delivering aid to ending need
- Core responsibility five: invest in humanity

In this framework a global commitment by the Secretary General, 9 UN Agencies, the WB and a number of other agencies and actors to work together with a "**collective outcomes**" perspective transcending Humanitarian - Development divide: a "**New Way of Working**".
This means that Humanitarian principles are considered immutable (in particular in conflict crises), but "respect for the principles and better coordination are not mutually exclusive".

A jointly defined Collective Outcome is a concrete and measurable result that humanitarian, development and other relevant actors want to achieve jointly over a period of 3-5 years to reduce people's needs, risks and vulnerabilities and increase their resilience

This outcome is intermediate between the SDGs framework and the current situation and can be exemplified as follows:

OCHA (2017) New Way of Working
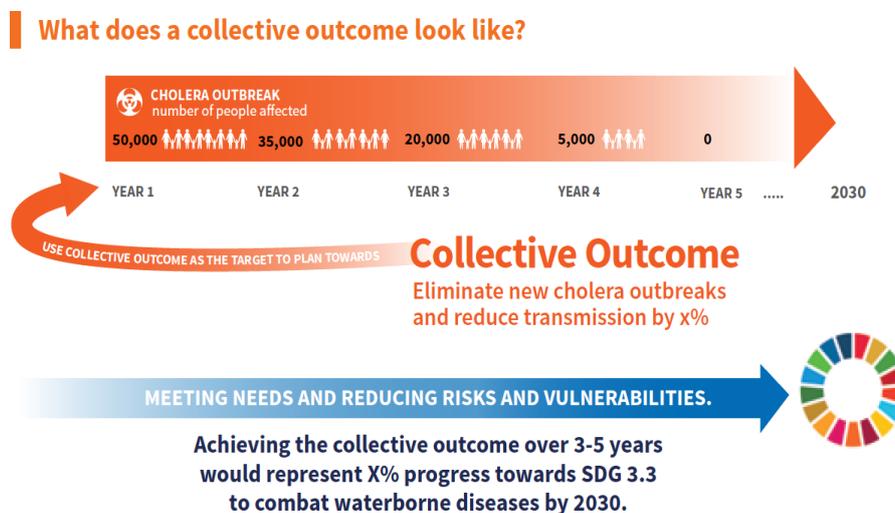
3   THEORY OF CHANGE AND LOGICAL FRAMEWORK APPROACH

The conceptualization of the **Theory of Change** arises from the need of theorists and practitioners to evaluate complex social or community change programs. In 1995 in the book, "New Approaches to Evaluating Comprehensive Community Initiatives" Carol Weiss, a member of the Roundtable's Steering Committee on Evaluation, described the Theory of Change as "a theory of how and why an initiative works."

Since the publication of Weiss's book, the use of planning and evaluation using Theories of Change has increased exponentially among philanthropies, government agencies, international NGOs, the UN and many other major organizations in both developed and developing countries.

More fully articulated, this can be understood as a way to describe the set of assumptions that explain both the mini steps that lead to a long-term goal and the connections between these activities and the outcomes of an intervention or programme. It maps backward to identify necessary preconditions, cause-effect logic

In other words, Theory of Change is a methodology for planning, participation, and evaluation in order to promote social change and it is seen as a way to plausibly demonstrate impact of interventions.

It describes initiatives showing a causal pathway from here to there by specifying what is needed for goals to be achieved and it requires to underlying assumptions which can be tested and measured. ToC changes the way of thinking about initiatives from what you are doing to what you want to achieve and starts there.

In developing theories of change we articulate the <u>assumptions</u> that stakeholders use to explain the change process represented by the <u>change framework</u>.

Assumptions are crucial to highlight in the context the causal links between early, intermediate, and long-term outcomes as perceived by the different stakeholders of a program.

The Logical Framework Approach (LFA) is a methodology for planning, participation, and evaluation in order to achieve results and objectives in a <u>determined time frame and with a specific amount of financial resources.</u>

The core of the LFA is the "temporal logic model" that runs through the matrix. This takes the form of a series of connected propositions:
-    If these Activities are implemented, and these Assumptions hold, then these Outputs will be delivered.
-    If these Outputs are delivered, and these Assumptions hold, then this Purpose will be achieved.
-    If this Purpose is achieved, and these Assumptions hold, then this Goal will be achieved.

Main elements that characterize the ToC and LFA

Theory of Change	Logical Framework Approach
the ToC gives the 'big picture' and summarises work at a strategic level	LF illustrate a programme (implementation) level understanding of the change process. The LF is like a microscopic lens that zooms in on a specific pathway within the TOC
Theory of Change intends to capture the change process and to serve as a roadmap for how we hope to achieve our goal giving us the broad picture, but once the funding is approved, the donor wants to see how the project would be implemented.	The answer is the Logical Framework that gives this level of detail to achieve our goal.
The ToC gives focus to the complex social, economic, political and institutional processes that underlie societal change. It also shows all the different pathways that might lead to change, even if those pathways are not related to your program. This is why many ToCs end up looking like artwork that take on a variety of shapes and forms.	The Logical Framework on the other hand, presents the intervention in a 'logical', sequential way. Neat, clean and tidy where 'X leads to Y'. With the Logical Framework, only components directly connected to the programme is depicted. It is linear which means that all activities lead to outputs which lead to outcomes and the goal – there are no cyclical processes or feedback loops.
the ToC shows the why the how and has justifications at each step. In other words, the ToC has a rationale for why one outcome leads to the next. Furthermore, ToC is meant to be a 'living' document; revised and updated as the context changes	There is usually limited flexibility and little room for the emergence of unexpected outcomes with the Logical Framework. You can glance at the Logical Framework and see if outcomes are out of sync with inputs and activities, it does not show why activities are expected to produce outcomes.
The development of a ToC usually begins from the 'top', with the identification of a 'Big Hairy Audacious Goal (BHAG)' and then working backwards to map the outcome pathways. In developing the ToC, the question that is asked is 'if we do X then Y will change because…'	A Logical framework is usually designed after a ToC or intervention/programme is developed. In other words, the Logical Framework usually does not start with the Big Hairy Audacious Goal (BHAG), but starts at the 'bottom', depicting the inputs, activities, outputs etc., that lead to the goal. The question that would be asked in developing a Logical Framework is 'If we plan to do X, then this will give Y result'.
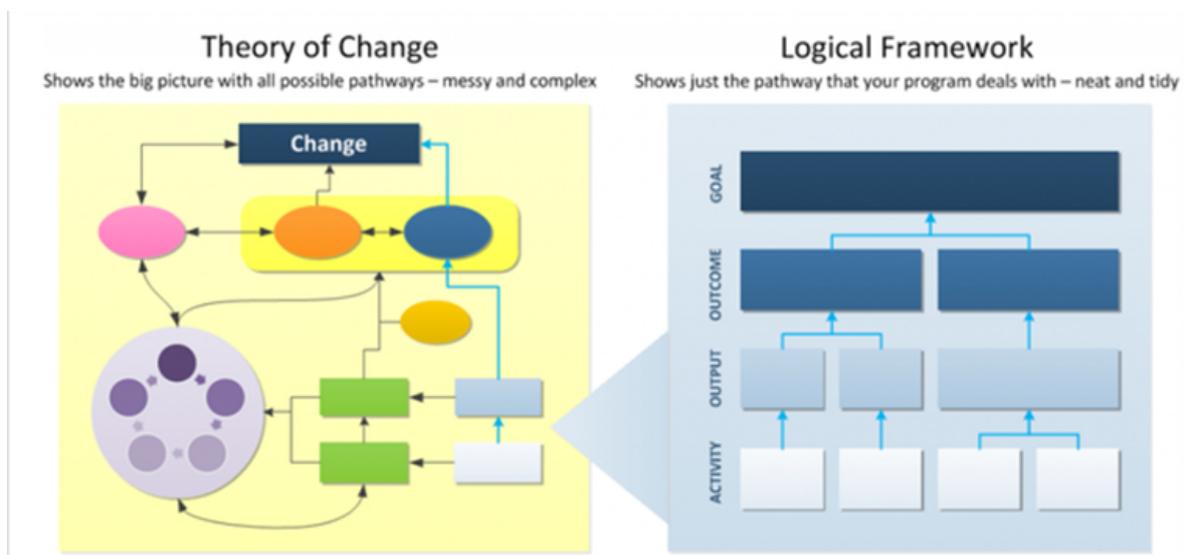
3.1   Focus on the Logical Framework MATRIX

The **Logical Framework MATRIX** is the **analytical and management tool** typically used in many project management methodologies and it is prepared for every project in order to show the intervention logic as it evolves gradually through its various stages.

Developed in the late 1960s to assist the US Agency of International Development to improve its project planning and evaluation system, the Logical Framework Approach (LFA) was designed to strengthen and support participative and inclusive planning – all key stakeholders and target groups should jointly and to improve and streamline projects, making them more **effective** in realizing their development objectives, including that of producing sustainable benefits.

The LF Matrix is used by most governments, multi-lateral and bi-lateral aid agencies, international NGOs, etc. to prepare sector development plans and/or project proposals.
Following the LFMatrix all key stakeholders and target groups should jointly:
- Assess the key problems and their causes to be solved (problem analysis);
- Identify all parties interested in the results or affecting the implementation or results of an intervention (stakeholder analysis);
- Agree the objectives of the intervention (objective analysis);
- Select the most appropriate strategy to reach the foreseen objectives (strategy analysis);
- Identify the important assumptions, risks, and contextual factors.

Logical Framework MATRIX template

	PROJECT Description / Result chain	Objectively Verifiable INDICATORS	SOURCE AND MEANS OF VERIFICATION	ASSUMPTIONS
Overall Objective / Goal	What is the broader, long-term change / IMPACT to which the project will contribute?	What are the key indicators to measure the long-term change to which the project contributes? To be presented disaggregated by sex.	What are the sources of information and methods used to collect and report? (including who and when/how frequently).	What are the factors outside project management's control that are necessary to sustain the objective in the long term ?
Specific Objective/Outcomes	What is the EFFECT of the project which will be obtained at medium term and which tend to focus on the changes in behaviour resulting from project?	Which indicators clearly shows that the objectives have been achieved and measure the changes? To be presented disaggregated by sex	What are the sources of information and methods used to collect and report? (including who and when/how frequently).	What are the factors outside project management's control that are necessary to sustain the objective in the long term ?.
Outputs	What are the direct/tangible DELIVERABLES (infrastructure, goods and services) envisaged to achieve specific objective?	Measure the degree of delivery of the outputs. To be presented disaggregated by sex.	Sources of information of these indicators?	What are the factors outside project management's control that must be met to obtained to produce the expected outputs?
Activities	What are the key ACTIVITIES to be carried out, and in what consequence to produce the outputs?	MEANS What are the means required to implement these activities, e. g. staff, equipment, training, studies, supplies, operational facilities, etc.	COST What are the action costs? How are they classified? (Breakdown in the Budget for the Action)	What are the factors outside project management's control that must be met to carry out the planned activities? What pre-conditions are required **before** the action starts?

The vertical logic of the MATRIX - indicates the project to be implemented, clarifies the causal relationship and specifies the external conditions and uncertainties outside the management control.

The vertical logic also indicates the planning process of a project which means that designers initially have to think about the long-term change or impact the project seeks to contribute to. Once the "big picture" or purpose has been defined, the subsequent elements of design define THE HOW that purpose will be accomplished.

The essential component of the vertical logic is that whatever impact you want to accomplish has to start by accomplishing smaller pieces of that big picture. The main idea behind the vertical logic is that those smaller accomplishments have to be both necessary and enough.
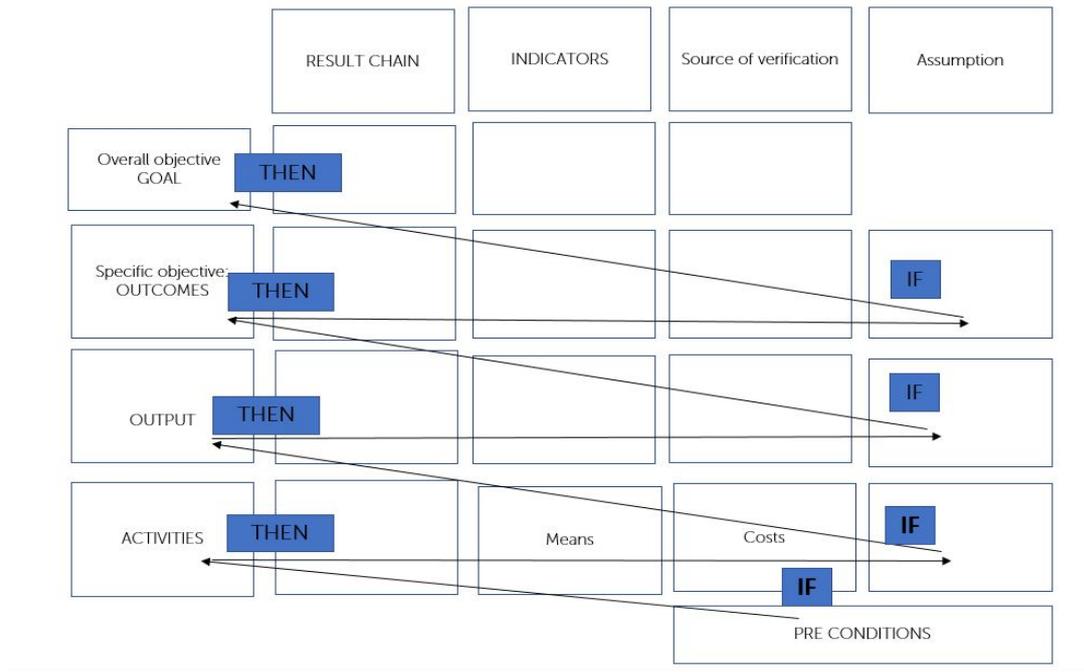
The Horizontal logic - concerns the measurement of the effects and the resources used by the project. It connects project's objectives, outcomes and outputs with indicators and sources of verification.
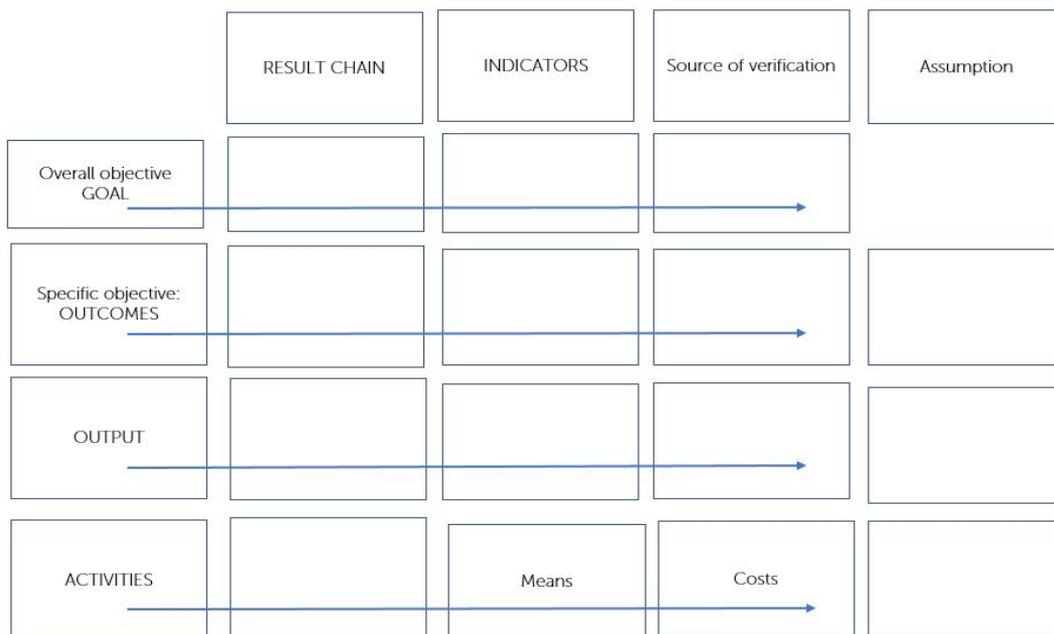
3.2   Definitions

"Impact" means the primary and secondary, long term effects produced by the Action.

"Outcome" means the likely or achieved short-term and medium-term effects of an Action's outputs. (Specific objective)

"Output" means the products, capital goods and services which result from an Action's activities. (Results)

"Indicator" is the quantitative and/or qualitative factor or variable that provides a simple and reliable means to measure the achievement of the Results of an Action.

"Baseline" means the starting point or current value of the indicators. The foundation from which to measure changes

"Target" (or results Goal) means the quantitatively or qualitatively measurable level of expected output, outcome or impact of an Action.

"Sources and means of verification": contribute to identifying the indicators, verifying the reliability of the indicators and indicate where and how it is possible to verify the information relating to the achievement of the specific objective and the results

"**Assumptions**" means the external conditions which indicate environmental and sustainability factors in which the project is developed, the conditions that the project cannot control, factors that the project does not address but must monitor

Activities actions carried out to transform the project's inputs and means into the foreseen outputs

3.3   Assumptions and Risks

The project strategy/formulation must consider all external factors that might influence the project implementation or its results and that are outside the direct control of the project management but crucial for undertaking the activities and for achievement of outputs, short-term and mid-term outcomes and foreseen impacts.

While the **assumptions** should be formulated in a positive way – as the desired situation, the **risks**
are the negative factors that can endanger progress or success of the project.
The **preconditions** have a special position in intervention logic – these conditions must be satisfied before project activities can start up. Therefore, all logic models of development project should include an assessment of:

1.   Pre-conditions = factors that need to be in place before the intervention can start
2.   Assumptions
    -   At activity level = external factors that must hold true for expected outputs to be achieved
    -   At expected outputs level = continuing factors that must hold true to achieve the short-term effects and mid-term outcomes (specific objectives)
    -   At outcome level = refer to use and long-term sustainability of the project results (benefits for the target groups) beyond period of the action
3.   Risks = possible threats at specific levels (including tools for managing these risks)

It is important to assess the importance and probability of all identified **assumptions** in the given context (place, time, socio-economic situation, political framework, historical consequences, security issues, etc.).
For example, assuming that the government´s approach will change after the coming elections is a typical „killing" assumption in most cases and the project team cannot rely on such kind of fulfilled dreams.
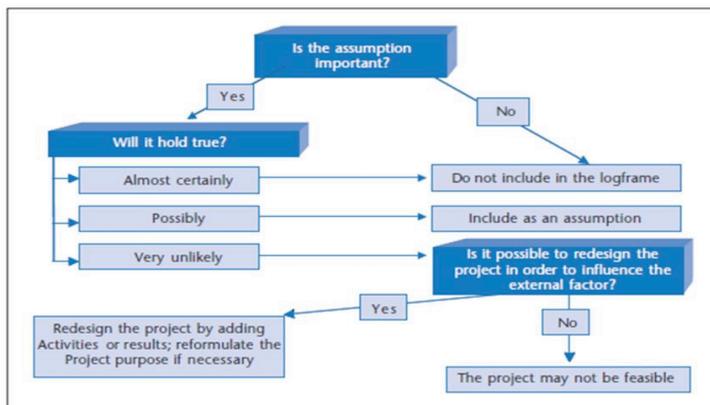
If external assumption is not important or will be almost certainly realized, it should not be included in logical framework.
If an important assumption will not be likely realized, it is necessary to redesign the project if possible, in order to influence the external factor; if it is not possible, such an assumption is a „killing" one and the project is no more feasible.
If necessary external factor is likely to come but is still not confirmed, it should be included in logical framework as assumption.

The same approach is necessary for assessing the **negative factors – risks**.
Only significant and only probable risks should be included.
The project team should assess the risk level (high – medium – low effect on the project) and probability that the risk will appear.

Risk management strategy should be prepared already in the formulation stage.

Both assumptions and risks should be then monitored during the project implementation, and relevant corrective actions must be taken in order to minimise any negative effect on the intervention

While identifying assumptions and risks, **contextual factors** must be considered during preparation on any intervention and monitored during its implementation. These factors can include:

- Cultural and historical factors - gender issues, human rights, local habits, empathy, roles of community leaders, etc.

- Economic factors - constraints and incentives, power distribution, financing for further operations, etc.

- Environmental factors: contamination of water, soil, or air & related health issues, access to safe water, limitations or benefits related to nature protection

- Climate issues - appropriate timing of intervention; preparedness, adaptation and mitigation concerning the climate change, etc.

- Administrative constraints - legal framework, permits, approvals, registrations, obligatory procedures and the related time frame, etc.

- Security issues - dangerous locations or sites, or groups/sites with a complicated access

- Language barriers, available or missing local capacities, quality of infrastructure, technical limitations - power or water supplies, access to internet, level and quality of education

- Other interventions, programs, and policies

4   INTRODUCTION TO PROJECT CYCLE MANAGEMENT AND ITS PHASES

4.1   What is a project?

It is a **PROCESS**, with a starting and ending date, which includes a set of activities aimed at bringing about clearly objectives, outcomes and producing specific outputs with a defined budget.

A project should also have clearly defined:
- stakeholders
- primary target group and final beneficiaries
- coordination, management and financing arrangements
- monitoring and evaluation system
- appropriate level of human and financial resources
- appropriate level of financial and economic analysis, which indicates that the project's benefits will exceed its costs

Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD/DAC), set **BASIC PRINCIPLES AND CRITERIA**, also called **QUALITY FACTOR**, of a project, that frame the successes and failures of development interventions:

Relevance – relation to priorities of both the target groups and the donor, the effects of the project on the addressed problems
Effectiveness – setting the project's goals and logic ("doing the right things")
Efficiency – productivity of the intervention ("doing the things right")
Impacts – both positive and negative, planned and unplanned impacts on the target groups
Sustainability – the continuation of benefits after the project ends (social economic institutional and environmental sustainability)

However, the above criteria might not be enough or appropriate for all kinds and purposes of interventions. Some other issues might be even more important for decisions on improvements or replication of the implemented interventions and/or for increasing impacts for the target groups.

Other criteria may include:
Sustainable Development Goals - Are there any relations with SDGs and SDGs targets?
Feasibility - Are there any lessons learned? Can we identify best practice examples?
Crosscutting themes, such as gender equality/gender mainstreaming, human rights, good governance, environment and climate change, youth, community empowerment, disability etc..
How are these aspects considered? Are there any adverse effects?
Connection - Between the various phases of the project
Empowerment - Capacity building, inclusiveness etc.. How have been the local actors engaged?
Ownership - Which is the degree of democratic appropriation of the project results by the direct beneficiaries and other important stakeholders
Networking - Synergies with other interventions, cooperation with other actors, cross-sectoral Approaches - What are the key partners?
Partner Orientation - Which is the level of partners involvement in the decision-making process?
Appropriate technologies - Has been chosen appropriate technologies, for example, locally renewable resources?
Balance between policy priorities - Appropriate balance between the donors' development policy priorities and the partner's development priorities

4.2   Project Cycle principles and its phases

In 1992, the European Commission adopted "**Project Cycle Management**" (PCM), which was already widely used by many donors, including several Member States, other international organizations and the UN family, and used or partly used by many partner organizations of the EC.

The **OBJECTIVE** of the PCM is to improve the management of cooperation activities, projects and programs of all kinds, through clear and realistic objectives, keeping in mind the essential themes and the framework in which they are designed and realized.

A set of tools is available to design and manage projects, based on the logical analytical method:
   a) **the LOGICAL FRAMEWORK**
   b) analysis and baseline
   c) plan of activities and resources
   d) standard and consistent structures for key project documents

and it
   - Allows to improve the management of external co-operation actions – projects and programs of all kind, including Humanitarian Aid
   - Allows to manage project preparation, implementation and evaluation PROCESS
   - Allows to support and control the quality of the results and effects produced by the PROCESS
   - Defines the key decisions, the main steps and phases, benchmarks, the necessary information in each phase of the PROCESS
   - Defines and the responsibilities of the various actors involved in each phase of the PROCESS

Each phase of the project cycle has specific priorities and requires specific inputs to produce, relevant results for assuring sustainability of all consequent steps.

The project cycle management is not only about the result chain of inputs – activities – outputs – outcomes – impacts or about documents demanded, but especially about the involvement of relevant key stakeholders in the decision-making process and in the implementation of a project. It is therefore necessary to set clear roles, competencies and personal responsibilities of all stakeholders from the very beginning.

The way in which projects and other interventions are planned and carried out follows a sequence beginning with an agreed strategy, which leads to an idea for a specific action, which then is formulated, implemented, monitored and evaluated with a view to improving the strategy and further actions. Project cycle management integrates all phases of development intervention and examines all issues in order to ensure that objectives and factors of sustainability remain in focus.

The fundamental phases of the project cycle for Official Development Assistance (ODA) projects and programs are usually formulated in the five steps as follows: PROGRAMMING – IDENTIFICATION – FORMULATION – IMPLEMENTATION – EVALUATION.
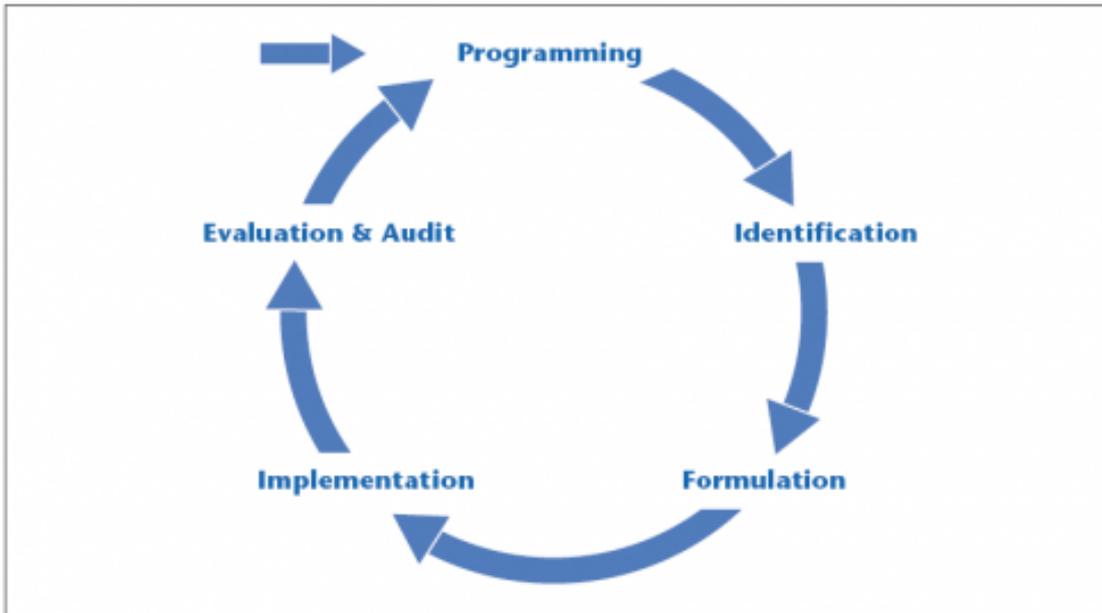
4.3   Phase 1: Programming

Objective
Identify and analyze the framework of long-term policies and sectoral priorities for Donor cooperation at national / regional level and in partner countries

Actors involved
High political offices with decision-making powers of the Donor' agencies (AICS or European Commission, UN agencies, WB etc…)
High political offices with decision-making powers in the partner country (ex. Ministry of Foreign Affairs - Agency for International Development Cooperation)

Activities
General analysis of the current situation and future prospects
Analysis of national priorities and Poverty Reduction Strategy (PRS) /development plan/…..
Review of previous collaborations
Assessment of intervention's sector
Complementarity with the policies of other donors
Strategic choice of intervention's priority

Input
National policies and strategies;
Regional or transboundary policies, strategies and development plans (if relevant);
Sector assessment studies with baseline data and situation analysis;
Sector plans and strategy documents;
Evaluations of policies, strategies and sector programme;
Case studies analysis of past projects;
Demand analysis and resource assessment;
Economic, financial, social, institutional and environmental analysis.

Main Outputs: Global objectives, Financial issues for each development area, Specific objectives and expected results for each area, cutting issues identified, targeted beneficiaries, policy documents.

4.4   Phase 2: Identification

Within the framework established in call for proposal, by the Donor's ODA Strategy and Country or Sector Programs, projects are identified (specific objectives/outcomes, outputs and necessary activity clusters) and its feasibility is analyzed and verified through a pre-feasibility study.

Objective
Examine the options, identify feasible interventions that correspond to the programming objectives, analyze the alternatives, select an alternative and define it broadly: specific objective/ outcomes, outputs and necessary activity clusters.

Actors involved
All the subjects that could potentially participate in the realization of the project according to the type of project: State, Municipality, NGOs, Ministerial Departments, officials, beneficiaries, associations.

Activities
Analysis of data relating to the intervention sector
Analysis of the partners involved and the institutions responsible for the project
Analysis of problems and solutions
Analysis of strategies
Re-reading and taking into consideration the lessons learned from previous experiences
First formulation of the various components of the project, its organization, results, activities, costs and benefits, description of the relevance and…
First formulation of the Logical Framework

Main Outputs
Report that explains the components of the project
Project Concept Note or Project identification forms (project ideas)
Pre-Feasibility study

PRE - FEASIBILITY STUDY

It is aimed at establishing if there are technical solutions to the problems that the project must face and to identify their degree of feasibility.

General financial analysis of technically feasible solutions which allows the choice of the alternative which, for the same benefits, implies lower costs.

*The objective of the pre-feasibility study **is not the formulation of the project**, but the elimination of doubts about the usefulness of proceeding and indicates the most appropriate intervention strategy*

4.5   Phase 3: Formulation

Approved project ideas (either Concept notes or Project identification forms) must be elaborated into detailed Terms of Reference (ToR) with clearly specified results and indicators and/or Technical specifications (tender dossier) or into Full project proposal (grant schemes).

During the appraisal process, the issues of relevance, effectiveness, efficiency, sustainability and impacts are explored as well as key assumptions and internal logic of the intervention.
In case the project is approved, contracts or grant agreements are signed, usually after adjusting the work plan (time schedule, system of payments, reporting requirements, etc.).

Objective:
Confirm the relevance and feasibility of the project ideas as proposed in the identification phase.
Definition of the technical, organizational, social, economic and environmental feasibility of the project, definition of the expected results and their vitality in accordance with the criteria established by donor's agency.

Actors involved: All the subjects participating in the project take part in the formulation

Activities
Explore relevance, effectiveness, efficiency, sustainability and likely impacts
Define the project internal logic, key assumptions, theory of change
Define the benefits of the project
Define the expected results in relation to the objectives
Define the activities necessary to achieve the results
Define the necessary internal management organization
Provide appropriate qualitative and quantitative indicators and the basis of the financing proposal.
Quantify and exploit the means necessary to obtain the cost of the project
Estimate the cost-benefit relationship of the project

Main Output: Feasibility Study including social and gender analysis, appropriate qualitative and quantitative indicators, Full Application and Budget

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FEASIBILITY STUDY

The feasibility study aims at establishing if there are technical solutions to the problems that the project must face, evaluating the risks, identifying costs
Subsequently, technically feasible solutions are subjected to a general financial analysis which allows the choice of the alternative which, for the same benefits, implies lower costs.
The objective of the feasibility study is not the formulation of the project, but the elimination of doubts about the usefulness of proceeding and indicates the most appropriate intervention strategy.

4.6   Phase 4: Implementation

Project implementation phase starts after project approval. From the programme point of view it consists of project monitoring which is the ongoing analysis of project progress towards achieving planned outputs/results with the purpose of checking if the project is on track. Progress reports are used as main communication tools towards the programme.

This phase can be subdivided into the
a) inception phase - updated work plan and/or **Inception report**,
b) main implementation phase - **Progress monitoring/mid-term reports**, and
c) completion phase – **Completion/final report**.

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.

Objective
Get the expected results

Actors involved
project director/coordinator
project team
partners
beneficiaries
consultants
technical experts
stakeholders

Main backstopping Activities
Planning activities
Procurement of tenders (tenders)
Technical assistance contracts
Identification of Materials and equipment
Financial management
Monitoring and Reporting
Mid-term evaluation
Communication - internal and external

Main Output: Work plan, Monitoring reports - Medium term Evaluation

The information required and reporting schedule depends on the scope of the project and will vary according to the level of management.

4.7   Phase 5: Evaluation

DAC defines an Evaluation:
*An assessment, as systematic and objective as possible, of an on-going or completed project, programme or policy, of its design, implementation and results. The aim is to determine the **relevance** and the fulfilment of objectives, developmental **efficiency, effectiveness, impact and sustainability***

Evaluation is both a management and a learning tool, its **Objectives are**:
- Evaluate the results and effects of the project in relation to the objectives
- Offer opportunities for organizations to be reflective about the quality of their work and the appropriateness of their strategies, and supports learning for decision-making, resource allocation and accountability;
- Provide the opportunity to draw lessons from the experience gained and therefore guide future planning action

Actors involved:
Independent assessment team in full cooperation with all partners or internal team or external expert

Activities
Development of the Evaluation Terms of Reference (ToR)
Implementation of evaluation with appropriate methods
Analysis of relevance, effectiveness, impact efficiency and sustainability
Draw conclusions for all partners involved
Formulate recommendations at the level of the ongoing project and future interventions

The evaluation of a project put emphasis on the objectives and the relationship between them, check the consistency of the project design, assessment the influence of external conditions and it is based on
principles of impartiality, independence and credibility

5 THE LOGICAL FRAMEWORK MATRIX AND OTHER TOOLS FOR PROJECT IDENTIFICATION AND FORMULATION

Before starting with the activity design and the construction of the Logical Framework MATRIX, it is important to undertake a structured analysis of the existing situation.
LFA incorporates four main analytical elements to help guide this process.

5.1 Analysis of Problems

The analysis of the problems aims to identify the 'bottleneck'/PROBLEM which is considered a priority, and which is intended to be overcome and give an overview of the current situation and the influence of the context on the various parties involved.

It is based on a research of the initial situation and integrates the knowledge and the points of view of the subjects involved

It usually starts with team brainstorming on all key problems identified in the given area (using both the scientific evidence and own observation). In further steps the team continues through grouping the problems, by identifying the most significant issues and by recognizing the causal relations between these issues.

It is based on the elaboration of a problem tree that allows priorities to be set in a way that is agreed and participatory
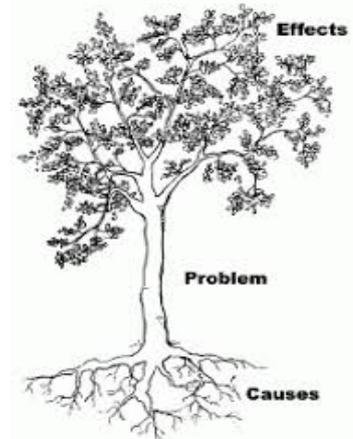
The tool is the diagram called the problem tree:
if a problem is considered a cause it goes to a lower level
if a problem is considered an effect it goes to a higher level
if a problem is considered neither cause nor effect goes to the same level.
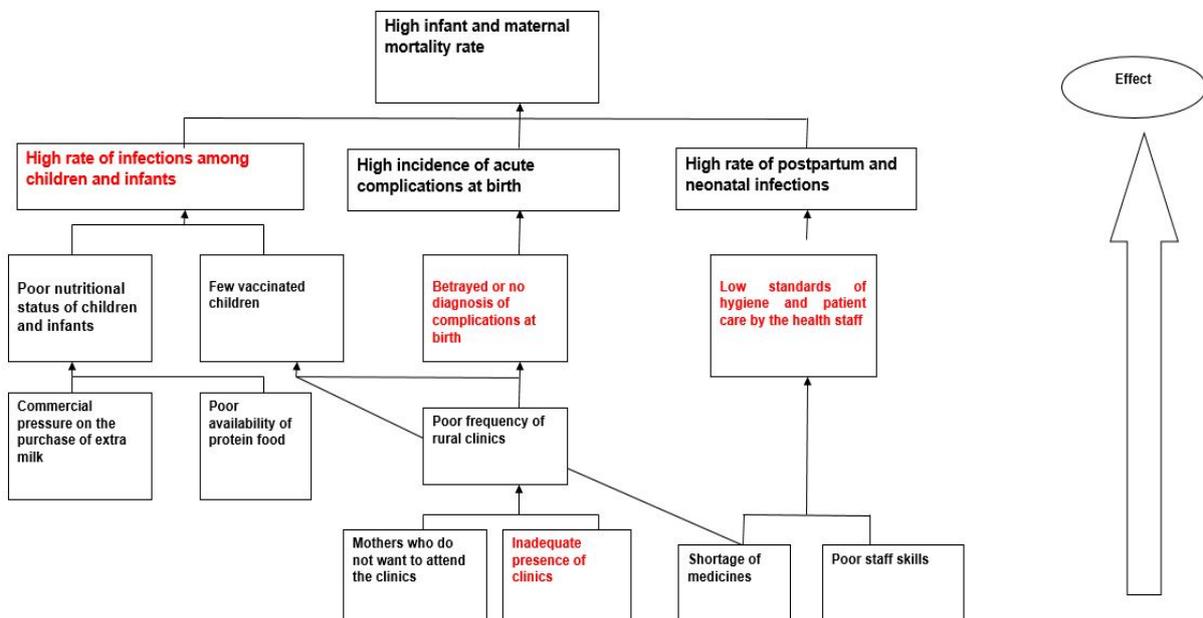
Recommendations*: For recognizing the causes of the problems and the real or potential effects, look for the keywords: BECAUSE, SINCE, SO, IF, THEN, BEFORE, AFTER.*
It is necessary to focus on problems that can really be solved by the project. However, insoluble problems and their effects on the project must also be considered. All key stakeholders must be involved as early as during the project´s preparation (in identification of problems and priorities) – the ownership principle is crucially important.

5.2   Stakeholders Analysis

A stakeholder is any individual, community, group, or organization with an interest in the outcome of a programme, or a project, either as a result of being affected by it positively or negatively, or by being able to influence the activity in a positive or negative way.

Stakeholders analysis means to identify and assess the importance of key people, groups of people, or institutions that may significantly influence the success of an activity or project.

A specific role belongs to the **target groups and beneficiaries**, which include project **partners** and directly engaged groups or people, special **mediators of the benefits** (e.g. the trained experts, teachers, or media), target groups on the level of the outputs and outcomes, and final beneficiaries on the level of the foreseen impacts.

The analysis should focus on characteristics of **key stakeholders**, their interest and expectations, their relation to the project and to cross-cutting issues (like human rights, gender equality or environment protection), their capacities and disadvantages, and on their influence on the project.

Categorization of the stakeholders
1. Key stakeholders: Those who can significantly influence or are important to the success of an activity
2. Primary stakeholders: Those individuals and groups who are ultimately affected by an activity, either as beneficiaries (positively impacted) or those adversely impacted
3. Secondary stakeholders: All other individuals or institutions with a stake, interest or intermediary role in the activity

It allows:
- Participation of the subjects involved
- to adapt the intervention to social, economic and political context
- to obtain relevant information
- to show how the various subjects perceive reality
- to ensure the relevance of the objectives with respect to real needs
- to strengthen local authorities' capacities
- to strengthen civil society and democratic processes

Approaches to analyze stakeholders

The Influence–interest–approach scheme
Which recognizes for each stakeholder the foreseen level of influence and interest in the given intervention and also positive, neutral or negative approach to its implementation.

The more key stakeholders with a positive approach there are in the right upper level of the scheme (big influence and big interest at the same time), the higher the probability of overall success when these actors are directly engaged
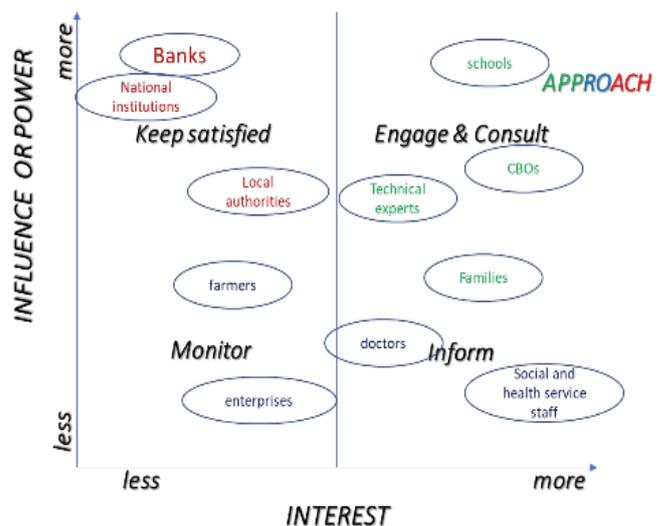
*The **SWOT analysis** which identifies internal factors - Strengths, Weaknesses, and external factors - Opportunities and Threats of an organization or of a particular strategy or in an applied process.*

Strengths: *attributes of the project & implementing agency that are helpful to achieving the objective(s).*

Weaknesses: *attributes of the project & implementing agency that are harmful to achieving the objective(s).*

Opportunities: *external conditions that are helpful to achieving the objective(s).*

Threats: *external conditions which could do damage to the objective(s).*

SWOT ANALYSIS

	Helpful to achieving the objective	Harmful to achieving the objective
Internal origin (attributes of the organization)	Strengths	Weaknesses
External origin (attributes of the environment)	Opportunities	Threats

5.3 Objectives Analysis

Objective analysis presents the positive aspects of a desired future situation.
This involves the positive transformation of the problems located at the top of the problem tree through a relationship of means and ends.

Whenever the problems and their causes are clearly identified, it is usually simple to get agreement on what should be the result of intervention/project, or on the idea how the negatives (problems) can be transformed into positives (objectives), using the same causal relations like in the problem analysis.

However, the formulation of objectives is not so easy from the perspective that all stakeholders must understand them in the same way and that the results must be monitorable.
The objective tree, for the same problem tree above, can be illustrated by the following picture.

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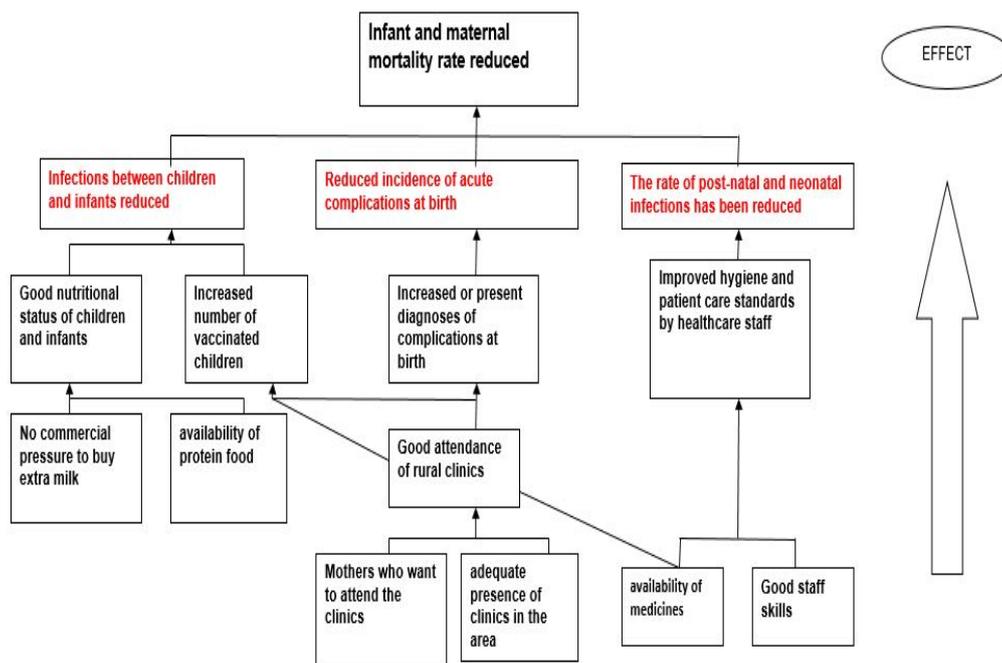
5.4 Strategy Analysis/ Analysis of Alternatives

The strategy analysis supports the:

Decision making process on which solution/objectives to consider (IN) and which ones not to take into consideration (OUT)

Identification of the best strategy in relation to the identified solutions / objectives

Identification of the most appropriate alternative

Strategy selection criteria:
- Priority of the various subjects involved
- Probability of success - feasibility
- Budget - availability of financial resources
- Availability of competent human resources
- Relevance of the strategy
- Necessary time
- Contribution to reducing gender inequalities
- Existing capacity and potential
- Potential for social acceptance
- Complementarity with other projects funded by other donors
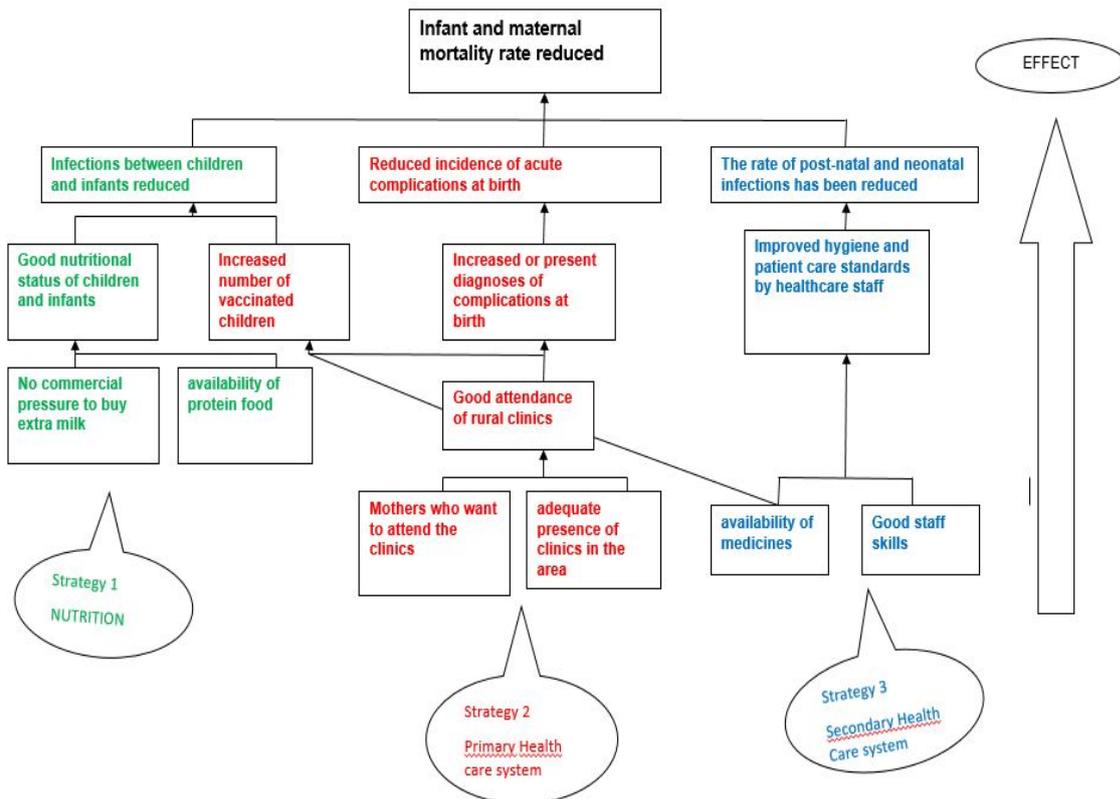
6 PROJECT ELABORATION: BUDGETING AND IDENTIFYING PROJECT INDICATORS

6.1 Activities design

Concretely which kind of ACTIVITIES a cooperation project may consist of?
Identification of activities is a key planning step that takes place early in the schedule planning and development process which also includes estimating durations, determining and defining resources, and identifying external project constraints.
The recommended practice for the identification of activities and schedule planning in general is to involve all the key team members under the leadership of the project manager with support from experts if needed (for example for a construction project).

The main activities' categories, in which almost all project activities may fall in, regardless the kind of project (emergency, rehabilitation, development), duration (short, middle, long term) and technical sector (health, agricultural, educational, economics, etc.) can be listed as follows:
- Technical assistance
- Training activities
- Community based activities
- Purchase and distribution of goods and civil works / physical rehabilitations
- Researches and studies
- Visibility activities
- Others

CAPACITY BUILDING ACTIVITIES through TECHNICAL ASSISTANCE

Beside the material contribution which a project may bring (in terms of financial and material resources), the **best contribution to the local development is to strengthen local capacities to find out new solutions to the local problems / gaps which prevent access to services and to opportunities for the population**.
Often, more than financial and material constraints, the beneficiary countries experience organizational/institutional problems, in some cases due to lack or inadequacy of local competencies and skills and in some other due to institutional impediments which prevent an efficient and cost-effective organization and functioning of the services.
Contribution from experts (either international or national), with high competencies in the project's sectors, which daily work beside and with local partners' staff, stakeholders, can be a key element for the development of a specific know-how on the topics of the project.

Through the involvement and presence of external experts, the cooperation project represents an opportunity for:
- sharing different know-how, different visions, different experiences and approaches in a common commitment to improve the services and make them available for the widest population groups.
- promoting important and durable changes in the visions, knowledge, approach of the local human factor

CAPACITY BUILDING ACTIVITIES through TRAINING

Training activities means any planned initiatives that improves attendance's qualifications, knowledge or expertise. A training activity is prepared within a capacity building strategy with aim of teaching/transfer specific abilities to a specific audience

Training activities has to be tailored on specific target groups based on training needs assessment which will help to identify key training subjects and training methodologies to be adopted, and they may include:
- Training seminars/workshops
- **Training of Trainers** (ToT) is usually essential aspect of training activities since it allows local partner/s to replicate autonomously the training, assuring sustainability and durable effects of the project.
- **Internships, scholarships** in the beneficiary country and abroad at specialized training institutions

Training methodologies may include:
- Theoretical and practical parts: front lessons held by experts and practical exercises /demonstrations.
- On-the-job-training when trainees practice in their own usual job the contents learned during the formal training sessions. On-the-job-training must be supervised, monitored and evaluated through well-defined procedure by trainers and/or tutors.
- Participatory Focus Groups, workshops and seminars

COMMUNITY BASED ACTIVITIES (CBA)

CBAs are activities designed for a specific community in its own environment and it implies community acceptance and involvement and participatory approaches and methods to be implemented.
CBAs contribute to reaching a high level of community stakeholders' involvement in the process, attempting to create a sustainable and equitable solution to address the community's needs. They are intended as well to impact on the human factor being addressed directly to the people living in local communities, by using local resources and by improving transparency and equitably distribution the benefits of development while, on long term may improve living standards and quality of life in the involved communities members.
CBA may include:
- Information & sensitization campaigns
- Information initiatives about existing services
- Educational initiatives to promote for example safe habits such as safe use of water, hygiene; health education campaigns, etc.

Careful and suitable drawing and production of **information material** such as must be designed and drawn for the smoothest communication with local population, taking carefully into account local basic communication patterns, eg. language, local cultural habits and models, etc. to be easily understood. The full involvement of local key actors/representatives to carry out these activities is crucial, meaning those people who – besides having the due competencies for this task – are well inserted in the local cultural and social context, are easily accepted by local population, can easily communicate. Schools, youth center, public life places in general are the most suitable places for events and information campaigns, in order to reach the largest number of populations.

PURCHASE AND DISTRIBUTION OF GOODS AND CIVIL WORKS / PHYSICAL REHABILITATIONS ACTIVITIES

Projects activities include, as well, purchasing and distribution of different kinds of goods and civil works, (ranging from small minor rehabilitations of physical premises to bigger constructions of infrastructures, e.g. houses, health centers, water distribution pipelines, etc.)

In this case, it is very important to outline that these general activities are an integrated set of different kind of activities aimed to the same goal. In other words, supply of goods and construction of physical infrastructures it is instrumental to the wider project goal and integrated to the other project's activities which make the difference between a cooperation project and a business/commercial activity.
This assumption concretely affects the implementation of this kind activities and it is up to the implementing agency to carefully plan and integrate these activities in the framework of the project, making them consistent with the general goal, objectives, methods and available resources of the project.

The main criteria to be followed to identify and implement purchase and distribution of goods and civil works activities are:

A) Reassessment of goods and construction of physical infrastructures based on:
- balancing the financial resources' distribution among the different project activities, minimize costly and sophisticated devices, vs. simple, easy-to-use and easy to maintain equipment
- widest geographical coverage of benefits
- Use, maintenance & repairing (costs, competencies of local staff)
- training activities for local staff for the use, maintenance and repairing
- prefer local purchasing respect to import goods from abroad (better assistance & support to local economy)
- establishing preliminary lists with priority orders,
- agreeing lists of goods and works with partner/s and beneficiaries.

B) Strictly following Procurement procedures that are usually established by the Contracting Authority and that foresee rules for:
- Selection of tenders according to technical characteristics and requirements, the value for money criteria, delivery times.
- Ensure transparency and equal treatment for potential suppliers

RESEARCH AND STUDIES ACTIVITIES

Projects may include specific researches within the wide range of activities to be implemented that can be defined as:
- Operational researches whose outcome are expected to directly contribute to the general aim of the project, i.e. to directly orientate further concrete actions aimed to improve the local living conditions, either to be implemented by the project or not.
- General researches / studies which may also have higher and more general scopes than practical and operational ones. It is the case of studies which aim at raising up to the attention of policy-makers, institutions and other stakeholders some specific need or problem of the local context which has a general relevance and which has to be tackled through general policy actions.

The role of these activities it is crucial where there is lack of reliable data or not updated ones and they have to include high quality of research team and /or research institutions and have to be consistent with the objective of the project and with sectorial policies, strategies and programmes. Moreover, sharing research results through a capillary diffusion must be envisaged (publications, conferences, workshops, etc.), without which the studies risk to be a mere academic exercise, useless for the project's goal.

COMMUNICATION AND VISIBILITY ACTIVITIES

Information, communication and visibility activities about project goals and about stakeholders involved is another important activity cluster. To inform about the results and the impact of the project, in the country or region concerned, as well as in the Donor's country it has to be included in the project's activities. On the other hand, usually Donors requests, as contractual obligations, the implementing agency to give adequate visibility to the origin of funds provided for the cooperation projects and provide with visibility and communication guidelines.

To implement Communication and Visibility activities implies:
- design a structured and comprehensive communication and visibility plan
- using accurate information and reliable data
- people-centered, adopting where appropriate a story-telling approach that emphasizes the impact of the action on individual lives, rather than administrative milestones or budgets;

- information and messages coherent and consistent with local context customs and practices, without compromising Donors fundamental values and principles
- the use of local language(s), wherever possible
- the use of appropriate channels (e.g. social media, local media etc..) based on the targeted audience (e.g. young people)
- to be proportionate to the scale of the action concerned in terms of cost-benefit
- potential multiplier effect
- close coordination with all stakeholders involved

Indicative Action Plan for implementing the action – EC template

Year 1													
	Half-year 1						Half-year 2						
Activity	Month 1	2	3	4	5	6	7	8	9	10	11	12	Implementing body
Example	example												Example
Preparation Activity 1 (title)													co-applicant and/or affiliated entity
Execution Activity 1 (title)													co-applicant and/or affiliated entity
Preparation Activity 2 (title)													co-applicant and/or affiliated entity
Etc.													

For the following years:								
Activity	Half-year 3	4	5	6	7	8	9	10	Implementing body
Example	example								Example
Execution Activity 1 (title)									co-applicant and/or affiliated entity
Execution Activity 2 (title)									co-applicant and/or affiliated entity
Preparation Activity 3 (title)									co-applicant and/or affiliated entity
Etc.									

Indicative Action Plan for implementing the action – AICS template

Activities Description	I Year				II Year				III Year			
	1quarter	2quarter	3quarter	4quarter	1quarter	2quarter	3quarter	4quarter	1quarter	2quarter	3quarter	4quarter
1.1												
1.2												
1.3												
1.4												
1.5												
1.6												
1.7												
1.8												
2.1												
2.2												
2.3												
2.4												
2.5												
2.6												
2.7												
2.8												
3.1												

6.2   Budgeting

No project plan is complete until you come up with a budget. It determines the boundaries of the project. A budget one of the main tools to plan the project implementation and to carry out the activities, and one of the determining factors for a project to receive its funding.

The starting point for budget design is to ensure 'transparency' in the process of developing and implementing a project and in turn transparency is about involving stakeholders, sharing ideas and building the project with every real activity connected to your goal and objectives.

A budget is defined as patterns of expenditure over the life of the project and in general, it is a prediction of the possible costs that will be incurred by carrying out the activities planned. Realistic planning of finances is crucial for the implementation of a project or programme.

A budget outlines the financial and operational aims of an activity or project for a specified period of time, and it serves as a measure for planned expenditures, and facilitates the planning and monitoring of project activities over that period, based on donor agreements and in line with internal policies and regulations.

A budget has mainly two specific functions

1. It estimates, as realistically as possible, the cost of completing the objectives identified in the project proposal. The Donors' agencies will use the budget details to determine whether the proposal is economically feasible and realistic.

2. It provides a means to monitor the project's financial activities over the life of the project. In this way, it is possible to determine how closely the actual progress toward achieving the objectives is being made relative to the proposed budget

When preparing a budget, you must ensure a) realistic projections and cost estimates, b) all activities' costs are included and c) adequate staff and office /management costs are covered within the budget (keeping in mind the needs of the entire office), including costs such as administrative services, insurance, security, office and backstopping from the HQ costs.

It may be useful, as well, to analyze budgets from implemented projects with the same or similar activities in order to review whether some "standard needs" are covered. In addition, consult with stakeholders in order to gather accurate information on realistic costs for the proposed project and to consider the timeline according to which activities has to be concluded.

The use of LOGICAL FRAMEWORK MATRIX helps, and it can be the reference base to develop the budget.

Many donors, especially government agencies and international organizations, provide a budget format and it is therefore imperative to follow the donor's instructions explicitly.

BUDGET ELEMENTS AND CATEGORIES
Once you have identified the type of expenditures your project will have, the next step is to classify them according to standard budget categories.
Budget categories classify expenditures into smaller groups in order to monitor spending and ensure compliance with the plan.
Units, quantity per period and estimated unit costs are the three elements that are needed to calculate costs associated with any of these categories.

A Budget is divided in broadest categories which generally are:
- Eligible costs and Ineligible costs
- Direct and indirect costs

Eligible costs are actual costs incurred by the Grant Beneficiary (NGO) which meet all the following criteria:
- they are incurred during the implementation of the Action.
- they are indicated in the estimated overall budget for the Action;
- they are necessary for the implementation of the Action;
- they are identifiable and verifiable, in particular being recorded in the accounting records of the Beneficiary(ies) (NGO) and determined according to the accounting standards and the usual cost accounting practices applicable to the Beneficiary(ies);
- they comply with the requirements of applicable tax and social legislation;
- they are reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency

Ineligible costs are stated by the donor in the guidelines. Usually the following costs are not eligible:
- debts and debt service charges (interest);
- provisions for losses or potential future liabilities;
- costs financed by another action or work programme receiving a EU grant (in the case of EC)
- purchases of land or buildings, except where necessary for the direct implementation of the action, in which case ownership must be transferred to the final beneficiaries and/or local beneficiary(ies), at the latest at the end of the action;
- currency exchange losses;
- credit to third parties.

Eligible costs are classified in
- **Direct costs** (or elsewhere said Programme costs) - all costs needed to carry out the programme activities and that are unequivocally attributed to a specific activity. Direct costs must be included in the programme document, workplan, budget.
Support expenditure documentation (invoices, receipts, etc.) are required

- **Indirect costs** (or elsewhere said Indirect Programme Support costs, Administrative costs, Headquarters costs). They cannot be identified as specific costs directly attributed to the implementation of the Project but can be justified and identified within the project's accounting system as being incurred in direct relationship with eligible direct costs.
Expenditure documentation not required (flat % rate)

A budget can have different FORMAT according with the donors, but inspired to similar criteria, and according to development/emergency programs. There can be some differences according to different donors' accounting systems.

Budget format examples:

Budget for the Action EC Template

Costs	Unit	# of units	Unit value (in EUR)	Total Cost (in EUR)[3]
	All Years			
1. Human Resources				
1.1 Salaries (gross salaries including social security charges and other related costs, local staff)				
1.1.1 Technical	Per month			
1.1.2 Administrative/ support staff	Per month			
1.2 Salaries (gross salaries including social security charges and other related costs, expat/int. staff)	Per month			
1.3 Per diems for missions/travel				
1.3.1 Abroad (staff assigned to the Action)	Per diem			
1.3.2 Local (staff assigned to the Action)	Per diem			
1.3.3 Seminar/conference participants	Per diem			
Subtotal Human Resources				
2. Travel				
2.1. International travel	Per flight			
2.2 Local transportation	Per month			
Subtotal Travel				
3. Equipment and supplies				
3.1 Purchase or rent of vehicles	Per vehicle			
3.2 Furniture, computer equipment				
3.3 Machines, tools…				
3.4 Spare parts/equipment for machines, tools				
3.5 Other (please specify)				
Subtotal Equipment and supplies				
4. Local office				
4.1 Vehicle costs	Per month			
4.2 Office rent	Per month			
4.3 Consumables - office supplies	Per month			
4.4 Other services (phone/fax, electricity/heating, maintenance)	Per month			
Subtotal Local office				
5. Other costs, services				
5.1 Publications				
5.2 Studies, research				
5.3 Expenditure verification/Audit				
5.4 Evaluation costs				
5.5 Translation, interpreters				
5.6 Financial services (bank guarantee costs etc.)				
5.7 Costs of conferences/seminars				
5.8. Visibility actions				
Subtotal Other costs, services				
6. Other				
Subtotal Other				
7. Subtotal direct eligible costs of the Action (1-6)				
8. Indirect costs (maximum 7% of subtotal of direct eligible costs of the Action)				
9. Total eligible costs of the Action, excluding reserve (7+ 8)				
10. Provision for contingency reserve (maximum 5% of subtotal of direct eligible costs of the Action)				
11. Total eligible costs (9+10)				
12. - Taxes - Contributions in kind				
13. Total accepted[11] costs of the Action (11+12)				

Budget Template - Humanitarian Actions UNICEF

Programme document expected result:

High-frequency indicator/s to which the programme contributes:

Activity & costs	Budget [currency]	CSO contribution	UNICEF contribution	
			Cash	Supplies
Activity 1.1				
Activity 1.2				
Activity 1.3				
Total programme costs				
Programme management costs				
HQ support costs *				
Total costs				

* Applicable to international CSOs

6.3   Identification of Indicators in project elaboration

Measurable, **Objectively Verifiable Indicators** (OVIs) are needed for each element of the project logic model for which managers will be held accountable. While inputs, activities and usually also outputs can be easily measured by **quantitative indicators** (numbers, amount, extent, reach or duration), it is important to specify also **qualitative indicators** for all levels of results (outputs, effects, outcomes, impacts).

The decision to adopt a particular indicator should be based on the degree to which it is **relevant** (linked to the particular initiative being studied), **valid** (provides an accurate reflection of the underlying concept to be measured), **reliable** (subject to as little measurement error as possible) and **practical** (it is possible and feasible to obtain data needed to calculate measures).

> *To set up a system of OVIs you mainly need a Baselines and Context Indicators, an Ex-ante quantification and an Analysis and Comparisons between similar programmes and measures*

The indicators should be "SMART " :
- ➢ **S**-pecific / they must measure what should be measured
- ➢ **M**-easurable
- ➢ **A**-vailable under acceptable conditions (including reasonable price)
- ➢ **R**-elevant for the given level of the project
- ➢ **T**-ime bound / defined and valid in the given time

When setting indicators, all the above factors must be taken into consideration and thus it is
important not to only specify the indicators (by quantitative and qualitative parameters or time period) but also to specify the sources of verification (and monitoring/evaluation methods).

The indicator should be also linked to the key technical criteria of: RELEVANCE, EFFECTIVENESS, EFFICIENCY, IMPACT AND SUSTAINABILITY, FEASIBILITY

These technical criteria are used, in a different extent, in all phases of project preparation, appraisal, monitoring and evaluation.

In complex environments, like climate change adaptation, you won't always be able to find indicators that capture the whole reality and you will have to go for an indicator that is adequate, ie. it's not the best, but acceptable or good enough given the circumstances.
Monitorable makes that the principles can equally apply to qualitative indicators.

> *Finding the right balance in your indicator set; qualitative / quantitative, process / output-outcome, economic / behavioral, that would be fitting the intended information need and evaluation use of your key stakeholders it is extremely important.*
>
> *Besides indicators of success, it is also useful setting the priorities for each intervention in order the team can allocate sufficient capacities and time or can react on potential budget cuts, delays in approval processes, etc.*

6.4   Structured and type of Indicators in the Logical Framework

OVERALL OBJECTIVE - IMPACT Indicators
Long term statistical evidence resulting at National sectoral level

Impact indicators refer to medium-long term development changes and are generally referred to project goal/overall objective.

Since impact is defined as the difference between the situation before and after an intervention, or as the comparison between similar realities with and without an intervention, its measurement requires a clear description of the original situation/population/region (Baseline)

Therefore, measuring impact involves complex statistics about social and economic welfare and impact indicators should be linked to the development indicators selected for the beneficiary country and more generally to the agreed world development indicators.

OBJECTIVES - OUTCOMES Indicators
Data gathered through social and economic surveys, field visits, interviews, meetings, observation, statistical analysis
Outcome indicators measure the changes that need to occur to meet the project purpose, focus on information that can be measured objectively and can be quantified (**quantity indicators**).
Example: *number of people participating by social, economic, education, age, gender.*

The elaboration of **quality outcome** indicators is more challenging and can be facilitated by considering the:
- **Usefulness**. The delivery of a foreseen output is not enough to guarantee its quality.
- **Sustainability**. The quality of a result will also depend on its capacity to continue to produce its effects beyond the project duration and financing.

RESULTS - OUTPUT Indicators
Management records and progress reports
Output indicators refer to the planned products / services to be delivered by the project (outputs)
In the LFM output indicators are defined in correspondence to the project results/outcomes

ACTIVITIES - PROCESS Indicators
Management records and financial account records
Process indicators measure what happens during implementation and they mostly refer to the realization of activities. They can be defined as the link between the activity and the results, as they are usually indicated as a set of contracted completions or milestone events taken from an activity plan, and they therefore illustrate the steps leading to the results.

INPUTS INDICATORS
They are in the LF matrix as MEANS and are essential for monitoring.
Inputs indicators are quantified and time-bound statements of resources to be provided. Information on these indicators comes largely from accounting and management records. The source for designing the input indicators is the project budget

6.5   Setting Indicators for emergency projects following international standards

The most relevant effort to set indicators and standards for emergency and humanitarian action has been started In 1997 by a group of humanitarian NGOs and the International Red Cross and Red Crescent Movement.

It was based on a perceived necessity to improve the quality of the actions during disaster response, anchor humanitarian response in a rights-based and participatory approach and increase the accountability of humanitarian actors.

Main output the Sphere Handbook (last edition launched end 2018)

Its philosophy is based on two core beliefs:

- the right to life with dignity of the peoples affected by disaster or conflict and their right to assistance

   and

- the duty of national and international actors and institutions to take all possible steps to alleviate human suffering arising out of disaster or conflict.

The handbook is structured as follows:
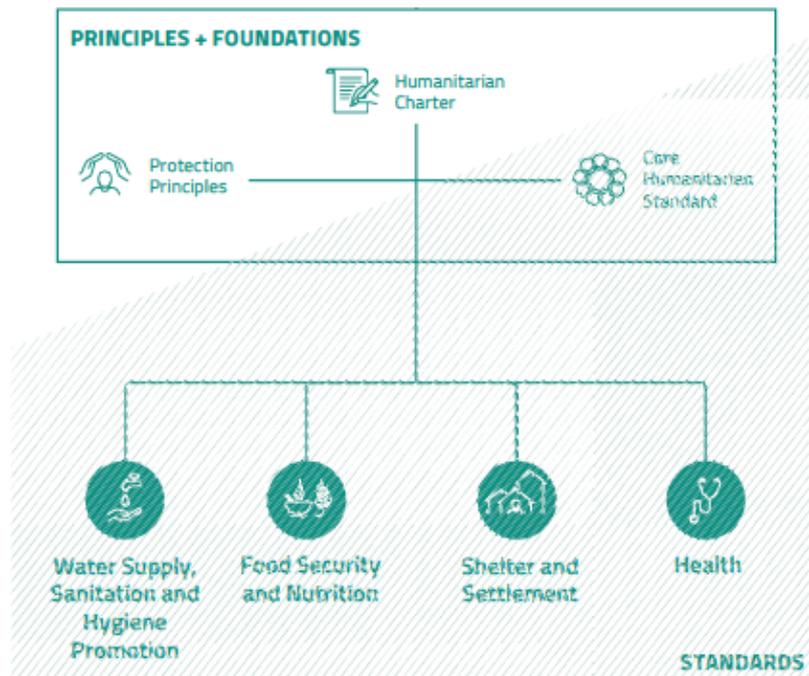
The **foundations** of the handbook are structured around the **Humanitarian Charter** based on people's rights and existing international law reinforced by a set of **Protection principles** and the **Core Humanitarian Standards (CHS)** that is focused on the essential elements of principled, accountable and quality humanitarian action.
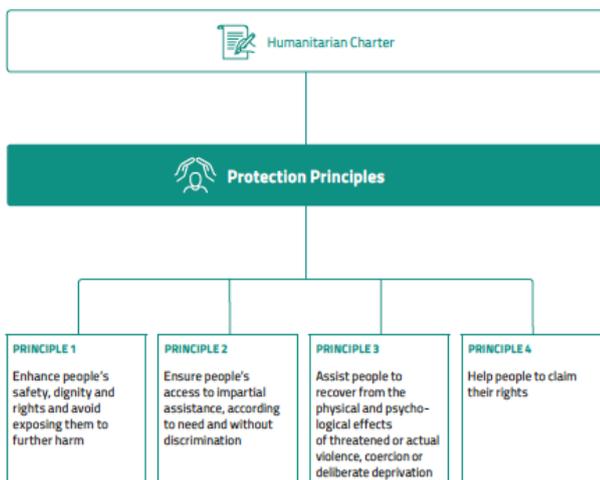
On the base of the Commitments and Quality Criteria stated in the CHS, some performance indicators are identified. For example:

Commitment 3
Communities and people affected by crisis are not negatively affected and are more prepared, resilient and less at-risk as a result of humanitarian action.

Quality criterion
Humanitarian response strengthens local capacities and avoids negative effects.

Performance indicators

1. Communities and people affected by crisis consider themselves better able to withstand future shocks and stresses, as a result of humanitarian action.
2. Local authorities, leaders and organisations with responsibilities for responding to crises consider that their capacities have been increased.
3. Communities and people affected by crisis, including vulnerable and marginalised individuals, do not identify negative effects resulting from humanitarian action.

The technical minimum standards are organized in 4 sectors:
- **Water supply, sanitation and hygiene promotion (WASH)**
- **Food security and nutrition**
- **Shelter and settlement**
- **Health**

As an example, below you can see the structure of the WASH minimum standards
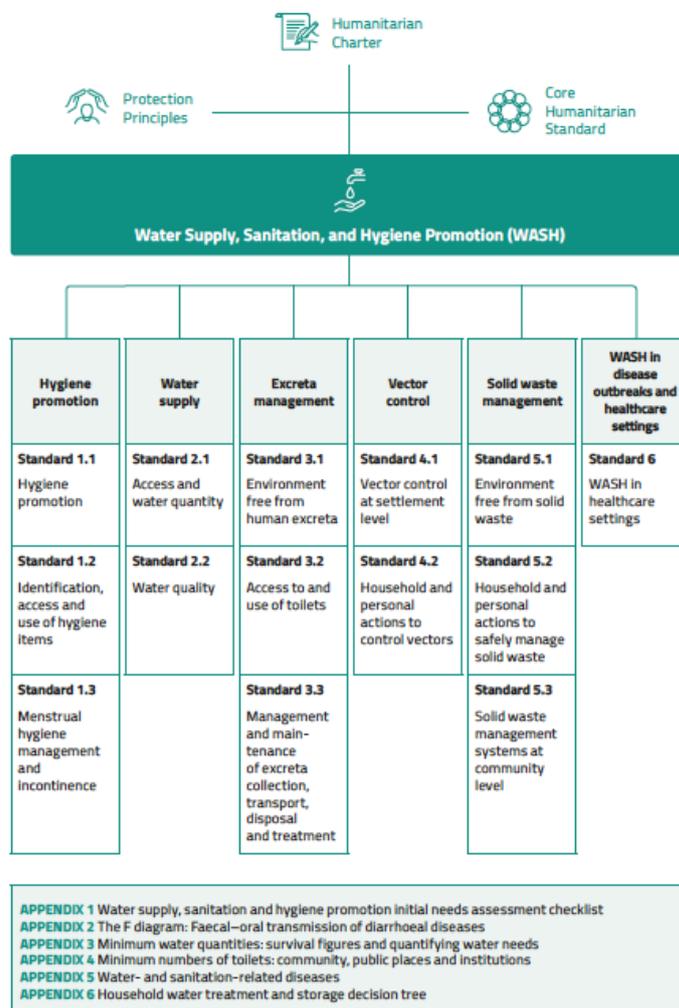
A **Minimum Standard** is a universal, qualitative statement about what is necessary.
A **Key Action** is a suggestion on how to attain a minimum standard.
These are not applicable in all cases and it is up to the practitioner to decide the best course of action for any give context. For example:

Water supply standard 2.1:
Access and water quantity

People have equitable and affordable access to a sufficient quantity of safe water to meet their drinking and domestic needs.

Key actions

1. Identify the most appropriate groundwater or surface water sources, taking account of potential environmental impacts.
- Consider seasonal variations in water supply and demand, and mechanisms for accessing drinking water, domestic water and water for livelihoods.
- Understand different sources of water, suppliers and operators, and access to water within communities and households.

Finally a **Key Indicator** is a signal or tool to measure whether a standard has been attained. For instance:

Key indicators

Average volume of water used for drinking and domestic hygiene per household
- Minimum of 15 litres per person per day
- Determine quantity based on context and phase of response

Maximum number of people using water-based facility
- 250 people per tap (based on a flow rate of 7.5 litres/minute)
- 500 people per hand pump (based on a flow rate of 17 litres/minute)
- 400 people per open hand well (based on a flow rate of 12.5 litres/minute)
- 100 people per laundry facility
- 50 people per bathing facility

Percentage of household income used to buy water for drinking and domestic hygiene
- Target 5 per cent or less

Percentage of targeted households who know where and when they will next get their water

Distance from any household to the nearest waterpoint
- <500 metres

Queuing time at water sources
- <30 minutes

Percentage of communal water distribution points free of standing water

Percentage of water systems/facilities that have functional and accountable management system in place

In short:
- **The Indicators** allow direct observation and comparison against a baseline situation (that may be either quantitative, qualitative, or process-based)
- Their modification is due to **Actions**
- that put into practice the **Standards** (universal, open to interpretation, but applicable in any situation)
- The Standards translate in concrete terms the **Humanitarian Charter and the Protection Principles** (Resuming principles and values based on the idea of all people's rights and based on existing international law)

7 PROJECT IMPLEMENTATION: ACTIVITIES AND RESOURCES PLANNING

7.1 General project management overview

Project management is a carefully planned effort to accomplish a specific objective, using knowledge, skills, tools, and techniques to plan and implement activities to meet beneficiaries and stakeholders needs and expectations from a project.

To be successful a Project management must:
- Deliver the planned / expected outcomes and benefits as stated in the project proposal and as agreed among implementing agency and partners, donors, beneficiaries and other stakeholders.
- Meet time targets / requirements.
- Stay within financial budgets
- Make best use of resources in the organization and elsewhere.
- Take account of changes in the way the organization operates.
- Manage any risks that could made the project ineffective.
- Consider the needs of staff and all the stakeholders who will be impacted by the changes brought about by the project.

General management of a project implies, a) building the right project team bearing in mind that the success of a project highly depends on the human resource factor; b) ensuring a supportive logistical structure (adequate and appropriate place of work, means and equipment), and c) setting up a legal framework and administrative tools for meeting contractual arrangements.

Internal work organization & communication flows together with internal regulation, including Security Code containing basic security rules which must be strictly followed by all the local office staff are crucial elements for a good management.

7.2 Monitoring and Reporting activities

Monitoring and reporting are essential activities to support the MANAGEMENT and the IMPLEMENTATION of the project.

They permit **to analyze the conversion of Inputs (activities) into Outputs (results).**

The Development Assistance Committee defines monitoring as:

"a management function which uses methodological collection of data to determine whether the material and financial resources are sufficient, whether the people in charge have the necessary technical and personal qualification, whether activities conform to work-plans, and whether the work-plan has been achieved and has produced the original objectives"

MONITORING answers to the question: **ARE WE DOING THE PROJECT RIGHT?**
and has internally focused, management-driven emphasis on the **efficiency** of the project.

7.3 Monitoring - operational implications

A good part of the success of a project depends on a high and structured level of monitoring activities, both internal (to the organization that implements the project) and external (related to the implementation of activities and to the relationship with all the actors involved)

Monitoring activities implies

1) **Record and measure**
   - Material progress: provision of services, realization of products, organization of activities
   - Management of human resources / staff performance

- Financial resources: budget, expenditures / planned expenditure for each activities versus actual expenditures,
- procurement procedures etc..
- Reactions / responses of the target group / of the communities involved in the project activities
- Unexpected events, risks and threats
- Lessons learned
- Reflections on: Intangible but existing progress?

2) Clear tasks and responsibilities distribution
Based on a shared and agreed action plan there must be a clear division of tasks and responsibility among project staff and actors involved.

WHAT	WHO
Collection of information in real time	Project staff
Monthly analysis of real data collected	project staff / activity and / or component manager, or monitoring manager
Quarterly analysis of the information collected	project manager / coordinator
Field visits	managers from headquarters on site and / or abroad
Baseline update	Monitoring manager and / or project manager

3) Equipping with appropriate tools
Project team have to have adequate tools to monitor their performances and the advancement of activities implementation mainly through:
- Standardized and structured monitoring plan
- Shared and agreed Monitoring Reports' formats
- Management archives
- Field monitoring Checklist
- Logical framework
- Questionnaires
- Update meetings /focus group minutes' format
- Admin records

4) Data and information collection and examination
It is essential to collect data and store them so that everyone can access it and use it for communication and feedback. Then it is useful to foresee the creation and use of internal progressive reports and updating moments within the team. In this case Monitoring operational implications foresee:
- Examination of project pre-existing documentation, of documentation produced during implementation and final documentation
- Direct observation
- Updating Checklist for questions / questions (checklist)
- Interviews (structured, semi-structured and open)
- Analysis of the actors involved (Stakeholder Analysis)
- Focus groups / open and managed discussions

The prerequisite of a good monitoring is to prepare an operational program, as much detailed as possible, of the general action plan included in the project proposal. HOW to do it?

1. Making a list of the main activities and if necessary
    a) Break down activities into sub-points to indicate manageable tasks
2. Identify sequences and dependencies (chronogram-activity diagram)
   a) sequence: in which order to carry out the activities
   b) dependencies: the activity must be carried out when another begins or ends
4. Plan the duration of the main activities, estimating the beginning, duration and completion of activities

5. Define activities implementation milestones
6. Define the competences and divide the tasks among the team members

Three main types of monitoring can be outlined, according to timing
- Real-time monitoring: to identify and highlight problems as they emerge
- Regular monitoring: analyzing the problems that emerged and the deviations from the implementation strategy and suggesting correction / adaptation / reorientation strategies for the strategy
- Monitoring at a given / planned time of the project life: review the intervention logic and recommend adjustments (implementation milestones)

The use of LOGICAL FRAMEWORK MATRIX helps, and it can be the reference base to monitoring the project/PROCESS. It allows to support and control the quality of the results and effects produced by the PROCESS and it defines the key decisions, the necessary information and the responsibilities of the various actors involved in each phase of the PROCESS

	MONITORING
Purpose	Project management
Project	All type of projects must be monitored
Timing	Continuously – during all the project duration
Responsibility	Project staff and project director
Focus	Activities – outputs - results advancement of the project and results achievements
Methods	Quantitative indicators
Reporting	Flash report, structured, standardized and comparable formats
Dissemination	Internal staff and direct users

7.4 Reporting activities

Reporting activity have a crucial role both for project implementation and internal management and for keeping a communication flow with the donor agency. It is also linked to funding and payments. All types of projects require progress reporting during implementation phase.
The frequency of the reports submitted is decided by the program and it varies from projects to projects and according to donors.
As a standard practice, reporting in underline humanitarian action is monthly, unless a more frequent reporting schedule is established at local level.
In underline development projects reporting is usually annual

Reporting activities aim to:
- Inform stakeholders of project progress
- provide a formal documented record of what was achieved during the reporting period
- document any changes in forward plans
- promote transparency and accountability

7.5 Types of Report Forms

Inception report
In some cases, at the beginning of project implementation an **Inception Report** can be envisaged and permits a RE-ASSESSMENT of the project sometimes needed due to the time passed from the project proposal submission, approval and starting date and possible changed circumstances.
In the inception report, the overall objective and purposes should not change, while project managers and staff may adjust the planned results and the scheduling of activities to adapt them to the changed circumstances.

The inception report permits a checking:
- whether the situations /context has changed or not
- whether needs remained the same or changed
- whether activities initially planned can be implemented as per the initial doc or need adjustments, changes, etc.

The re-assessment of the project at the inception phase will be focused on **RELEVANCE -** Is the project still relevant? And on **FEASIBILITY -** Is the project still feasible?

Progress report

The progress report is a document describing the activities that have taken place during the project implementation by project partners that conveys details such as what outcome have been achieved, what output have been produced, what resources have been expended, what problems have been encountered, and whether the project is expected to be completed on time and within budget.
Some programmes/donors use titles such as: Execution Report, Interim Report, Mid-term report, Annual Report, Status Report
The content part of the report is commonly called Activity Report, but some programmes ask for the financial information either in the report or in the annexes of the progress report.

Final report

The Final report, but also terms such as Closure Report and Project End Report are used, includes two different parts: a technical part, like the project progress/activity report) and another part which is a financial part. **Technical part** may include description of communication and visibility outputs, Evaluation documents. The **financial part** is also named financial statement or financial report and may include: a) budget/eligible expenditure per budget line, work package, project partner; b) specification of expenditure reporting costs grouped under different budget lines; c) budget/eligible expenditure per funding source.
The structures of the financial tables can be very different between donors and programmes.

Internal Report

While progress and final reports are usually for Donors internal report is directly linked with monitoring and activities implementation and it aims at:
- sharing of information among project's staff
- keeping clear track-records of all the project's activities, problems, relevant facts,
- archiving system of all relevant project's documents
- Internal periodical updating on activities
- Providing with basis for official periodical reporting

Reporting on indicators

In the progress reports, in some cases, implementing agency are requested to give different type of information per indicator.
The most common practice is that projects report on indicators correspond to an updated LF matrix. The information per indicators are:
- Achieved in the reporting period
- Achievement rate in % (accumulated rate)
- Remaining values to be achieved
- Indicator specification / description / justification
- Indicator calculation / measurement method
- Source of verification
- Forecast for the next reporting period

Other important reporting contents

All projects reports require at least some information about:

- the **communication and visibility** activities and outputs and targeted information about the compliance of these activities with Donors communication and visibility requirements and rules;
- **Stakeholder** from different sectors/levels involvement, the general public, target groups, third country partners; links to other projects and programs;
- **Added value** of the project such as specific benefits and lessons learnt;
- **Project relevance/impact**. Description of innovative factors of the project; contribution to regional strategies, important policies, policy influence; description of the contribution to the program/program priority objectives;
- Crosscutting issues such as equal opportunities and/or sustainable development.

Information and description of **problems encountered during project implementation, projects amendments and delays** are also requested and often the description of problems is combined with a description/suggestion of solutions to the problem (planned or applied solutions).

Types of project modifications to be described in the reports can be **a) minor modification**, such as Administrative modifications (e.g. change of contact information, change of bank account), Budget modifications below the flexibility rule and activity modifications (time-schedule related modifications); b) **Major modifications such as** Modifications to the partnership (e.g. partner drop-out, new partner), Budget modifications above the flexibility rule; Significant modifications of the project content (e.g. considerable extensions of project duration, indicator target modifications, objective modifications

MINOR MODIFICATIONS	MAJOR MODIFICATIONS
Are in line with the approved application and do not have any significant impact on the project implementation. In a number of programs modifications of this kind do not require any formal modification procedure - sometimes the donor's agency has to be informed separately by the Lead beneficiary, in other cases a reporting of the change within the next progress report is regarded as sufficient. Many programs have a budget flexibility rule, which means that projects are allowed to reallocate a certain budget amount between budget lines, activities and sometimes also project partners without having to request for a change. In most programs these types of budget modifications can be, for example, up to 15 % (often only 10 %) and are considered as minor (no need for approval).	have a substantial impact on project implementation. Modifications of this kind require the submission of a project modification request form which has to be approved by the donor's bodies prior to its coming into force. In most cases major modifications result in the amendments to the Subsidy Contract, Project Partnership Agreement, Application Form and Budget (modification over the 15%).

8 THE EVALUATION PHASE: RELEVANCE, EFFICIENCY, EFFECTIVENESS, IMPACT AND SUSTAINABILITY

The Development Assistance Committee defines Evaluation as:
"An assessment, as systematic and objective as possible, of an on-going or completed project, programme or policy, of its design, implementation and results. The aim is to determine the relevance and the fulfilment of objectives, developmental efficiency, effectiveness, impact and sustainability"

Evaluation answers the question: AM I DOING THE RIGHT PROJECT?
While it is in principle possible to monitor a project without evaluating it, it will never be possible to evaluate a project without having monitored it.

Evaluation three main **objectives**:
1. **Learning**. Evaluations allow agencies and stakeholders to learn from experience, improve future interventions and support institutional learning. For this purpose, procedures have to be set in place to ensure that the lessons derived from completed projects contribute to feed future policy and project planning

2. **Empowerment**, by enhancing the capacities of local partners, project staff and project beneficiaries and stakeholders to use evaluations as an instrument of learning and control

3. **Accountability**. Evaluations allow agencies to account to funding agencies on the use of funds.

Characteristics of a good evaluation
To be a good evaluation it must respond to the following six criteria:

-   **Impartiality**. An evaluation must be impartial, Implying neutrality, transparency and fairness of the analysis and findings
-   **Credibility.** An evaluation must be credible, using appropriate evaluation design and reliable data that ensures the thoroughness of data analysis.
-   **Usefulness.** An evaluation must be useful for agencies and key stakeholders, who should benefit from timely contributions to decision-making processes and learn from the evaluation.
-   **Participatory.** Reflecting different stakeholders' interests, needs and perceptions.
-   **Economically worthy.** An evaluation must be Cost-beneficial, balancing the need for thoroughness and validity with appropriate return.
-   **Feedback.** An evaluation must give valid feedbacks for decision-making and organizational learning through systematic dissemination of findings

The five key dimensions of the evaluation

RELEVANCE
The relevance of a project relates to its design and concerns the extent to which the design:
   a)   Continues to reflect the beneficiaries' needs and addresses the identified problems.
   b)   Reflects development priorities and policies of local partners.
   c)   Contributes to the CSOs development priorities.

Relevance needs to be assessed throughout the life of the project and focuses on the appropriateness of the project design to the problems to be solved at two points in time: when the project was designed and at the moment of the evaluation.

The **analysis of relevance** refers to the continuing rationale of a project and focuses on:
- The consistency of the design with the local situation and coherence with other interventions
- Identification and selection of target groups/beneficiaries
- Identification of target groups/beneficiaries' needs and priorities
- Participation of local stakeholders in the design phase
- Assessment of local absorption and local implementation capacities
- Coherence with other development initiatives in the same country/region and/or sector
- Quality and evolution of the LF, including the assumptions and risks identified
- Realism in the selection of objectives and services to be provided
- Overall degree of flexibility

EFFICIENCY

The efficiency of a project relates to how:
a) Services were provided and managed
b) Foreseen activities were carried out in the most appropriate manner giving the available resources and time.
c) Services were provided and activities were carried out at the least cost to produce the expected results

Efficiency addresses the question related to whether similar results could have been achieved in a better way by other means at lower costs and in the same time, or at the same cost but in less time.
The **analysis of efficiency** focuses on the quality of the project management:
- Management of the budget
- Timely provision of services
- Relationship with stakeholders, beneficiaries and other local institutions/authorities
- Quality of monitoring procedures and practices, including the use of indicators of efficiency
- The use of the most cost-effective alternatives to achieve the results in comparison to similar projects or approaches.
- The unplanned results eventually arising from project's activities

EFFECTIVENESS

The Effectiveness refers to the extent to which:
a) The project produced the expected results
b) The results achieved lead to the project purpose

The effectiveness measures whether the planned purposes/outcomes have been achieved and whether the planned benefits have been reached by the intended beneficiaries.
The **analysis of effectiveness** focuses on:
- The factors influencing the achievement of the purpose, including unforeseen external factors.
- The management capacity to ensure that the results achieved allow the reach the purpose.
- The reaction of beneficiaries and the use of project results and benefits.
- The unplanned results that are likely to affect benefits.
- The potential effects of results obtained on crosscutting issues such as gender, environment and poverty reduction

IMPACT

The Impact refers to the effects of the project on target beneficiaries as well as to its wider overall effect on larger numbers of people, within the sector or in a geographic area, in terms of technical, economic, socio-cultural and institutional factors.

It relates to the relationship between the project's purpose and overall objectives, taking into account the fact that, at this level, the project is normally one of the variables contributing to the wider outcome.
The focus of analysis of impact is on:
- The extent to which the overall objectives were achieved and the contribution of the project to their achievement.
- The external factors that influenced the overall impact and the capacity of the project to respond to these factors.
- The possible unplanned impacts of the project and their effects on the overall impact.
- The possible longer-term effects of the project.
- The impacts of the project on gender-related, environment and poverty issues

SUSTAINABILITY

The Sustainability refers to the extent to which:
- The positive impacts of the project at the purpose level are likely to continue after the project assistance is over.
- The target groups/beneficiaries want - and can - take over the project activities and thus continue to accomplish the project objectives.

This criterion is very large, and the relative importance of the different issues will depend on the nature of the project and its relation with the local context.
Analysis of sustainability focuses on:
- Stakeholders' ownership of objectives and achievements
- Institutional sustainability
- Financial sustainability
- Socio-cultural sustainability
- Technical sustainability

Type of Evaluation

Evaluations ca be:
- Summative evaluations. Carried out when the project is over, and the aim is to assess effectiveness and impact.
- Formative evaluations. Usually undertaken earlier to gain an understanding of what is being achieved in order to introduce improvements.
- Quantitative evaluations. Focused on measurable inputs provided and changes that result from the direct implementation of projects' activities.
- Qualitative evaluations. Process oriented and focused on the assessment of changes of uncountable factors such as attitudes, behavior, skills, level of knowledge.

Evaluations can be differentiated, as well in terms of timing, agent and scope:

Timing	Agent	Scope
Ex-ante evaluation: an analysis of the relevance of a planned project considering also the results of similar projects implemented in the same area or in similar contests.	**Self-evaluation**: an evaluation conducted by people that are directly involved in the implementation of the project in the field.	**Project** evaluation: evaluation of a single project. **Programme** evaluation: evaluation of a programme composed by a number of projects.

Mid-term evaluation: an evaluation carried out during the project implementation with the purpose of assessing performance to date and provide recommendations for adjustments during the continuing implementation. **End-of-project** evaluation: an evaluation carried out at project completion. If the project is part of a multi-phase initiative, the evaluation provides information for consideration in the implementation of the subsequent phases. **Ex-post evaluation**: an evaluation carried out after (usually two/three years) project completion with the purpose of assessing the longer-term impacts and draw conclusions for similar interventions in the future.	**Internal (participatory) evaluation**: a flexible and interactive evaluation conducted by people who form part of the staff of the organisation that provided the aid but are external to the project. **External evaluation**: an evaluation conducted by those who are external to the aid organisation and the project **Rapid participatory appraisal** a qualitative evaluation, semi structured and carried out by an interdisciplinary team over a short time. It is used as a starting point for understanding a local situation and is a quick, cheap, useful way to gather info	**Country** evaluation: evaluation of development aid strategies and interventions in a particular country. **Sectoral** evaluation: cluster evaluation of projects or programmes in a sector or sub-sector as well as of general support of aid organisations to a sector.

Main TOOLS for Evaluation include quantitative and qualitative tools
- Survey
- Case studies
- Direct Observation
- Review
- Focus groups
- Semi structured interviews
- Analysis and elaboration of data

CRITERIA TO SELECT PROJECT TO EVALUATE
- When a project is properly formulated
- When the projects have a budget of a certain amount or more (e.g. more than 1M€ for EC projects).
- Whenever a second or additional phase of the project is proposed.
- When the project is considered to be innovative or strategic, in order to broaden the knowledge base to improve future interventions.
- When projects are considered seriously deficient, in order to learn from mistakes.
- When the intervention occurs over more years (e.g. at least three years).
- When projects are carried out according to specific financing/management schemes (e.g. when the project is co-financed by different donors).

PRE-REQUISITE FOR AN EVALUATION
A project is evaluable only it is properly formulated.
To this end you have to:
- ensure that the intervention logic is coherent and that all parts are clearly set out

- ensure that the M&E framework is feasible (ToR) and meaningful in relation to the project results and objectives
- ensure that the project plan provides for adequate monitoring and evaluation activities
- ensure that the lesson learned and best practices from previous projects have been incorporated
- ensure to set clear means of verifications

KEY QUESTIONS WHEN PLANNING AN EVALUATION / PREPARATION OF THE TERMS OF REFERENCE	POSSIBLE QUESTIONS FOR AN EVALUATION OF OUR PROJECT
Why is the evaluation being done? What is the purpose of the evaluation?	What significant changes have occurred in the lives of women men and children targeted?
What are the major issues to be addressed by the evaluation?	How far has greater equality been achieved between women and men and between groups?
What is the focus of the evaluation	What changes in policies, practices, ideas, and beliefs have happened?
What are the key questions that need to be answered?	Have those who benefit of the project and those who support the project been appropriately involved at all stages and empowered though the process
Who will conduct the evaluation? Who else will be involved?	Are the changes which have been achieved likely to be sustained?
Who will participate in the evaluation?	How cost effective has the intervention been?
Who are the key stakeholders to be involved? how they will be involved?	To what degree have we learned from this experience and shared the learning
How will the evaluation be carried out?	
What is the appropriate methodology?	
When will the evaluation be undertaken? Is the timing suitable for key stakeholders that need to be involved in the evaluation?	
How long will the evaluation take?	
How many persons-days should be calculated for external expertise?	
HOW MUCH will the evaluation cost?	
WHAT resources will be needed, financial and other?	

AUDIT

An Audit, is a specific evaluation, and it refers to the key areas of Accounting procedures, procurement procedures, inventory, handing over, staff recruitment, adherence to contractual provisions. It is the process of determining whether, and to what extent, the measures, processes, directives and organizational procedures of the aid organizations conform to norms and criteria set out in advance. The audit function is therefore more limited in scope than an evaluation, in that it only examines compliance with the legal and contractual obligations.

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. qualified opinion) that provides the intended user with a level of assurance about the activity/subject being audited.

- Assess 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;
- Whether project funds have been used effectively i.e. for purposes intended

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