Barbados Private Sector Project Proposal Hub

Manual for Writing Results Based Project Proposals

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Prepared for the BPSA by:

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Partnering to Solve. Succeed. Sustain

Contents

INTRODUCTION

The Barbados Private Sector Association & Private Sector Trade Team (BPSA-PSTT) intends to establish a Barbados Private Sector Project Proposal Hub *"to strengthen the capacity of the Barbados private sector, particularly the SMEs, to access… donor assistance that is available for enhancing the competitiveness of private sector enterprises."* This initiative is funded by UKAid, through the CARTFund, managed by the Caribbean Development Bank (CDB).

As part of the Hub initiative this Training Manual has been prepared for ongoing use by the BPSA-PSTT and others involved in proposal writing for the private sector. Its purpose is to assist private sector organisations to:

- better understand donor requirements;
- convert their business needs into Results Based development proposals; and
- obtain grant funding.

The Manual presents a generic, Results Based approach to project design and proposal writing while providing examples of approaches and templates used by specific donor agencies.

In following these guidelines to proposal writing, private sector organisations will build appreciation of the Results Based management practices and effective decision making required by donor agencies and funders throughout the project management cycle – from the identification of the business idea, problem or opportunity, through to project and proposal formulation, implementation and evaluation.

Acknowledgements

We are grateful to Mr. Joel Richards, Trade Consultant, BPSA-PSTT and Ms. June Alleyne-Griffin, CARTFund Coordinator at the CDB for their guidance and contributions. We are also thankful to all the Barbadian private sector partners and donor agency representatives who have so willingly shared their information, experiences and plans.

We hope this Manual will serve its purpose in assisting you to fulfill your role in developing Caribbean competitiveness.

Sincerely,

The BPSA Private Sector Project Proposal Hub Team

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Melvin Edwards

HOW TO USE THIS MANUAL

Modules on Major Topics

A good proposal emanates from a good project design; a well designed project can be adapted to the proposal requirements and templates of most donor agencies. For this reason, we have written this Manual as a series of Modules to address the range of needs in project design and proposal preparation:

- Module One: Understanding Development/Donor Agencies
- Module Two: Results Based Project Design
- Module Three: The Results Based Work Plan & Budget
- Module Four: Project Team Building
- Module Five: From Project Design To Proposal Submission

As well as a complete Manual, each Module serves as a standalone package for instruction, training or guidance on a specific topic.

Toolkit

The Manual includes a Toolkit section with sample templates and formats commonly used by donor agencies, and samples that users may adapt to meet the needs of their project design and proposal submissions. These are referenced at relevant points throughout the Manual and are colour coded to correspond to each Module as follows:

- **Module One** **Understanding Development/Donor Agencies** **No Toolkit**
- **Module Two** **Results Based Project Design** **Toolkit A**
- **Module Three** **The Results Based Work Plan & Budget** **Toolkit B**
- **Module Four** **Project Team Building** **Toolkit C**
- **Module Five** **From Project Design To Proposal Submission** **Toolkit D**

A-Z Guide

The A-Z Guide provides a glossary of commonly used acronyms and development terminology to assist in interpretation and in following correct procedure.

Learning from Common Mistakes

In a recent Needs Assessment for training in proposal writing among the private sector in the Caribbean, donor agencies identified common mistakes or weaknesses observed in their proposal evaluations. Most of them are key to building a Results Based project and proposal. The top ten, most frequently observed proposal weaknesses, are listed below:

1. Not identifying the real project stakeholders and not securing their ownership at the design stage.
2. Not carrying out and/or documenting the project baseline.

3. Not demonstrating the rationale or need for the project.

4. Assuming that successful implementation is only about completing Activities with donor resources; i.e. just converting activities into outputs without attention to actual Results.

5. Not identifying Objectively Verifiable (measurable) Indicators (OVIs) to quantify and qualify project results and success.

6. Not demonstrating the intent to manage at the Results level; i.e. the OVIs and Assumptions.

7. Not developing a Logical Framework (LF) and/or not converting the LF into a Results Based implementation plan or work plan.

8. Not adhering to the proposal submission deadline.

9. Not using the prescribed application form.

10. Not providing a justified/defendable Budget.

At relevant points throughout this Manual, we show where and how these mistakes occur – look out for the Post-its!

Post-Its

"Post-it" notes in the margins emphasize certain points and provide cross references, including references to the Common Mistakes and relevant Toolkit material.

Wider Margins

The user may take advantage of the wide margins for note taking.

Further Reading

As organisations change, so we cannot guarantee the ongoing relevance of the recommended approaches in this Manual. At the end of Module One we provide references for further reading so that readers can access more information on international donors and their specific resources, and ensure currency in relation to new programming and approaches.

In addition, a simple internet search will churn up numerous project and proposal manuals, guides and templates. There are many different types of projects requiring different approaches to design and implementation. Our simple advice: select your sources carefully to ensure a good fit between the resources you use and the needs you are trying to meet.

MODULE ONE

UNDERSTANDING DEVELOPMENT/DONOR AGENCIES

Donor Policy and Programming	→	Recent Trends	→	Accountability & Results Based Approaches

Given the BPSA Proposal Hub's focus on the "*EPA's development co-operation package and other donor assistance*" it is important to have an understanding of the context of "donor assistance." This Module provides an introduction to the international donor community and a general description of how they work in order to for us to better appreciate their project proposal requirements. Proposal writers often find themselves faced with what seem to be complicated forms and instructions and excessive demands from donor agencies – getting to know the donor helps us to appreciate their need for certain types of information and to understand their way of communicating.

Donor Policy and Programming

Some of the main international development donors and lenders currently active and providing financial assistance to Barbadian organisations are:

- European Union;
- United Kingdom Department of International Development (UKAid, formerly DfID);
- US Agency for International Development (USAID);
- Canadian International Development Agency (CIDA);
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH (the German government enterprise for international development);
- Caribbean Development Bank (CDB);
- Inter American Development Bank (IADB);
- The Commonwealth Secretariat (ComSec);
- The Centre for the Development of Enterprise (CDE);
- United Nations Development Program (UNDP); and
- The World Bank.

The basis for bilateral (government to government) donor assistance is often an evolution of the historical relationship between the donor and recipient countries. Typically, the donor government conducts cyclical reviews of development assistance allocations based on regional and/or country assessments and geographic and thematic commitments. Development assistance is most often driven by the donor countries:

- strategic objectives in that region/country;
- government policy and development agendas; and
- framework for Accountability to the taxpaying citizenry.

As well, it results from agreement between donor governments themselves, through and in conjunction with the multilateral institutions.

In 2000, under the auspices of the UN General Assembly 189 countries committed to the achievement of eight Millennium Development Goals (MDGs) by 2015. These are to:

- eradicate extreme poverty and hunger;
- achieve universal primary education;
- promote gender equality and empower women;
- reduce child mortality;
- improve maternal health;
- combat HIV and AIDS, malaria and other diseases;
- ensure environmental sustainability; and
- develop a global partnership for development.

Since then, donor governments are required to frame development assistance programming and reporting in accordance with their commitments to furthering the achievement of the MDGs.
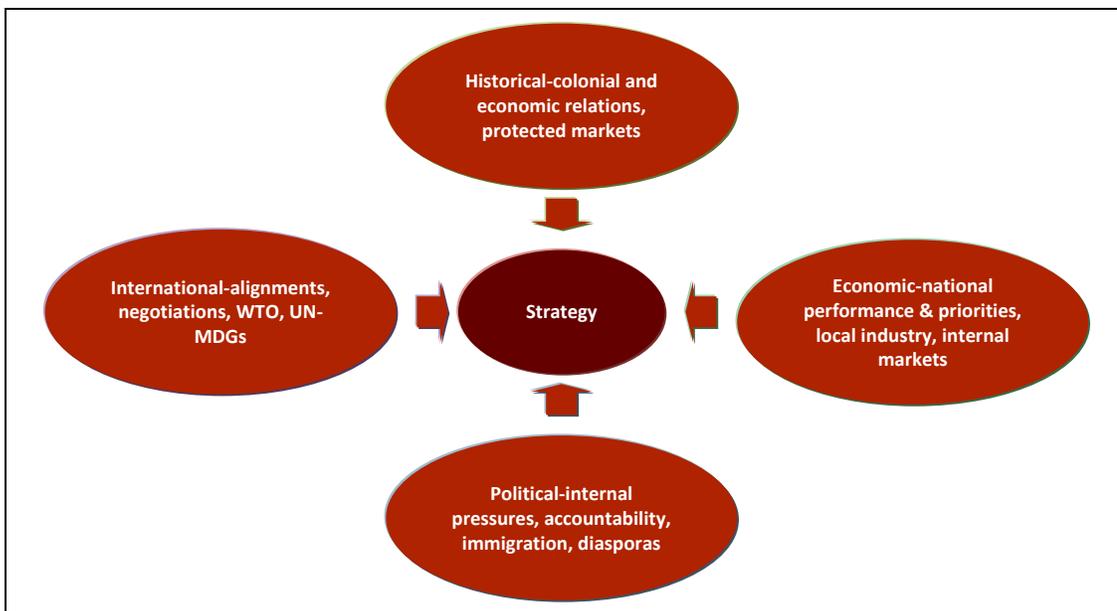
Factors that Influence Donor Strategy

The question of what donor assistance is available to a particular organisation in a particular sector of a country in a region therefore depends on the filtration of a range of influencing factors. The cyclical nature of donor programming (usually in a five-year cycles) allows donor programming to reflect shifting commitments and emerging priorities in the international community.

It is important to note that donor agencies deliver development assistance through particular programmes and projects within the cycle. When seeking assistance we need to not only identify a donor but also to find a specific donor programme or project that fits with our funding needs. For example, the EU delivers a great deal of assistance to the

Caribbean Region, and there are various EU-funded programmes with different areas of focus. Each programme will have its own criteria, deadlines, funding limits, and requirements for applicant contributions or co-funding.

The donor programming cycle often brings change in thematic emphases, usually responsive to common international trends in socio-economic development and human existence. These are often informed by international events and research. Donor agencies typically require attention to cross-cutting themes in all projects, regardless of the sectoral or geographic focus. Most have developed guiding principles or policies on cross-cutting themes which must be adhered to and measured in all projects.

Over the past ten years, donors have demonstrated commitment to the following cross-cutting themes:

- environmental sustainability, climate control;
- gender equality;
- good governance, rule of law, human rights; and
- poverty reduction, wealth creation.

Recent Trends

Within the past decade, the traditional donor-recipient (or beneficiary) relationship has evolved to reflect shifting geopolitics, regionalisation, new trade partnerships and negotiating blocks and strengthening negotiating capacity among developing countries. The transition from a donor-beneficiary relationship to partnership is evidenced by the following trends:

Donor determined programming and funding	Increased & improved bi-lateral & multi-lateral negotiation
Donor country-led implementation and expertise	Increased emphasis on local capacity building
Donor assistance tied to deployment of national expertise	Improved engagement of local expertise and resources (untied aid)
Government to Government programming	Increased engagement with civil society and private sector
Government-led implementation	Innovative delivery mechanisms
Focus on disbursement and delivery	Focus on Results & Aid/Development Effectiveness

Recent Trends in Donor Approaches

On the recipient side, this dynamic is resulting in deeper engagement in development planning and programming. In this context, private sector partners and are not simply recipients, grant seekers or beneficiaries; rather they are business partners seeking to address a particular industrial or commercial problem or entrepreneurs wanting to seize a business opportunity, such as those offered by the EPA. This engagement is changing the way we approach and access donor funding.

Accountability and Results Based Approaches

The focus on Results and more recently, Aid or Development Effectiveness, has resulted from increased demands for accountability: from taxpayers, government and agency watchdogs, civil society groups, the international community; from donors on account of what they give, and from partners on account of what they receive and how it is disbursed.

Results Based Management (RBM) approaches have been in use in various forms for over thirty years. Among international development and donor agencies RBM was adopted as a response to increased demands for accountability and has been in use in most agencies since the early 1990s.

For CIDA, Results Based Management is *"...a life-cycle approach to management that integrates strategy, people, resources, processes, and measurements to improve decision making, transparency, and accountability. The approach focuses on achieving outcomes, implementing performance measurement, learning, and adapting, as well as reporting performance."*

MODULE ONE

UKAid states that Results Based Management is *"Embedding evaluation... is changing the way we design aid programmes so that evaluation considerations are 'embedded' in our programmes at all stages of the project cycle. This means clear assessments of the evidence for what does or doesn't work in the initial stages of programme design, collection of baseline data and effective evaluation over the life of the programme and beyond."*

Described in greater detail in Module Two, RBM is the donors' expected and required approach to project design, management and implementation, as well as proposal writing. With Results Based methodology has emerged a form of jargon and specific terms may vary among donors. While the overall principles and approaches are similar, it is important to use the agency specific templates and terminology when preparing a proposal for a particular donor.

Further Reading

The following list of international donor and financing institutions is by no means exhaustive – there are many other agencies providing a range of development assistance programming. However, for those who wish to keep abreast of changes in international development programming and approaches, and for further information on specific development agencies, we recommend the following websites, each with their own reference material and onward links.

- CDB   http://www.caribank.org
- CDE   http://www.cde.int
- CIDA   http://www.acdi-cida.gc.ca
- ComSec   http://www.thecommonwealth.org
- Europe Aid   http://ec.europa.eu/europeaid/index_en.htm
- GIZ   http://www.giz.de/en/home.html
- IADB   http://www.iadb.org
- UKAid (DfID)   http://www.dfid.gov.uk
- UNDP   http://undp.org
- USAID   http://www.usaid.gov/
- The World Bank   http://www.worldbank.org/index.html

RESULTS BASED PROJECT DESIGN

| What is a Project?	→	Key RB Steps to Design	→	The LFA	→	Managing Progress

What is a Project?

A project is a sequence of actions or activities aimed at achieving specific objectives to address a particular problem or opportunity within a defined period of time and utilising a defined set of resources and budget. A project should have:

- a well defined problem or opportunity;
- clearly identified stakeholders and beneficiaries, including the primary target group and all others who may be affected by the activities and intended results;
- clearly defined resources, including the human resources for management and technical expertise, material resources, time and financial arrangements; and
- a performance management framework (to enable monitoring and evaluation of activities towards objectives).

Projects can range greatly in size and scope. Smaller projects may have lower budgets, shorter delivery timescales, fewer people and resources, lower risk, less challenges/issues but they are not necessarily easier to manage!
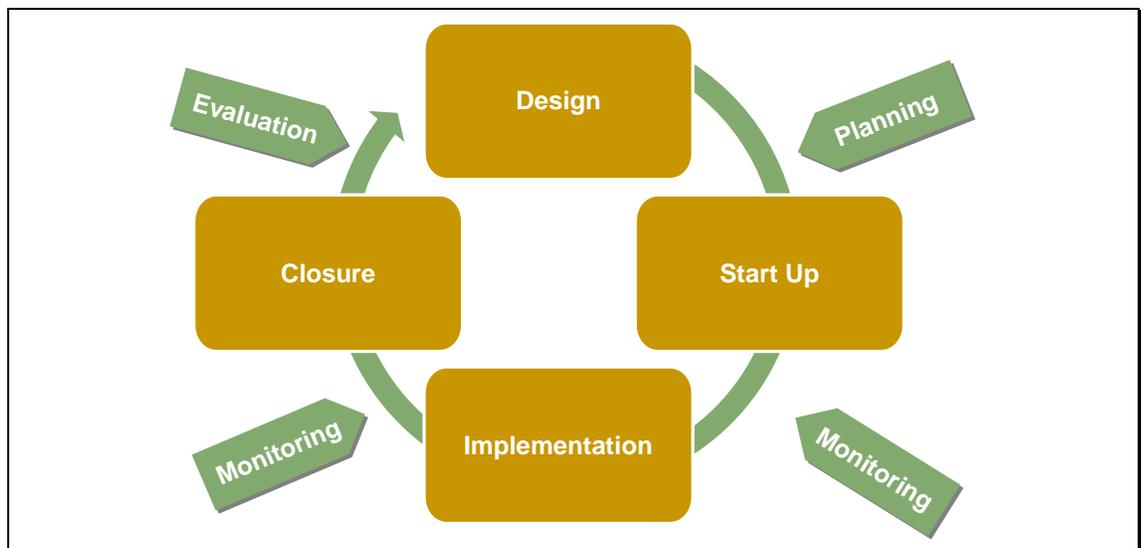
A Project Cycle

Many people believe that planning a project is a bit like making up a "Things to Do" List; simply entailing a list of activities, resources and a schedule. In reality, project design should be based on and be consistent with your business strategy and business plan. You should include an appropriate level of financial and economic analysis to confirm that the costs justify the expected gains. Planning an investment and related activities within a Results Based project construct can greatly facilitate management and monitoring of the investment and change processes.

Key RB Design Steps

The intent of Results Based Management is set to clear goals and objectives; establish indicators to monitor and evaluate progress towards attainment of the goals and objectives; and to promote accountability. In simple terms, RBM leads us to focus on the returns – qualitative and quantitative – on the investment, and the proper measurement of and accountability for those returns.

Results Based (RB) project design:

- identifies beneficiaries and benefits;
- specifies performance targets (results) and indicators;
- identifies risks and processes for managing risks;
- integrates lessons, planning and decision making; and
- enables reporting on results achieved, as well as resources utilised.

It's all about **Accountability**!

The Results Based design process includes a number of key steps, summarised in the table below and addressed in greater detail in the following pages. We strongly recommend that these steps be undertaken in a team environment that brings together the range of skills, knowledge and experienced required by the project, such as technical or subject area experts, trainers, administrators, financial managers. This enables a well-rounded approach from the outset so that opportunities and risks can be brought to light and addressed early on in the process. Usually one person takes on the role of coordinating the process, keeping tab of all the discussion, findings and overall project evolution. It may also be a good idea to agree on a work plan or schedule for project development, assigning responsibilities and setting dates for the completion of the different tasks.

Key Step	Process
1. Problem/Opportunity Analysis (Situational Analysis)	a. Identify the main issues, problems or opportunities. b. Establish cause and effect relationship between the problems or what it will take to make use of the opportunities. c. Get to the root causes (Research! Research!). d. Identify the relevant stakeholder groups.
2. Stakeholder and Beneficiary Analysis	a. Identify the populations most affected by the problems or potentially, the opportunities. b. Identify what the roles and interests of different stakeholders might be in tackling the problems or in seizing the opportunity. c. Specifically identify and consult with the range of beneficiaries/target groups. d. Identify potential sources of support, ownership and engagement.
3. Objectives Analysis	a. Use the findings of Steps 1 & 2 to prioritize the problems or opportunities and the stakeholder groups (who is affected and how are they affected?). b. Change the negative problem statements into positive objective statements (thereby establishing the expected results; the means to end relationship).
4. Identification of Risks and Assumptions	a. Identify the threats and risks to the attainment of the objectives identified. b. List your assumptions.

Key Step	Process
5. Review of Objectives	a. Are the statements clear and unambiguous? b. Are the links between the statements logical and reasonable? c. Do the risks to attaining the objectives and having sustainable outcomes appear to be manageable?
6. Choosing an appropriate implementation strategy/methodology	• Should all of the problems/issues/opportunities identified be addressed and in what sequence? • What menu of interventions is most likely to achieve the desired results and promote sustainability of benefits? • What are the likely costs of sustaining the various potential interventions? • What can we learn from other initiatives and how can we complement or build on them? • Is the strategy clean, safe, equitable, non-discriminatory (check for potential issues related to the environment, gender equality, human and child rights, etc.) and in compliance with donor policies on cross cutting themes? • How can any negative social or environmental impacts be addressed? • Which strategy will most support capacity development?

Defining the Problem or Opportunity

A project proposal often begins as an idea – as an innovation, or the possible solution to a problem. There are a number of steps we should take to assess the feasibility of that idea and move it toward a sound, viable project proposal. If we are seeking to correct a problem, we need to thoroughly assess the problem in order to sufficiently address all the factors of that problem. Similarly, if we are seeking to take advantage of an apparent opportunity, we should consider whether we can in fact bring about the desired effects of that opportunity. In either case, we need to consider all the influencing factors (human, financial, material and circumstantial) that will enable or obstruct our approach.

A clearly defined problem or opportunity is important in order to persuade your potential funder of the case for your project proposal. It is the basis of the rationale or justification for the investment.

Common Mistake #3!

The Case of Nature's Taste

Problem: Our company, Nature's Taste, is making some excellent natural food flavours from Caribbean grown products but the local market is not absorbing our product...

Opportunity: Our company, Nature's Taste, is making some excellent natural food flavours from Caribbean grown products. With our production capacity we should be able to export...

Situational Analysis

Originally a marketing term, Situational Analysis refers to the assessment of internal and external factors and market trends in order to qualify the environment for business. These would include the potential customers and competitors, the company's own

capabilities and its competitive advantage. The same kind of approach is required in order to further define and/or validate the project idea or concept. There are different ways to do this, depending on the nature of the project. The following table provides some examples.

SWOT Analysis	A planning method used to identify and measure the relative Strengths, Weaknesses, Opportunities, and Threats of an organisation, community or business. The analysis forces the identification of internal and external, favourable and unfavourable factors affecting a business objective, e.g., assessing the policy framework and any incentives that present business opportunities. It is a full view assessment of the operational or project environment and internal and external conditions.
Capacity Check	Addresses the internal strengths and limitations of an organisation or system. There are a range of Capacity Check tools and methodologies but most rely on a self-assessment approach. This may be useful to determine that your organisation is actually capable of implementing the proposed project activities and identifying areas for improvement.
Gap Analysis	A comparison of "where we are now" and "where we want to be" – the process assesses actual organisational performance against potential performance and identifies areas of need to achieve the potential. The process reviews current strategy, internal resources and resource allocation to highlight optimisation of current resources, as well as to identify additional requirements to achieve the desired state.
Needs Assessment	Involves the identification and prioritisation of the needs of a community or organisation in order to develop an appropriate strategy. A needs assessment may highlight issues or factors within a community, organisation or service delivery setting that may interfere with or facilitate a proposed intervention.
Baseline Assessment	Often part of a Situational Analysis and is *always* required in project design in order to establish the starting point for ongoing performance measurement and evaluation. The baseline is your ground zero, your starting point, the point at which you begin to measure change. In a baseline assessment we collect data on the focus population and other targets (products, sales, exports, etc.) prior to, or at the beginning of a project. The baseline information also serves as an indicator of need.

Approaches to Situational Analysis

In determining your approach to Situational Analysis, consider the type of project you are seeking to design (e.g., is it market focused or people focused), your time frame, access to information and people, and the related costs.

Our sample company, Nature's Taste, would likely undertake a SWOT Analysis to review internal operations and capacity as well as the external conditions for exporting.

MODULE TWO

The Case of Nature's Taste

INTERNAL

POSITIVE

Strengths
- high quality product
- reliable suppliers
- positive reputation in local market
- committed workforce

Weaknesses
- unknown in export markets
- production system not documented
- not certified to quality, safety standards
- inadequate staff skills
- limited marketing know-how
- low capacity utilisation means high unit costs

NEGATIVE

Opportunities
- potential export sales in UK, EU
- participate in regional, international industry shows
- use tourism to boost future export sales
- exploit indirect marketing through media
- increase institutional sales in local market
- hire overseas agents, distributors

Threats
- unused capacity drives costs up
- current competitors may grow
- new entrants (foreign or local) in local market
- economic slump
- suppliers fail or quality deteriorates

EXTERNAL

Stakeholder & Beneficiary Consultation and Analysis

Stakeholders are individuals' organisations who can affect your project, either positively or negatively. A thorough Situational Analysis will include an assessment of the project stakeholders – their potential influence, roles and responsibilities, and how the proposed project will affect them. It is very important to identify all the members of the potential range of stakeholders – from the most significant to the least likely to be affected or involved – and to consult with the key stakeholders on your design. For example, you may wish to collaborate with members of a focus population you wish to serve and to engage with other groups bringing relevant expertise and experience in the field you are targeting. Involving potential stakeholders will help determine their needs and help you to validate your plans. The funding agency will want to see evidence of stakeholder input in your design and of ongoing stakeholder engagement in your project implementation plan.

Common Mistake #1
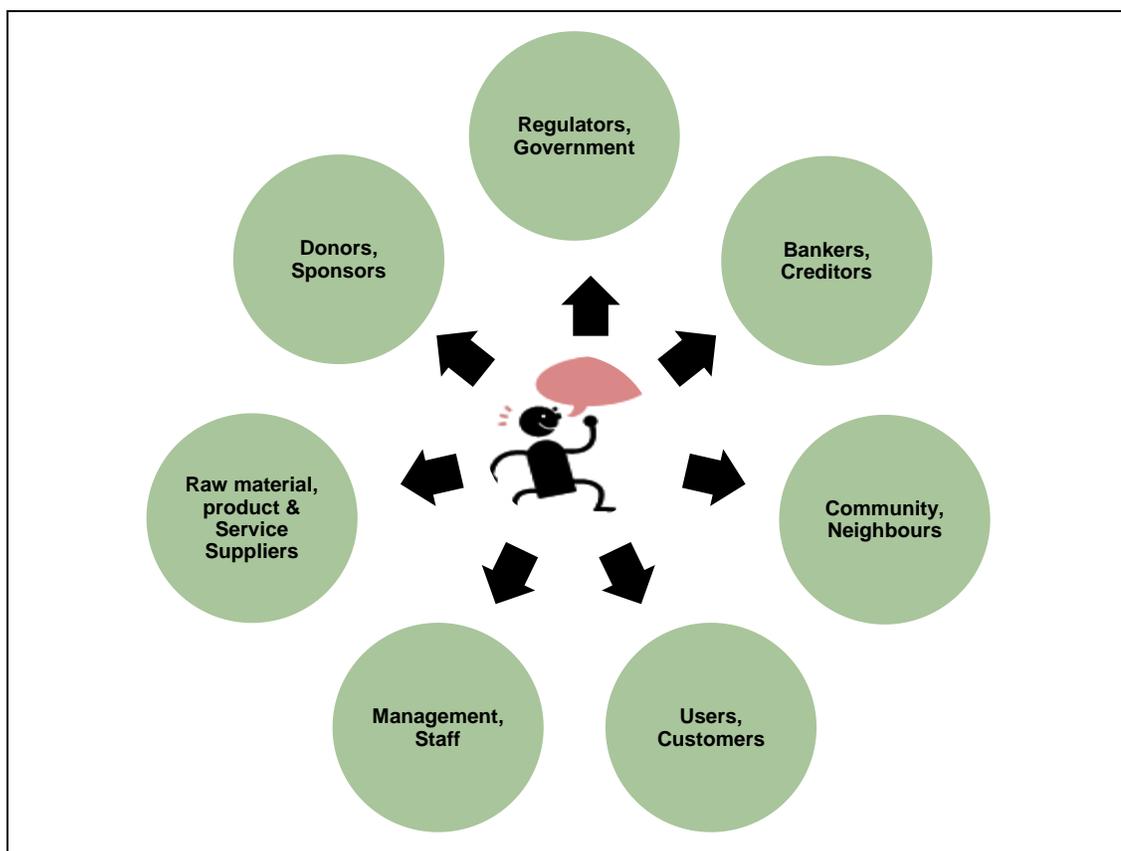
Some useful practices in stakeholder analysis (and stakeholder management later on in your project implementation) are:

- List the known project stakeholders and document their contact data, roles and responsibilities, and other information you will need for stakeholder management and ongoing communications.

- Discuss the project with the identified stakeholders, and use the opportunity to probe for additional stakeholders.

- Analyze the likely impact each stakeholder could have on your project.

- Develop a plan for ongoing interaction with stakeholders and management of their expectations.

- Explore possibilities for improving your relationships with stakeholders who can help your project, e.g., depending on the size and scope of the project, you may need to build in mechanisms for ongoing stakeholder involvement, such as advisory groups or steering committees that would meet on a regular basis to review project progress and participate in planning.

To demonstrate stakeholder engagement, your proposal should describe the processes involved (consultations, surveys, letters, etc.) and append supporting documentation (minutes of meetings, reports, memoranda of understanding, etc.).

Beneficiaries

Project beneficiaries are those persons or groups who will derive advantage from the results of your project. Some of your stakeholders will also be beneficiaries. There may

also be indirect beneficiaries; i.e., those who will derive some benefit though they are not actively involved in the project.


The Case of Nature's Taste
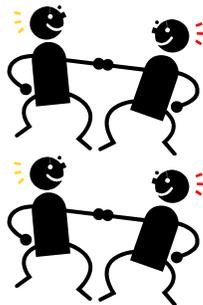
Our Direct project beneficiaries:
- **Nature's Taste** employees.
- Cocoa, banana, vanilla, mango farmers.

Indirect beneficiaries:
- Consumers of our natural, healthier product!
- Other agro-processors who can learn from our experiences.
- The Caribbean region, when our Caribbean brand is successful in overseas markets!
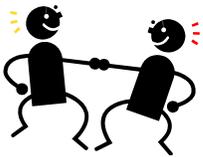
Setting Objectives – Analysis and Review

The Situational and Stakeholder Analyses will help you to clarify your problem or opportunity and from this, to identify and prioritise your project objectives.

In most cases your objectives should specify:

- *Who* will be reached?
- *What* change will be achieved?
- *When (in what time period)* the change will be achieved.
- *Where (in what location)* the change will be effected.

You will likely find that you have more than one objective and that the objectives vary between longer and shorter terms. You can divide these into long term objectives and those that you want to achieve by the end of the project. *Most donors will require you to do this in a very specific way, using their terminology.*

The Project Goal – the Overall Objective – the Ultimate Outcome

The project goal refers to a high level, long term change, often beyond the intended scope of your project but to which your project could contribute, e.g., improved sector performance in the national economy, strengthened position in hemispheric trade agreements. Your project will help meet the Overall Objective, but it cannot to do so alone. The donor may require your project to fit into a larger programmatic thrust, and this may inform your overall objective. In this instance, you will not normally be required to measure your project performance towards the achievement of the goal during the life of your project – this becomes the donor's responsibility in post project evaluation.

The Project Purpose – the Specific Objective – the Intermediate Outcome

Specific objectives or intermediate outcomes refer to the changes you expect to result from your project. These are more specific than goals and can be more easily identified as having occurred at a certain time, within a certain place and can be measured, e.g., change in industrial policy or increase in company exports to a particular market. Unlike a goal, which a project will only partially contribute to achieving, the project objectives do need to be achievable and measurable within the scope of the project.

Your objective statements should be "**SMART**":

- **S**   *Specific* to avoid differing interpretations.
- **M**   *Measurable* to monitor and evaluate progress (preferably quantitative).
- **A**   *Available* or *Appropriate* to the problems, goal and your organization.
- **R**   *Relevant, Realistic* (attainable), yet meaningful.
- **T**   *Timely* – with a specific time for fulfilment.

Be careful when specifying a target amount of change in an objective. If the target is not realistic, your project may be considered a failure if it is not met—even if the results achieved are impressive. Consider also: we cannot identify a target if we do not have the baseline data to show the change!

> Communicate Change! Use verbs that indicate change and direction, e.g., increase, reduce, strengthen, improve, enhance...

Result Statement	Issue	Is it a strong result statement?
1. Increased exports	Does not identify for whom or where the expected change will occur	Not strong
2. Increased exports of [your company's product] to UK markets		Stronger
3. More women will be employed	Doesn't clearly indicate direction of change	Not strong
	Does not identify where the expected change will occur	
4. Increased employment opportunities for women in [sector]		Stronger

SMART Objectives

The Case of Nature's Taste

Having **completed our situational analysis and consulted with our stakeholders, we are able to state the following project objectives.**

Overall Project Objective:
- Increased exports of Caribbean agro-processed goods to EU markets.

Specific Objectives:
- Penetrated UK export market by May 2013.
- Increased sales of banana and mango flavours by 15% and vanilla and cocoa flavours by 12% over 12 month period starting April 2013.

Identifying Risks and Assumptions

Our project objectives are always based on certain assumptions we make during our Situational Analysis. Assumptions are those external factors and conditions that we expect to be in place in order for our project activities to have the desired effect and for us achieve our objectives. In identifying the Assumptions, we are assessing the contextual environment for our project and in so doing we are also exposing potential Risks. Assumptions have the potential to influence the project's activities and results and are usually outside our sphere of influence. For example, our stakeholder consultations often serve to raise issues related to policy, regulation and legislation, political stability, economic performance, climatic conditions, etc. We can assume certain conditions will be in place in order for the results to be attained, e.g., the government may need to draft and enact certain legislation or certain raw materials have to be in supply. In this sense Assumptions are the opposite of Risks – the Assumption being a positive and the Risk a negative.

Most projects present an element of risk to the lead organisation and stakeholders. The Situational Analysis will help identify those assumptions and risks early on but even so there will be areas of uncertainty. In validating your project and building the rationale, you will measure the extent of risk and develop strategies to mitigate or avoid risk. In determining the potential risk attached to an Assumption, we need to analyse the probability of the Assumptions holding true. This can only be done through considered analysis and dialogue and invariably includes a degree of subjectivity.

If this process reveals an unrealistic Assumption, we need to consider whether our design needs to be adjusted to reflect reality. It may be that an objective needs only to be modified, or it may point to more serious issues which question the overall validity of our project design. If the Assumptions are indicating a high level of project risk, it may be that we have to abandon the investment altogether as the objectives are currently unattainable.

The Case of Nature's Taste

Project Assumptions

1. Raw materials will remain in good supply and of consistently high quality.
2. Costs of export remain constant (quality controls, shipping, duties, etc.).
3. Processing plant maintains capacity.
4. Skilled labour available and committed to product.
5. Level of competition remains constant.

Project Risks

1. Climatic events reduce supply of fruit.
2. Proposed legislation leads to increased export costs.
3. Older processing equipment needs repair/replacement.
4. New agro-processing facilities affect labour supply.
5. New market entrants producing comparable product at competitive prices.

Project Approach, Methodology and Implementation (Activities)

The project approach or methodology is the detailed description of activities you will undertake to solve your problem or make use of your opportunity; i.e., to achieve the

project objectives. The term "activity" can refer to a specific task or group of tasks. When activities are referred to broadly or when they are grouped together, they are sometimes called "strategies" or "interventions." Activities can take many forms, e.g., survey and analysis, communication, training, technical advice, procurement of material or equipment, systems design and installation, etc.

When planning your activities, consider your ability to implement; the skills and resources of your organization and your partners. Consider your ability to conduct the activities and whether or not you require external support. If you know of similar projects that have occurred in the past, try to learn from their lessons in carrying out activities. This is important in cross checking the feasibility of achieving your objectives – if some actions are out of your range, you may have to find a project partner or adjust your objectives to reflect your reality.

Your activities must seek to enhance capacity for sustainability. Use this opportunity to explore strategies that will facilitate sustainability, e.g., through training and knowledge sharing. As much as possible, use what technical expertise is to be provided under the project to strengthen your internal capabilities and those of your stakeholders.

See Nature's Taste Logic Model below!

A donor will be skeptical of a project design that does not account for post-funding continuity. Donors rarely approve project funds to pay for staff and operational costs. Your proposal must demonstrate plans to ensure that your organisation will be able to financially sustain the project results.

Your project strategy must consider the beneficiaries as well as your range of stakeholders and how they will be affected by your planned activities. Your methodology should consider possible "side effects"; it should be clean, safe, equitable and non-discriminatory. It is important to be aware of and conform to any donor policies related to the environment, gender equality, human and child rights, etc. If there are any potentially negative social or environmental impacts, your methodology will have to address these.

The following methodology checklist will help you meet the usual donor criteria:
- Technical feasibility of the proposed activities.
- Compatibility of the project with business strategy and sector strategy.
- Your organisational capacity to deliver.
- Contribution to institutional strengthening and management capacity building.
- Sustainability of the benefits.
- Clear benefits to target groups demonstrating equity and participation (social inclusion, gender equality, etc.).
- Alignment to the funder's priorities.

Project Structure

Activities are usually listed by number and sometimes in chronological order, though activities can occur concurrently. For larger activities comprising a group of tasks, list the related tasks in a sub numbering system. This will help you organize the work and

reference activities in other parts of the proposal (e.g., the budget), as well as during implementation and in progress reports.

The Logical Framework Approach

Some donors will expect you to provide a Logic Model or Logical Framework for your project and will use this as the basis for monitoring your project implementation. The precursor to RBM, the Logical Framework Approach (LFA) was developed in the late 1960s by the United States Government to improve project planning, management and evaluation. The Logical Framework Matrix (LFM), Logic Model (LM) or Logical Framework (LF) documents what your project will accomplish, how it will accomplish it and how you will know whether it has been accomplished. It is the documented product of your analytical design process and provides a template for organising, checking and recording your design.

The LFA is very helpful in building a strong project rationale through a logical chain of inputs, actions and results. Once confirmed, the LF becomes useful in implementing your project because it provides a detailed visual overview of your project and how it will be evaluated. It then forms the basis of project monitoring and performance assessment. This is why donors will expect stakeholder participation in the approach and buy-in to the final LF. If you have undertaken a Results Based approach to designing your project, the information, analyses and decisions you have made can be adopted into the logic model.

International development organisations tend to have their own variations on logical framework templates and terminology. If a LF is requested, identify whether your potential donor has a required format and if so, observe that format.

The typical LF can be divided into two main components: 1) the description of your project, and 2) the provisions for measuring your results.

The first column of the LF presents the basic structure of your project (the Invention Logic or Project Description) – the same as you would have developed in the RB approach:

- What change you will contribute towards or problem you will contribute towards solving (goal).
- What you wish to achieve (objectives).
- How you propose to do it (activities).

The following two graphics compare the first column of the EU and CIDA Logic Models. They may help you in understanding variations in terminology and in furthering your appreciation of the Results chain.

Common Mistakes #4 and #7!

See two LF versions in Toolkit A!

Overall Objective	• The overall broader objectives to which the action will contribute
Specific Objective	• The specific objective the action is intended to achieve to contribute to the overall objectives
Expected Results	• The outputs envisaged to achieve the specific objective
Activity	• The key activities to be carried out in sequence in order to produce the expected results

The EU Logic Model

Outcome – Ultimate	• Your goal • Highest level change that can be attributed to the initiative
Outcome – Intermediate	• Medium term objective or purpose • Change that is expected to logically occur once immediate outcomes have been achieved
Outcome – Immediate	• Short term objective • Change that is directly attributable to the initiative outputs
Output	• Direct product, service stemming from the activity
Activity	• Action taken or work performed
Input	• Financial, human, material resources and information used to conduct an activity

The CIDA Logic Model

Using the EU Logic Model, we can see how our Nature's Taste project is beginning to take form:

The Case of Nature's Taste	Intervention Logic
Overall Objective:	- Increased exports of Caribbean agro-processed goods to EU markets
Specific Objectives:	1. Penetrated UK export market by May 2013 2. Increased sales of banana and mango flavours by 15% and vanilla and cocoa flavours by 12% over 12 month period starting April 2013
Expected Results:	100 – Product samples accepted by UK buyers setting stage for negotiation 200 – POs from up to 4 buyers for 3 shipments of mango & banana and 2 each of vanilla & cocoa 300 – All plant processes compliant with HAACP, etc. 400 – Product packaged in compliance for shipment 500 – Plant operating efficiently and to requirement
Activities:	Activity 101 - Prepare and send samples to identified potential clients in UK Activity 201 - Negotiate and finalise trade and shipping agreements Activity 301 - Train staff to required HAACP standards Activity 302 - Implement quality controls in plant and set up monitoring system Activity 401 - Prepare packaging and labels for UK market Activity 501 - Design and launch website with online ordering and payment system Activity 502 - Organise office & accounting systems to handle new client load

The second set of LF columns relate to your ability to assess and report on your progress in achieving the items in the first column:

- How you will show that the objectives were reached (results and performance indicators).

- Your means of verification of indicators (data sources).

- How often you will collect data (frequency).

- Who on your team or among your stakeholders will collect the data (responsibility)?

Managing Progress towards Objectives

The Logical Framework forces us to consider the resource implications for project implementation and monitoring. In our Situational Analysis, we would have established the baseline – the point from which we expect change to occur. In our Intervention Logic

we have defined our expected results and our methodology. Now we have to consider how we are going to measure our project performance in order to know whether we are achieving target.

A performance indicator is a sign or measure of a concept or behaviour. It is not necessarily the concept or behaviour itself, but a reflection of that concept or behaviour. The logic model requires us to identify two types of indicators – those that show project progress are Process indicators; and those that show results which are Results indicators.

Process indicators provide evidence of whether the project is moving in the right direction to achieve an objective. Process indicators give information about the activities being implemented, such as what and how many activities were conducted, and who participated in the activities. Because process indicators provide information about the implementation of activities, they should be collected throughout the life of the project. While process indicators do not measure change, they are important in demonstrating the way in which project activities are conducted, and are therefore important signs related to the achievement of objectives. They are useful in informing project evaluations and providing lessons for implementation.

Common Mistakes #5 and #6!

Results indicators provide information about whether an expected change occurred. Results indicators measure the changes that your project's activities are seeking to produce (the project objectives). This type of indicator is often stated as a percentage, ratio or proportion to allow you to see what was achieved in relation to your baseline and target group. Results indicators should be a direct reflection of your objectives. Because results indicators tell whether or not an objective was achieved, every objective should include at least one results indicator.

Objectively Verifiable Indicators (OVIs)

An important consideration in identifying our performance indicators is that we can actually access the relevant data from reliable, credible sources. If we are committed to making change, we should be committed to measuring that change. Hence, Objectively Verifiable Indictors (OVIs) force us to substantiate our project achievements through reliable (objectively verifiable) data. Increasingly, donors are expecting that projects be managed to the OVIs; i.e., that we monitor and evaluate our project progress through ongoing measurement of the OVIs. This process provides an objective signalling system to show achievement as well as to guide us in re-adjusting our objectives and activities as necessary. This is how we "manage to results!"

Common Mistake #2!

Indicators can be quantitative as well qualitative. Some objectives are tangible and therefore change is more easily measured in quantitative terms, e.g., number of items produced over a period of time. Qualitative measures are harder to capture, e.g., a project objective to "build awareness" among a certain population may require a qualitative indictor, such as, "members demonstrating improved attitude towards…" More abstract concepts, such as product competitiveness, will require you to find specific, concrete measures that reflect competitiveness, such as the market share of a product or service in a particular market.

When selecting quantitative indicators, you should ensure that they are clear and precise measures. If indicators are written as percentages, both the numerator and denominator (change within a range or population) should be specified, e.g., "X% of total annual product being exported to…"

While indicators measure change, they should not indicate the direction of the change. For example, rather than "X% increase in annual sales of sweet potato," the indicator should state, "number of kilos of sweet potato sold per year." This way the collection of data and measurement of the indicator will reveal if and to what extent the change occurred.

As we build the logical framework and move along the spectrum or logic chain, we should fine tune our indicators by asking ourselves:

- What must happen among the focus population in order to achieve the desired result?

- How would we know these things have occurred?

- What would indicate that they have?

Sources of Verification

Earlier on in our Situational Analysis we identified types and potential sources of information – these should enable us to show that we are attaining the desired change and to measure that change. So, we should not identify indicators if we cannot access the data to measure them!

In conducting your Situational Analysis you will likely require both quantitative and qualitative methods. It is important to identify credible sources of information. This is important in positioning and justifying your project to the funding agency. It also allows you to establish your baseline and identify consistent sources of reliable information on which to base your performance monitoring. Following are examples of different types of data sources:

- *Sources of Quantitative Data* – Service statistics, trade surveys, market reports, inventories of supplies and equipment, sales data, project reports and evaluations.

- *Sources of Qualitative Data* – Focus group discussions, key informant interviews, town hall meetings, media reports, review of materials/documents.

It is likely that your data will come from both primary and secondary sources.

- *Primary* data is new information compiled from your own research, e.g., a survey of producers, market tests, or interviews with industry experts. Primary data is usually best suited to your needs but is time consuming and costly to collect and analyse.

- *Secondary* data is information which you obtain from other sources, e.g., sector reports, trade reports, industry association studies, government statistics, marketing websites. It is perfectly acceptable to depend on secondary sources so long as you are sure of the data integrity.

> In implementation we measure progress by monitoring our OVIs!

Frequency of Data Collection

The frequency of data collection is an important consideration at this stage because of the implications for your resources (human and financial resources). As you finalize your logical framework, you should think about who will hold this responsibility and how it will impact on their availability. Data collection and analysis can be time consuming so consider also how often you will need the data – this usually coincides with a reporting or project review cycle. However, it should be frequent enough for you act upon the findings if required; i.e., to adjust your objectives and/or activity planning.

MODULE TWO

LOGICAL FRAMEWORK FOR THE Nature's Taste UK Market Penetration PROJECT				
	Intervention Logic	**Objectively Verifiable Indicators (OVIs)**	**Sources and means of verification**	**Assumptions**
Overall Objective	Increased exports of Caribbean agro-processed goods to EU markets			
Specific Objectives	1. Penetrated UK export market by May 2013	Product regularly being exported to UK by May 2013	Repeat POs, records of sale and income statements	Product demand remains as expressed
	2. Increased sales of banana and mango flavours by 15% and vanilla and cocoa flavours by 12% over 12 month period starting April 2013	15% increase in sales of banana and mango in year 1 12% increase in sales of vanilla and cocoa in year 1	POs, records of sale and income statements	Raw materials are available Production capacity maintained Shipping service is reliable
Expected Results	100 – Product samples accepted by UK buyers setting stage for sale	POs are forthcoming from UK buyers	POs and purchase agreements	Samples meet buyer requirements
	200 – POs from up to 4 buyers for 3 shipments of mango & banana and 2 each of vanilla & cocoa	3 shipments of mango & banana dispatched 2 shipments of vanilla & cocoa dispatched 4 new customers in UK	Records of sales Revenue statements POs and purchase agreements Shipping records	Product demand is consistent Raw materials are available to meet demand Costs of export remain constant Level of competition does not increase
	300 – All plant processes compliant with HAACP, etc.	100% compliance	BNSI and other compliance monitoring audits	Food safety and quality standards are consistent Plant maintains functionality Skilled labour available and committed to product
	400 – Product packaged in compliance for shipment	Product being received and distributed in UK market	Sales and distribution reports from UK buyers	Packaging requirements remain unchanged
	500 – Plant operating efficiently and to requirement	Orders being received, processed and dispatched	Input, output production records Records of POs and sales	Plant maintains functionality Skilled labour available and committed to product
Activities	Activity 101 - Prepare and send samples to identified potential clients in UK	• Samples packed, shipped, received by customer	• Bills of lading for shipment • Customer confirms receipt	• Samples as specified in orders
	Activity 201 - Negotiate and finalise trade and shipping agreements	• Requirements developed, bids solicited • Supplier selected, contract signed	• Specifications sheet • Written contract with winning bidder	• Qualified shippers available

LOGICAL FRAMEWORK FOR THE Nature's Taste UK Market Penetration PROJECT				
	Intervention Logic	**Objectively Verifiable Indicators (OVIs)**	**Sources and means of verification**	**Assumptions**
	Activity 301 - Train staff to required HAACP standards	• Training courses delivered • Staff participated in HACCP courses • HACCP certification received	• Training records (internal and external) showing satisfactory completion • BNSI record of certification	• Staff is available to participate in training • Trainers are effective
	Activity 302 - Implement quality controls in plant and set up monitoring system	• QMS designed, implemented • ISO 9001 certification received	• Quality manual in place • Pre-audit report by consultant • BNSI record of certification	• Qualified consultant available to support QMS implementation
	Activity 401 - Prepare packaging and labels for UK market	• UK labelling requirements determined • Product compliance • Labels and packaging designed and received	• UK food safety labelling regulations • Report on product test results • Design firm work approved	• Product meets UK food safety standards
	Activity 501 - Design and launch website with online ordering and payment system	• Hardware and software in place • Website designed, tested and operating • Ordering and payment systems functioning	• Test results received, approved • Website traffic reports received and analysed • Customer orders received and processed successfully	• Design and features as approved • Specified features meet client/ customer needs
	Activity 502 - Organise office & accounting systems to handle new client load	• Gap analysis completed • New procedure manual prepared and in place • Staff trained in new systems	• Gap report with recommendations • Procedures in manual verified • Training records from external, internal. trainers	• Recommended procedure changes are based on Gap analysis • Changes meet organisation and customer needs • Training courses are suitable and effective

Assumptions and Risks in the Logic Model

In the LFA, the Assumptions are part of the vertical logic in the logic model so we must consider what Assumptions relate to each level in the vertical chain of our project description, from bottom up. So, starting at the Activity level, we ask ourselves what factors we are expecting to hold true in order for the Activities to bring about the expected results. Then, after we have achieved these results and the Assumptions remain true, the Project Purpose will be achieved, and so on.

In completing the Logical Framework, we record those Assumptions which are likely to hold true should. We then monitor the Assumptions in our project implementation, as part of a Risk Management Strategy.

Getting It Right

The LFA process and completion of the Logic Model is sometimes time consuming and tedious work. Project designer teams everywhere are known to get caught up in the fine details and become entrapped in semantic disagreement! Not all donors require the submission of a Logical Framework. However, you may find the matrix useful in guiding your analysis of the investment viability and the direction for implementation. It may also serve as a clear project map for performance monitoring, even as individual assignments and responsibilities change over the project lifetime.

Be prepared to engage in an iterative process as you complete the LF. While the initial approach may seem linear, as you complete each column you will likely review and revise earlier sections. The usual sequence of completion starts in the left hand column with the Project Description from the top down, and then moves right over to the Assumptions column and works from the bottom up, followed by the Indicators and the Sources of Verification (working horizontally).

For those instances when the LF is required by the donor, it is useful to know what they are looking for. You can ask the donor or research their website for completed Logic Model samples. At the end of the day, the LF needs to communicate that you have set the stage for Results to be achieved and this depends on three main qualities: impact, effectiveness and efficiency.

Overall Objective	*Impact* – when specific objectives have cumulative effect
Specific Objectives	*Effectiveness* – in channelling results into specific objectives
Expected Results	*Efficiency* – in managing inputs to achieve outputs
Activities	
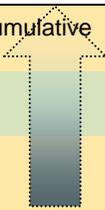
THE RESULTS BASED WORK PLAN & BUDGET

| Project Scheduling | → | Building the Project Budget | → | Planning for Sustainability |

These are the five steps to convert your LF into a Results Based Work Plan:

1. List the Activities from your LF and estimate the timing and duration of each one.

   - If you are developing a multi-year project, you may break the first year into a detailed timeline, e.g., months or weeks, and show subsequent years in less detail, e.g., quarters. These would be estimates for subsequent revision.

   - As discussed earlier, depending on the complexity you may need to break your Activities down into smaller Tasks (this may also help with your resource estimation).

2. Review and revise your list of Activities to ensure good sequencing.

   - Where activities or tasks are closely related, you are likely to find dependencies. The common example is that in building a house, you must first do the foundation before building the walls, and the walls must precede the roof, etc. You may need to revise your schedule to allow adequate time for dependencies.

3. Define your Project Milestones. Your milestones are key points of implementation that affect Activity completion, e.g., major decision points, completion of studies, surveys or drawings, new legislation passed, etc. We usually reflect milestones with a symbol on the Activity timeline.

4. Against each Activity list the required resources. Consider all the expertise and other inputs required to complete the Activity.

   - Consider that through resourcing we are assigning responsibility. You need to consider the range of experience and skills on your team to entrench accountability for each Activity.

   - This is a good opportunity to check your organisation's capacity to implement – you may have to reconsider your staffing; revise your Activities and/or seek new partnerships to ensure adequate resourcing.

   - If your project entails procurement or contracting you need to carefully allot time for the related processes, e.g., drafting requests for proposals and terms of reference, issuing procurement notices and managing the tender exercise, evaluating submissions, comparing cost quotations, negotiating contract terms and conditions.

5. For each human resource in each activity, estimate the amount of time required to complete. This is often called the Level of Effort (LoE). *Do not underestimate!*

Common Mistake #7!

Don't under-estimate! A single delay can set your entire project off schedule.

The most common problem arising during implementation is insufficient time to complete.

- Where you have a resource assigned to more than one Activity, be sure to factor in time for each activity.
- Make no assumptions - check with colleagues and counterparts on the availability of the resource.

When planning our activities, we need always to keep in mind the planned results of each activity and the timing for delivery, especially if our funding is going to depend on the completion of deliverables. Many donor programmes tie payments to the delivery schedule – you will receive your project funds in tranches upon successful completion of the deliverables and this will affect your cash flow.

Project Scheduling

Having defined your project methodology and activities, the next step is to develop a schedule to show the input of resources and the timing of those inputs. If you have completed the Results Based design process or LFA, the activities you have defined in your methodology form the basis of your Activity Schedule or Work Plan.

Starting with the list of defined Activities, we begin to sequence the planned implementation and this helps us to once more check the logic of our project, by estimating the timing, the duration, and the required resource inputs (human and material). In the process we clarify the demand for project management skills and time and can also integrate these management requirements into the Schedule. As we graphically lay out our project plan, we also become aware of any dependencies that exist between activities, and so we can make adjustments to the timing, resource utilization and management assignments to address these dependencies.

The Case of Nature`s Taste UK Market Penetration Project

No.	Activity	Timeline – Months
100	Product samples accepted by UK buyers	▲ Jun
101	Prepare and send samples to identified potential clients in UK	Apr–May
200	Increased POs for products	▲ Oct
201	Negotiate and finalise trade and shipping agreements	Jun–Jul
300	All plant processes compliant with HAACP, etc.	▲ May
301	Train staff to required HAACP standards	Apr–Jan
302	Implement quality controls in plant and set up monitoring	Jul–May
400	Product packaged in compliance for shipment	▲ Jan
401	Prepare packaging and labels for UK market	Oct–Jan
500	Plant operating efficiently and to requirement	▲ May
501	Design and launch website with online ordering and payment	Jun–Nov
502	Organise office & accounting systems to handle new client	Nov–May

Once we are through with the Activity Schedule, we can then build our costing and project budget. If we actually begin drafting the Activity Schedule during our Situational Analysis it assists us in our cost-benefit analysis and in assessing the financial feasibility of the project. Clearly we cannot do this thoroughly in the early stages of design but if we start building the models and entering the draft information, we can make adjustments as we go along. As stated earlier, this is a highly iterative process and we should expect to visit and re-visit our results chain or logic model a few times!

When planning our implementation methodology, we need always to keep in mind the planned results of each activity and the timing for delivery. If we take this approach to transitioning the Logic Model into our Activity Schedule and then into our Resource Schedule and finally, our Project Budget, we are taking the necessary steps to set up for Results Based Management.

The common format of our project schedule is a Gantt chart. There are many automated tools that will assist us in preparing the Gantt chart. These range from simple graphics tools to more complex project management tools that create the visual work plan, highlight weaknesses in the plan and then serve as management and monitoring tools during implementation.

List of Electronic Tools in Toolkit B

Building the Project Budget

At this point we want to re-emphasize the importance of a team approach to project design. Hopefully you will have a financial specialist or similar resource on your design team and if so, it is important that this person be party to the discussion from the onset of the process. At the very least, hold a group review of the first draft of proposal budget to identify potential budgeting challenges as early as possible. Too frequently we have seen the budget left till the last minute of a proposal process with dismal consequences in implementation.

After we have estimated our time and resource requirements we can begin to build the project budget from bottom up. We start with the personnel costs as we have already calculated these estimates, and then we add other resource inputs and expenses.

Common Mistake #10!

The budget worksheets can be created manually or in an electronic spreadsheet tool, such as MS Excel, which allows for linked worksheets and embedded formulas. The latter will enable efficiencies in creating the proposal budget, preparing various budget scenarios for group discussion and managing the budget during implementation.

The first step we advise is to establish your project Rate Sheet. This is simply a list of all your base project inputs including:

- a unit description for your human resources, e.g., person hours, days or months;
- a per unit rate or cost for all your input units, e.g., the hourly fee or cost for each team member;
- unit costs for any non-human resources;

- any input costs that are pre-established by donor guidelines and therefore not changeable, e.g., if we are preparing the budget for a specific donor there may be fixed travel per diems or daily fee rates that apply;

- your source currency (if you are working in more than one currency), e.g., a proposal to an EU funded programme could require you to quote costs in local currency as well as Euro; and

- internal versus external resources, e.g., contractors.

It is important to ensure that base rates or costs per unit are as accurate as possible to ensure your proposal is reflecting current market conditions. However, a conservative approach is advisable to give you some flexibility during implementation when market conditions are likely to change, e.g., due to inflation.

This becomes the key source page for all your input data to be used in your budget calculations (up to and including final proposal budget). If using electronic spreadsheets, the linkages to this sheet will allow quick changes here to be automatically carried through, so this is your key data entry sheet.

Using our Case of Nature's Taste, below is an example of what our Rate Sheet would look like for Activity 500. We would build the same for all Activities.

The Case of Nature's Taste
RATE SHEET

Resource	Unit	Source Currency Description	Source Currency Rate	Notes	Budget Currency Rate
Activity 500 Consultants					
Social Media Expert	Person Days	BBD$	$ 600.00		$ 600.00
Network IT Specialist	Person Days	BBD$	$ 700.00		$ 700.00
Web Design Specialist	Person Days	BBD$	$ 550.00		$ 550.00
Finance Best Practices Specialist	Person Days	USD$	$ 500.00	1	980.00
Project Administrator	Person Days	BBD$	$ 300.00		300.00

Toolkit B

We strongly advise that you include a separate Notes section or worksheet in your budget proposal file. It is important to keep track of information and assumptions used in the budgeting process, especially if it is possible that another party will take over responsibility for budget management during implementation or if the planned implementation date is sufficiently into the future that you may forget the assumptions. In a Notes section you may want to include items such as vendors (actual or potential) and vendor quotes, sources of cost information, particular contract clauses, etc.

The Case of Nature's Taste						
Notes						
Note 1: Exchange Rates						
The prevailing rates as at April 2, 2012 using OANDA currency converter http://www.oanda.com/currency/converter/						
USD$ to BBD$	**1.96**					
Note 2: Exchange Rates					USD$	BBD$
Based on quote for Avidxchange PO software on April 2, 2012 http://www.avidxchange.com/					$ 8,000.00	$ 15,680.00
Note 3: Web Design						

The next step in building the budget is to cost out our human resources or the Level of Effort. So we take our Activity Schedule with the resources added and multiply the level of effort for each resource by the unit cost of the resource.

If we are using an electronic spreadsheet tool, we create a Level of Effort or Resourcing worksheet which identifies the input volumes for all our human resources. (Some donors will want to see this in the proposal.) This worksheet is our source page for all human resources or team time volume data and also becomes very useful for budget controls during implementation as it allows us to review and adjust our inputs. We can then link the Rate Sheet to the Level of Effort (Activity Resourcing Schedule) to calculate the human resource costs, and automatically adjust inputs and costs as required.

The third set of entries we create is for our non human inputs or expenses, such as communications, travel, space, equipment and materials. This becomes our source section for all non human volume data. Again, in an electronic tool, this worksheet can be linked to the Rate Sheet to allow for quick and accurate changes in proposal development as well as for future budget control in implementation.

The Case of Nature's Taste
500 – Plant operating efficiently and to requirement
Activity 502 - Organise office & accounting systems to handle new client load

Task	Description	RESOURCES - PERSON DAYS (PD)				A) RESOURCES - EQUIPMENT/EXPENSES		
		Finance Best Practices Specialist	Network IT Consultant	Project Administrator	Total	Description	B) Total	
1	Review current system: Financial Systems	1.0	1.0	-	2.0	Automated PO Software	15,680	Note 2
2	Review current system: Policies and Procedures	1.0	-	-	1.0		-	
3	Review current resource competencies	1.0	-	-	1.0		-	
4	Prepare GAP Analysis	1.0	-	-	1.0			
5	Prepare Re-organization plan (including Implementation plan, new Polcies/Procedures and Training requirements)	3.0	-	2.0	5.0			
6	Impement reorganization plan	10.0	2.0	5.0	17.0			
SUBTOTAL	Sub-total: PD	17.0	8.0	7.0	27.0			
	Rate	$ 980	$ 700	$ 300				
	Total	$ 16,660	$ 5,600	$ 2,100	$ 24,360		$15,680	
	Total per Activity - A)+B):						$40,040	

These are the necessary estimates for us to calculate the total project budget: (human input X volume X unit cost each) + (expense X volume X unit cost).

The following workflow illustrates the full process of budget preparation:
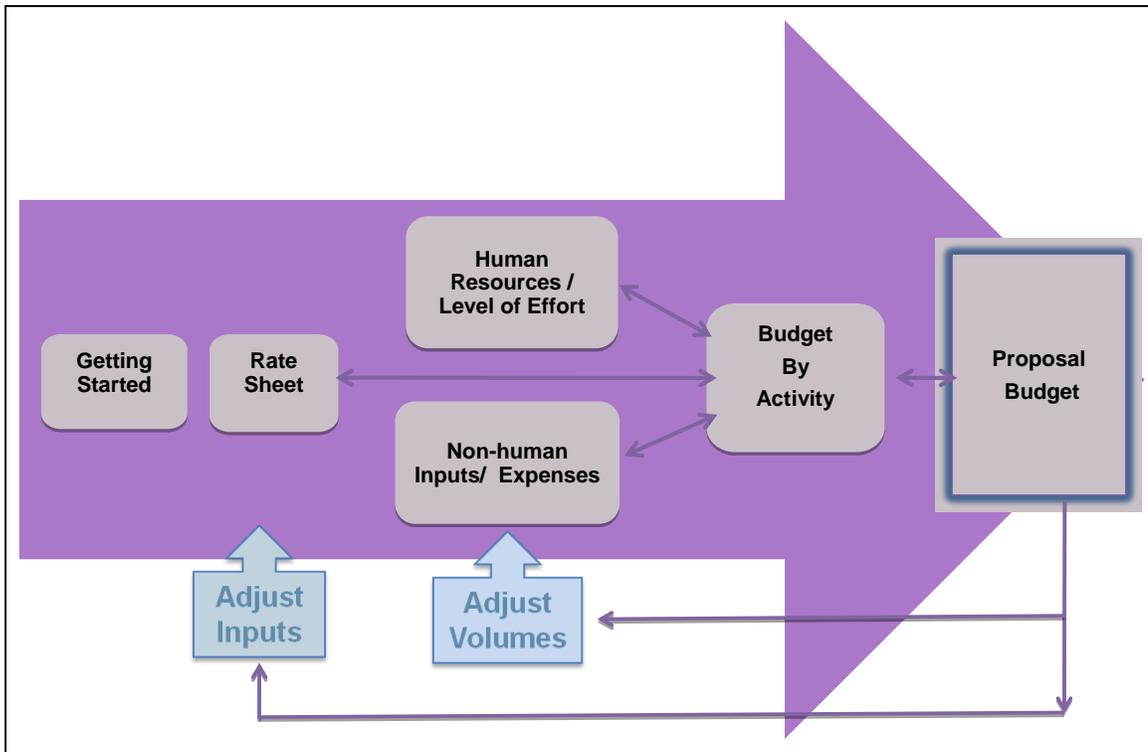
The Proposal Budget Workflow

Once we have completed these steps we can produce estimate costs per Planning Period (quarterly, annual, etc.), by Activity and by Deliverable.

We recommend that you prepare an Activity Based Budget, even if it is not requested as part of the proposal submission. The Activity budget provides an important view of your finances by:

- summarizing all input costs by activity;
- aligning the budget to the project methodology; and
- facilitating an important opportunity for your Team to review input costs per activity and ensure alignment with your expected Results!

The Activity Based Budget is also very useful during project implementation for budgeting processes and project controls. With your budget lines linked directly to your resource inputs you are setting up your systems for efficient project management.

The Case of Nature's Taste		Fees	Expenses	Total
Proposal Budget - By Activity				
		Fees	**Expenses**	**Total**
100 – Product samples accepted by UK buyers setting stage for sale				
Activity 101 - Prepare and send samples to identified potential clients in UK		$ 190	$ 2,500	$ 2,690
200 – Increased POs for product				
Activity 201 - Negotiate and finalise trade and shipping agreements		1,220	-	1,220
300 – All plant processes compliant with HAACP, etc.				
Activity 301 - Train staff to required HAACP standards		8,500	28,000	36,500
Activity 302 - Implement quality controls in plant and set up monitoring system		30,800	35,000	65,800
		39,300	63,000	102,300
400 – Product packaged in compliance for shipment				
Activity 401 - Prepare packaging and labels for UK market		5,150	24,000	29,150
		5,150	24,000	29,150
500 – Plant operating efficiently and to requirement				
Activity 501 - Design and launch website with online ordering and payment syst		17,700	-	17,700
Activity 502 - Organise office & accounting systems to handle new client load		24,360	15,680	40,040
		42,060	15,680	57,740
Total		$ 87,920	$ 105,180	$ 193,100

At this juncture, you want to ask your Team:

- Does this budget make sense? Are activities with high levels of engagement properly financed, e.g., if our Technical Specialist is to give 75% of her time to the project are we reflecting that input in our budget?

- Are we achieving value for money? Are resources being allocated to ensure maximum efficiency?

- Are we appropriately dealing with our priority areas?

Depending on your answers, you may need to reconsider your project approach and make a few adjustments.

Planning for Sustainability

Once you have determined your total project costs you should seriously consider the overall sustainability of your project and whether the investment you are making is going to continue to bring returns after the life of the project. Remember that when the project budget is depleted, you, your organisation and your project partners will be responsible for the recurrent costs of any service or operation you have established or upgraded. Have you factored the recurrent costs related to human resources, equipment maintenance, facility operations and maintenance and material inputs to be carried by you and/or your stakeholders after the project winds down? You need to.

It may be that your project activities or the results will generate new revenue streams and that this income will be used to sustain ongoing operations. Either way you must calculate the net recurrent costs of the project and factor this into your organisation's post project financial projections.

Approaches to Cost Sharing

Most donors these days require a contribution to project costs. Often this can be demonstrated through in kind contributions (e.g., material inputs, space, inputs from salaried staff) but increasingly funders are also requiring a clear financial contribution. This is to address two main factors related to sustainability:

1. your ability to cover at least some of the costs now and potentially post project; and

2. your commitment to doing the project.

When designing your project and building your budget, you need to consider your contribution towards the total cost. The required contribution usually runs between 25-50 percent of the project budget.

If you are intending to split the project budget between different funders you should be clear about the allocation of costs among all parties – for transparency and because you will be accountable to each donor for the utilization of those funds.

PROJECT TEAM BUILDING

| Assign the Team | → | The Project Manager | → | Partnerships & Alliances | → | Preparing Terms of Reference |

Assign the Team

Be confident that you have the Team to do the project. Your project team members have to be committed to attaining the specific project objectives within a certain timeframe and budget. This is sometimes difficult to entrench in an organisation where regular staff are expected or asked to assume additional responsibilities "because of a project." So in assigning team members, consider these factors:

- the skills and experience needed to conduct the Project activities;
- the work ethic and commitment to the Project objectives;
- the ability to work in a Team environment; and
- the amount time required within the Project duration.

Discuss whether your organisation and partners have the internal resources or whether you need to secure external expertise.

Consider that your Team members will have to pull together in condensed timeframes – the Project working approach is not always the same as within typical organisational operations. The first step in building the Team is to ensure common understanding of and commitment to the Project design – the objectives and the methodology. If the Team has the opportunity to be part of the design process, all the better.

At a minimum, call an initial full Team meeting to build mutual understanding; establish ground rules for communications and decision making; and develop team rapport. Make certain that all team members have a copy of the full project plan and understand their role in the full scheme. Once implementation commences, you should maintain a regular team meeting schedule to report on progress, update on future planning and invite feedback and sharing of lessons learned.

The Project Manager

At this stage it is critical to consider the assignment of the project management role. It is frequently underestimated and too many projects suffer from inadequate management. Do not assume that a staff member can assume the role along with regular duties. Consider the skills, experience and time required as the Project Manager potentially:

- oversees and enforces compliance with project agreements and contracts;
- conducts research and analyses information;
- validates proposal design and emerging scenarios;
- drives performance at all levels of the project structure;

- maintains flexibility & responsiveness to all project partners and stakeholders;

- tracks progress on implementation milestones;

- oversees use of budget and cash flow (oversees or works with project accountant);

- communicates, consults, networks;

- intervenes to resolve bottlenecks, conflicts, lags; and

- reports, monitors, evaluate and shares lessons learnt.

Partnerships & Alliances

If you do not have the required resources to conduct the Project you may need to form partnerships or strategic alliances. This is generally good practice and is sometimes worthwhile even if you do have all the resources you require. Partnerships help to broaden stakeholder buy in and potentially increase ground support as well as political support for the Project. Partnerships also increase your potential resource pool in the event that team changes become necessary.

If you are sharing the Project implementation with other parties you will need to have a written agreement to define and record roles, responsibilities, accountabilities and decision making mechanisms and authorities. Depending on the nature of the alliance, you may wish to use a simple Memorandum of Agreement or if there is an exchange of service for payment, a services contract may be required. Either way, make sure it is a legally accepted document and properly executed by both parties.

Sample MoU Template in Toolkit C!

Preparing Terms of Reference

If you are contracting with service providers or hiring individual team members, you will want to prepare clearly defined Terms of Reference (ToR) so that all parties are working under the same assumptions and committed to the same objectives.

The ToR should include:

- *The background to the project and rationale for the service requirement or role* – a brief history of the assignment and its rationale and explanation of why it is being carried out and its relationship to the wider project context.

- *The objectives of the assignment* – a clear and concise statement of the assignment's purpose.

- *The expected methodology and work plan (Activities), including specific tasks, deliverables and their timing* – a description of how the assignment should be conducted, including any required approaches, e.g., surveys, field observations, literature reviews, etc. Instruction as to whether to not the service provider should propose their own approach, team and methodology or whether this is a more prescriptive assignment.

- *The required skills and qualifications* – an outline of the necessary skills, experience and attributes of the resource. This can be a description of skills and

qualifications without a specification of the composition or number of team positions or it can be more specific about individual team positions and duties.

- *The location, expected level of effort (input time) and duration of the assignment* – a statement of where the resource will be required to work, how much time will be required of the resource and over what period.

- *The team structure, working and reporting relationships* – identify other team roles, stakeholders and the Team Lead.

- *The reporting requirements* – specifications for the preparation, formatting and submission of reports, e.g., electronic and hard copies, use of particular software, oral presentation, etc.

The TOR can be a component of the contract document or, with the addition of remuneration and reimbursement details; it can form the key contractual document. Either way, the ToR should be very clear on the performance requirements and how performance will be measured.

Sample ToR Template in Toolkit C

FROM PROJECT DESIGN TO PROPOSAL SUBMISSION

| Standard Proposal Requirements | The Phased Proposal – Concept Note | The Business Plan Proposal | Good Practices |

As projects and proposals can range from the very simple, small grants in the 000s of dollars to larger, more complex multi-million dollar grants or loans, the funder will generally expect a corresponding range of complexity in the proposal requirements. However, all funders basically ask the same questions:

1. Who? … are you and who will benefit from the project
2. Why? … are you planning this project
3. What? … do you want to achieve
4. How? ... do you plan to achieve it
5. Where? … will the project take place
6. When? … will it take place

Standard Proposal Requirements

While donors and donor programmes have unique proposal format requirements, the following table shows the typical components of project proposals both large and small, as well as some tips for enhancing your submission. Bear in mind, the terminology, structure and sequence may vary but the content requirements are fairly consistent.

Proposal Section	Requirement	Tip
Cover Page	Single page, front cover of the proposal, including: • Project title. • Location(s) of the project. • Name and contact information of the organisation/proposing entity. • Date of submission.	If you have a company or group logo, use it on the cover. You may include a line indicating the organisation to which you are submitting the proposal. Do not clutter the cover with too much information. Add a picture or graphic of relevance to your project.
Executive Summary (not always required, optional)	A concise summary of the proposal. Usually no more than one or two pages. First section of the proposal (after the cover or title page).	If this is required or you choose to include an Executive Summary, it should be written last in order to summarise main points of the full proposal.
Project Title	A short title that communicates your identity and main proposal objective.	Keep it simple and concisely. Create an acronym if it easily evolves from the title. Use the title or acronym consistently throughout the proposal.

Proposal Section	Requirement	Tip
Description of the Proposing Entity	*The "Who"* Background and summary of your organisation or the proposing entity. The origin and main purpose of your organisation. Main products and services. Relevant experience, expertise, resources and support.	Highlight qualities that relate to the project; do not digress into product and service areas that do not relate to the project.
Goal (Overall Objectives) and Purpose (Specific Objectives)	*The "What"* The main point of your proposal. At the end of the day what you want to achieve. And, what contribution you will have made to larger, longer term Objectives.	Use your result statements to zoom right into the funder's priorities. Communicate as an innovative problem-solver! Convey a sense of urgency to convince the donor that the problem needs to be addressed right away or that the window of opportunity is now. Communicate commitment to proceed. Make sure your Objectives are verifiable, measurable, and finite.
Background, Rationale & Summary Description	*The "Why"* Contextual information and circumstances leading up to the project. Key findings of your situational analysis and stakeholder discussions. Broader plans or strategies of which the project is a part. *The "Who"* Identification of key stakeholders and their relationship to your organisation and the project. Clear demonstration of your organisation's role in bringing about the necessary change.	Use this section to justify the project and need for funding assistance. Avoid overly long histories and analyses. Provide relevant statistics and the most recent research findings from international, regional and local sources and draw reference to your Situational Analysis. Communicate as a problem solver or an entrepreneur, not as an under resourced or needy organisation. Clearly demonstrate stakeholder commitment and agreement, and leadership approval. Use appendices to supplement this section with details and reports of situational analyses and stakeholder consultations and lists of beneficiaries.
Planned Project Results	*The "What"* Direct deliverables and outputs of the methodology. Immediate results that will enable the achievement of the Specific Objectives.	These results need to demonstrate value for money. Pay close attention to the results chain – explain how these results will have the cumulative effective required to achieve objectives. Present and explain your Logical Framework if you have one. Speak to Sustainability by explaining strategies and activities to build capacity for sustainability.

Proposal Section	Requirement	Tip
Methodology and Implementation Arrangements	*The "How" and "Where"* Detailed description of activities, tasks to be undertaken. Assignment of key roles and responsibilities for the project management. Arrangements for risk management and control.	Show innovation! This is where the money will be spent so you need to provide detail to justify costs. Demonstrate willingness to collaborate with and learn from others. Show that you have established the framework for implementation monitoring and that you intend to do it. Assess the Assumptions in your LF; identity those with highest level of risk and describe how you would mitigate the risks.
Resources or Inputs	*"The How"* Description of all human and non-human resources required to conduct the activities and achieve the results. Team members and expertise. Quantified inputs for each activity.	Demonstrate efficient and effective utilisation of resources. Be resourceful. Demonstrate organisational competence, relevance and commitment. Use role titles to reflect the expertise of the Team and use these titles consistently throughout the Work Plan and the Budget.
Schedule of Activities or Work Plan	*The "When"* Description of the sequence and timing of activities. Definition of project phases or stages (if relevant). Indication of key milestones in implementation. Timeframe, even if approximate, for each activity.	Show milestones and approximate due dates for all deliverables, project results. Show dependencies – so if there is slippage in one activity, there is awareness of potential impact on others. illustrate a clear, realistic plan of action.
Project Budget	*The "How"* Detailed breakdown of all human and non-human input costs and expenses.	Pay attention to donor guidelines and what they are prepared to pay for. Use the donor templates and strictly adhere to instructions. Demonstrate efficient and effective utilisation of resources. Separately show local vis-à-vis external currency costs. Show your contributions and those of partners and other donors as closely as possible in cash terms. Build contingency into each line item (do not add a contingency at the end, unless requested to do so).
Appendices (usually optional)	Supporting documentation to strengthen or support your proposal, e.g., lists of stakeholders; Minutes of Meetings, partnership MOUs and agreements, job descriptions, equipment quotes.	Do not include extraneous material – you will not get direct points for Appendices unless the material is specifically requested by the donor.

In the event that the funder does not have a prescribed proposal format, you may develop your own proposal format to incorporate the usual components (as described above).

Sample Proposal Template in Toolkit D

The Phased Proposal (Concept Note)

Some donors begin the proposal review process with an invitation to submit Concept Notes instead of full blown proposals. Sometimes they provide a Concept Note template but usually the Concept Note is a summary of your project (generally two to five pages). From reviewing these shorter documents, donors can determine whether your project fits into their funding priorities and this process will save you time in preparing a full proposal that will not win the donor's interest.

Sample CN Template in Toolkit D

The Business Plan Proposal

As noted earlier, some funders do not require a proposal but instead require the submission of a Business Plan. This is becoming increasingly common among funders offering direct assistance to MSMEs.

Nonetheless, a solid Business Plan will require detailed Situational Analysis to develop the rationale and prove the case for funding and it is just as important to acquaint yourself thoroughly with the submission requirements to make sure that you qualify for funding.

Since a project should be consistent with your business strategy, often it is sound practice for you to have a business plan even if the donor does not specifically require one. A good business plan will be strong foundation for positioning your project effectively. In addition, it will be a source of much of the information you will need for your proposal, e.g., results indicators may come from sales forecasts in your business plan; your situational analysis may include information drawn from your business plan's SWOT analysis or competitive analysis.

Sample BP Template in Toolkit D

Good Practices

Prepare a Proposal Checklist

Once the decision to proceed has been made, you should prepare a checklist of all the proposal requirements to keep you on track and remind you of all the items to be completed prior to submission.

Sample Checklist in Toolkit D

If you have completed a Results Based design, you will likely have the information to complete all these sections of the proposal. However, we never assume that we know what the donor is looking for, even if we have previously submitted successful proposals to the same donor. For each and every proposal to each and every donor, we always:

Common Mistake #9!

- Read the Proposal/Application Guidelines – more than once;
- Follow the proposal instructions to the letter;
- Use the provided forms and templates;
- Give the Evaluator exactly what is requested – more if you want, never less; and

Common Mistake #8!

- Adhere to the submission instructions (e.g., delivery address, number of copies, packaging) and the submission deadline!

We need to do this in order to:

- ensure that we meet the eligibility requirements;
- determine that the our project needs will be met by the donor's offer;
- ensure that we present our proposal in such a way that meets all mandatory submission requirements and evaluation criteria of the funder; and
- allow the funder to conduct a fair evaluation of our proposal.

Understand the Donor

Spend some time researching the donor. Learn about the donor's programming in your geography and sector to understand how you might strengthen your appeal. Pay attention to donor policies related to any cross cutting themes, e.g., gender equality and environmental protection, and try to address these in your proposal if and when they apply.

When you have researched the donor and reviewed all their documentation and other requirements, if you still have questions, don't be afraid to call the donor to ask for clarification.

As well as preparing for the proposal submission, we need to review the donor policies and guidelines with a view to implementation, e.g., any special procedures to be observed in order to receive the funds, requirements for upfront contributions or the provision of advance payments, any procurement policies and processes to be observed for equipment purchases.

Objective Reviewer

It always helps to have an objective review of your proposal at various stages in the process. This should be done by someone outside of the project proposal process. They should understand the donor requirements and review your draft proposal with a view to providing constructive criticism and advice. If possible, this person should also review the final document and check for consistency in terminology and concepts, especially when several people have been involved in the writing.

Presentation

Your proposal should set out to inform and to convince the funder. So it should clearly and honestly promote your capability and your intent. Do not pack it with a lot of extraneous material – bulk is not endearing to the proposal evaluator! Try to make the proposal look inviting. Remember that the donor representatives reviewing your proposal are probably reading several more. A clean, logical layout and attractive presentation do help!

It is important to be aware that in many instances donors approve only a small fraction of the proposals they receive. Sometimes they even spend less than their own programme budgets allow for. Your task is to give yourself the strongest possible chance to win approval for your project. By meeting the donor's specific criteria, expectations and requirements, and by building a solid, credible, consistent proposal package, you will increase your chances of success. We hope that the tools provided here will help you to achieve your goals. **GOOD LUCK!**

TOOLKIT A

Cause & Effect Gap Analysis

Cause #1

Cause #2

Detail

Detail

Detail

Detail

Detail

Detail

"The Problem"

e.g. Lack of Sales

Detail

Detail

Detail

Detail

Detail

Detail

Cause #3

Cause #4
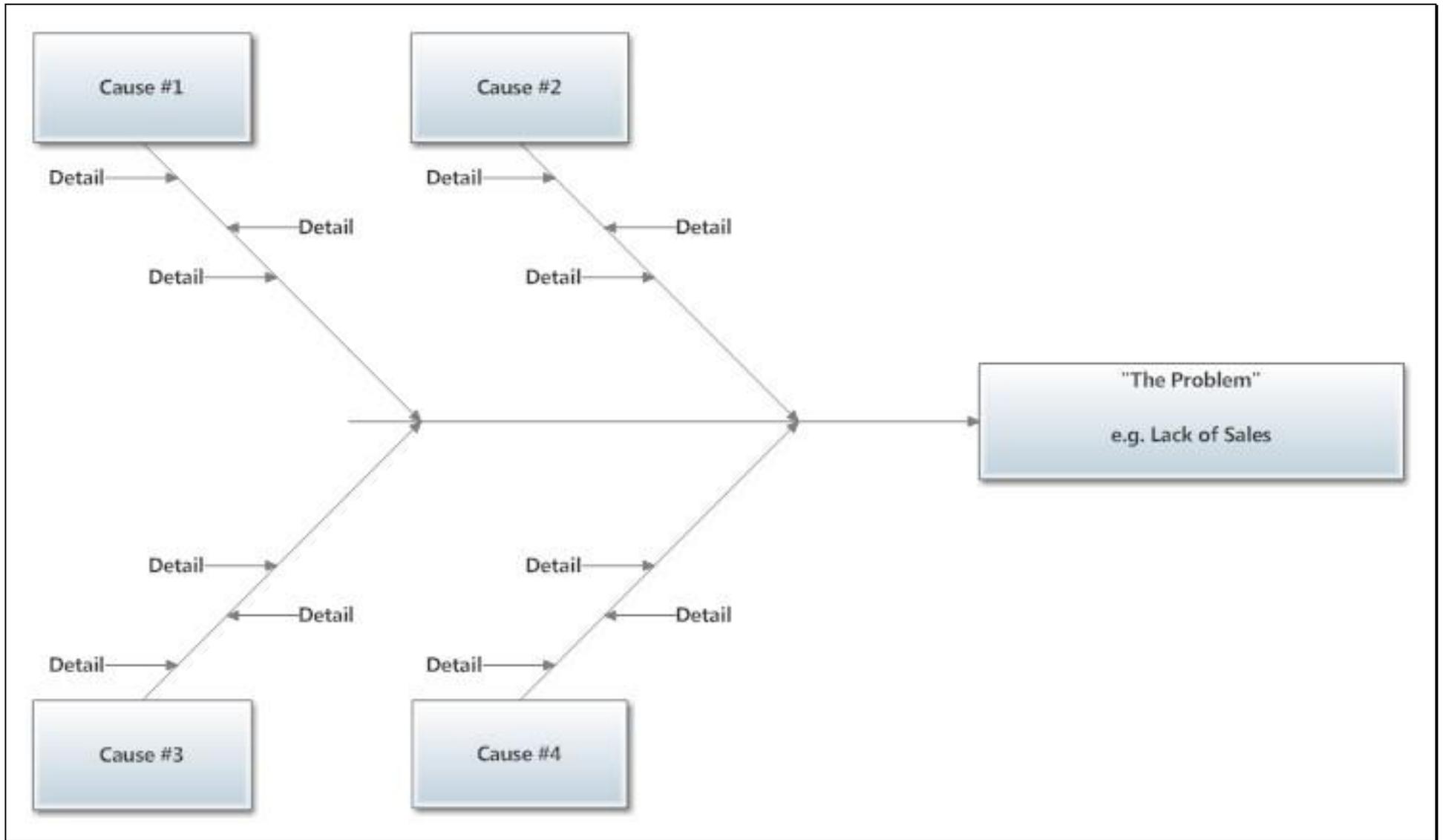
Gap Analysis

Gap	Target Item (description of problem area to work on)	Current State (document present situation)	Goal State (difference from Current State defines gap size)	Action Items (to resolve the gap)	Timeline
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					

5 Whys Root Cause Analysis Worksheet

5 Why's Worksheet

Define the Problem:

Why is it happening?

1.

Why is that?

2.

Why is that?

3.

Why is that?

4.

Why is that?
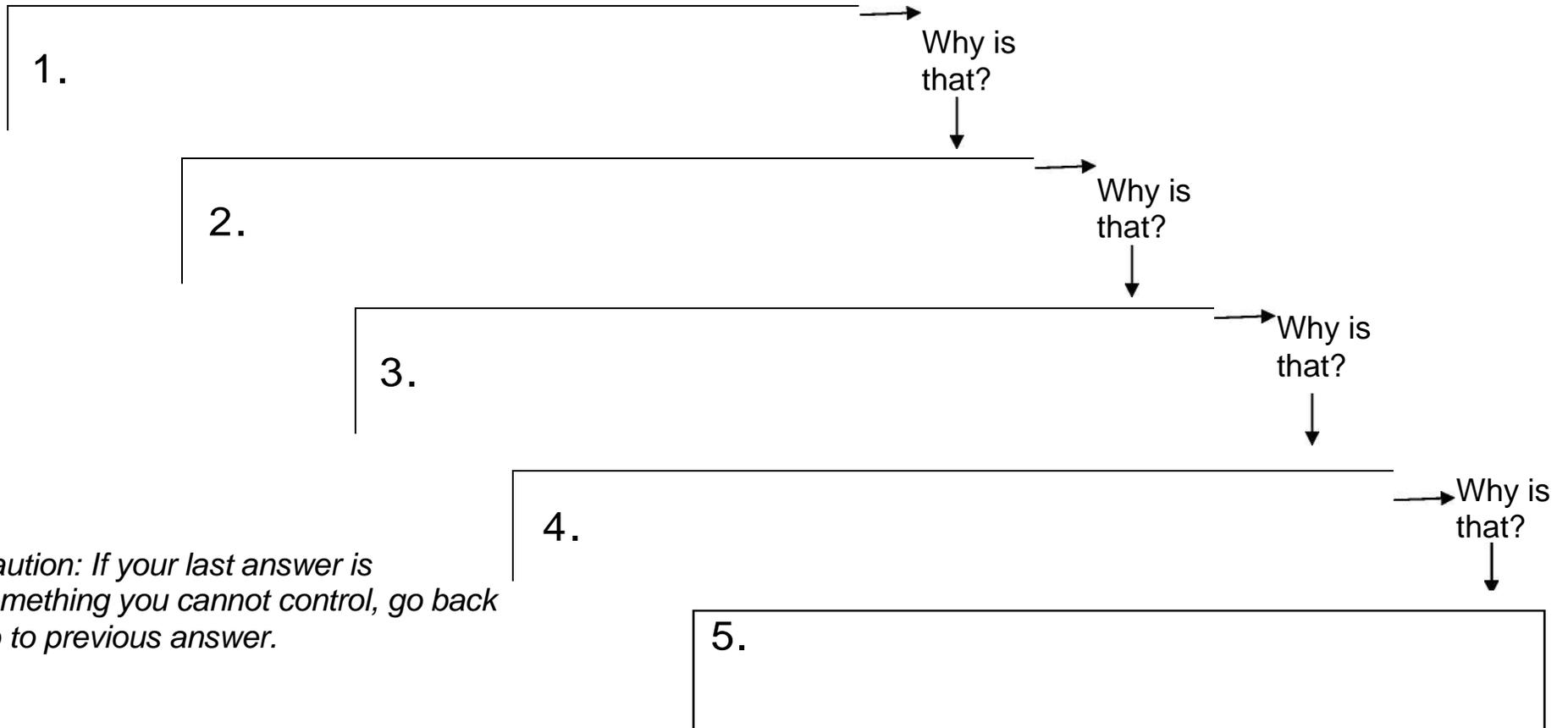
Caution: If your last answer is something you cannot control, go back up to previous answer.

5.

5 Whys Root Cause Analysis Worksheet – *A Back to the Basics Improvement Template*

Continuation of Analysis   5 Why's Worksheet

Enter Why reason from previous worksheet:

Why is it happening?
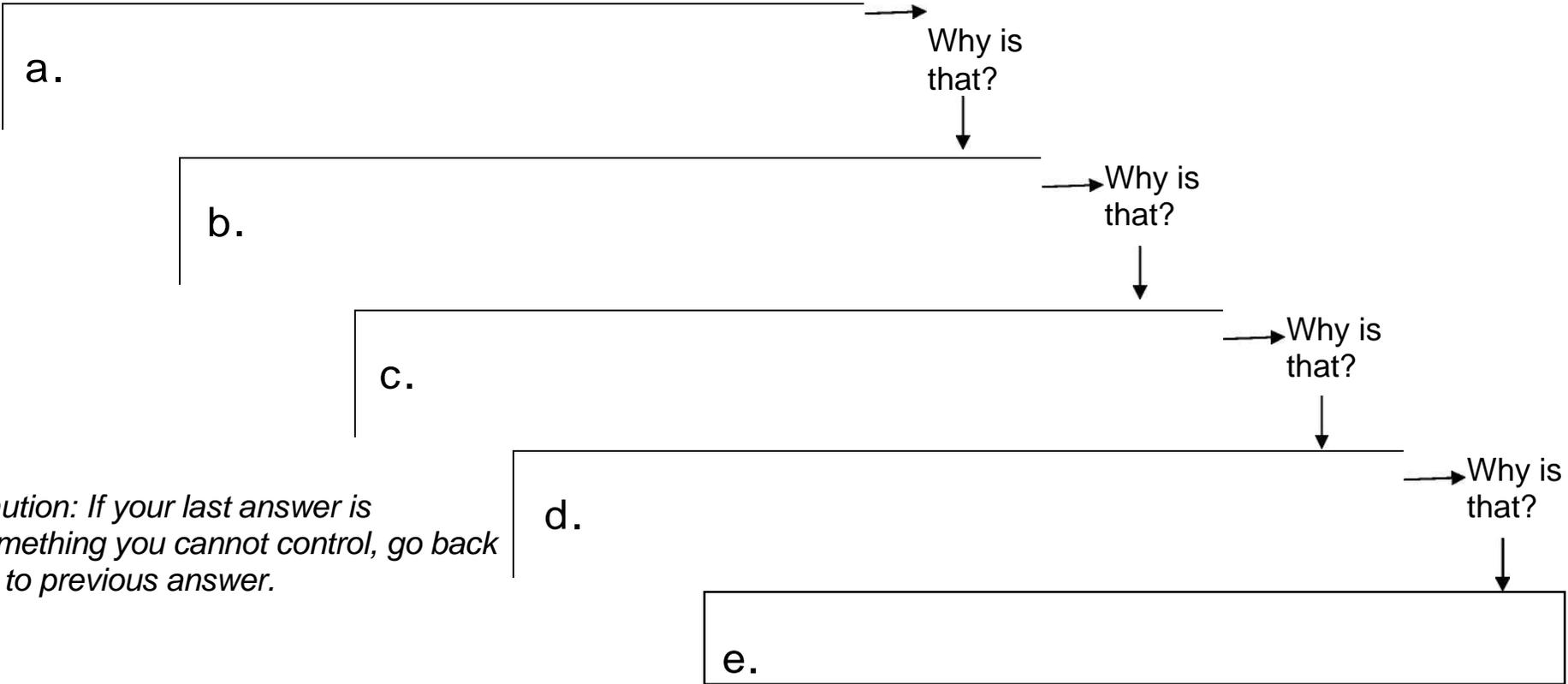
a.

→ Why is that?

b.

→ Why is that?

c.

→ Why is that?

Caution: If your last answer is something you cannot control, go back up to previous answer.

d.

→ Why is that?

e.

Sample (EU) Logic Model Template

LOGICAL FRAMEWORK FOR THE PROJECT

	Intervention logic	Objectively verifiable indicators of achievement	Sources and means of verification	Assumptions
Overall objectives	*What are the overall broader objectives to which the action will contribute?*	*What are the key indicators related to the overall objectives?*	*What are the sources of information for these indicators?*	
Specific objective	*What specific objective is the action intended to achieve to contribute to the overall objectives?*	*Which indicators clearly show that the objective of the action has been achieved?*	*What are the sources of information that exist or can be collected? What are the methods required to get this information?*	*Which factors and conditions outside the Beneficiary's responsibility are necessary to achieve that objective? (external conditions) Which risks should be taken into consideration?*
Expected results	*The results are the outputs envisaged to achieve the specific objective. What are the expected results? (enumerate them)*	*What are the indicators to measure whether and to what extent the action achieves the expected results?*	*What are the sources of information for these indicators?*	*What external conditions must be met to obtain the expected results on schedule?*
Activities	*What are the key activities to be carried out and in what sequence in order to produce the expected results? (group the activities by result)*	***Means:*** *What are the means required to implement these activities, e. g. personnel, equipment, training, studies, supplies, operational facilities, etc.*	*What are the sources of information about action progress?* ***Costs*** *What are the action costs? How are they classified? (breakdown in the Budget for the Action)*	*What pre-conditions are required before the action starts? What conditions outside the Beneficiary's direct control have to be met for the implementation of the planned activities?*

Sample (CIDA) Logic Model Template

LOGIC MODEL (LM)   Version: _____ Date: _____

Title		No.		Team Leader	
Country/Region		Budget		Duration	

Ultimate Outcome						
Intermediate Outcomes						
Immediate Outcomes	100	200	300	400	500	600
Outputs	110 120	210 220	310 320	410 420	510 520	610
Activities	110 120	210 220	310 320	410 420	510 520	610
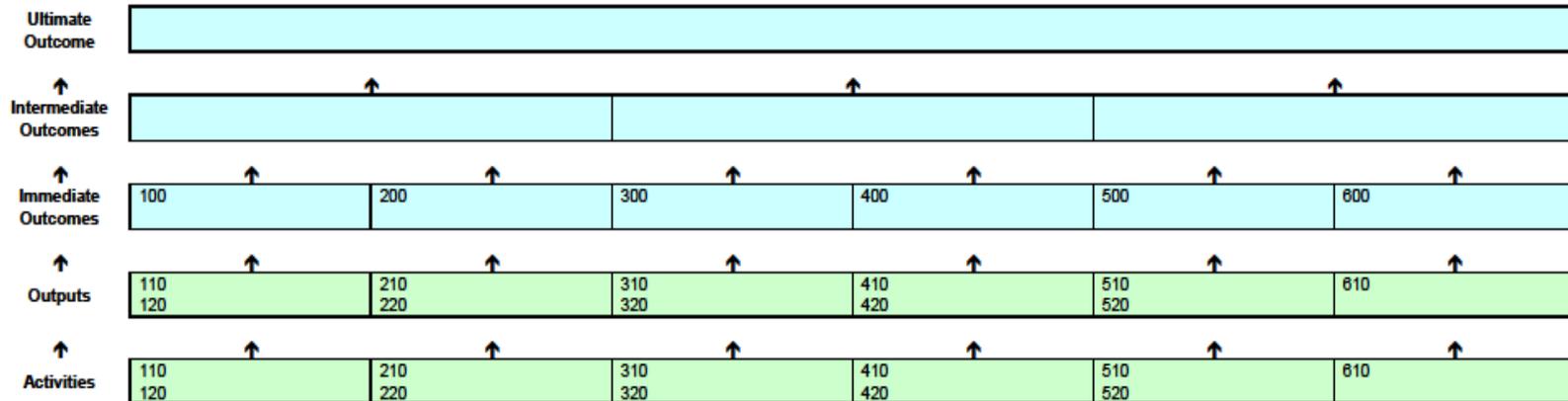
Notes:

1. The boxes in the template are there for illustration purposes only. You can adjust the number of boxes by using the "split cell" and "merge cell" functions to suit the needs of your investments/program. It is not the number of boxes that is important, but rather the logical link between result levels.

2. Immediate Outcomes = 100 series (100,200,300 etc)
   Activities/Outputs = 10 series (110,120,130 etc)
   Sub-activities (not included in LM) = 1 series (111,112,113 etc)

3. When preparing a logic model for an investment, make sure that the program level logic model is considered. This is because the investment falls under a particular sector of the program and the program LM should inform the development of the investment level logic model. Developing an investment level logic model in this way will ensure a clear linkage between the investment and the program level results and assist in the roll up of results for larger monitoring and reporting requirements.

You can access terms and definitions to help you fill out this document.

Canadian International Development Agency / Agence canadienne de développement international

Canada
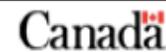
TOOLKIT B

Project Management Tools

Item	Website	Summary	Features/Comments	Approx. Retail Cost
MS Project	microsoft.com	Integrated project management +++	Comprehensive project management; complex; costly	US$ 1,000
Minuteman Systems	minuteman-systems.com	Gantt charting +	Includes resource allocation, PERT charts; progress tracking; weak save-exporting; plain output appearance	US$ 50
Gantt Project	ganttproject.biz	Gantt charting only	No resource allocation; no support; weak exporting; attractive output appearance but shows product logo	free
Excel templates/add-ins	office.com	Gantt charting (other tools available)	Uses Excel interface	free
MS Visio	microsoft.com	Several separate project management tools	Gantt charts; organisation charts; flow charts; no resource allocation	US$ 700

Activity Schedule or Work Plan

No.	Activity	Timeline – weeks or months								
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep

Resourcing Schedule

No.	Activity	Timeline – weeks or months									Resources
		1	2	3	4	5	6	7	8	9	

RATE SHEET	Name of Individual	Unit	Source Currency	Source Currency Rate	Notes	€ Rate
ROLES						
Executing Agency	TBD	per day				-
	TBD	per day				-
	TBD	per day				-
	TBD	per day				-
Contractors	TBD	per day				-
	TBD	per day				-
EXPENDITURES						
Travel:						
Airfare		per flight				-
Accommodation		per night				-
Meals and Incidentals		per day				-
Ground Transportation		per trip				-
Reimbursable Expenses:						
Communication & Reproduction		per month				-
Supplies		per month				-
Local travel		per month				-
Venue Rental		per day				-
Training Materials						-
Procurement of Equipment:						
Desktop Computers		per unit				-
Notebooks		per unit				-
Workstations		per unit				-
Printers (linked)		per unit				-
Software (including network software)		-				-

TOOLKIT B

Budget Notes			
1	**The following roles will be in-kind Contributions by the executing agency:**		
	Exchange Rates: 1 =	€	
	1 =	€	
	1 =	€	
	The exchange rate was determined by using... (currency converter)		
2	**Airfares:**	**USD$**	**€**
	Discounted	USD$	
	Full Economy	USD$	
	Business Class	USD$	
	i) Average cost based on quotes from LIAT		
	ii) High season fares		
	iii) Advisor's to use excursion airfares when possible as per technical guidelines		
	iv) Full economy value used for Budget purposes		
	Accommodation:		
	i) Rate per day based on arrangement with...(hotel).		
	ii) Each trip will have a xx week stay - total days		
	Meal Rates:		
	Based on donor approved allowances		
	Ground Transportation:		
	1) Based on round trip travel to/from...		
	Cost per trip:	**Days**	**€**
	Flight		-
	Accommodation		-
	Meals and Incidentals		-
	Ground Transportation		-
	* Based on assumption that each trip consists of xx days in travel status		
3	**The following based on average historical costs per month:**		
	Communication & Reproduction, Supplies, Local Travel, Other Project Expenses		
	Expenses distributed evenly to all activities		
	The following expenditures relate to XXX Activities: Activity 123		
	Venue Rental, Training Materials		

4	i) Purchases of equipment related to Activity 234		

ii) Quotes were received from:

	Quotes received per unit in USD$		
Desktop Computers			
Notebooks			
Workstations			
Printers (linked)			
Software (including network software)	#########	########	15,000.00

All equipment purchases will be made after a well developed Procurement guideline
(that conforms to Donor requirements) is developed and approved by Team leader.

For example:

Method	Estimated Value	Bid Solicitation Procedure
1	up to $5000	Price comparison. Goods are standard, off-the-shelf items.
2	$5000 - $25,000	Invite a minimum of two written quotations/proformas in a competitive Goods are standard and off-the-shelf.
3a	$25,000 and up	Formal call for sealed tenders. Issued competitively to qualified suppliers. Goods may or may not be off-the-shelf. Selection is based solely on price.
3b	$25,000 and up	Request for Proposal (RFP). Goods may or may not be off-the-shelf. Selection cannot be made solely on the basis of price.
4	Non-competitive	Bid solicitation is usually in the form of an RFP. Justification and a Fair Price Declaration are required.

TOOLKIT B

Level of Effort							
	T	**I**	**T**	**L**	**E**	**S**	**Total**
Activity 100:							
							-
							-
							-
Sub-total: Days	-	-	-	-	-	-	-
Sub-total: Flights	-	-	-	-			-
Activity 200:							
							-
							-
							-
Sub-total: Days	-	-	-	-	-	-	-
Sub-total: Flights	-	-	-	-		-	-
Activity 300:							
							-
							-
							-
Sub-total: Days	-	-	-	-	-	-	-
Activity 400:							
							-
							-
							-
Sub-total: Days	-	-	-	-	-	-	-
Activity 500: Training and Advisory Activities							
							-
							-
							-
Sub-total: Days	-	-	-	-	-	-	-
TOTAL DAYS (8 hours per day)	-	-	-	-	-	-	-
TOTAL FLIGHTS							-

Reimbursable Expenses and Equipment	Unit	Rate	Total €
Communication & Reproduction			-
Supplies			-
Local travel			-
Venue Rental			-
Training Materials			-
Sub-total: Reimbursable Expenses			**-**
Procurement of Equipment:			
Desktop Computers		-	-
Notebooks		-	-
Workstations		-	-
Printers (linked)		-	-
Software (including network software)		-	-
Sub-total: Equipment	**-**		**-**
			$ -

TOOLKIT B

Activity-based Budget

	Total	€
Activity 100:		
Fees		-
Travel		-
Reimbursables		-
Sub-total:		**-**
Activity 200:		
Fees		-
Travel		-
Reimbursables		-
Sub-total:		**-**
Activity 300:		
Fees		-
Reimbursables		-
Sub-total:		**-**
Activity 400:		
Fees		-
Reimbursables		-
Equipment/Software		-
Sub-total:		**-**
Activity 500:		
Fees		-
Reimbursables		-
Sub-total:		**-**
Summary		
Fees		-
Travel		
Reimbursables		-
Equipment/Software		-
Total:		**-**

TOOLKIT C

Memorandum of Understanding

Names of parties:

Date of Agreement:

The names and contact information of each party:

Implementation Arrangements

- Brief summary of relationship and roles in the project (partners, subcontractors, associates, project manager, technical advisors)
- Reporting and working relationships
- How project decisions will be made
- What aspects of the project or types of decisions will require formal notification and how
- How disputes will be settled

Financial Management

- Which party manages the project budget
- Financial and other commitments (contributions) of each party
- How and when financial contributions are made
- How parties are paid (who pays who, by what method, in what currency, deposited where)
- When parties are paid (upon submission of invoice or receipt of payment from donor)
- The basis for payment (flat fee, a percentage of the grant, pay for time)

Term of Agreement

- When the agreement starts (on a certain date, during a limited event, as soon as the grant is confirmed)
- When the agreement terminates (for a certain period, at the end of the project or activity, on completion of a deliverable)
- How the agreement is terminated (by one or both parties, under what circumstances, how is the end carried out)
- What happens at the end of or after the agreement

Miscellaneous

- Any restrictions to either party
- Any disclaimer statements
- Any privacy statements (such as revealing company information, e.g., sales, customers)

A place for all parties to sign and witness the agreement

Terms of Reference
Name of Project
Name of Role or Assignment

Project Background
Summarized from your project design to provide context for the role assignment.

Project Purpose

Project Outcome

Scope of Work
An overview of what you expect to accomplish as a result of this role or assignment.

Deliverable 1

Deliverable 2

Deliverable 3, etc.
Details of each output or deliverable for which the role is accountable.

Implementation Arrangements
Details of reporting and working relationships, stakeholders and any committees to be formed, as well as any other specifics relating to the working environment and organisational arrangements.

Other Requirements
Any special requirements, such as for knowledge transfer or capacity strengthening.

Experience & Qualifications
The experience and qualifications required for the role or assignment, including years of experience in the field, educational and training qualifications and any skill requirements.

Timing & Duration
The calendar time period over which the assignment is to occur and the level of effort or amount of time (full time or number of person months or days) required within that period.

Reporting Requirements
Specifications of progress and other reports, including frequency, submission deadlines and formats (presentations, electronic files, use of software, etc.)

Location
The base location of the assignment, as well as any need to travel to other venues of activity.

TOOLKIT D

Title of Project Proposal

Name(s) of Proposing Organisation(s)

Date of Submission

Prepared with the Assistance of the BPSA Project Proposal Hub

[Expand all sections as required.]

A. PROFILE OF PROPOSING ORGANISATION / ENTITY	
1. Name of company or proposing group/entity	
2. Address	
3. Postal Address (if different from above)	
4. Web Address	
5. Contact Person (name & position title)	
6. Phone	
7. Fax	
8. Email	
9. Legal Status	
10. Date of Registration/Incorporation (if applicable)	
11. Number of employees (if applicable)	
12. Main sector(s) of activity	
13. Total investment value (total net fixed plus current assets)	
14. Annual sales value (last year)	
15. Export share (%)	
16. Main export markets	
17. Details of prior donor support (donor, date, amount and purpose)	

TOOLKIT D

	B. PROJECT DESCRIPTION	
18.	Title of Project:	
19.	Proposed Start & End Dates:	
20.	Summary of problem or opportunity being addressed	
21.	Main project objectives and how they relate to any national and/or regional strategies for private sector development and competitiveness	
22.	Specific Objectives to be achieved	
23.	Immediate results (outputs) to be achieved from methodology/activities/inputs	
24.	Summary list of activities (what the funds will be spent on)	
25.	Detailed description of the methodology, describing each activity to be undertaken, including the type of assistance and specifying the role of each partner, associate or subcontractor in the activities	
26.	Implementation schedule or action plan for undertaking project activities (Gantt chart)	
27.	Detailed description of the human resources (i.e. staff or consultant) required to undertake the activities, i.e., technical expertise, management capacity, experience	
28.	Description of the target groups & final beneficiaries	
29.	Demonstration of Stakeholder Support/Engagement (summary of consultations to design the project)	
30.	Performance Measurement Framework - how achievement of results will be measured; list OVIs and strategy for measurement (sources and responsibility)	
31.	Estimated total cost of the Project	
32.	Proposer's percentage contribution to the total	
33.	Management Arrangements (roles, responsibilities of partners, etc.), history of collaboration between partners	
34.	Summary of any identified risks and how they will be managed/mitigated.	
35.	Sustainability Plan (how activities will be financed after the funding ends and support structures that will continue to be implemented)	

Expenses	Costs [state currency]
C. PROJECT BUDGET	
Expenses	**Costs [state currency]**
1. Human Resources (Staff)	
1.1 Technical personnel	
1.2 Management & support staff	
Subtotal Human Resources	
2. Travel	
2.1. International travel	
2.2 Per diems for missions/travel (Hotels, meals, transportation, other incidentals)	
Subtotal Travel	
3. Equipment and supplies	
3.1 Furniture, computer equipment	
3.2 Machines, tools…	
3.3 Spare parts/equipment for machines, tools	
3.4 Other (please specify)	
Subtotal Equipment and supplies	
4. Other costs, services	
4.1 Publications	
4.2 Studies, research	
4.3 Consultants, Trainers	
4.4 Costs of conferences/seminars	
4.5 Marketing & Promotions	
Subtotal Other costs, services	
Total Project Cost (1-4)	

TOOLKIT D
Sample Format for Concept Note

36. Title of Project:	
37. Name of company or proposing group/entity:	
38. Number of years in operation (if applicable):	**39. Number of employees (if applicable):**
40. Contact Person:	**41. Email:**
42. Web Address:	**43. Telephone:**
44. Core business activities:	

45. Summary description and analysis of the main Problem or Opportunity to be addressed:

46. Main project objectives and how they relate to any national and/or regional strategies for private sector development and competitiveness:

47. Short summary of activities (what the funds will be spent on):

48. Statement of the Qualifications of the proposing entity to address the Problem/Opportunity and implement the project:

49. Estimated total cost associated with the Project:	
50. Percentage of the total cost you will contribute:	

51. Names of principal project partners (if applicable):

52. Summary of any consultations/meetings you have held to design and/or appraise the project:

53. Summary of any identified risks and how they will be managed/mitigated.

54. Projected timetable for implementation.

Business Plan Outline

This is an outline for a generic business plan. Every business is different, so every plan must be different. Not all the headings or items below will be required for your business, and there may be some unique elements in your business that call for other headings not included here.

There are many other sources where you can find templates for business plans. Many are excellent. Talk to your bank or accountant to find some. Search the internet for others. Software is available to help you through the process (Business Plan Pro is very good, it costs about US$150). Find a format that feels good to you and fits your business.

What is always necessary is a thorough understanding of the market for your product and service, and of the industry and competition you expect to face. This in turn requires a realistic self-assessment (SWOT analysis), a clear marketing and sales strategy, and a good risk analysis. Please do those in detail.

Your financial analysis and forecast needs to be realistic. Be conservative about your revenue projections, and don't assume expenses will be low. Use Excel for your financial projections, so you can make adjustments easily.

Make a realistic implementation plan and schedule—there is little point in putting together a plan that is so aggressive that you can't really achieve it.

A good business plan takes a lot of work. Don't be surprised if it takes 100-200 hours—that's not uncommon, depending on the complexity of the business, and what your starting point is. Smaller, simpler business will require less of course.

Regardless of the size or complexity, it's your plan so you will have to do serious research, and really roll up your sleeves and sweat over it to make it consistent, realistic and achievable. A team can do it better than a single person can. If it's a one-person business, have a friend or a colleague look at it along the way and give you feedback.

Although it will be hard, it's worth it—you'll know far more about your business opportunity than you ever did before, and will have a clear picture of the future that you can explain with confidence to a funding source (bank or donor). They will expect that kind of discipline and knowledge in your approach, and giving it to them will enhance your chances of getting the loan, or grant, or investment, you are looking for.

Just as important, it will also help guide you in operating your business, keep you on track and help you make changes as you go.

TOOLKIT D

Headings	Description	Work Plan, Notes
(Select relevant ones, remove those you don't need, add others you do; *Level of detail depends on business scale and scope)*		*(Fill in what you know, what you need to know more about, what you know nothing about;* *Explain how you will go about doing the necessary work to complete your plan, when, how long each section will take to complete)*
1. Executive Summary Objectives Mission Keys to Success Main results	Do this at the end, after you have done your plan. It is a summary **OF** your plan, not an introduction **TO** it or a sales pitch **FOR** it. 1-2 pages long, highlights only. The purpose is to tell the reader (bank loans officer, donor agency, etc.) what your plan is all about in a nutshell, to hook their interest… based on this they will then decide if it's worth reading the rest of it.	
2. Company Summary Company Ownership Locations and Facilities Start-up Summary	Brief description of the business structure. Incorporated? Partnership? Sole proprietor? Local, national or international? Location(s) How long in operation?	
3. Products/ Services Product Description Competitive Comparison Sales Literature Sourcing Technology Future Products	Tell what products or services you will sell. What your product range is, what needs your services/ products fill, what they cost, how they stack up in the market compared to competitors' offerings, how and where you buy or develop them, what technology (or skills) you need to have in place, also what your plans are for the future (e.g. add new products).	
4. Market Analysis Market Segmentation Market Needs Market Trends Market Growth Target Market Segment Strategy	This is a very key section. You must demonstrate that you understand your market deeply. This calls for detailed, thorough, current research and analysis. What is the market for your product/ service? How is that market structured? What are the main segments/ divisions? How big are they? What do you know about each of them? What does the market (and each segment) need, and want? How is that market performing? How is it growing? What other trends are there (technology, fads, etc)? Do they make an important difference? How will you cope with changes?	

Manual for Writing Results Based Project Proposals

Headings	Description	Work Plan, Notes
	Are there other services/ products that satisfy the market needs in a different way than you do/ will? What is the preferred segment for you? Why? What characteristics does this segment have that is especially appealing to you?	
5. Industry Analysis Industry Participants Distribution Patterns Competition and Buying Patterns Main Competitors	Demonstrate that you understand the industry you are in (distinct from the market you will sell to) Who is in it? Who are the main players? What needs do you fill? Why will people buy from you instead of from others? What benefits do you offer? How do products/ services get to market? (Dealers? Franchises? Distributors? Wholesalers? Direct sales?) How to buyers like to acquire product? (bulk orders? Import? Buying groups? Retail stores?) Who are the competitors? Make sure you understand them very thoroughly… what they offer, how big they are, what makes them successful, how they will respond to your presence. Again, much research is needed.	
6. SWOT Analysis Strengths Weaknesses Threats Opportunities	Do a very thorough and realistic self-assessment. Think of it as a map—your purpose is to move from where you are to your destination in the most effective way possible, make the right choices about which roads to take. Get others you trust to validate your thinking on this—you need honesty and objectivity here. *Strengths*—about YOU—what are you good at? …You want to capitalize on your strengths *Weaknesses*—about YOU—what are you not so good at? …You want to avoid or fix your weaknesses *Threats*—about THEM--what will the competition do to harm you? Get in your way? Slow you down? Beat you to the punch? Prevent your success? …you want to avoid or counter-act threats. *Opportunities*—about the whole map—how and where do you focus your work to do the above?	
7. Business Strategy Value Proposition Competitive Edge	With a solid understanding of your market and industry, and with your SWOT analysis in place, tell how you plan to participate in the industry, how your business will be successful.	

TOOLKIT D

Headings	Description	Work Plan, Notes
Critical Success Factors (CSFs)	What is your value proposition? What makes you different from the competition? How are you better than they are at fulfilling customer needs? What is your competitive advantage? What are the CSFs? Will you be able to sustain your competitive edge? Why? How?	
8. Marketing Strategy Positioning Statement Pricing Strategy Distribution Strategy Promotion Strategy Marketing Programs	Describe here how you will approach the market… What position do you want to occupy? What reputation do you want for your brand? How is this different from competitors? (e.g. best service? Newest products? Most complete range?) How will your desired positioning be reflected in your pricing? (e.g. Low cost? Premium quality? Volume discounts? "menu" approach vs. packaging/ bundling?) How/ where will you distribute? Direct sales? Dealers? Exports? Multi-level marketing? Is your focus based on segments? Geography? Other factors? How will you tell the market you are here? Advertising? Media? Word of mouth? Referrals? What will you do to appeal to the customers you want to sell to? Are your plans measurable?	
9. Sales Strategy Sales Forecast Sales Programs	How are you going to go about making sales? Knock on doors? Media ads? Hire a sales force? Pay them on commission? Online sales? How do you get sale #1? What volume of sales do you project over a 3-5 year period? Explain how you will generate those sales, what it will cost you to do that (commissions/ travel expense), how many sales calls/ contacts you will have to make in order to generate each sale.	
10. Management Plan • Organizational Structure • Management Team • Management Team Gaps • Personnel Plan	Who is your team? What are the positions and responsibilities? Who does what? Show how you have (or need to get) the skills required to carry out your plan. Be honest about your weaknesses or gaps in skills, and address how you will fix them. Show how the team will change as you grow.	
11. Strategic Alliances	What linkages, partnerships, or alliances will you use to help you grow your business? How do these reflect your SWOT	

Headings	Description	Work Plan, Notes
	analysis? Do they help to make up for your weaknesses, and/or the threats you face?	
	Do they enable you to grow faster? Expand your reach? Tap into new markets? Appeal to new customers? Attract donor interest?	
	What's in it for you? What do you bring to the partnership table? What's in it for your partner? What do they bring to the table?	
	How do you split the work? How do you split the pie?	
12. Implementation Plan • Strategy Pyramid • Milestones	Explain what you will do to carry out the main components of your plan, how, and when. Clarify your goals and objectives (what), your strategies (why and how), and your tasks or initiatives (how and when) Organize and group your tasks under your strategies, to show how the tasks contribute to fulfilling a strategy, and how the strategies contribute to achieving the goals Identify key milestones along the way where critical things must be done (e.g. buy equipment, hire staff, launch a major marketing program), or where you can assess progress.	
13. Risk Analysis • Analyse the risks • Show your strategies for reducing (mitigating) the impact of them.	No plan is fool-proof; things can go wrong and will go wrong! You need a section to show how you will deal with this reality. Explain the main things that can go wrong for your business (e.g. slower sales than expected, stiffer competition, a new product or competitor emerges, customers dry up, costs of operating are higher than you expected, regulations are too hard to meet, etc). Explain what you will do differently in case some of these things do in fact happen, to protect your business. Don't just pretend that if sales are off 20%, you will reduce all expenses by 20% to maintain the same profit margin… you will probably have to cut some "frill" expenses completely, slow down others, and the profits will probably be lower or slower… don't be afraid to admit that—your worst case is always going to be less attractive than your base case.	
14. Financial Plan • Start-up Funding • Projected Profit and Loss • Projected Cash	For all areas above (marketing, sales, personnel, etc) show your projected revenues (from sales) and your projected expenses (rent, utilities, equipment maintenance, travel, communications, marketing programs,	

Headings	Description	Work Plan, Notes
Flow • Break-even Analysis • Key Financial Indicators	salaries, benefits, commissions, interest on loans, etc.). Be thorough and realistic. If a startup, or if investment is required, show what investment is needed, where it will come from, and terms. Project your profit and loss for 3-5 years (time frame depends on the industry you're in—some are more stable and predictable so a 5 year period may be possible; others change rapidly and even 3 years is long—so adjust your time frame to reflect the realities of your business. Make a "base case" set of projections, and another "worst case" set—that one comes from your risk analysis—it's your "what if" scenario. This will tell you if your risk analysis is right. Do a cash flow forecast, a break-even projection. Explain your financial targets (sales volumes, profit levels, cash levels) and set goals that are realistic but aggressive—this is how you will know if you have been successful and what to do about it if you're falling behind. State your assumptions explicitly.	
15. Other….		

Sample Proposal Checklist

Requirement/Task	Responsibility	Status	Notes
Proposal deadline and delivery instructions	Lena		3 hard copies to be delivered by 4pm on 10th May to: My Fund, 1 Donor Alley
Cover Page	Lena		
Company Details	Lena		
Donor's Declaration Forms	Lena	Done	Declaration to be signed by all three project partners
Appendices	Michael	Done	Proof of Registration Last 2 Financial Statements Partners' MoU
Project Problem Statement	Sam		To be reviewed by David 5th May
Project Objectives	Sam		
Background & Rationale	Sam		
Methodology and Work Plan	Michael		
Risk Mitigation	Michael		
Implementation Arrangements	Michael		
Resource Schedule	Lena		
CVs for Technical Experts	Lena	Done	
Work Schedule	Lena		
Summary of Costs	Luke		
Local currency, USD breakdown	Luke		
Breakdown of Costs by Activity	Luke		First draft 6th May
Partner Contributions	Michael		To be cleared by Justin and Judy 7th May

A-Z Guide

A-Z Guide

Action Plan	An outline of the sequence, timeline and responsibilities for the project's activities
Activity Schedule	An outline of the sequence, timeline and responsibilities for the project's activities
Assumption	External factor which could affect project progress but which is outside the scope of project control (stated in positive terms; if formed as a negative statement, it is not an assumption but a project 'risk')
Beneficiary	Organisation, community or individual who receive benefit (in whatever way) from the implementation of a project
BSO	Business Support Organisation; often a NGO providing advocacy and business development support to a particular sector or industry
Business Case	The justification for a business improvement project, including a description of the business problem or opportunity, an assessment of the available solution options, their associated costs and benefits and a preferred option for approval
CDB	Caribbean Development Bank
CIDA	Canadian International Development Agency
Deliverable	A quantifiable output of the project which contributes to the achievement of the project results and objectives
Dependency	A logical relationship between two or more project activities whereby progress in one affects the timing of another
DfID	UK Department for International Development (now UK Aid)
EPA	Economic Partnership Agreement
EU	European Union
Feasibility Study	A process to identify and explore possible solutions to a particular business problem or opportunity; to assess the potential outcomes of each option and to recommend an approach
Final beneficiary	Organisation, community or individual who benefits from the farthest removed effect of project in the long term
Financial Planning	The process of identifying the financial resources required to undertake the project, including all the types of costs to be incurred on the project (e.g. human resources, equipment, materials) and a schedule outlining when the respective costs are likely to be incurred
Gantt chart	A graphic representation similar to a bar chart, setting out the timing, sequence and duration of project Activities (to illustrate an Activity Plans/Activity Schedule/Work Plan)
Gender Equality	The promotion of equality between women and men in relation to their access to social and economic infrastructure, amenities, services and opportunities
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (the German government enterprise for international development)
Milestone	The key project event such as the achievement of a project deliverable, an options review or strategic decision point
Procurement Planning	The process of identifying the products to be sourced externally and the methods for acquiring them

Project	A unique endeavor to achieve a specified effect with clear time, cost and quality definitions
Project Activity	A task or set of tasks which result in the partial or full completion of a project deliverable
Project Goal	The higher level purpose of a project – its importance to community, economy or society
Project Cycle	The sequence of phases to start and end a project
Project Management	The skills, tools and management processes required to successfully undertake a project
Project Schedule	A series of planned activities/tasks and dates within which they are to be completed to achieve project deliverables and results
Project Purpose	The central objective of the project that addresses the core problem pr opportunity. Complex projects may have more than one purpose
IDB	Inter American Development Bank
Indicator	A measureable (quantity or quality) unit – sign or evidence – of effect or change
Input	A resource (human, material or financial) being invested into a project activity
LFA	Logical Framework Analysis. An analytical process for project design that focuses on the achievement of results through means to end definition
LF	Logical Framework. The documented product of the LFA which summarises the key elements of a project plan
LM	Logic Model. The documented product of the LFA which summarises the key elements of a project plan
LoE	Level of Effort. The volume of human resource input (e.g., number of person hours, days or months)
MDG	Millennium Development Goal
Milestone	A key point in project activity that indicates achievement of specific objectives or a decision point
Monitoring	The systematic and continuous collecting and analysis of project data for the purpose of management and decision making
Objective Tree	A diagram showing the relationship between project activity and future state Indicators (OVI) achieved at the three highest levels of the logframe.
Objectively Verifiable Indicator	A measureable (quantity or quality) unit – sign or evidence – from an independent source demonstrating effect or change
Output	The direct result of a project activity
Overall Objective	The higher level purpose of a project – its importance to community, economy or society
Partner	Organisation or community with a defined role in the project implementation
Reimbursable Expense	A non human project cost which the donor will refund, e.g., travel or training facility rental
Resource	The human or non-human (equipment, material) input required to complete an activity

A-Z Guide

Resource Schedule	A breakdown of the required project resources per Activity within the project timeframe
Result	A tangible product/service delivered as a consequence of implementing an Activity
Risk	The probability that an event or action may adversely affect the achievement of project objectives or activities
Risk Mitigation	A set of actions to be taken to avoid, transfer or reduce the effect of a risk, based on its priority; preventative actions to be taken during the project to reduce the likelihood of the occurrence of risk as well as the contingent actions to be taken to reduce the impact on the project should the risk eventuate
Scope	The full range of actions and results to be produced by the project
Sources of Verification	Where information may be found, and in what format, to give evidence to an Indicator
Stakeholder	Organisation, community or individual that may be affected by a project
Stakeholder Analysis	The identification of all stakeholder groups and assessment of how they might be affected by the project
Sustainability	The ability of project partners to continue to provide the service or generate the benefits after the period of external support has ended
ToR	Terms of Reference. Definition of the tasks, inputs and deliverables required of a contractor and the timeframe for completion
UKAid	United Kingdom Agency for International Development (DfID)
UNDP	United Nations Development Programme
USAID	US Agency for International Development
Work Plan	a description of the flow, timeline and responsibilities for the project's activities