

## **Overview of the Bilateral Project Cycle**

prepared by Asia Branch, Americas Branch, Africa & Middle East Branch, Canadian  
International Development Agency  
February 1999

This document provides an overview of the bilateral programs project cycle as described in the Geographic Programs Roadmap designed for use by CIDA staff. This overview has been prepared to provide non-bilateral staff and those from outside CIDA with a more general overview of the various stages of the project cycle.

### **Table of Contents**

#### **Chapter 1. Introduction**

#### **Chapter 2. The Policy Framework**

##### **2.1 Introduction**

##### **2.2 Canada's Official Development Assistance (ODA) Policy Framework**

##### **2.3 CIDA's Development Policy Base**

##### **2.4 Shaping the 21st Century: The Contribution of Development Cooperation**

##### **2.5 Partnership**

##### **2.6 Conclusion**

#### **Chapter 3. Agency Program Management Frameworks**

##### **3.1 Introduction**

##### **3.2 CIDA's Regulatory Environment**

#### **Chapter 4. Bilateral Program and Project Management Frameworks**

##### **4.1 Introduction**

#### **Chapter 5. The Logical Framework Approach**

##### **5.1 Introduction**

##### **5.2. Expected Results**

##### **5.3 Performance Measurement Indicators**

##### **5.4 Assumptions and Risks**

#### **Chapter 6. Program Framework, Project Identification and Project Selection**

##### **6.1 The Project Cycle**

##### **6.2 Project Identification**

##### **6.3 Project Selection**

#### **Chapter 7. The Concept Paper**

##### **7.1 Introduction and Application**

#### **Chapter 8. Project Appraisal**

##### **8.1 Introduction**

##### **8.2 Analysis**

##### **8.3 Project Appraisal for Projects up to \$500,000**

#### **Chapter 9. Project Feasibility and Design**

##### **9.1 Introduction**

##### **9.2 Feasibility**

##### **9.3 Project Planning and Design Considerations**

##### **9.4 Project Design Tools**

##### **9.5 CIDA Project Management Strategy**

##### **9.6 Project Performance Measurement Framework**

#### **Chapter 10. Project Approval**

## Chapter 11. Operationalizing a Project

### 11.1 Project Agreements with a Recipient Government

### 11.2 Project Agreements with Executing Agencies and Implementing Organizations

## Chapter 12. Managing Operational Projects

### 12.1 Introduction

### 12.2 Project Management Tools

### 12.3 Management and Operational Reviews

### 12.4 Tools for Performance Monitoring and Reporting

### 12.5 Changes to Operational Projects

## Chapter 13. Project Completion and Closure

### 13.1 Introduction

### 13.2 Required Actions

## Chapter 1. Introduction

The Geographic Programs Roadmap Overview highlights the policy, regulatory and procedural context for the conduct of the Bilateral Aid Program and, in keeping with the Framework Policy for Bilateral Aid, summarizes the different methodologies used to develop and implement bilateral aid projects and programs throughout the multi-year project cycle. It provides appropriate references to key policies, strategies, guidelines and discussion or issue papers.

## Chapter 2. The Policy Framework

### 2.1 Introduction

CIDA project activities take place within the context of established development policies, a management framework and a program planning process. These elements form the broad environment in which projects are identified, appraised, designed, implemented and evaluated and, together, help to promote consistency in Agency programming and practices. This chapter describes Canada's Official Development Assistance (ODA) Policy Framework (including six Program Priorities) and CIDA's Development Policy Base of existing and planned policies relating to the six Program Priorities and other development issues.

### 2.2 Canada's Official Development Assistance (ODA) Policy Framework

The overall framework for the Official Development Assistance (ODA) program is set out in Chapter 6 of Canada in the World, the Government's 1995 foreign policy statement. Canada in the World identifies three foreign policy objectives for Canada:

- the promotion of prosperity and employment;
- the protection of our security, within a stable global framework; and
- the projection of Canadian values and culture.

These objectives apply to all foreign policy instruments, including the ODA program.

Canada in the World also defines the mandate of Canada's ODA:

*"The purpose of Canada's ODA is to support sustainable development in developing countries, in order to reduce poverty and to contribute to a more secure, equitable and prosperous world."*

To achieve this purpose Canadian ODA concentrates on six Program Priorities:

- **Basic Human Needs:** to support efforts to provide primary health care, basic education, family planning, nutrition, water and sanitation, and shelter. Canada will continue to respond to emergencies with humanitarian assistance. Canada will commit 25% of its ODA to basic human needs as a means of enhancing its focus on addressing the security of the individual;
- **Women in Development and Gender Equity:** to support the full participation of women as equal partners in the sustainable development of their societies;
- **Infrastructure Services:** to help developing countries foster reforms which promote greater private sector and community participation in the design, delivery and financing of infrastructure services which are an indispensable component of poverty reduction and sustainable development;
- **Human Rights, Democracy and Good Governance:** to increase respect for human rights, including children's rights; to promote democracy and better governance; and to strengthen both civil society and the security of the individual;
- **Private Sector Development:** to foster a supportive environment for private sector activity and provide direct assistance for private sector development in order to promote sustainable and equitable economic growth in developing countries;
- **Environment:** to help developing countries protect their environment and contribute to addressing global and regional environmental issues.

Guidelines (entitled ODA Priorities: CIDA Operational Definitions) on the activities included within each ODA Priority have been developed, approved and distributed throughout CIDA and to its partners. These guidelines help to clarify the nature of programming within each priority area and also enable CIDA to report on its disbursements and results on a priority-by-priority basis.

### 2.2.1 Principles of Effective Programming

As part of its commitment to improving the effectiveness of ODA programming, Canada in the World provided five basic Principles for Effective Programming. Building upon these basic principles and reflecting ongoing experience, Our Commitment to Sustainable Development (see Section 2.3 below) presents seven updated principles to ensure that programming is based on:

Acquiring and using knowledge: Development programs and projects operate within the social, cultural, economic, environmental, institutional and political structures present in any community, country or region subject to the formal and informal power structures therein. Knowledge of the local context is vital to understanding development cooperation needs, approaches and realistic expected results;

- **Applying participatory approaches:** Development cooperation must ensure that recipient country beneficiaries and partners share ownership in the process and the results. Ownership can be achieved by involving local partners in all stages of program and project development - from concept to implementation to evaluation;
- **Applying iterative approaches:** Many projects can be viewed as experiments in applying new policies, strategies and methods to development problems. Such projects are

implemented step by step making the necessary adjustments to reflect lessons learned and changing circumstances.

- Capacity development: Helping the beneficiaries of CIDA's programs increase their own ability to help themselves is essential to ensure that benefits are sustained beyond the life of individual projects. Thus, capacity development is a basic purpose of the Agency's programs and projects.
- Promoting policy and program coherence: Development challenges are addressed at many levels (community, regional, national and international) by the developing countries, donors and other partners. CIDA will work with Canadian, developing country and international partners to promote consistent approaches to these development challenges.
- Promoting donor coordination: Shaping the 21st Century (see Section 2.4 below) presents a collective vision, a common agenda and a key direction-setting strategy for donors and developing countries. Building on this, CIDA will increase coordination with other donors from the broad program to project specific levels to ensure that policies and actions are complementary.
- Demonstrating results: RBM requires CIDA to be clear about objectives, realistic about expectations, methodical in the review of performance, and flexible in making changes, as required. It is recognized that there are many difficult challenges in applying RBM. However, the objective in implementing RBM is to get the best possible value for money in Agency programs and projects and to be able to use the results information collected to improve Agency performance while communicating development results to the Canadian public and to Parliament.

## 2.3 CIDA's Development Policy Base

A number of documents have been prepared to provide better guidance to staff regarding the ODA mandate and our program priorities.

### 2.3.1 CIDA's Mandate

- The Sustainable Development Framework Paper (July 1991) provides an integrating framework to guide policy development at the corporate and branch levels. It presents five "pillars" of sustainable development: environmental, economic, political, social and cultural.
- [Our Commitment to Sustainable Development](#) was tabled in the House of Commons in December 1997 as a legislative requirement. It updates the above [Sustainable Development Framework Paper](#), indicates that sustainable development will be promoted through poverty reduction initiatives, and presents an Action Plan for sustainable development aimed at ensuring maximum development impact;
- [CIDA's Policy on Poverty Reduction](#) (1996) sets out a common definition of poverty reduction and a framework to guide programming in the Agency's six Program Priorities (see below). Poverty reduction addresses the causes of deprivation and inequity. A major

challenge in various regions of the world is to make the transition from short-term relief to long-term poverty reduction activities.

Poverty reduction is one of the goals of Canada's ODA program and requires that CIDA staff: have a better understanding of the country-specific and localized characteristics of poverty; coordinate the use of project, program and institutional support with policy interventions (to achieve maximum impact); and have a clear view of CIDA's role and capabilities in poverty reduction interventions.

As well readers should consult the following policy documents:

- [CIDA's Policy on Meeting Basic Human Needs](#)
- CIDA's Policy on Women In Development and Gender Equity (WID&GE) (now being updated)
- A policy on [Infrastructure Services](#) is being developed; A draft is available from Policy Branch.;
- [The Government of Canada Policy for CIDA on Human Rights, Democratization and Good Governance](#)
- A policy on Private Sector Development is being developed; A draft is available from Policy Branch.
- CIDA's Policy for Environmental Sustainability (now being updated)

Many strategies, guidelines and discussion/issue papers address the six Program Priorities as well as important sub-themes and issues. These are listed in the Policy Branch table Documents Supporting CIDA's Policy Framework.

## 2.4 Shaping the 21st Century: The Contribution of Development Cooperation

This document represents the collective vision of the members of the Development Assistance Committee of the OECD about the future goals and directions of development cooperation. It was endorsed by G8 Heads of State in 1997.

## 2.5 Partnership

The first element of Shaping the 21st Century is partnership. Development co-operation must ensure that beneficiaries and partners will have ownership of the development process and results. Partnership is a key strategy to engender local ownership of development initiatives, which in turn leads to more effective and sustainable results. CIDA's approach to partnership is further reinforced in the Agency Accountability Framework.

### 2.5.1 Consultation

Consultation refers primarily to relations with Canadian partners. CIDA's Consultation Policy (1993) is designed primarily to set out the definition and principles to guide these consultations with Canadian stakeholders.

For the bilateral branches, consultations with Canadians are mandatory when developing C/RPFs and may have value when identifying projects. Co-ordination of CIDA's developmental activities with those of other donor agencies is an important factor in programming effectiveness because it increases complementarity between CIDA's initiatives and those of other donors, improves policy and program efficiency, may leverage additional resources for development, and rationalizes the planning and administrative burden placed on developing country partners.

### 2.5.2 Participation

In the bilateral context, participation refers to the direct involvement of beneficiary governments, organizations and populations in all aspects of development initiatives. CIDA recognizes that participation is a means of ensuring that development is more effective by involving the stakeholders directly in the process. The full participation of all stakeholders is critical to the identification and planning of potential initiatives. A participatory process should help to ensure a sense of commitment to, and ownership of, the project concepts on the part of local partners which is essential for long-term sustainability.

Special efforts must be made to ensure that the poor and the disadvantaged within the target groups are included in project development and subsequent project activities. Particular attention is required to ensure that the needs and interests of women are addressed and that they are involved in the decision making process.

### 2.6 Conclusion

Canada's ODA Policy Framework and the CIDA Development Policy Base establish the context:

- for the development of the various Bilateral Program and Project Management Frameworks (described in Chapter 4);
- in which all bilateral programs and projects operate; and
- against which all bilateral programs, projects, and activities will be reviewed and measured.

## Chapter 3. Agency Program Management Frameworks

### 3.1 Introduction

Within the general context of Canada's ODA Policy Framework and CIDA's Development Policy Base (outlined in Chapter 2), Bilateral development assistance is planned and delivered within a defined CIDA Regulatory Environment and the following key Agency program management frameworks:

- Results-Based Management (RBM)
- The Agency Accountability Framework
- The Performance Review Framework.

Results-Based Management defines the Agency's management philosophy and practice to systematically focus on results to optimize value for money and the prudent use of human and

financial resources. RBM also forms the basis of all project reporting and the Agency's reporting to Parliament and the Canadian public on its development achievements.

The Agency Accountability Framework defines CIDA's accountability as a federal government department at the Agency level, for CIDA's senior executives, and for program and project managers and key staff at the branch level, including the bilateral programs.

The Performance Review Framework encompasses all functions and instruments used by Agency managers and staff at all levels to assess Agency development and operational results, including evaluation, internal audit and monitoring of bilateral programs and projects.

### 3.2 CIDA's Regulatory Environment

CIDA is designated as a department of the Government of Canada for the purposes of the Financial Administration Act (Order in Council P.C. 1968-923 dated May 8, 1968). It acts under the authority of the Minister of Foreign Affairs. The specific authority of the Minister of Foreign Affairs and of the Minister of International Development is found in the Department of Foreign Affairs and International Trade Act, in the Annual Appropriation Act and in the International Development (Financial Institutions) Assistance Act.

As a department, CIDA operations are subject to the normal legislative and regulatory requirements established for government departments in a number of acts and regulations including: the Financial Administration Act, the Government Contracts Regulations, the Canadian Environmental Assessment Act, and the various regulations and directives of the Treasury Board Secretariat regarding government operations.

In those cases where the Agency does not follow generic government policies and practices (such as for project approval), CIDA is required to seek the specific approval of the Treasury Board.

The roles and authorities of specific individuals including the Minister, the President, Vice-Presidents and senior officials of CIDA are further defined in the Agency's delegation of authorities instruments, the Agency Accountability Framework, and various other specific Treasury Board approvals.

All bilateral programming takes place within the Government of Canada and CIDA Regulatory Environments.

## Chapter 4. Bilateral Program and Project Management Frameworks

### 4.1 Introduction

Bilateral development assistance is planned and delivered within the general policy context provided by Canada's ODA Policy Framework and CIDA's Development Policy Base and within the general operational context provided by CIDA's Regulatory Environment and the three key Agency Program Management Frameworks described in Chapter 3.

The planning and delivery of bilateral development assistance is further defined by the following key bilateral program and project management frameworks or mechanisms described in this chapter:

- Terms and Conditions for Bilateral Aid (1996) and the Framework Policy for Bilateral Aid (1996);

- Bilateral Programming Mechanisms;
- Project Delivery Models - Lines of Business (LOBs); and
- The Project Team;
- and by the Logical Framework Approach which is described in Chapter 5.

The Terms and Conditions define the scope of bilateral aid, while the Framework Policy defines how that aid is delivered. Bilateral Programming Mechanisms refer to the broad programming choices available to managers in the Geographic Branches: directed programming for projects developed primarily by CIDA in consultation with our developing country partners; responsive programming for unsolicited proposals from the private and not-for-profit sectors; Bilateral Food Aid; and the use of Special Program and Project Expenses directly in support of bilateral programs or projects.

Under the "Directed Mechanism" option, both the private sector and the "not-for-profit" sector are involved in open competition through MERX (Canada's Electronic Tendering Service) to execute projects which CIDA wishes to implement

The Bilateral Responsive Mechanism replaces the former "Country Focus" mechanism. It allows for the submission of unsolicited proposals by both the private sector and the "not-for-profit" sector to bilateral desks. The process for the submission of proposals by the Project Proponent is defined in the [Guide to CIDA's Bilateral Responsive Mechanism](#) issued in October 1998.

For further information on bilateral food aid programming, please refer to CIDA's Food Aid Strategy.

Program Delivery Models define eight Lines of Business (LOBs), seven in the Bilateral Directed Mechanism and one for the responsive mechanism which reflect the nature of the project and guide the appraisal, design, approval and implementation processes. They are:

- Blueprint - CIDA (in cooperation with the Recipient Country) is responsible for significant study, analysis and design before project approval. Costs and expected results are normally clearly defined by CIDA in consultation with project stakeholders prior to project approval.
- Transfer-Support - The transfer of resources to a recipient organization or country.
- Quick Transfer - Small, low cost, short and require immediate implementation as they are time-sensitive.
- Responsive Development Model - A fund with a precise set of developmental objectives, a fixed financial envelope and clear criteria and a competitive mechanism for access
- Iterative - Can be either be a design and deliver or phased with the CEA implementing the first year project as designed with more detailed implementation planning occurring as the project unfolds.



- Policy and Advocacy - Projects which deal with policies, strategies and concepts, including such areas as human rights, good governance, and democratization.
- Local Initiatives - Generated and managed in the field without significant involvement from Headquarters, except for project approval. Common examples are small project funds, WID&GE funds, and "green" funds.
- Bilateral Responsive Mechanism - Project proponents may submit proposals to the appropriate bilateral desk at any time and each proposal will be assessed individually. A [Guide to CIDA's Bilateral Responsive Mechanism](#) is available to the Agency's development partners on CIDA Internet Web Site.

The Project Team is the management mechanism that ensures that optimum use is made of the knowledge, abilities and multi-disciplinary skills of Agency staff during the various phases of the project cycle. All bilateral projects must be managed through the use of Project Teams.

## Chapter 5. The Logical Framework Approach

### 5.1 Introduction

The Logical Framework Approach (LFA) is a key project management tool which assists CIDA officers and Canadian and recipient country partners to conceptualize:

- the results anticipated from a project;
- the underlying assumptions and risks; and
- how progress towards these results will be measured.

Within the Bilateral branches, the LFAHere we refer specifically to the matrix form used in the Logical Framework Approach called the Logical Framework Analysis, logical framework, logframe, or LFA. is a key building block during project planning helping to focus discussion on the expected results, beneficiaries (target groups), the performance indicators and potential risks. Thus the LFA itself is an integral part of project documentation for project design and approval.

Under Results-Based Management (RBM), the logical framework remains a key document during project implementation since it is used as a performance monitoring and management tool (see sections 9.6 and 12.4 below).

When conceptualizing a project, the LFA is developed most effectively by asking some fundamental questions within the project team and of the other key stakeholders, i.e. developing country partners and beneficiaries:

- Why are we doing this project?
- What results do we expect to achieve for the resources being invested?
- Who will the project reach out to in terms of beneficiaries and what are the differentiated needs and priorities of women, men and children from the target group?
- What are the assumptions and risks involved in undertaking this project?

- How will progress toward the achievement of results be measured?

Although producing a logical framework that all stakeholders understand and agree with is the initial objective, the LFA will not remain static throughout the life of the project and can and should be updated as indicated in Section 5.3 below.

The Logical Framework: Making it Results-Oriented provides guidance on the preparation of LFAs.

## 5.2. Expected Results

CIDA is committed to pursuing development results through the implementation of its programs and projects and achieving increased efficiency and effectiveness in program delivery. This approach focuses project planning and implementation activities specifically on the achievement of results, i.e. the outputs and outcomes of projects. The policy emphasizes a continuous monitoring of results to ensure that management practices optimize value for money and make prudent use of human and financial resources.

Results-Based Management within the Bilateral branches means:

- defining realistic expected results for programs and projects, based on appropriate program level or project level analyses;
- clearly identifying program beneficiaries and designing programs to meet their needs;
- monitoring progress towards results compared with resources consumed by the use of appropriate indicators;
- identifying and monitoring risks, while bearing in mind expected results and the necessary resources;
- increasing knowledge from lessons learned and integrating them into decisions; and
- reporting on results achieved and the resources consumed.

The [Policy Statement on Results-Based Management](#) provides a Results Chain as follows:

### The Results Chain

Program/Project-----> Output-----> Outcome-----> Impact----->  
(Purpose level) (Goal level)

The three basic definitions within RBM are:

- A Result (in general terms) is a describable or measurable change in state derived from a cause-and-effect relationship;
- A Development Result (for CIDA purposes) is the output, outcome or impact or a CIDA investment in a developing country or region; and

- An Operational Result is an administrative or management product achieved within the Agency.

At the project level, the Results column in the LFA identifies the expected Outputs and Outcomes which should be attributable to (caused by) project activities. These key statements are the basis for the project budget, resources required, the management approach, schedule, etc.

Project reporting by the CEA to CIDA and by CIDA to Parliament (in summary form) is based on the identified Expected Results at the project level.

### 5.3 Performance Measurement Indicators

The approved LFA can be used as a performance monitoring and management tool. Its effectiveness in this role is largely dependent on the identification of good performance indicators.

Performance indicators are qualitative or quantitative measures used to monitor progress made toward the achievement of expected results, i.e. Outputs, Outcomes and, to the extent possible, Impact.

### 5.4 Assumptions and Risks

Assumptions describe the necessary conditions that must exist for the attainment of the expected results at the various levels due to project resources and project activities (i.e., a cause and effect relationship). However, all projects are subject to external factors (risks) which are not within the control of project personnel but which may affect the achievement of results and alter the cause and effect relationship. Within the current LFA approach, risk indicators are used to monitor and measure the status of key project assumptions.

Risks could range from macro issues (such as the rate of exchange between the Canadian dollar and the local currency) to national issues (such as the passage of important new legislation) to very specific project related matters (such as the creation of a particular institution by the government or the availability of appropriate candidates for training).

Risk Assessment should be a part of all project analyses conducted on the project and should identify not only the possible risk, but also its probability and its potential impact on the project. The compilation of risk information from all the analyses will be important in the Project Feasibility document (see Sections 9.2 and 9.5), the LFA and the Risk section of Annex A of the PAD (see Section 10.2) and the on-going management of the project.

## Chapter 6. Program Framework, Project Identification and Project Selection

### 6.1 The Project Cycle

The cycle starts when Recipient Country/Region development needs, CIDA program objectives and Canadian capabilities are brought together through the preparation, negotiation and approval of a Country/Regional Programming Framework (C/RPF). The cycle continues through the project identification process which leads to further activities as a potential project is analyzed, its feasibility assessed, a design prepared, approval sought, agreements reached, etc.

- The Country/Regional Programming Framework provides an analytical basis for Agency programming in a specific country or region and a clear link between the choice of

specific projects/programs at the country/region level and corporate priorities. C/RPFs will also be used to satisfy internal and external accountability and reporting requirements.

- Knowledge is first gathered during the research, discussions and consultations leading to the preparation or updating of the C/RPF. This and other sources provide project concepts and ideas. As more information is gathered and projects concepts are validated through a screening process, the knowledge gained is used as the basis for the Concept Paper and Project Team decisions on additional information requirements to appraise the project, assess its feasibility and produce a credible project design. All of the information, knowledge, lessons learned and documentation produced during these steps are vital to the preparation of a developmentally strong PAD with clearly articulated and achievable results involving the wise and appropriate use of financial and human resources.
- Project Identification refers to the process by which potential project ideas are gathered, put forward, or identified within the context of CIDA's bilateral directed programming within a country or region.
- Project Selection is the process by which the various potential project ideas are filtered through 3 screens leading to the choice of the best (or the best two or three) project ideas for formal consideration as a Concept Paper(s). The 3 screens are: i) enabling environment ii) target group screening and iii) technical & capacity screening. The first 2 screens address the effect that the project context may have on achieving developmental results. The last screen provides an initial identification of technical and capacity issues related to this potential project initiative.

## 6.2 Project Identification

CIDA projects are identified, selected, planned and designed within the overall CIDA strategy and objectives for a country or region as set out in the C/RPF.

Decisions on whether identified initiatives should be given further consideration and screening are based on CIDA parameters which include:

- adherence of potential initiatives to Canada's ODA priorities and themes (as described in Chapter 2), the relevant C/RPF, local priorities, relationship to other CIDA funded activities, and potential benefits to the country/region and Canada;
- the priorities, needs, potential and demonstrated commitment of the country/region and host organization(s);
- the relationship to cross-cutting themes such as WID&GE and the Environment and to areas of CIDA focus such as capacity development and sustainability;
- consideration of the focus of the next generation of CIDA's bilateral projects for the country/region, for example, private sector development or economic competitiveness;

- the Canadian capacity to deliver and the intentions/priorities of other donors and International Financial Institutions (IFIs) in the country/region;
- lessons learned from previous or existing initiatives (Canadian or otherwise) in the country/region and otherwise;
- studies and reports on potential initiatives; and
- consideration of existing project commitments, projects already in the planning stage and the funds available for new initiatives.

### 6.3 Project Selection

Once several potential project ideas have been identified for possible further consideration, preliminary screening is required to determine which ideas hold the most promise and whether to proceed to the next step in the project cycle (the Concept Paper) with one or more project ideas.

The purpose of screening is:

- to ensure that the identified initiatives are consistent with CIDA's policy framework, the Recipient Government's development priorities and the goals and objectives of the C/RPF;
- to confirm that the identified initiatives are not subject to any apparent undue risks; and,
- to provide the necessary data and information to permit the PM to recommend the preparation of a Concept Paper(s) for the best (or the best two or three) possible project intervention(s) or to recommend rejection of specific project concept(s).

The screens are broad sieves that funnel ideas into the development of project concepts and lead to more detailed analyses at the Project Appraisal stage.

Consideration of projects for selection is a highly consultative process both within CIDA (involving the PM, CO, PD, appropriate Scientific and Technical Specialists and the Field Representative) and externally which should involve a participatory approach including all potential stakeholders and should focus on clearly identified country needs. CIDA and country or regional partners in development must mutually agree to, and strongly support, the screening of potential projects.

Two tools which may be helpful in a preliminary manner when determining the appropriateness of pursuing a project idea are the [Framework of Results and Key Success Factors](#) (which provides a set of common factors considered essential to successful project delivery and management and against which all projects will be evaluated, see Section 3.3 above) and the Principles of Effective Programming (which are designed to improve the effectiveness of Canadian ODA, see Section 2.2.1 above).

On most bilateral programs, the Recipient Government must officially request a project before it is submitted to the Vice-President as a Concept Paper.

All of the above activities lead to a short memo from the PM to the PD recommending either:

- rejection of a specific potential project (in which case the reasons for the rejection should be recorded); or
- for projects over \$500,000 - the preparation of a Concept Paper on a specific potential project (in which case the results of the preliminary screening will become the basis of the Concept Paper); or
- for projects up to \$500,000 - further assessment of available information in relation to project appraisal requirements (see Section 8.3.2.2 below) leading to the preparation of a PAD (Section 10.3 below).

## Chapter 7. The Concept Paper

### 7.1 Introduction and Application

A Concept Paper is required for all bilateral projects, including LOB 8 projects, except in the following three instances:

- the project value is \$500,000 or less;
- the project is the next phase of an earlier project and its development has already been discussed with the Recipient Country and the Vice-President; or
- LOB 3 - Quick Transfer Model - In which case the Project Manager (PM) must ensure linkages with the strategic program objectives within the C/RPF;

The Concept Paper is a proposal by the Program Desk to plan (appraise and design) a specific project which will contribute to achieving one or more of the program level expected results that have been identified in the C/RPF.

The Concept Paper provides a brief summary of basic project information (resulting from appropriate screening during the Project Identification and Project Selection stages) to allow a decision in principle by the VP and the approval of funds to assist in planning (appraisal, feasibility and design) the proposed project to the project approval stage.

The Concept Paper must not exceed two pages and shall include the following information in the order in which it appears below:

- Project description (anticipated Project Goal, Purpose, Outcome(s) and Outputs, if known, recipient/target group, expected duration and approximate cost);
- Link with the Country/Regional Programming Framework (Project Goal) or Link with ODA Program Priorities, if no approved C/RPF is in place;
- Lessons learned;
- Partnership Strategy: How the recipient partners will be involved in project planning and implementation to achieve ownership and sustainability;
- Expected benefits to Canada and the recipient country;

- An early indication potential risks requiring further investigation;
- Proposed Line of Business; and,
- A Contracting Annex indicating the proposed selection and contracting approach for the EA.

For essential details regarding CIDA's legal obligations under the CEAA which are relevant to the Concept Paper, refer to CEAA and the Bilateral Project Cycle.

All Concept Papers are approved by the Vice-President.

## Chapter 8. Project Appraisal

### 8.1 Introduction

Following approval of the Concept Paper, the proposed project (if valued over \$500,000) is subjected to an appraisal (a series of analyses), and a feasibility assessment to provide the information needed to make an informed decision on whether to proceed with project design and approval. While the appraisal and feasibility information gathering is usually part of the same review process, separate reports are suggested so as to distinguish between the development foundation of the project (the appraisal which answers the question, "Why should we invest in this project and what specifically should the project try to accomplish?") and its feasibility (which answers the question, "Can we do this project?").

The appraisal process is a continuation of CIDA's partnership approach to development involving the recipient government/organization, beneficiaries and other stakeholders to facilitate the collection of information and to promote local ownership and sustainable development.

In addition, co-ordination with other donors will help to avoid duplication of effort and may provide valuable information on lessons learned.

The Project Manager (PM) is responsible, with support from other project team members for the conduct of the project analyses which were identified as being necessary when the Concept Paper was drafted. The scope of the analyses will vary based on the size and complexity of the proposed project and must build upon information already available to the bilateral desk from the C/RPF exercise;

- the planning, implementation and/or evaluation of related projects;
- lessons learned internally and externally; and
- the data gathering and screening exercises done during the Project Identification stage (see Section 6.5 above).

The analyses will:

- provide the PM and Project Team with the necessary information to make informed decisions (on subjects such as the need, target group, potential for capacity development and gender equity, potential impact on children, the environment, business considerations,

etc.);

- inform the feasibility process on the viability of the project and compare delivery options (see Section 9.2 below);
- inform the design process on the identification of results, performance indicators and risks (see Chapter 5 on the LFA and Section 9.3 below);
- and the knowledge learned provides material for Annexes A and C of the Project Approval Document (see Chapter 10 below).

In addition to meeting the specific project cycle steps indicated above, project analyses provide a critical part of the country specific or subject specific knowledge base which CIDA PMs, Project Teams, bilateral desks, and Scientific and Technical Specialists require in order to make, or recommend, important management decisions during the planning and implementation phases of a project and during other country program considerations.

## 8.2 Analysis

Project appraisal involves a series of in-depth, project-specific analyses. These analyses were reduced from 13 to five in 1997 in order to streamline the appraisal process while still providing a solid knowledge base upon which projects can be recommended for approval and developmental results can be achieved. The analyses are:

- Socio-economic and Political Analysis;
- Gender Analysis;
- Capacity Analysis;
- Environment Analysis; and,
- Analysis of the Benefits to Canada and the Recipient Country.

All analyses should take into account sustainability and the [Framework of Results and Key Success Factors](#) against which all projects will be measured and evaluated. The PM is responsible for the management of the appraisal process comprised of a series of project-specific analyses.

On all projects with a value over \$500,000. The first two analyses (Socio-economic and Political Analysis and Gender Analysis) are mandatory for all projects; the other three (Capacity Analysis, Environment Analysis, and Analysis of the Benefits to Canada and the Recipient Country) are all highly recommended. It is important to ensure that the appraisal process in both scope and time, is appropriate for the size and complexity of the project. Appraisals should use existing information to the greatest extent possible.

### 8.2.1 Socio-economic and Political Analysis:

As the basic socio-economic and political analysis leading to the justification for, and benefits of, the project, this analysis is required for all projects.



### 8.2.2 Gender Analysis:

CIDA's Policy on Women in Development and Gender Equity requires that gender analysis be carried out as part of the appraisal process for all CIDA programs and projects.

The scope and scale of analysis will differ depending on the nature and size of the project, but should provide sufficient information to ensure that gender equity is addressed as a cross-cutting theme in the project design. At a minimum, this would include sex-disaggregated baseline information.

### 8.2.3 Capacity Analysis:

One of CIDA's cornerstone programming thrusts is Capacity Development which is critical for local ownership of the development process.

Capacity Analysis looks at both the strategic and operational factors relating to Capacity Development and is strongly recommended for all bilateral projects in all Lines of Business.

### 8.2.4 Environment Analysis:

It is CIDA policy that the environment be taken into consideration in project and program decision-making. An environmental analysis should be conducted to help identify environmental issues associated with the proposed initiative and to design the project in a manner that will maximize its environmental benefits and thus contribute to sustainable development. The Environmental Analysis complements the environment assessment required by the CEAA (see Section 8.2.6 below), but goes beyond the question of whether or not an environmental screening is required to deal more directly with CIDA's environmental policy commitments.

### 8.2.5 Analysis of the Benefits to Canada and the Recipient Country:

This analysis is highly recommended for all projects as the Project Team must be clear about the expected benefits to the Recipient Country. The Benefits to Canada portion is particularly relevant for projects in LOB 1 (Blueprint) and LOB 5 (Iterative) and is mandatory for Lines of Credit under LOB 2 (Transfer /Support).

### 8.2.6. Canadian Environmental Assessment Act

All CIDA projects and programs are subject to the CEAA. The purpose of the Environmental Assessments is to determine the expected nature and scope of the project's potential adverse effects, understand public concerns, examine alternatives and define measures to eliminate or mitigate these adverse effects. Within the bilateral program, the first step is for the PM, in consultation with an Environmental Specialists, to determine whether or not the project is subject to an environmental assessment under the CEAA. If an environmental assessment is required under the CEAA, the PM must ensure that an environmental assessment is carried out following the CEAA process described in the CEAA and the Bilateral Project Cycle.

## 8.3 Project Appraisal for Projects up to \$500,000

To streamline project approval for projects up to \$500,000 and to keep project planning efforts and costs commensurate to project value, the preparation of a series of separate project analyses is

not mandatory.

## Chapter 9. Project Feasibility and Design

### 9.1 Introduction

Project Feasibility and Design are based on the knowledge and information obtained from the (the preliminary screenings (Section 6.5) and the more in-depth project analyses (Chapter 8), continued stakeholder consultations. From different perspectives, both synthesize all the relevant information from the above sources, especially the project analyses. However, they both also contribute to greater knowledge and understanding about the proposed project and provide the necessary information to proceed with the Project Approval and the contracting processes. Project Appraisal (Chapter 8) answers the questions, "Why should we invest in this project and what specifically should the project try to accomplish?" Project Feasibility answers the question, "Can we do this project?" Project Design answers the question, "How should we structure the project to best achieve the expected results?"

As with other project cycle activities, Project Feasibility and Design should follow a consultative process whenever possible and region/country partners must agree to the design of the project.

Feasibility and design activities are normally carried out in parallel with the project appraisal process using much of the same information. This is particularly important when external resources and missions overseas are involved to ensure that project planning proceeds at a reasonable speed.

During feasibility and design activities, the PM will rely heavily on the appropriate Scientific and Technical Specialists on the Project Team as all projects have a "technical" element whether they are in newer and "softer" subjects (like capacity development) or in more traditional sectors where there are physical outputs.

As in other project cycle activities, the time and effort devoted to Project Feasibility and Project Design must be a function of the size, complexity and potential risk of the project. The PM is responsible for managing these processes in as an efficient and effective manner possible.

### 9.2 Feasibility

The feasibility work is not necessarily a separate activity from the project analyses. Rather, it produces a different type of report which has two objectives:

- to assess the viability of the project; and,
- to compare (in a preliminary manner) various delivery options.

Feasibility can be seen as a three step process.

- Step One - Viability: This reviews the viability of the proposed project by determining whether or not the project is:
  - "technically" sound;
  - economically and financially viable and sustainable;
  - culturally acceptable;

- environmentally acceptable;
- manageable for CIDA, the recipient country, and an Executing Agency.

Step Two - Delivery Options: If the project is considered viable, the feasibility study then identifies various delivery options for achieving the desired project result at the purpose level (Outcomes) and provides a preliminary analysis of each option.

Step Three - Decision: The options are then assessed one against the other and the preferred option is chosen by the Project Manager (PM) in consultation with the Project Team (and PD, if appropriate). Consultations should also be held with the Recipient Country on the choice of the preferred option as soon as possible.

### 9.3 Project Planning and Design Considerations

Project Design rapidly follows from the project analyses and the feasibility assessment of the project. It is implicit that the Recipient Country/partners are involved, as appropriate, throughout the process and agree to the design (see Section 9.6 below). Project Design includes:

- the project design documentation;
- the CIDA Project Management Strategy; and,
- the Contract Plan. (If required)

### 9.4 Project Design Tools

To plan and manage a project, CIDA relies on several common project management tools, all within the framework of the [Policy Statement on Results-Based Management in CIDA](#). These project design tools include: the Logical Framework Analysis (LFA); the Work Breakdown Structure (WBS); project budgets and schedules; project progress and results reporting, as well as the contract or Contribution Agreement governing the implementation of the project.

Project Design (and the CIDA Project Management Strategy described below) should be sufficiently detailed to allow for the immediate preparation of the PAD and the Terms of Reference for the RFP. Project Design documentation should be structured and written so as to allow for the transferring of information and text from the design stage to the PAD and RFP documentation with a minimum amount of editing. These documents, in turn, lead to the project MOU and implementation contract.

### 9.5 CIDA Project Management Strategy

The CIDA Project Management Strategy is a short document which uses the Project Design documentation and decisions taken in relation to other management matters and brings them together into a single, summary, project management document. The level of detail of the CIDA Project Management Strategy should reflect the size, complexity and potential risk of the project. This strategy documents replaces CIDA's older, more detailed Management Plan formerly prepared prior to project approval. The CIDA Project Management Strategy is a strategic document and should not get into details at the operational level which are the responsibility of the EA.

The CIDA Project Management Strategy serves the following main purposes:

- to clarify the expected roles and responsibilities of the key project parties, including appropriate decision making mechanisms, such as the Project Steering Committee;
- to determine the approach CIDA will take in monitoring progress towards the achievement of project results and managing and reporting change throughout the life of the project;

## 9.6 Project Performance Measurement Framework

At the project level, Performance Measurement is the responsibility of the PM with appropriate support and input from other members of the Project Team (especially the Technical Specialists) and other project partners. It includes monitoring, operational reviews, end-of-project reports and institutional assessments, all within the context of RBM and the [Framework of Results and Key Success Factors](#) which provides the factors against which CIDA projects will be assessed.

### 9.6.1 Selecting a Performance Monitoring Approach

Project monitoring yields knowledge on whether an activity continues to be relevant and whether objectives are being achieved. Learning through monitoring (and evaluation) involves the continuous process of assimilating relevant information and lessons, and transforming them into knowledge useful to conducting CIDA's business. In conjunction with the accountabilities assumed by CIDA staff, project monitoring contributes to increased effectiveness in the delivery of development assistance.

There are three basic approaches to performance monitoring which are described below:

- internal monitoring -- a form of continuous self assessment by those most closely involved in project implementation. Each project party takes responsibility for particular aspects of the project's continuous performance assessment (measurement). Agreement is reached on the baseline data to be used or collected and information collection is the responsibility of the project parties;
- external monitoring -- independent reviews and reports on the project by a project monitor or the Program Support Unit. This option is normally used on large, complex projects or projects in fields where in-house expertise can not provide adequate technical review; and
- external support -- This approach combines the previous two such that the project delivery participants are responsible for the performance measurement function, but they are assisted by a performance measurement advisor who is contracted to help build their performance measurement capacity and to advise CIDA on the validity and reliability of the performance information being reported.

In all three cases, the PM has overall accountability for performance monitoring.

### 9.6.2 Project Reporting

Project reporting is a key management tool. At the design stage of project development it is an important element of the project performance framework and is included in the draft Terms of Reference which leads to the RFP. Following project approval, it is one of the most important

means of information sharing amongst the various project participants and it is the main mechanism by which CIDA and the Recipient Country obtain information on progress towards results and the use of project resources. The analysis of the information provided in the progress reports should lead to specific decisions about any necessary remedial action on the part of the EA, CIDA and/or the Recipient Country.

Regular and timely reporting on project progress and achievements is also an important element in ensuring that CIDA and EA accountabilities for the Canadian funds invested are met.

Narrative and financial reports should be submitted and reviewed together (whenever possible) so that progress towards the achievement of results can be compared to the amount and percentage of the budget spent on the related activities.

### Project Progress Reporting

Progress reporting provides three types of information at the activity/Outputs level:

- accomplishment: progress towards achieving or accomplishing an expected result at the Output and Outcome levels based on the performance indicators;
- schedule: time elapsed on the Output/activity against what was scheduled
- cost: funds spent on the Output/activity against what was budgeted.

Progress reports must identify and explain any variance between planned and actual figures and information. Failure to include variance information limits the utility of the report as a management tool and requires additional effort on the part of the Project Team to track actual project progress and assess the potential impact of problems and delays.

### Financial Reporting

While financial reporting is an integral part of progress reporting, it is critical to the PM's understanding the project's use of its financial resources and is normally the basis whereby the EA is paid. More information on financial management is contained in the document, The Financial Aspects of Project Management.

Financial reporting is often required on a quarterly basis, although exceptions can be made depending on the size of the project and the financial structure or requirements of the project. To ease financial reporting, the format for the financial report should follow the structure of the Budget contained in the Executing Agency's contract or the Implementing Organization's Contribution Agreement.

### Chapter 10. Project Approval

Project approval is required before CIDA can invest funds in a specific initiative. Approval authorities vary depending on the value of the project. The Project Approval Document (PAD), prepared by the PM in consultation with the Project Team, is the document which defines the project including the expected results, performance indicators, critical assumptions, budget, schedule, risks, implementation methodology, etc. and seeks approval for funding.

The Project Approval Document defines the scope of the project and the parameters for project implementation. The PAD must demonstrate that the project meets the project appraisal criteria

and must demonstrate links with the Country/Regional Programming Framework (C/RPF) or the overall CIDA policy framework, if no programming framework exists.

## Chapter 11. Operationalizing a Project

This chapter addresses the key steps in operationalizing a project: the project agreement with the Recipient Country; the procurement of goods and services; and signing agreements with project partners.

### 11.1 Project Agreements with a Recipient Government

CIDA (on behalf of the Government of Canada) will normally sign a project agreement with the Recipient Country. In Section 11.3, the term "Recipient Countries" includes Regional Intergovernmental Institutions and may include International Financial Institutions, following project approval.

Negotiating the project agreement provides a further opportunity (before the project begins) to confirm the understanding, obligations, contributions, responsibilities and duties of each government. Project implementation should not begin before the signature of the project agreement with the Recipient Country.

There are two kinds of project agreements which CIDA enters into with recipient countries.

The normal project level agreement with a Recipient Country is the Memorandum of Understanding. This is an official document (but not a treaty), signed by the Government of Canada and the government of the Recipient Country, specifying the expected results of the project and the obligations, responsibilities and duties of the two governments with regard to the implementation of the project. The Framework Policy for Bilateral Aid allows for an Exchange of Letters (EOL) to be used in place of a MOU. As EOLs are less structured and less detailed, it is preferred CIDA practice to use Memoranda of Understanding in order to ensure adequate protection for Canadian project personnel working overseas.

However, an EOL can be used to amend or clarify a specific aspect of an existing MOU.

### 11.2 Project Agreements with Executing Agencies and Implementing Organizations

There are five kinds of Executing Agencies (EA) and Implementing Organizations (IO) which deliver CIDA bilateral programs under six types of project delivery agreements:

- Executing Agencies (for-profit or not-for-profit organizations) which are selected and sign a services contract with CIDA to provide project delivery services;
- Implementing Organizations which can be: i) for-profit and not-for-profit organizations under Line of Business (LOB) 8 (the Bilateral Responsive Mechanism); or, ii) local Non-Governmental Organizations (NGOs), International NGOs or Regional Intergovernmental bodies under other LOBs. In both cases, the IO generally makes a contribution to the project and signs a Contribution Agreement with CIDA;
- Canadian federal, provincial or municipal organizations which are generally selected on a sole source basis and sign an Administrative Arrangement with CIDA;

- International Financial Institutions (IFIs) or other multilateral organizations (i.e. UNICEF) which are also funding partners on the project (multi-bi projects) and sign administrative or contribution arrangements; and,
- Cooperants Definition of a cooperant: a person under a direct contract with CIDA (under TARs) to provide services in a developing country, normally for an initial period of two years. who sign a contract under the Technical Assistance Regulations (TARs) or are governed by the Foreign Service Directives (FSDs).

The three main types of project delivery agreements are: a services contract, a Contribution Agreement, and an Administrative Arrangement.

In projects involving major purchases or construction, CIDA may also use a goods contract or a construction contract/agreement.

All project delivery agreements must define the scope of the project including expected results, the agreed upon budget (and sources of funds), the basis and method of payment, reporting requirements, project time frame, and the legal obligations of all parties.

## Chapter 12. Managing Operational Projects

### 12.1 Introduction

Managing the implementation of projects is one of the most important and time-consuming activities for the Project Manager (PM) and Project Team members. Good project design, selecting a competent Executing Agency (EA) or Implementing Organization (IO) (referred to hereafter as "EA"), and collaboration from the Recipient Country and other project stakeholders will set the stage for the achievement of the expected project results.

However, the extent to which those results are achieved will be determined during project implementation, based largely on continuing cooperation amongst the project parties, the skills and competency of the EA, appropriate project monitoring and guidance, making timely and appropriate adjustments to the project and whether or not the logic of the project and critical assumptions were correct.

For project management purposes, each project is normally implemented within the context of a series of documents which flow from one to the other serving different purposes, but utilizing the same core project information. These include:

- the Project Approval Document (PAD) including the approved budget, time frame and Logical Framework Analysis (LFA) (Chapter 10);
- the Memorandum of Understanding (MOU) (Section 11.3);
- the contract or Contribution Agreement (Section 11.4); and,
- the CIDA Project Management Strategy (Section 9.7) which includes, inter alia, the Project Performance Measurement Framework (Section 9.8);
- (following the fielding of the EA's staff) the Executing Agency Project Implementation Plan (see sections 12.3 below).

## 12.2 Project Management Tools

Projects are the primary instrument used by the geographic programs to deliver upon their programming objectives and expected results. As such, the sound management of these projects, in order to facilitate the achievement of the anticipated results, is a key responsibility and accountability of all PMs and Project Team members.

To manage a project (and its EA), CIDA relies on several common project management tools, all within the framework of the [Policy Statement on Results-Based Management in CIDA](#). Several of these tools have been initially discussed as project design tools in Section 9.4. These include: the Logical Framework Analysis (LFA, Chapter 5); the Work Breakdown Structure (WBS); the Project Budget and the Project Schedule. In addition, Project Progress Reporting has been discussed in Section 9.8.4, and contracts and Contribution Agreements in Section 11.4.

The EA Project Implementation Plan (PIP) is the tool through which the EA updates, and provides more detailed information on, the Work Breakdown Structure, the LFA, the Project Budget and the Project Schedule as it describes how it will carry out its Statement of Services and implement the project. The PIP is approved by CIDA and the Recipient Government (often through a Project Management or Steering Committee).

Once the project becomes operational, in accordance with the PIP, regular progress and financial reporting (Section 9.8.4) becomes the key tool for the CIDA PM, Project Team and Recipient Country to assess project progress towards the anticipated results. The contents, frequency, timing and distribution of progress reports must be specified in the contract or Contribution Agreement signed with the EA. The format of the progress and financial reporting should be in line with the Outcomes and/or Outputs of the project as specified in the PAD, contract or Contribution Agreement, and approved PIP and subsequent annual updates (Workplans).

As mentioned in Section 9.8.4, in addition to the reporting from the EA, the CIDA PM may also obtain information on the project's progress towards achieving its planned results from: a project or sector monitor (Canadian, local or part of a PSU); other members of the Project Team; the CIDA Field Representative assigned to the project; the recipient government or organization; project committee meetings; other donors; and his/her own field visits.

## 12.3 Management and Operational Reviews

### 12.3.1 Management Reviews

The project monitor, the PM and other members of the Project Team are involved in regular project and contract monitoring and can undertake specific management reviews if required. These are the normal mechanisms for CIDA to assess project management, financial management and project performance and to provide appropriate guidance to the EA as required. Management reviews are conducted by appropriate CIDA staff and/or by consultants working closely with (and for) the PM and Project Team on areas of concern to CIDA.

### 12.3.2 Operational Reviews

"Operational reviews enable managers to identify and resolve serious operational difficulties, and assess efficiency of delivery mechanisms CIDA's Policy for Performance Review (1994)." Such



reviews (usually by internal auditors or independent consultants) should be commissioned by CIDA when it is felt that:

- the project is experiencing significant difficulties; or
- the EA is experiencing management problems that are impeding progress toward the achievement of results; or
- there are questions about project or contract financial management or the systems supporting financial management.

The focus of the operational review is normally on the effectiveness of management and/or financial policies and procedures and the efficiency of management and/or financial controls and practices. However, other factors, such as cooperation and communications on the project, may also be reviewed. If the need for an operational review is perceived, the review should be conducted without delay to allow for the necessary adjustments to be made to correct the problems that have been identified.

### 12.3.3 Audits

Audits are another tool available to PMs to confirm proper control of the project's resources and to assess management performance. Audits are either conducted independently of the bilateral desk based on a corporate decisions (see below) or they are commissioned by the PM for specific reasons (as part of Project Performance Measurement). There are three types of audit:

- contract and Contribution Agreement cost audits which deal mainly with compliance;
- value for money audits (sometimes called performance audits) which involve a comprehensive review of the project, focusing on results; and,
- special investigations or forensic audits for special circumstances (i.e. potential fraud).

Audits are not only conducted for problem cases. An audit could be requested if a project is being transferred to a new Project Manager, EA or recipient organization.

### 12.3.4 Project Evaluation, Internal Audit and Performance Reviews

In addition to the Performance Measurement activities for which the PM is responsible, projects may also be subject to corporate level Performance Review activities which include project evaluations, audits and performance reviews as defined in [CIDA's Policy for Performance Review](#) and [Update](#).

The decision to undertake these types of activities is taken at the corporate level during the Annual Performance Review Workplan process. Program branches and PRB make suggestions for internal audits or project evaluations.

Performance reviews are based on the Agency's six programming priorities and usually involve many selected sample projects.

## 12.4 Tools for Performance Monitoring and Reporting

The Annual Project Progress Report (APPR) and the Project Closing Report (PCR) are the two main performance reporting tools used at the CIDA Branch level to collect project performance

information. Both the APPR and PCR reflect the results-based management approach the information collected is useful to managers for monitoring and decision making as well as for reporting to partners, Parliament and the public on resources invested and results achieved.

#### 12.4.1 The Annual Project Progress Report (APPR)

The Annual Project Progress Report is the primary mechanism within CIDA for project/program self-assessment. The information collected in this report is focused on comparing expected results (as set out in the project's latest approved LFA) to the results actually achieved to date. If results achieved fall short of what was expected, this indicates possible problems which the PM will need to discuss and resolve with the project's other partners/stakeholders. The APPR may also provide some "lessons learned" during project implementation.

#### 12.4.2 The Bilateral Project Closing Report (BPCR)

The Bilateral Project Closing Report is the primary mechanism for the PM to report on results on completed projects. The findings can be summarized at the Branch and corporate levels. The BPCR gives CIDA and its various project partners the opportunity to reflect on a completed (or multi-phase) project, from design to completion.

#### 12.5 Changes to Operational Projects

Every attempt is made during the design of a project to structure the various activities and components in the most logical and practical way and to provide the best cost estimates. Over time, however, conditions related to the project may change, resulting in a need to alter the direction or composition of the project. In many cases, such changes can be accommodated within the overall project design (and budget) through the application of on-going project management techniques (continuous assessment) without seeking formal approval. However, changes which require formal approval before being implemented are changes in project scope and cost increases.

### Chapter 13. Project Completion and Closure

#### 13.1 Introduction

Project completion is the final stage in the CIDA Bilateral Project Cycle. Formal closure of a project ensures that CIDA's financial and contractual involvement in the project is ended and that any outstanding issues are addressed. The project completion stage also affords CIDA an opportunity to review project performance and results and to identify key lessons. Formal closure of a project is undertaken when:

- all project activities and all contractual arrangements have been completed; or
- CIDA elects to terminate a project prematurely.

If an end-of-project evaluation funded from the project budget is planned or in progress, closure should be delayed. Evaluations funded from a source other than the project budget should not delay project closure.

#### 13.2 Required Actions

The basic project management actions that need to be taken in the context of project closure include the following:

- financial obligations to contractors/suppliers should be settled provided that contractual obligations have been fulfilled;
- ownership of, and responsibility for, project assets should be transferred:
- CIDA's contribution to the project should be formally recognized and acknowledged, in writing, by the recipient government/organization and a close-out amendment to the MOU should be signed;
- the Bilateral Project Closing Report (BPCR) should be prepared and signed off by the PM and the PD (Program Director).