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The Basics of Project Implementation

A GUIDE FOR PROJECT MANAGERS

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Acknowledgements

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Table of Contents

Acronyms

AWP	**Annual Work Plan**
CHQs	**CARE Headquarters**
C-PIN	**CARE International Program Information Network**
CTO	**Cognizant Technical Officer**
CD	**Country Director**
EU	**European Union**
FRLC	**Federal Reserve Letters of Credit**
FY	**Fiscal Year**
ICR	**Indirect Cost Recovery**
IPIA	**Individual Program Implementation Agreement**
LOP-WP	**Life of Project Workplan**
LFA	**Log Frame Analysis**
MDGs	**Millenium Development Goals**
MOU	**Memorandum of Understanding**
M&E	**Monitoring and Evaluation**
NICRA	**Negotiated Inderect Cost Recovery Agreement**
OECD-DAC	**Organisation for Economic Co-operation and Development-Development Assistance Committee**
OGC	**Office of General Counsel**
PRAs Reports	**Project Implementation**
PM	**Project Manager**
PMSI	**Project Standards Measurement Instrument**
SPC	**Shared Program Cost**
SRH	**Sexual and Reproductive Health**
ToR	**Terms of Reference**
USAID	**United States Agency for International Development**
USG	**United States Government**

Introduction

As a Project Manager, you play a critical role in furthering CARE's vision of eradicating poverty and social injustice. The purpose of this manual is to help you manage projects more efficiently and effectively, with a focus on the "nuts and bolts" of the implementation phase of a project life cycle. While this manual focuses primarily on US government-funded projects to illustrate key concepts and issues, many of the concepts and tools described apply to projects for a diverse donor base.

Project management requires more than just implementing activities identified in a log frame. Your team will rely on you to oversee all project components in an integrated, holistic manner, to ensure that the project meets its stated objectives and contributes to CARE's vision. The components of a successful project include managing relationships with various stakeholders (project participants, partners, governments, donors, CARE International members, and internal stakeholders in the Country Office and headquarters), managing human resources, managing financial resources, facilitating learning, managing risks and ensuring flexibility.

CARE understands that you are responsible for successfully planning and executing projects in the midst of many challenges—including working in remote and/or insecure environments, doing "more with less," juggling numerous requests from different stakeholders and identifying and training local staff. To help you meet your responsibilities and cope with your many challenges, CARE is committed to providing you with effective tools and appropriate project management skills, including the implementation guidelines outlined in this manual.

About this manual

This manual focuses specifically on the project implementation phase for field-based managers at CARE. Please note that this manual is not meant to cover Project Management competencies such as team building, facilitation, staff management and training, mentoring and capacity building. Nor does it include content about partnerships or sustainability, or focus on any particular programmatic theme. While these competencies and topics are important, and we encourage you to explore them further, many are covered elsewhere throughout CARE. Rather, the intent of this manual is to offer you a concise, focused overview of project implementation. With an understanding of the basics of project management, our hope is that you will be better able to reflect on the importance of program quality and impact. For your convenience, you can read each chapter separately, or in sequence, depending on your needs.
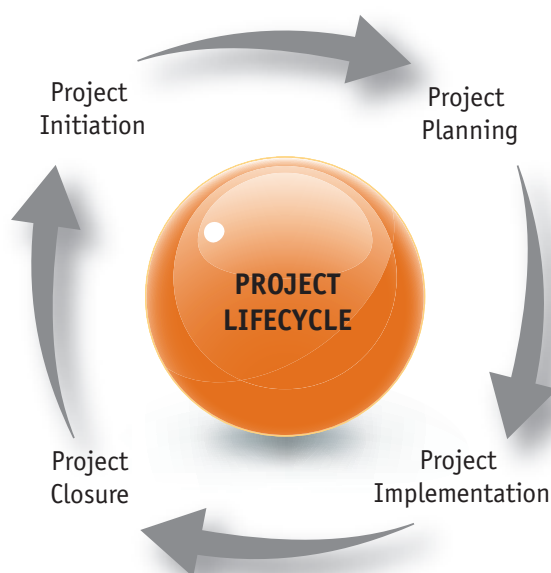
Each section includes helpful references to suggested tools and documents. We strongly encourage you to explore CARE's Program Quality Digital Library (http://pdql.care.org), to access many of these resources and gain in-depth knowledge about effective project implementation. The library is a strategic subset of the thousands of documents produced at CARE—a subset that contains cross-cutting program policies, recommended good practices and cutting edge ideas. The library is also available on CD-ROM by contacting the PQDL Librarian, PQLibrarian@care.org.

Project Initiation

Project Planning

PROJECT LIFECYCLE

Project Closure

Project Implementation

The Big Picture

To fulfill CARE's vision and mission, all CARE programming should conform to the following Programming Principles, which were adopted by the CARE International (CI) board in November 2003. At a fundamental level, these Principles should inform and guide the way we work:

CI Programming Principles

Principle 1: Promote Empowerment
We stand in solidarity with poor and marginalized people, and support their efforts to take control of their own lives and fulfil their rights, responsibilities and aspirations. We ensure that key participants and organisations representing affected people are partners in the design, implementation, monitoring and evaluation of our programs.

Principle 2: Work with partners
We work with others to maximise the impact of our programs, building alliances and partnerships with those who offer complementary approaches, are able to adopt effective programming approaches on a larger scale, and/or who have responsibility to fulfil rights and reduce poverty through policy change and enforcement.

Principle 3: Ensure Accountability and Promote Responsibility
We seek ways to be held accountable to poor and marginalized people whose rights are denied. We identify individuals and institutions with an obligation toward poor and marginalized people, and support and encourage their efforts to fulfil their responsibilities.

Principle 4: Address Discrimination
In our programs and offices we address discrimination and the denial of rights based on sex, race, nationality, ethnicity, class, religion, age, physical ability, caste, opinion or sexual orientation.

Principle 5: Promote the non-violent resolution of conflicts
We promote just and non-violent means for preventing and resolving conflicts at all levels, noting that such conflicts contribute to poverty and the denial of rights.

Principle 6: Seek Sustainable Results
As we address underlying causes of poverty and rights denial, we develop and use approaches that ensure our programs result in lasting and fundamental improvements in the lives of the poor and marginalized with whom we work.

CI Project Standards complement these Programming Principles, with a more detailed focus on guidance. Briefly, each CARE project should:

1. Be consistent with CARE International **Programming Principles.**
2. Be clearly linked to a **Country Office strategy** and/or long term program goals.
3. Ensure the active **participation** and influence of stakeholders in its analysis, design, implementation, monitoring and evaluation processes.
4. Have a design based on a **holistic analysis** of the needs and rights of the target population and the underlying causes of their conditions of poverty and social injustice. A project should also examine the opportunities and risks inherent in the potential interventions.
5. Use a **logical framework** (log frame) that explains how the project will contribute to an ultimate impact upon the lives of a defined target population.
6. Set a **significant,** yet **achievable** and measurable **final goal.**
7. Be **technically, environmentally,** and **socially appropriate.** Interventions should be based upon best current practice and on an understanding of the social context and the needs, rights and responsibilities of the stakeholders.
8. Indicate the **appropriateness of project costs,** in light of the selected project strategies and expected outputs and outcomes.
9. Develop and implement a **monitoring and evaluation plan** and system based on the logical framework that ensures the collection of baseline, monitoring, and final evaluation data, and anticipates how the information will be used for decision making; with a budget that includes adequate amounts for implementing the monitoring and evaluation plan.
10. Establish a **baseline** for measuring change in indicators of impact and effect, by conducting a study or survey prior to implementation of project activities.
11. Use **indicators** that are relevant, measurable, verifiable and reliable.
12. Employ a balance of **evaluation methodologies,** assure an appropriate level of rigor, and adhere to recognized ethical standards.
13. Be informed by and contribute to **ongoing learning** within and outside CARE.

> **WE SEEK WAYS** to be held accountable to poor and marginalized people whose rights are denied. We identify individuals and institutions with an obligation towards poor and marginalized people, and support and encourage their efforts to fulfill their responsibilities

Your Project: **As a project manager you should be guided by these principles and standards in all of your work,** including how the project is designed, what implementation strategies are used, what type of ongoing monitoring data is being collected, how evaluations are carried out and how that information is used to improve ongoing and future projects.

While your primary focus should be on your own project, it is important to **recognize how your project relates and contributes to a broader program** that promotes longer-lasting and more fundamental change in the lives of intended beneficiaries. While all projects aim for some level of impact, typically the scope and duration of a single project is not sufficient to fully bring about a sustainable change in peoples' lives. Yet it can, and should, be accountable for making important contributions to such change, along with additional contributions made by the communities themselves, other CARE projects and projects run by other organizations and the government.

Chapter 1

Understanding Project Documents

Introduction

In many cases, Project Managers are hired after projects are designed, budgets are approved, partnerships are formed and contracts are negotiated. One of your first tasks as a newly-hired Project Manager should be to locate all key documents that define the project and its commitments. You'll refer to these documents often: they should serve as the foundation of project planning, compliance and monitoring of project activities.

The following checklist describes some of the most common documents Project Managers should review. (Be sure to ask the design team and management if there are any other unique project-related documents that you should be aware of.)

Project Documents Checklist

Document	Purpose	✓
Technical Proposal	Together with your project agreement or contract, this **guiding document for your project design** states the context, defines the problem and describes the affected population and target areas. It should identify your goal, objectives, activities, inputs, outcomes and indicators. It also describes the project's strategy to achieve the desired project impact. Moreover, it may provide you with the envisioned staffing structure, geographic focus, and partners, including their roles and responsibilities.	
Log Frame	Some proposals will include a logical framework (log frame), which is **a summary of the proposal's main elements.** The log frame provides you with a picture of how the project will work to achieve its goal. It includes the indicators (measures that show progress), means of verification (sources of information and methods used to show progress) and assumptions (events, conditions or decisions which are beyond the project's control) that relate to your goal, objectives, outputs and activities.	

Document	Purpose	✓
Budget	The budget will provide the **planned expenses** for activities proposed in the technical proposal. By becoming thoroughly familiar with the budget, you can better manage the funding provided by the donor. The budget will include: *Approved budget line items* – major groupings of cost which may vary depending on the donor. The major groupings are used to monitor status of expenses. *Detailed budget* – provides cost details included in each approved line item. For example, the number of items budgeted and unit costs are included in this document. *Cost share* – represents CARE's contribution to the project's costs from donor funds (other than the donor funding the project). This can be cash or "in kind" contribution. The budget will describe the type of cost and designate the donor. Cost share contributions are contractual obligations; donors' contributions can be reduced if CARE is unable to meet its cost share. *Indirect Cost Recovery (ICR)* – CARE's indirect costs represent all headquarters' costs (excluding fundraising and including field-based Regional Management Units) incurred to manage CARE's overall work. These types of costs are recovered through ICR, calculated as a percentage of direct project costs. The ICR rate represents the percentage of headquarters costs from CARE's total project costs. The rate is approved by the US government, and used in all US government fund applications.	
Budget Notes	Budget notes contain **additional information** about the budget. These notes should explain the nature of the costs, the basis of unit costs and how the number of units was calculated in the budget.	
Monitoring and Evaluation Plan	Some proposals will include a Monitoring and Evaluation plan which is further used in implementation to **assess project progress, performance and impact.** Monitoring refers to the regular collection (plus analysis and use) of information within the project about its progress. Evaluation refers to periodic reviews of information from within, as well as about, projects and their performance. Evaluation is also characterized by several levels. Each level relates closely to the hierarchy of objectives in the log frame.	
Partnership and Subgranting Agreements	Some partnership or subgranting agreements are signed during the project design phase. These agreements between CARE and project partners **describe rights and responsibilities.** Among the issues usually covered are period of agreement, obligated funds and payments, reporting and evaluation, general provisions and other topics that may relate to confidentiality, conflict of interest, dispute resolutions andmany others. These agreements help partners hold each other accountable and settle potential conflicts. If you haven't signed agreements with your partners in advance, be sure to do so at the project's inception.	
Contract	This **legally binding agreement** between CARE and the donor must be signed for the project (and any related spending) to begin. Contracts, also referred to as grant agreements, state our obligations to the donor, along with reporting requirements and rules and regulations. Be sure to study this important document since it will provide you with the outline for contract compliance.	
Individual Implementation Agreement (IPIA)	The IPIA is the contract between a Country Office and the CI member relevant to a specific project. In most cases, IPIA's are signed when the funding member is not the CO's lead member. The IPIA lists basic project information, the portion of the grant that will be controlled by the CO, and the percentage of overhead costs that will be collected by the CI member. The agreement also specifies the CI member's reporting requirements, and any special required circumstances.	

Chapter 2

Preparing Project Implementation Plans

Introduction

Project planning is an integral part of project management. Through effective planning, you –along with your project team and key stakeholders (such as partners and project participants) – agree on what will be done, who will do it, when and how. A good plan helps optimize the use of project resources and limits the time spent on resolving problems during implementation. In this chapter you'll learn the key basics of project implementation planning.

The Log Frame

As early as the design/submission stage, some project proposals will already include a log frame, and others won't, depending on the donor's requirements. However, by the start-up phase, all CARE projects require a log frame. As a Project Manager, you should work along with your extended project team to revise or develop the project's log frame.

A log frame, also called a Log Frame Analysis (LFA), takes a **narrower, practical look at the relationship between inputs and results.** It is often presented as a table listing the steps from inputs or resources through the achievement of a desired program goal. Your project team can use the log frame to chart the implementation components of the theory of change. During the initial planning stages, the log frame is a useful tool because it forces the project team to think clearly about relationships so that activities create outputs, which meet the objectives which, in turn, meet the project goal.

LEARN MORE ONLINE

A recommended guide for the project design process is the excellent "CARE's Project Design Handbook" by Rich Caldwell, or the condensed version, "Essentials of Project Design."

To read both versions of the guide, visit the Program Quality Digital Library, http://pqdl.care.org.

The log frame is a matrix tool. Information is completed in descending order (row to row) from top to bottom. Then, the logic is verified in order, by row, from bottom to top. Different agencies use several formats of log frames. The following is an example of a log frame format:

Hierarchy of Objectives	Objectively Verifiable Indicators	Means of Verification	Assumptions
Goal: What the project intends to contribute in the long term as a result of achieving the intermediate objectives	Measures *impact.* Assesses actual change in the conditions of the basic problem identified; shows changes that are fundamental and sustainable without continuing project support	Typically measured through baseline and end line (final evaluation) surveys.	Acknowledge-ment of other things that must happen (beyond direct control of project) to achieve the desired impact.
Objectives: What response the project intends to achieve among the target population groups	Measures *effects.* Describe target population responses to project outputs, e.g., behavior change, reactions and perceptions; systemic changes in institutions	Also measured by the difference between baseline and end line measure-ments.	Other conditions and changes that must be brought about by other actors.
Outputs: What the project intends to achieve in the short term as a result of the project activities	Describe project *products,* i.e., the direct results of project activities for which the project is responsible.	Should be documented in project monitoring reports.	
Activities: What the project staff will do; sometimes referred to as interventions	Measures *completion;* whether or not activities were completed, and in comparison to any targets	Monitoring and annual reports.	
Inputs: What resources are necessary for performing the project activities?	Can include *financial resources;* also *human and logistic resources* needed to carry out the activities.	Financial reports.	

Log Frame: Rows at a Glance

Row 1: Goal
Goal:
The first row describes the **project goal** or **desired impact.**
> The goal is listed in a narrative sentence, accompanied by one or two indicators which will measure whether this goal has been achieved.
> Means of verification on how the indicator will be measured are then outlined.

> Important assumptions about how the project objectives support the project goal are then listed.

Note that CARE sometimes refers to a "higher impact goal" as a Program Goal, i.e. a more fundamental change in underlying causes, which may take more than this particular project to bring about. (Another row could be added to the top of the log frame to identify such a Program Goal.)

However, according to CI Project Standard 6, **a Project Final Goal** should be **significant yet measurable and achievable** – i.e. the project should be held accountable for evaluating whether or not it was achieved, and that it made a plausible contribution to the eventual achievement of the higher Program Goal.

Row 2: Objectives
Objectives:
The second row deals with the project objectives using the same system: narrative description, indicators, how the indicators will be measured and, finally, the important assumptions that link the project outputs to the objective. Objectives should be aimed at the **outcome or effect** level – changes in individual behaviors or organizational systems.

Row 3: Outputs
Outputs:
The third row deals with outputs of project activities. Each project objective usually has several outputs. Assumptions are made, if necessary, about the activities that will lead to the outputs, and about the objective of several outputs.

Note that there is a key difference between an output and an outcome. An output is something that the project staff (and implementing partners) has **direct control** over. In contrast, an outcome is what others do, as influenced by the project's outputs.

Row 4: Activities
Activities:
The fourth row lists the activities or interventions undertaken by the project that **will produce the desired outputs.** For each output there may be more than one activity.

Row 5: Inputs
Inputs:
The fifth row lists the resources or inputs **required to undertake the activities.**

The Logical Framework is a useful tool in the design, planning, implementation, and monitoring and evaluation of a project. CARE highly recommends that you **lead the development of a Log Frame at your project's inception phase** — it will ultimately make it easier for you and your team to report on the project highlight changes and adapt the project accordingly.

Life of Project Work Plan

A Life of Project Work Plan (LOP-WP) describes the life of project's **general activities,** along with a **general time frame** for executing each activity. It

is a multi-year action plan that covers the life of project period. The LOP-WP draws on the activities listed in the Log Frame, and also includes activities such as knowledge management, branding and marketing that may not be part of the log frame.

Annual Work Plan

An Annual Work Plan (AWP) is a **detailed plan** of activities to achieve a **specific set** of results during a particular year. The AWP is derived from the project Log Frame and, in the case of multi-year projects, project progress to date. A well prepared AWP provides a clear plan of action that links resources, activities and responsibilities to results. It also builds a foundation for decision-making, day-to-day planning and performance reporting throughout the year. The AWP should identify who does what, why, when, how, where and with what resources.

When you prepare an AWP, it is essential to involve project management, program support and relevant project stakeholders as you determine what needs to be implemented during the year, the time frame and the cost involved. The document produced should indicate the principle activities that will be carried out during the fiscal year, with a timeline / schedule for execution.

AWP Process

An effective AWP preparation process is essential for establishing a **shared vision and consensus** among the extended project team of what needs to be achieved during the year — and why. The process will help participants understand implementation challenges, and how to address them to achieve project results. Involving your partners in the process will ensure common understanding and enforce commitment of all relevant parties. The following briefly describes the minimal steps you should take to develop your AWP:

1) **Formation of the annual planning team:** Led by the Project Manager; a team of 3 to 5 people representing project management plus a member from each partner organization is sufficient.
   (Note: the number of team members may increase depending on the size and structure of the project and the number of partners.)

2) **Documents review:** a detailed review for the following documents is essential to build common understanding:
   a. <u>Log Frame:</u> The log frame provides a "snapshot" of the logic inherent in the solution to the problem that the project is tackling. The AWP process provides an opportunity to challenge and propose an update for the log frame, and to build consensus around the results chain and the log frame's vertical/horizontal logic. You may need to address some (or all) of the following key questions:
      i.   Has the problem or important relevant external conditions changed since the log frame was produced or since the last annual work plan?
      ii. Is the overall logic in the proposed solution still valid?

iii. Are the expected outcomes, outputs, impact still valid and achievable?

iv. Are there unmanageable problems measuring the project performance indicators? Are any changes proposed?

v. Is the risk analysis still valid?

b. Life Of Project – Work-Plan (LOP-WP): Reviewing the LOP-WP is essential to ensure that the proposed activities for the year are in line with the overall project planned activities. The document review may result in a need for a change in the LOP-WP due to inconsistency, or to enhance the plan's clarity, change of the time frame or review the inefficiency and effectiveness of the planned activities based on implementation experience. In such cases, you will need to highlight proposed changes to the LOP-WP in the AWP narrative document, with justification for approval, along with a new version of the LOP-WP. You may need to address some or all of the following key questions:

i. Are the proposed LOP activities still able to produce the desired outputs?

ii. Are the current project resources sufficient to complete these activities?

iii. Is the proposed timeframe still realistic?

c. Last progress report: The latest progress report, if the project has already begun reporting to the donor, provides the necessary updated information for the development of the AWP. It is highly recommended that the AWP development team thoroughly reads and comprehends the following sections of the progress report:

i. Actual results against targets (as presented in the Log Frame and the Project Monitoring Framework). The comparison of targets and actual results, both for the period and for the project to date, will highlight any gaps that the planners need to address in the coming period,

ii. Narrative description that provides analysis and explains the results indicated.

iii. Change in the operating environment.

iv. Risks, assumptions and environment analysis including external events that have an impact on the project.

3) **Decide on management activities:** Management activities are an essential part of implementation, especially in the first and last years of the project life. While it might be difficult to link some activities to specific project outcomes, outcomes are considered to be a foundation for executing many of the project's conventional activities. Due to this level of importance, along with some of the activities' substantial cost and time implications, the planning team has to make critical decisions linked to the project's implementation stage. Examples of management activities include:

a. General / ongoing activities:

i. Project management committee meetings i.e. steering committee

ii. Field monitoring trips, reporting, and planning / progress review

iii. Communication activities i.e. website, newsletters, "lessons learned" workshop

      iv.   Staff capacity building
      v.   Financial audits, both for the project and partners' books
      vi.   Monitoring financial performance, burn rate, etc.
      vii. Inventory / physical count
      viii. Periodic reflective practice exercise, which could include use of the Project Standards Measurement Instrument (PSMI)

  b. <u>Project startup activities:</u>
      i.   Setting up offices
      ii.   Staff recruitment, job descriptions, induction, staff deployment, building capacity
      iii.   Project resources mobilization i.e. procurement of new assets, maintenance of existing /used assets, community/ stakeholders contributions
      iv.   Partners' Memorandum of Understanding (MOUs) development, negotiations and signing
      v.   Authorities' approval at the national and field level
      vi.   Designing information and communication systems
      vii. Establishing a baseline (initial survey of outcome and impact-level indicators)

  c. <u>Project closeout activities:</u>
      i.   Final report (project closeout report), layout, data collection and analysis, and writing
      ii.   Final project evaluation (Refer to the CI Evaluation Policy)
      iii.   Documentation and dissemination of lessons learned
      iv.   Final audit
      v.   Fulfillment of exit strategy activities
      vi.   Evolution of interventions
      vii. Maintaining human resources capacity
      viii. Reviewing project assets, status, future use / disposal

4) Decide on Monitoring and Evaluation activities: The AWP should include the activities planned as part of the Monitoring and Evaluation plan. *(Refer to Chapter 5: Monitoring and Evaluation.)*

5) Consider key questions /considerations/challenges:
  a. Timing and quality of progress report *(Refer to Chapter 7: Report Writing)*
  b. What are the trends in the project context that might have an impact on the plan for the coming year?
  c. How will successes and shortcomings of the last year's performance influence or shape the plan for the coming year?

6) Communicate the approved plan: The approved plan should be widely communicated and explained to project staff and partners. This communication process will mark the beginning of individual plans, and inspire educated regular performance monitoring and reporting.

AWP Document Layout

> *Introduction* (one page): project information, a summary of achievements, process for preparing the document, period covered, etc.
> *Strategic considerations:* trends and issues in the operating environment that have implications on the program.

> *Achievements to date:* (If it is not the first AWP for the project) lessons learned to date should be included, especially those that may have implications on the project's future plans. This section should also include reporting against the target for last year and for the LOP-WP.
> *Objectives and planned results* for the coming year
> *Planned activities for the year:* including ongoing project activities, new project activities, regular management activities, special management activities (project start-up, completion etc.)
> *Schedule:* Gantt chart (See sample Gantt chart, to right)

   a. <u>Section A "Description":</u> This section includes three types of information:
      i. Outputs exactly as per the project Log Frame and in the same order
      ii. Main activities under each outcome as per the project LF and as planned in the project LOP-WP
      iii. Sub-activities that outline planned activities for this year to achieve the expected project results. As these activities will be the roadmap for the project staff during the year, descriptions should be specific and time bound.

   b. <u>Section B "Time frame":</u> This section usually consists of 12 columns representing the 12 months in the fiscal year starting July 1 and ending in June 30 of the following year. If the project is in the startup stage, you will need to reach agreement with the donor and/or CARE headquarters staff on the duration of the first and last AWP. (The first AWP would cover the period from startup to the end of the current fiscal year to ensure that monitoring, reporting, budgeting and other planned processes are complete by year two.)

   c. <u>Section C "Milestones":</u> This section includes activity level indicators that will help you monitor the completion of all planned activities. To ensure meaningful milestones, make sure that sub-activities (see Section A, iii) are very specific.

   d. <u>Section D "Means Of Verification":</u> This section lists the methods the project will use to verify and measure data and information related to completing the activities i.e. project record, meeting minutes, etc. For a more comprehensive analysis, see the Project Monitoring Framework. *(Refer to Chapter 6: Monitoring and Evaluation)*

Gantt Chart

Gantt Chart

	Section A	Section B		Section C	Section D
	Description	**Timeframe**		**Milestones**	**Means of Verification**
		M1	M12		
Outcome 1: XXXX					
	110 Main activity				
	111 Sub-activity one				
	112 Sub-activity two				
	113 Sub-activity three				
	120 Main activity				
	121 Sub-activity one				
	122 Sub-activity two				
	123 Sub-activity three				
Outcome 2: XXXX					
	210 Main activity				
	211 Sub-activity one				
	212 Sub-activity two				
	213 Sub-activity three				
	220 Main activity				
	221 Sub-activity one				
	222 Sub-activity two				
	223 Sub-activity three				

Chapter 3

Budget Planning and Monitoring

Introduction

One of the key skills you must have to be an effective Project Manager is the ability to **manage to a budget.** This is clearly a challenge for technical professionals who may have little or no budget management training or experience. Yet almost 90 percent of CARE's budget is spent by projects. Therefore it is critical for you to understand how to manage and monitor budgets appropriately. In this chapter you'll gain an understanding of the key basics of budget planning and monitoring.

Budget Planning

Program staff should work closely with program support staff (Finance, HR, Procurement and Administration) to prepare budgets. Input from **program support is essential** to ensure that budgets reflect the best cost estimates, and that the country office's internal policies are considered in areas such as cost sharing, Indirect Cost Recovery (ICR) and Shared Program Cost (SPC) recovery, cash management, financial reporting, inventory and equipment management and procurement schedules.

The information included in the approved budget and budget notes is critical for a Project Manager (PM) to effectively monitor and report on the activities of the project. As the PM, you should also have access to the following documents prior to budget planning:

1) Budget guidelines by program support (at the country office level)
2) Annual work plan
3) The most recent budget burn rate report (in US$ and donor-imposed reporting currency, as required)
4) Historical expenses from the accounting system
5) Donor guidelines

AT A GLANCE

Documents for effective budgeting may include the following:
> Approved Budget + Budget Notes
> Budget Guidelines by Program Support
> Annual Work Plan
> Budget Burn Rate Report
> Accounting Historical Expenses
> Donor Guidelines

Note: this list is by no means all-inclusive; other documents may also be needed to meet budget planning requirements .

These documents will provide the necessary data to feed into the budget line items. The accuracy of the budgets requires that **attention be given** both to **individual expense account code line item amounts** and the **cumulative or "bottom line" total** of the project budget. The expenditure goal, to the extent possible, is that the budgets for direct project expense account code line items to actual costs be **within 10 percent** at the end of the Fiscal Year (FY) while not exceeding the bottom line total project budget.

Common budget line items

In this section, you'll learn how to budget for common budget line items such as staff costs, procurement (equipment and supplies), project activities, contractual costs, other direct costs, ICR, and shared program costs. Make sure to prepare budgets in close coordination with finance, HR, procurement, and administration. Never submit a project budget to a donor without formal review and approval by these units, unless approved by the CD.

i. Staffing plan

The first key budget line item is often staff costs. The proposal usually outlines the project staff structure, including number of staff, their positions and the allocated budget. As a Project Manager, you'll often need to make changes to the envisioned staffing structure to respond to the project objectives and activities. Once the staffing structure is agreed upon with senior management and the donor, a staffing plan should be drafted to map out the project's staffing monthly and annual costs. Information on salaries should be provided by the Country Office's HR unit.

Note: Make sure that changes do not increase the total staff budget line item by more than your donor allowable percentage. (Refer to Chapter 5: Contract Compliance.)

Step 1: List all staff positions included in your team

Step 2: Obtain positions' salaries per month (include benefits, or draft a similar schedule for benefits to separate them). Remember to estimate annual salary increases for multi-year projects.

Step 3: According to project needs, include the level of effort required by each staff member per month. For example, if a PM will work full-time for the whole year, the input would be 1 per month. If an evaluation specialist will be hired part time for the last 4 months of the year, the input would be 0.5 from months 9 through 12, and so on.

ii. Procurement Plan

Procurement is directly linked to program/project activity and also to cash budgets because of its dollar value. Over the past five years, Internal Audit has repeatedly observed that procurement plans are not being prepared by many COs. **Please be aware that developing a procurement plan is essential to your project's success.** Refer to the project proposal, budget, and budget notes for information about what should be included in your procurement plan.

Refer to the Procurement Planning tool on the Program Quality Digital Library, **http://pqdl.care.org.**

Audit has also observed that plans are not being reviewed and updated on a regular basis. If there are additions and/or deletions that represent a significant dollar value, be sure to revise your procurement plans, since these changes will impact the CO's cash flow. If any procurement activity has changed or been postponed to another quarter, you should update procurement plans to reflect this change

> **Donor Regulations:** Before embarking on any purchase, check the donor restrictions on any item being charged to the donor. Some items may have a specific geographic code (e.g. all United States Government or European Union funded projects). If waivers are required, apply for them well in advance. DO NOT place/confirm an order without first obtaining a waiver.

CARE Atlanta Assistance: If you need help or clarification related to procuring any item, please do not hesitate to contact the Atlanta Office. Your queries may be addressed to your respective point person for a faster response.

iii. Project Activities
This is where activities are translated from the annual work plan into cost. CARE recommends completing this as part of the detailed implementation planning exercise.
(Refer to Chapter 2: Preparing Implementation Plans.)

Step 1: List all activities

Step 2: Identify all components required to complete each activity

Step 3: Estimate all costs associated with each component

Step 4: Sum for the total amount

iv. Other Direct costs/Shared Project Cost (SPC)
Shared Project Costs (SPCs) are costs incurred at the Country Office level for CO business activities which support multiple projects. The costs are

Example: Training

Component	Method of Calculation
Trainer	# of training events X No. of days per training event X cost of trainer per day
Venue	# of days per training event X cost of venue per day
Meals	# of Trainees X # of meals X cost of meal per individual
Stationary	Cost of items required X quantity of each item
Transportation	Cost of transportation X # of trainees
Per Diem	Per Diem rate X # of Trainees X # of Days

distributed to individual projects based on the benefit each project receives. This approach represents an alternative to directly budgeting support activities individually for each project. It is a more efficient way of providing joint management and support of multiple in-country programs and sharing the cost of that support.

As Project Manager, you should discuss the Project's SPC share with the CO Finance unit.

v. Subgranting/Contractual costs
This section will include the subrecipient's direct project costs, ICR (or equivalent) – presented by year (if a multi-year sub-award). *(Refer to Chapter 4: Monitoring Subgrants.)*

vii. Indirect Cost Recovery (ICR)
CARE USA seeks to recover ICR costs from all donors when negotiating donor funding for implementing projects. Negotiating an ICR rate is a process through which donor funding may be used to pay for the costs of a headquarters operation in support of the direct project spending that the donors support in-country.

Note: For CARE USA, ICR refers only to the headquarters support. All costs incurred in country are treated as direct project costs.

The Negotiated Indirect Cost Recovery Agreement (NICRA) is the U.S. Federal government's written acknowledgement of what CARE can charge to every grant/contract signed between the government and CARE. CARE is usually given a "provisional ICR rate," for projects to use when submitting budget proposals and quarterly/interim final reports. You should submit an amended financial report as soon as CARE receives the final ICR rate for the previous year(s).

The NICRA is negotiated annually by CARE USA and is communicated to finance staff in COs.

Projecting project cash needs

Based on the forecasted project budget, you should know the cash flow needs of the project to ensure that funds are available when disbursements are needed. As PM, you should work closely with the Controller or a designated staff person, such as a Project Accountant, to determine reasonable cash forecast — in the currency the funds are needed. Ideally, the cash needs projection should be done weekly. If this is not possible, you should know about how much cash the project will need for the month. You should also be familiar with the process, and know what triggers the funds transfer.

Here are a few guiding questions to help you gain a better understanding of how cash flow works — from the source to CARE's bank account, for the project's use:

> What does the donor need to receive (e.g., report, call forward letter, etc.) to initiate transferring of funds to CARE's account?

> Are funds to be transferred to CARE Headquarters' (CHQ) account first (as in the case of Federal Reserve Letters of Credit [FRLC] drawdown from U.S. government funded projects)? What about other CI members' accounts?

> Once funds are received by CHQ or other CI members, should the PM work with the CO Controller to request funds to be transferred (as in the case of CHQ), or will the CI office automatically transfer the funds without the need for the CO to call forward the funds?

> How long does it take for CHQ or other CI members to electronically transfer the funds to the CO's bank account?

> If project expenses are paid out of banks in sub-offices, how long does it take for funds to be transferred by the Main Office to the local account in the currency needed?

> If working with sub-recipients, what should the PM know to ensure smooth fund transfer to the sub-recipient's bank account? How about payment to vendors?

By knowing how to project cash flow requirements properly, you can ensure that funds are transferred on "as needed basis" only, and reduce CARE's risk of foreign exchange loss exposure.

Budget Monitoring

To monitor your budget effectively, you'll need to review the "burn rate" – the rate at which funds are being expended on a project. A fast or slow burn rate is an indication that the actual project implementation is either going faster or slower than originally planned.

Slow burn rate: A slow burn rate may indicate **delays in implementation,** and not being able to fully spend the funds as of the end of the current year's budget period, or over the life of the grant. A no-cost extension may be necessary–if so, initiate this process as soon as possible. *Note: a no cost extension may be necessary, but it is not always optimal. There may be additional resources for activities, but resources may not be available for SPC and ICR.*

Fast burn rate: A fast burn rate may mean that project implementation is **ahead of plan,** or that some activities **cost more than planned.** This is something you should track to make sure that the level of spending is aligned with the planned project progress. If not, you might have to obligate more funds or cut back on the scope of the project. Both scenarios would require **negotiation with the donor and CO management.**

How to monitor a budget

Your budget is critical to the success of your project. As PM, you should monitor the financial activities of the project at least once a month. Ideally, try to work closely with the Program Support Unit (Controller or Project Accountant) and agree on the following:

> Critical budget related compliance matters
> Financial monitoring requirements of the PM and the donor – detailed budget (as approved by the donor), compared with actual expenses, in US$ and original currency of the grant/reporting currency. Always look at award budget and expenses from project start date, with data compared to annual budget and life of grant budget.

Ask the Program Support Unit to help analyze the data by explaining favorable and unfavorable variances between budget and actual amount at budget line item level. For **multi-year projects, hold a face-to-face meeting at least quarterly.** For short-term projects (6 to 12 months), consult with Finance on a monthly basis.

Report on US$ and donor-required reporting currency

Although US$ is the official currency for CARE USA's books (financial records), and the most common currency when receiving funds and reporting back to the donor, CARE receives substantial funding that must be reported back in other currencies (e.g., Euro, Canadian $, Australian $, Danish Kroner, etc.). **It is very important to track the actual funds spent and fund balances in US$ and the donor's reporting currency.** By doing so, you will be aware of the effect of any currency fluctuation from the time the project proposal/budget was approved to date, and you can make adjustments on spending as necessary.

Chapter 4

Managing and Monitoring Sub-grants

IN THIS CHAPTER

Learn how to effectively identify sub-grant recipients and minimize risks.

Introduction

The number of projects CARE implements through sub- granting/contracting is steadily increasing. Because of the increase, it is critical for all CARE Project Managers to effectively identify partner organizations, assess and monitor program activities to minimize risks, obtain reasonable assurance that funds are expended as intended, and ensure that the project is in compliance with applicable donor rules and regulations.

CARE is responsible for ensuring that the sub-recipient spends the awards according to the donor's applicable laws and regulations and CARE's internal policies and procedures. This is true when CARE, as a primary recipient of donor funds, awards part of the grant to a sub recipient.
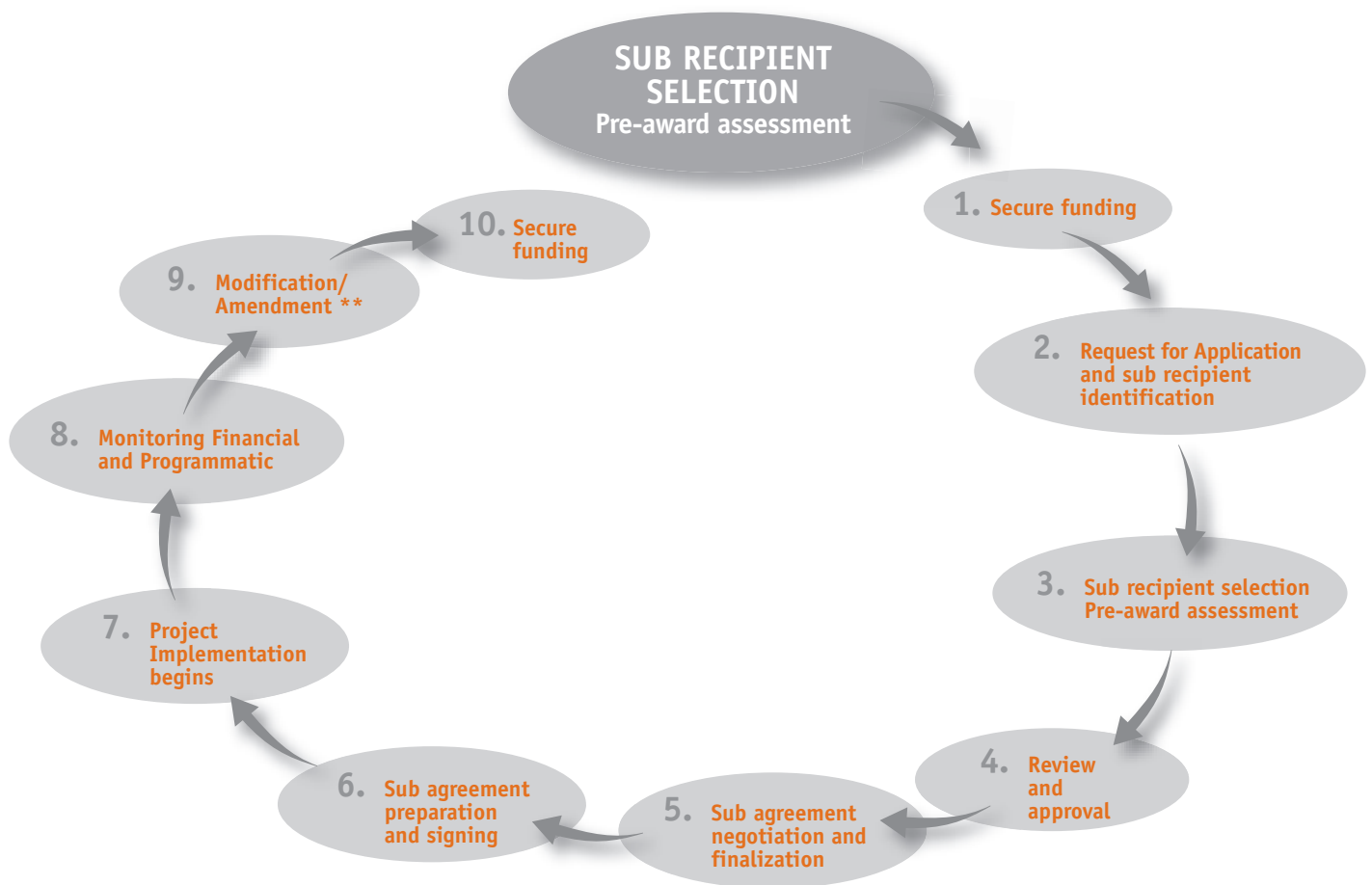
CARE USA developed a comprehensive Sub Grant Management and Compliance Manual in July 2005. The manual provides guidance and tools to help Country Offices and headquarters staff effectively and confidently carry out CARE's responsibilities whenever the project calls for sub granting funds/activities with other entities. The manual tackles questions such as:

a. How should we select sub-recipients?

b. How will the Country Office know the best "instrument" to use – to sub grant, subcontract, or procure under grant?

c. What are the ways of carrying out sub-recipient risk assessment?

d. How do we carry out an effective/efficient sub-grant monitoring?
   > What is CARE's accountability to donor(s) when it comes to sub-recipient monitoring techniques?
   > What are the different monitoring techniques, and what is the best way to document them?
   > When is it necessary to conduct on-going monitoring and/or monitoring through "separate evaluation"?

LEARN MORE

For a more in-depth review of content presented in this chapter, refer to the CARE USA Sub-grant Management and Compliance Manual, issued in July 2005.

e. What constitutes a complete sub-agreement?
    > How do we apply ICR (overall budget and at each sub-agreement level)?
    > How should we deal with partner organizations' SPC costs?
    > How do we negotiate budget and approve a sub recipient's budget? What level of flexibility can we provide?
    > What are the best payment terms and conditions? Cost reimbursement? Advances? Is there other option?
    > What kind of reports should we require from sub recipients?

f. What should a PM be aware of (and do) concerning the closeout phase of a sub agreement? How about the post closeout phase?

SUB RECIPIENT SELECTION
Pre-award assessment

1. Secure funding

2. Request for Application and sub recipient identification

3. Sub recipient selection Pre-award assessment

4. Review and approval

5. Sub agreement negotiation and finalization

6. Sub agreement preparation and signing

7. Project Implementation begins

8. Monitoring Financial and Programmatic

9. Modification/ Amendment **

10. Secure funding

Although every phase of the sub grant cycle is important, this chapter focuses on two important items for Project Managers:

1) The importance of conducting **accurate risk assessment** during the pre-award and implementation phase.
2) The effective way of **monitoring** sub grant activities.

Please refer to the Sub Grant Management and Compliance Manual for tools to conduct risk assessment.

Accurate Risk Assessment

Accurate risk assessment is critical to the success of a Country Office's pre-award assessment effort. Assessing risk involves evaluating the effectiveness of an entity's program implementation, as well as its internal control system in preventing and detecting noncompliance with the U.S. federal guidelines and CARE internal guidelines. A risk assessment determines the priority of sub recipients to be reviewed and the level of monitoring to be performed.

Risk assessment should not be viewed as a one-time event. Significant turnover in the sub recipient's personnel, a change in the quality or timeliness of required reports, or information received from other sources, may all necessitate a review to determine if a revised risk assessment is warranted.
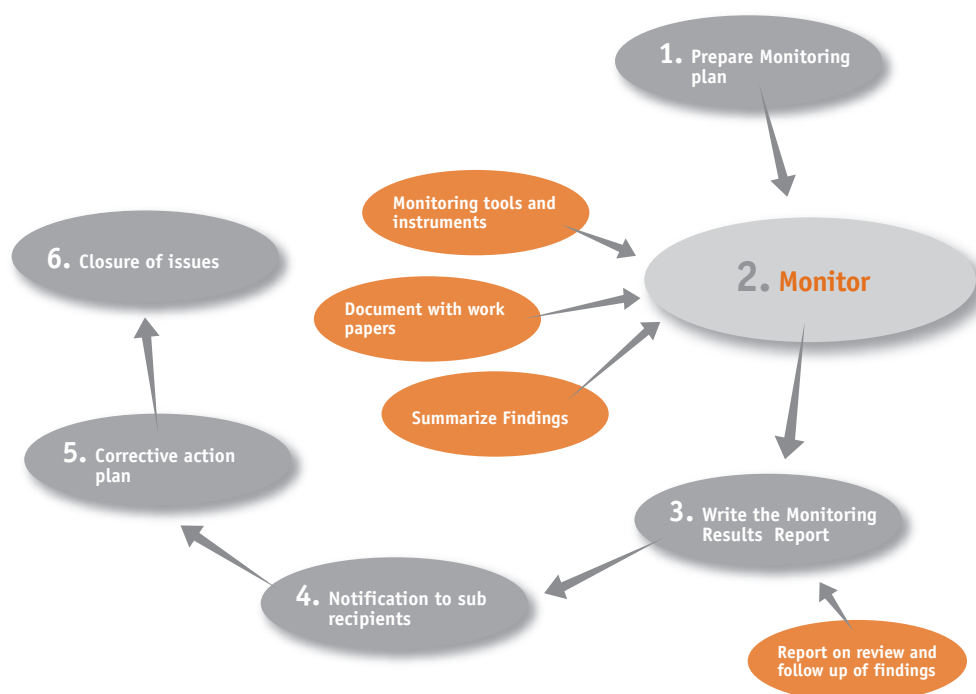
In determining risk, you and your project team should evaluate items such as:

> Size and age of the agency
> Strength and sophistication of the agency's past experience in program implementation
> Strength of the agency's internal control
> Length of time the agency has been a sub-recipient to the Country Office
> Amount of CARE's sub grant (in a year) as a percentage of the sub-recipient's total expected funding from all sources in a year
> Total sub grant amount previously awarded by CARE to the agency
> Total sub grant amount that CARE will be funding under the current sub agreement
> Sub grant amount that CARE will be funding under the current sub-agreement as a percentage of the total sub grant budget line item per grant agreement between CARE and the U.S. government
> Complexity of the funding sources awarded
> Financial viability and cash flow
> Knowledge and familiarity of the agency with applicable donor regulations
> Variety of complexity of the programs being funded
> Results of CARE's previous experience with the agency
> Extent of CARE program staff involvement with the agency
> Information available about the agency from other international NGOs, UN agencies and donors
> Extent of 'negative' information about the agency from such organizations
> Whether the agency will conduct its own procurement or if CARE will make major procurement for the agency

The Country Office must always **consider the complexity of the funding sources and programs** being funded in determining the risk assessment. It is quite likely that the same sub-recipient will have different risk assessment levels assigned for a more or less complex project.

Monitoring

The monitoring plans for each sub recipient should be tailored to correspond to the program that the sub recipient operates, the funding the recipient receives and the sub recipient's assessed level of risk.

AT A GLANCE

>> **Low Risk:** The Country Office has had a long, successful relationship with the sub recipient, the sub-recipient has had clean audits and all past reports have been filed accurately.

>> **Medium Risk:** The sub-recipient is new to the Country Office but has had successful relationships with other CARE Country Offices or headquarters and is a part of a large and successful organization such as another international NGO.

>> **High Risk:** A small, start-up non-profit agency operating a new program would likely be evaluated as a high risk, at least until some history was established.

Compliance with donor-imposed audit (e.g., program specific or single audit) is only one of the many sub recipient monitoring tools available. Sub recipient monitoring should occur throughout the year or the project period. Do not rely solely on an annual **audit.**

Monitoring through "ongoing activities" also known as "during-the-award monitoring" may take various forms. A fundamental monitoring tool **is informing the sub recipient of the basic award information** (e.g., Grant/ Contract agreement number, title and number award name, name of institutional donor's agency) and applicable compliance requirements.

Additional monitoring tools include the following:

1. **Reviewing financial and performance reports** submitted by the sub-recipient
2. **Performing site visits** to the sub-recipient to review financial and programmatic records and observe operations
3. **Maintaining regular contact** with the sub recipient and making appropriate inquiries concerning program activities
4. **Arranging for agreed-upon procedures and engagements** for certain aspects of sub-recipient activities such as eligibility determination.

Donor laws and regulations may impose sub recipient monitoring requirements specific to a program. In addition, factors such as the amount of awards, percentage of the pass-through entity's total program funds awarded to sub recipients, the complexity of the compliance requirements, and risk of sub recipient non-compliance as assessed by the pass-through entity may influence the nature and extent of monitoring procedures.

> **Amount of Awards**
> Larger dollar awards are of greater risk.

> **Percentage of Pass-Through Funding**
> The larger the percentage of program awards passed through, the greater need for CARE to monitor the sub recipient.

> **Program Complexity**
> Program with complex compliance requirements have a higher risk of non-compliance and thus require closer monitoring.

> **Sub-recipient Risk**
> Sub-recipients will be evaluated as high risk, medium risk or low to determine the need for closer monitoring. In general, new sub-recipients require closer monitoring. Existing sub recipients will be evaluated based on results during the award monitoring and sub-recipient audits. An existing sub-recipient may warrant closer monitoring in cases such as a history of non-compliance as a primary recipient or sub recipient, key personnel changes, and new or substantially changed systems.

Suggested Monitoring Techniques

Listed below are nine suggested monitoring techniques that will help Country Office staff achieve monitoring objectives for high, medium and low risk sub recipients. These techniques are suggested for testing core monitoring areas for compliance:

1. Physical inspection – Gathering physical evidence (if required) when testing high-risk sub recipients. This can be done by examining or inspecting new equipment, observing inventory, and determining staff/client ratio. Reviewing invoices or other supporting documentation may satisfy the same objective when testing medium or low risk sub recipients.
2. Confirmation – Providing written requests to a third party to confirm assertions made by the sub recipient. This may include confirming the

account receivable balance or confirming that an individual received service from a particular program.

3. <u>Tracing</u> – Examining documents that support a recorded transaction and a verification of the recording of a document in the accounting records. Tracing can help you obtain evidence about recorded transactions. The Country Office may use tracing to verify a trans action such as an invoice through the accounting system to its ultimate recording in the accounting records, journal, and ledgers to the appropriate grant program. A Country Office may also use tracing to verify any unusual incidents and to verify the expenditures reported to CARE on the reliability of program results and achievements to supporting documentation.

4. <u>Inquiry</u> – Obtaining management and employees' responses to questions about the operations of the sub recipient. The Country Office may use inquiries to get a better understanding of staffing patterns, level of supervision, service delivery, management controls, and operation of program as intended. Inquiries usually provide the basis for further testing to substantiate the responses to inquiries.

5. <u>Observation</u> – Witnessing physical activities such as taking physical inventory, touring facilities, and attending client staffing meetings. The Country Office may also use this test to observe how a program is operated. Observation and inquiry should be used in testing monitoring areas when the Country Office cannot review a document in any other manner. When circumstances do not allow the review or test of documentation, the Country Office can make an inquiry and observe the process to ensure that the intended controls are adequate or being implemented as intended. Inquiry of the process (to gain an understanding of how it operates) may be sufficient for a low risk sub-recipient. However, observation may be necessary in a high or medium risk sub-recipient.

6. <u>Re-performance</u> – Performing computations to independently verify the integrity of transactions or balances i.e. determining eligibility and benefits for a program. The county office uses the data in the case record to compute eligibility and benefits, and compares results to the sub recipient's determination. This procedure of attempting to replicate the calculation made by the sub recipient is called re-performance.

7. <u>Reconciliation</u> – Matching two independent sets of records to provide assurance of completeness and existence. Reconciliation may be necessary to confirm grant revenues and receivables in a high or medium risk sub recipient before closing out a program year.

8. <u>Inspection</u> – Critically reading a document to compare the information contained in the document with other known information. This includes review of contracts, leases, insurance policies, program guidelines, minutes of board meetings and other pertinent records. Inspection may be used in all monitoring activities regardless of the risk level.

9. <u>Analytical procedures</u> – Conducting a number of specific tests to test the reasonableness of data. A Country Office may use analytical

AT A GLANCE

9 Monitoring Techniques

1. Physical inspection
2. Confirmation
3. Tracing
4. Inquiry
5. Observation
6. Re-performance
7. Reconciliation
8. Inspection
9. Analytical procedures

procedures such as certain ratios or trends to determine any unusual conditions that indicate that further testing is warranted. Analytical procedures may be used to provide some level of assurance of low risk sub recipients, and may be used to confirm and substantiate the reasonableness of data from high-risk sub recipients.

Monitoring Documentation

To ensure successful monitoring, you will need to rely on the implementation of a variety of fully documented monitoring techniques. Adequate documentation includes the following, as well as other formats resulting from the use of a specific technique.

1. **Monitoring Plan –** CARE requires each Country Office with sub-recipients to develop and maintain a monitoring plan. One of the purposes of this manual is to assist Country Offices in developing a formal monitoring plan. The manual also lays out the minimum areas and required information that must be included in a plan. The monitoring plan should serve as the foundation for all monitoring activities.

2. **Monitoring Tool/Instrument –** The monitoring tool/instruments are the form(s) used to organize the review. The form provides factual information about the administration of the grant, and enables Country Office staff to evaluate risk areas. The monitoring tool/instrument can be designed to accommodate both desk reviews and on-site monitoring. Or, if needed, separate forms can be developed for each activity.

3. **Working Papers –** Working papers are the written record created during the monitoring review. These important papers serve as the record from the beginning of the review until the report is written, documenting all steps taken in the review process. Working papers include the monitoring instruments and detailed notations taken during a review. Well-structured working papers make it easier to transfer material written during the review to the monitoring

report—be sure that they are neat, understandable, and restricted to relevant matters. Keep the writing simple, and organize materials for supervisory review and audit.

4. **Summaries –** Summaries provide an objective overview, put findings into perspective and can tie together other related areas.

5. **Monitoring Results Report –** Write a clear and accurate formal report of the results of the monitoring review to present the compliance picture to management and the organization providing the funds. The report should contain balancing statements to provide a complete assessment of the situation. Additionally, the report should provide an accurate statement of the conditions found compared to legal or regulatory requirements. For example, a monitoring report could note not only the conditions found during the monitoring review, but also those found by the auditor in the audit report.

6. **Report on Review and Follow-up of Audit Findings –** Monitoring includes a review of recent audit findings. Be sure to address the audit findings with the sub recipient to verify that the corrective action was taken and any debt collected. Communication with the auditor will help you learn about any current audit work that is relevant to the compliance monitoring review.

7. **Notification –** Notification in written form to the sub recipient is necessary to document the results of the monitoring and outline any findings and associated corrective action required.

8. **Corrective Action Plans –** A corrective action plan outlines the steps the sub recipient proposes to take to address findings of non compliance. Timely corrections of issues identified as a result of monitoring reviews could prevent findings or disallowed costs during the next audit.

9. **Closure Letter –** A closure letter formally accepts the sub recipient's corrective action plan and indicates that CARE believes that the monitoring results' noncompliance issues have been adequately addressed.

Chapter 5

Contract Compliance

Introduction

Our core values of integrity and excellence require that CARE perform activities in the highest quality manner while serving the communities in which we work. Any funding, donation or other item received by CARE from a donor must follow requirements aligned with the donor's intentions. These requirements, or "restrictions," may vary greatly, ranging from very limited requirements to complex rules relating to cost allowability and audit. Additionally, CARE's work is regulated or controlled by various local or national laws that place additional requirements on our work.

It is critical for every Project Manager to place a high priority on compliance with these requirements. Even if you are not directly responsible for such tasks, you are responsible for ensuring that individuals performing compliance-related functions at your Country Office are aware of the requirements and performing their job functions effectively. Of course, attention to – and compliance with – these requirements enhances CARE's relationship and reputation with a donor, and furthers CARE's overall commitment to integrity and accountability.

This chapter highlights key areas that are often regulated or controlled by donors and applicable laws. Although featured examples are primarily from US government-funded awards, other donors may have similar or competing requirements.

This section also offers a general overview of contract compliance. If you have specific questions or concerns relating to any of these topics, and in particular their application, please contact the appropriate staff at the Country Office or lead member, and / or the CI member designated as the contact point for a particular donor.

LEARN MORE

LEARN MORE ONLINE

ONLINE

For further information about US and other donor requirements, visit **www.carematrix.org.**

The collaborative work of various CI members aims to inform Country Office staff of the various regulations, policies and practices applicable to funding from AusAID, CIDA, Danida, DFID, EU, ECHO, NORAD, and the USG. The website is organized by topic relating to areas frequently questioned by Country Offices. A "Donor Materials" tab contains additional information (including electronic copies of application regulations) and guidance posted by CI members that may be used to assure compliance with various requirements.

PIN: When registering for the first time, you will need to use the following PIN: 84jh15kl (case sensitive, lower case letters only).
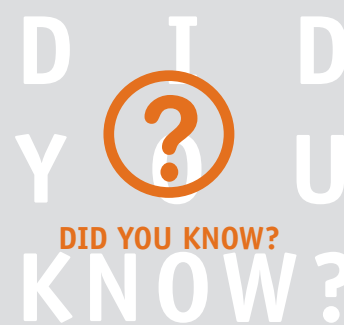
Pre-Award Requirements

Compliance requirements relating to a specific program originate at the earliest stages of a program's development with a donor. Before a donor even considers providing funding to an organization to pursue a relief or development objective, conditions or priorities apply. These may include specific program requirements, as well as general regulations and policies that apply to all recipients who apply for and receive funding.

Many of these conditions and priorities will be described in the donor's solicitation. Document names vary, including "Request for Application," "Request for Proposal," "Annual Program Statement," "Task Order Request for Proposal," "Tender" and others. Regardless of the name, from a compliance perspective you should be familiar with the context of a donor's funding of a program. In particular, you should understand any compliance requirements that might be a part of that solicitation. Be sure to maintain and review a copy of the solicitation in the initial stages of project planning, in case it is needed in the future.

CARE's proposal is a written response to a solicitation. It therefore contains multiple "promises." These promises are not only about the project and its objectives, but also are compliance-related representations, and, in some cases, legal certifications that commit CARE during the life of a project. CARE's proposal might also contain a number of items that, if approved by the donor, would constitute a required prior approval. For example, if one puts in a proposal to USAID "planned international travel during the life of an award," USAID's funding of that proposal would constitute the required prior approval for international travel. Receiving such prior approvals is key to avoiding seeking donor permission for certain activities or actions later. Some donors, however, such as the EU, will not consider the full proposal as being part of the contract and will always require explicit derogations/prior approvals. As indicated in Chapter 1, you should be familiar with the project proposal submitted by CARE, since the donor will seek to enforce activities and requirements CARE has promised during the term of an award.
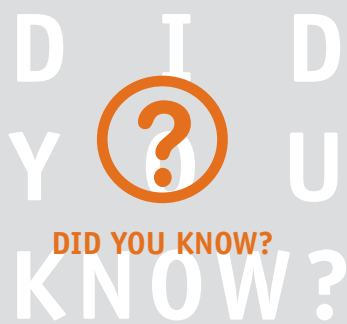
Agreement with the Donor

Once a donor has agreed to fund a CARE program, some form of legal agreement is executed by that donor and CARE. Depending on the donor, agreement, these may be named "Contract," "Cooperative Agreement," "Grant," "Sub Grant", "Sub Contract", etc. These documents may vary significantly, from a longstanding framework agreement signed by a CARE member, to complicated multi-page agreements, to simple two-page agreements that require minimal compliance requirements. Regardless of name or length, CARE's written agreement with a donor establishes the requirements applicable to CARE's work, including references to various rules, regulations and policies CARE is required to follow under the agreement.   These documents should be reviewed thoroughly and incorporated into CARE's work under a given project, and maintained in an accessible file for ease of reference and use. This file should include any modifications that may be made to an award during its term.

DID YOU KNOW?

As a project manager, you should become familiar with pre-award requirements, as well as the compliance-related "promises" described in CARE project proposals.

Items may require prior approval, and the donor will seek to enforce activities and requirements CARE has promised during the term of an award.

As Project Manager, it is essential for you to become familiar with CARE's legal agreement with the donor, and to maintain a copy all documentation and any amendments.

> In some cases, require-ments such as legal obligations imposed by a local government or a lead member national govern ment apply regardless of whether or not the donor has recognized them as a requirement under an agreement.

> A number of fundamental practices should be utilized by aall Country Offices to assure that work is con-ducted in compliance not only with applicable rules and regulations, but also consistent with CARE policies, procedures and standards.

Additionally, it is CARE's practice for a CI member that is not a lead or designated member to a particular Country Office to enter into an **Individual Program Implementation Agreement ("IPIA")** which will govern the relationship between the CI member and the Country Office. The forms of IPIA vary by CI member. IPIA's are often executed to supplement a previously existing Project Implementation Framework Agreement between a CI member and the Country Office. Agreement is intended to govern the long-term working relationship between a CI member and a given Country Office.

As Project Manager, it is essential for you to become familiar with this documentation, and to maintain a copy of all documentation and any amendments.

Compliance: Key Terms and Conditions, Regulations, Laws and Practices

During implementation of any award from a donor, there are a number of notable compliance areas may be restricted or controlled. These areas may vary significantly based on the donor and its requirements.

Below is a list of common compliance requirements applicable to funds received and programmed by CARE:

> **Eligible Costs.** What donor regulations exist that inform what costs may or may not be charged to a particular program? For example, for US government funded projects, only costs that satisfy the requirements set forth ion OMB Circular A-122 can be paid by the donor. Costs incurred contrary to these requirements will lead to questioned or disallowed costs at a later date, resulting in the potential for CARE to pay back funds to the donor, or otherwise absorb unexpected losses.

> **Prior Approvals For Certain Costs.** Some eligible costs may require prior approval from the donor. For example, under USAID awards, this rule would apply to the following: the purchase of equipment (items exceeding $5,000 in value) and other capital expenditures; housing expenses; training support costs (for training of those other than CARE employees); membership costs; pre-award costs; publication and printing costs; international travel; and overtime pay. Any of these items that are specifically included in the cost proposal budget may be considered "approved" if the donor funds accepts a proposal and funds the overall program. A thorough understanding of the proposal documentation is extremely important.

> **Programmatic Prior Approvals.** A donor might also require approvals for certain programmatic actions. For example, for US government funding, the following prior approvals are required: changes in scope or objectives of a program; changes in key personnel; an absence of designated key personnel for more than 3 months or a 25% reduction in time devoted to the project; transfer of funds between direct and indirect cost line items; transfer of funds allotted for participant training (training for those other than CARE employees); and the sub awarding, transfer or contracting

out of activities if not previously approved by USAID. On the contrary, for the EU, transfer of funds between direct and indirect costs will never be allowed, but changes to key personnel will not have to be approved. You will need to review the applicable regulations or consult with the appropriate CI member representative for more information.

> **Procurement.** Procurement of equipment or services under an agreement from a donor represents one of the most crucial areas of compliance, in part because expense testing of these transactions is relatively simple, but also because procurement transactions are among the most regulated by CARE donors. The following requirements should be considered:

- *Standards, Policies and Procedures.* What procurement requirements and standards does the donor require? What are the procurement policies of your Country Office? Your Country Office has policies and procedures in place that ensure the fairness and integrity of the procurement process, addressing such matters as tendering/bidding requirements, conflicts of interest, and other areas. Additionally, the donor may have requirements that mandate certain procedures.

- *Source, Origin and Nationality.* To offer economic benefits to providers of goods and services from a donor country, many donors give preferential treatment or impose requirements that goods and services be purchased from certain providers. What limitations on source, origin and nationality apply to your agreement? Does the donor require that any items purchased under an award be purchased from a certain geographic location? What waivers might be available, and when and how can they be sought?

- *Ineligible Goods.* A donor may have a policy that forbids the procurement of certain items. Are certain equipment and supplies not allowed to be purchased under your agreement? For example, under USAID, the following may not be funded with USAID funds: military equipment, surveillance equipment, commodities and services for support of police or other law enforcement activities, abortion equipment and services, luxury goods and gambling equipment, and weather modification equipment. For the EU, purchase of land and buildings will usually be ineligible.

- *Prior Approval Requirements.* Does the purchase of certain items require prior approval from the donor? For US government awards, prior written approval is required to purchase with USG funds any item with a purchase price in excess of US$5,000 and a useful life of one year (defined as "equipment"). In addition, under USAID, the following items are considered "restricted goods," and prior approval is required regardless of the purchase's value: motor vehicles (including motorcycles), agricultural commodities, pharmaceuticals, pesticides, used equipment, fertilizer, and excess US government property.


AT A GLANCE

Common Compliance Areas

> Eligible Costs
> Prior Approvals For Certain Costs
> Programmatic Prior Approvals
> Procurement
> Prior Approval Requirements
> Export Controls
> Import Controls
> Pre-award costs
> Donor Management and Oversight
> Marketing/Branding
> Cost Share/Match
> Line Item Flexibility
> Program Income
> Anti-terrorism
> Audits
> Sub grant Management and Monitoring
> Legal Agreement Review and Template Agreements
> Contract Management.
> Risk and other Legal Requirements
> Lobbying

- *Export Controls.* Does the proposed procurement need to adhere to any export control laws and regulations? For example, the US government has export laws, regulations, and procedures that monitor and control the export of certain goods and services originating in or manufactured in the United States. Generally, these requirements are imposed to monitor and limit the spread of technologies and materials that might be used to develop weapons of mass destruction, as well as to achieve various policy considerations such as national security and anti-terrorism interests. The following are items most commonly purchased by CARE that may have applicable export regulation requirements applicable to US brands (or US made or manufactured items):

  • Electronic equipment (computer, laptops, satellite phones, radios or software), or
  • Shipments of military, police or crime control items that are US brands such as body armor, bulletproof vests, vehicle armor or night vision goggles
  • Shipments of any type of merchandise or services to Cuba, Iran, Sudan, Syria, Libya or North Korea Country offices should consult with CARE USA Procurement Department prior to the purchase of any items fitting this description that are US brands (or US made or manufactured).

- *Import Controls.* Does the country in which you work have any controls, restrictions or limitations on what is imported into the country? What excise or duties may be owed? Does CARE have a tax exemption status in place that will avoid these levies? Does the nature of the imported item carry any legal risks to CARE? Will the donor pay for any taxes that might be owed?

- *Pre-award costs.* During the preparation stages of implementing a project, does CARE expect to incur costs for any expenses that may be required prior to signing the agreement with the donor? Does the donor place a limitation on when costs may be incurred under a given project? For example, such costs might include recruiting of personnel and pre-positioning of equipment or supplies. If, for example, the program is funded by the US government, prior approval to incur such costs is required.

- *Donor Management and Oversight.* One of your most important relationships as a Project Manager, and for other Country Office staff, is with those individuals who manage a program on the donor's behalf. In most instances, larger donors place personnel in the same location as the country office who are responsibility for programmatic oversight of an award. However, in some cases, individuals from overseas (usually the donor country) also have a stake in managing a program. How much will the donor be involved in the day-to-day management or oversight of an award? Who will be responsible for that oversight? Clarity on this point and connection to the relevant parties is critical for the ongoing success of the program.

- *"Substantial Involvement"* For USAID-funded grants and cooperative agreements, "substantial involvement" is the term that is used to describe the oversight of the donor. In cooperative agreements with USAID, there is always a specific section in the agreement that explains the extent of USAID's substantial involvement in a given program. Generally, except in a few specific areas, USAID oversight and management is supposed to be quite limited. However, in some cases, personnel within USAID overstep or exceed their management authority. It is therefore critical to review and clarify the level of substantial involvement in writing as early in an award as possible.

- *Relevant Donor Staff*. Although all donor staff are important, do some rep resentatives have more authority than others? Who has the authority to give CARE approvals for certain tasks that are required by regulation or policy? For example, within USAID, the day-to-day monitoring of CARE's activities under a program is conducted by the assigned Cognizant Technical Officer (CTO). The CTO's authority, however, is limited. Ordinary management and oversight obligations are held by the Agreement Officer (who may also be known as the Contracting Officer). The Agreement Officer delegates to the CTO certain responsibilities to manage the ongoing implementation of an award. Unless expressly stated in the agreement with USAID or some other written documentation, any required prior approvals must be received in writing from the Agreement Officer. For the EU, the contact person will always be indicated in the grant agreement.

- *Marketing/Branding*. Donors increasingly are requiring public recognition for the funding that they have provided to CARE. The requirements may vary from CARE agreeing to recognize the donor when appropriate, to a detailed written proposal relating to project marketing and donor recognition strategies. What requirements does the donor have for public recognition? How are the donors name and/or logo to be used, if at all, when conducting project activities? What steps are required to get donor approval, if necessary?

- Cost Share/Match. Donors often require that CARE contributes towards the goals of a given project through cost share or match. Depending on the context and the donor, CARE might utilize cash contributions, contributions in kind (for example, donated equipment and supplies), community contributions to a program, other projects funded by other donors that support the activities of the project requiring cost share/match contributions, and others to satisfy the cost share obligation. What cost share or match is required under your specific project, and how will it be identified and accounted for? Will it be the responsibility of the Country Office, or will the CI member associated with the funding be providing a contribution—or both? What restrictions are in place related to cost share? US government regulations allow a broad range of contributions, but all must be documented, be allowable costs under applicable regulations, and directly support the project requiring a cost share/match contribution. It is recommended that the sources for cost

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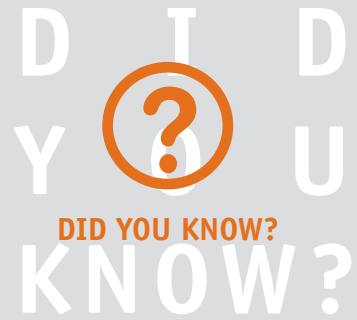
Carefully consider these cost share/match questions:

> What cost share or match is required under your specific project, and how will it be identified and accounted for?

> Will the cost/share match be the responsibility of the Country Office, or will the CI member associated with the funding be providing a contribution—or both?

> What restrictions are in place related to cost share?

> Will CARE pass part of the cost share obligations to sub grantees or partners? (If so, such amounts must be made part of the agreement, and monitored.)

> Are contributions from various donors compatible with rules and regulations of key funders such as the EU and the US government?

share/match be identified by CARE in advance, and reported properly and consistently. Additionally, if CARE is passing part of the cost share obligations to its sub grantees or partners, such amounts must be made part of the agreement with that party, and monitored to assure that the obligations are being met, and that the contributions satisfy applicable regulations. Finally, it is important to consider if contributions from various donors are compatible with their rules and regulations. For example, the EU will apply its rules to all funds, not only its share, including rules of nationality and origin, since its contribution is against the entire budget—not individual budget lines. Would these rules be compatible with those of the other donors?

- *Line Item Flexibility*. A proposal budget is an estimate of what CARE believes will be required to perform described activities. Often, estimates of how a given budget will be spent during implementation of a project are not accurate. To what extent can funds from one line item be "borrowed" to pay for costs in another line item? Did the donor impose any line item flexibility limitations under the agreement? How are such line item flexibility limitations imposed? Generally, line item flexibility requirements impose prior approval requirements when CARE may desire to transfer amounts between various line items in excess of a stated threshold. For example, USAID may restrict line item flexibility to 10% of the last approved budget, meaning that CARE can shift between most line items a total of 10% of the last approved budget without donor approval. Other US donor agencies, and other donors as well, impose varying levels of line item restrictions that you, as Project Manager, should be familiar with. For example, for the EU, flexibility is often unlimited within a budget sub-heading, but limited between sub-headings.

- *Program Income*. If the activities under an award expect to earn in-come in any way (for example, micro-credit loans, fees from participants in training activities, etc.), how is CARE required to account for that income, and how will the donor require that these amounts be attributed to the award's overall financial reports? In most cases, those amounts are simply to be spent to further activities under the award. However, these requirements may vary, and some donors may require an accounting of those amounts in financial reports.

LEARN MORE

Please refer to the Sub Grant Management and Compliance Manual for in-depth information about the sub recipient monitoring process.

- *Anti-terrorism.* Most donor agencies, national governments and multilateral organizations have anti-terrorism requirements in place to assure that funding does not support, knowingly or unknowingly, terrorist activity. CARE USA has a policy to address this obligation, and mechanisms must be in place at Country Offices to assure that the requirements in the policy are being followed and documented.

- *Audits.* As Project Manager, you should assume that your project will be audited. Continuous efforts should be made to assure that not only are activities being conducted following the appropriate rules and regulations, but that files related to transactions and other activities under an agreement are documented to support the activities. A rigorous record-keeping policy is recommended so that a Country Office is able to respond to questions and/or paperwork from auditors upon request.

- *Sub grant Management and Monitoring.* It is common for CARE to have one or more "partner" organizations in a given program, CARE often provides funding to those organizations through a sub grant or related mechanism. When this occurs, CARE is required by regulation to actively manage and monitor the activities of sub grantee organizations to assure that the sub recipient is achieving program objectives, and performing its activities consistent with the sub grant agreement and applicable regulations and laws. The sub recipient monitoring process requires significant preparations and attention, and is detailed in CARE USA's Sub grant Management and Compliance Manual. Among those areas to consider include details relating to the following:

  • Pre-award phase
  • Award phase
  • Implementation and Monitoring
  • Review of accounting systems, records retention policies, sub agreement files
  • Close-out Requirements

  For the EU however, partnerships and sub grants are two very distinct entities. Partners are already identified during the proposal phase and approved by the EU. Sub grantees, on the other hand, are identified during the implementation phase.

- *Legal Agreement Review and Template Agreements.* When contracting with any person, organization or company outside of CARE, it is critical that the written document between CARE and that third party places CARE in the most advantageous contractual position, and that the agreement clearly addresses CARE's expectations of the other party. Please seek a review of this documentation by CARE USA's Office of General Counsel (OGC). CARE USA lawyers are assigned to each region of CARE's work, and will willingly assist you and your Country Office in developing and negotiating agreements. Additionally, you may wish to discuss any agreements with your Country Office's local legal counsel. Among the agreements addressed by the OGC: prime grant/contract forms from donors (USG, EU, ECHO, etc.), sub grants, sub contracts,

DID YOU KNOW?

> CARE USA's Office of General Counsel (OGC) will willingly help you develop and negotiate agreements

> The OGC maintains a library of updated template legal agreements to address almost every contractual circumstance.

Contact the OGC at CARE HQ to learn more.

consultants, vendor/supply agreements, MOUs and consortia agreements, monetization agreements, and others. Additionally, the OGC maintains an updated library of template legal agreements to address almost every contractual circumstance. Please contact with the OGC for the latest version of a relevant form.

- *Contract Management.* Regardless of the form of agreement with a third party (sub grant, subcontract, vendor, etc.), when CARE provides funding to any external party, a rigorous and intentional system of contract management is required to assure that CARE's rights, obligations, and expectations are monitored and performed pursuant to the written agreement. Auditors of CARE frequently find th at the terms and conditions of third-party agreements are not followed— at times to CARE's disadvantage. Always pay special consideration to the following:

  • What type of funding instrument is most appropriate for a given activity? Is the agreement for a specific service or good (for which a subcontract would likely be appropriate), or is the agreement to fund general activities of a partner organization (for which a sub grant would likely be appropriate)? What are the advantages and disadvantages of each in a given situation?
  • Are the expectations of the third party clearly defined?
  • How and when will the other party be paid? If payment is made in advance, how will advances be reconciled or acquitted?
  • What steps will you take to verify that the performance expected of the third party is verified before payment is made?
  • Will you be able to avoid cash payments? Cash payments of any kind should be avoided, and payments should be made payable only to the contracting party (not, for example, to individual employees).
  • Is the person responsible for the above tasks in the Country Office clearly identified and held accountable for this role?

  For any assistance on these items, please be in touch with your designated lawyer from CARE USA, or CARE USA's Department of Procurement.
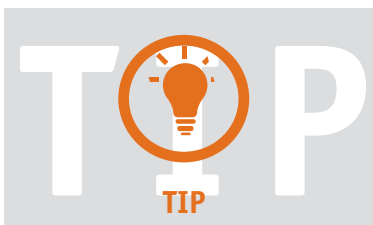
To minimize risk and legal liability, always maintain a relationship with a local legal counsel, and consult with your designated CARE USA attorney as needed.

- *Risk and other Legal Requirements*.   By simply opening our doors and engaging in normal day-to-day activities, CARE and our country offices are exposed to various forms of risk and legal liabilities. One of the OGC's key responsibilities is to provide assistance to Country Offices in understanding and responding to legal exposure and other risks faced in the local context (government requirements, local labor laws, contractual and other exposures, etc.), and developing systems and/or strategies to face that risk and exposure. It is essential for your Country Office to maintain a relationship with a local lawyer for advice on matters relating to local law. When working with a local legal counsel, you can also consult your designated CARE USA attorney to assure that you are addressing the right questions and issues, and to assist in analyzing issues that need to be raised with a local lawyer. Matters that may be addressed by local counsel with the assistance of a CARE USA lawyer include representing your Country Office in any ongoing litigation in-country, advising the Country Office of in-country legal or policy changes, assuring that country office policies and procedures are in compliance with local laws, advising on local trademark protection, handling legal issues relating to the "spin-off" or separate legal registration of a micro-enterprise legal entity, and other matters.

- *Lobbying*. CARE's Rights-Based Approach (RBA) may entail CARE working towards changing laws and regulations to bring about positive implications for the beneficiaries that we serve. To the extent that a Country Office's activities entail lobbying efforts that relate directly to pending legislation or other formal public policy decision in your country, CARE USA is required to report expenses relating to these activities to the US government.

Note: Importantly, this kind of lobbying activity may not be charged to a USG or US foundation donor.

The requirements described in this chapter can be complex and overwhelming. In your role as Project Manager, you–or other CARE staff–should always feel comfortable asking questions that may arise, and seeking assistance and training in required areas. You are encouraged to use all resources within CARE for your assistance.

LEARN MORE ONLINE

For further information about US and other donor requirements, visit www.carematrix.org. Note that the website not only offers helpful information about compliance requirements—you will also find contact information from different CI members who are available to answer your questions about some of CARE's largest donors.

PIN: When registering for the first time, you will need to use the following PIN: 84jh15kl (case sensitive, lower case letters only).

Chapter 6

Monitoring and Evaluation

IN THIS CHAPTER

Learn the baiscs of Monitoring and Evaluation (M&E) and how to access key M&E reference.

Introduction

The purpose of this chapter is to briefly introduce you to the basics of Monitoring and Evaluation (M&E), and to point you to reference materials that will help you learn more.

The ultimate purpose of M&E is to provide evidence for accountability and to inform and **promote reflective practice leading to good program quality.** As Project Manager, you have the responsibility of providing overall leadership for this process. While specialists may be responsible for collecting and processing the information, you are responsible for ensuring competency, accuracy and timeliness, and for "owning" the generated information. You are also responsible for sharing information with stakeholders and using it to inform decision-making and improved program quality.

CI Principles & Standards

Among the key documents that all Project Managers should be familiar with is the **"CI Programme Standards Framework,"** which includes the CARE International Vision and Mission, the Program Principles and the Project (DME) Standards. (Please refer to The Big Picture, Page 3 to review these documents). These standards are vital to good program and project design, monitoring and evaluation.

We recommend that you consider CARE principles and standards as your guide in all of your work as Project Manager, including how the project is designed, what kind of on-going monitoring data is being collected and used, and how evaluations can help CARE and other stakeholders reflect on the project's consistency with these high-minded—yet very fundamental— principles and standards.

LEARN MORE ONLINE

To access more in-depth information about M&E, including key documents described in this chapter, visit the Program Quality Digital Library, **http://pqdl.care.org.**

Be sure to review these useful resources:
> Project Standards Measurement Instrument (PSMI)
> "What Does Program Quality Mean to CARE?"
> "Programmatic Strategies" section
> "Guidelines to Monitoring and Evaluation: How Are We Doing?" by Tom Barton
> "DME-IS Guidelines," by Rodolfo Siles'
> CI Evaluation Polic
> "Ideas to Guide Evaluation ToRs for CARE"
> Operationalizing HLS – A Holistic Approach" by Frankenberger, Drinkwater and Maxwell A
> "Baseline Guidelines" by Caldwell
> "Benefits-Harms Handbook" by O'Brien
> "Checklist for Quality of Monitoring Information" by Picard

One tool that will help you assess how well your project complies with the CI Principles and Standards is the **Project Standards Measurement Instrument (PSMI),** available on the Program Quality Digital Library, http://pqdl. care.org. The PSMI may prove helpful to you and your project staff as you go through the design process, set up the M&E system, or participate in periodic self-evaluation. It can also be used by an outside facilitator as part of a mid-term or final evaluation process.

It is important for you as a Project Manager to recognize **how your project relates and contributes to a broader program** that promotes longer-lasting and more fundamental change in the lives of intended beneficiaries.

While many projects aim at some form of impact – defined in CI DME Standard #6 as "equitable and durable improvements in human wellbeing and social justice" – in most cases the scope and duration of a single project is not sufficient to fully bring about that level of impact. Yet each project can, and should, be accountable for making important contributions to such change. At the same time, the project should recognize the additional contributions made by other CARE projects: projects run by other international, national and local agencies, including the communities themselves; government; civil society; the local and international economy, etc. Ultimately, every project should demonstrate how it makes a **plausible contribution** to the achievement of one or more of the MDGs (Millennium Development Goals) for members of its target community, but also recognizes the complementary contributions made by other partners.

There are a number of CARE documents, and on-going conversations, that address the need to think and plan with a longer-term perspective. To learn more, we recommend visiting the PQDL and reading the introductory document, **"What Does Program Quality Mean to CARE?"** and the entire **"Programmatic Strategies"** section.

Monitoring

Monitoring, in a limited definition, means **keeping track of a project's activities and outputs on an on-going basis** during the life of the project. Collecting data on a project's processes is important, because the information can be helpful to those responsible for ensuring that the project is on track (consistent with what it agreed to do). However, monitoring is even more helpful when viewed in relation to an overall M&E plan – one that relates to the broader purposes of the project, and contributes to an evaluative perspective.

The main difference between monitoring and evaluation is that monitoring is done routinely by project staff and others directly engaged in project implementation, whereas evaluation involves a periodic "stepping back" and gathering information that may require more than routine monitoring. Evaluation involves reflecting on the data and its meaning, and gaining broader perspectives on the effect and potential impact the project is having. Yet the two are interconnected: when monitoring data is consistent with a strong overall life-of-project M&E plan, it can contribute significantly to evaluation, by providing a 'video' view of the process.

To learn more about Millennium Development Goals (MDGs) and the related indicators that have been adopted by CARE and many international development agencies, visit the United Nations Development Programme:

www.undp.org/mdg/basics.shtml

The MDGs form the framework of the indicators collected by CARE's Program Information Network (C-PIN).

The major CARE resource related to monitoring is Tom Barton's excellent *"Guidelines to Monitoring and Evaluation: How Are We Doing?"* (See http://pqdl.care.org.) Here are a few highlights, modified to reflect current CARE terminology:

M&E Information System Structure: An Overview

Hierarchy of Objectives	Types of Information	Monitoring Activities	Evaluating Activities
Program Goal	Higher-level impacts (fundamental, sustainable changes for target population)	None	Final evaluation should ascertain how well a project contributed to the (eventual) achievement of the program goal
Project Final Goal What the project intends to contribute in the long term as a result of achieving the intermediate objectives	Significant, yet achievable and measurable, and makes a plausible contribution to a higher program goal	Impacts (relatively little monitoring at this level)	Indicators measured during final evaluation compared to indicators measured during baseline survey; sustainability assessed by ex-post evaluation
Objectives What response the project intends to achieve among the target population groups	Intermediate outcomes; effects (response on part of target population or institutions)	Effects (some may be periodically monitored)	Baseline Annual review Mid-term evaluation Final evaluation
Outputs What the project intends to achieve in the short term as a result of the project activities	Projects produced by the project's activities	Semesterly: Physical or knowledge	Annual, mid-term and final (relying on monitoring data)
Activities What the project staff are going to do; sometimes referred to as interventions.	Implementation process indicators	Semesterly: Physical activities	Annual, mid-term and final (relying on monitoring data)
Inputs What resources are necessary for performing the project activities?	Input indicators	Semesterly: Financial and physical	Annual, mid-term and final (relying on monitoring data)

There are various types of monitoring, include the following:

Institutional Monitoring: Project inputs and activities (interventions) including the use of physical, human and financial resources. This type of monitoring keeps project management informed about scheduling, distribution (equity), and effectiveness of the project in delivering the activities and outputs. Results of physical monitoring are reported in the regular semesterly Project Implementation Reports (PIRs).

Context monitoring: Assumptions and risks identified in a project log frame are contextual and depend on external and environmental factors. Although these factors may be beyond the direct control of the project, they have the potential to significantly affect the implementation of activities and

the achievement of objectives. It is important to assess these factors on a regular basis so that changes in strategy or interventions can be made before pending problems become critical.

Results monitoring: Project effects are monitored by assessing the perceptions (opinions and reactions) and responses (behavior change) of the project target population to the project outputs. Such monitoring helps the project team understand the level of acceptance (or adoption) of project outputs or interventions among the target population or by the partner institutions CARE works with.

Objectives monitoring: Checking whether project objectives are being achieved, or are likely to be achieved, within the existing circumstances. Though measurement of the achievement of objectives and goal is usually left to periodic evaluations (e.g. baseline, mid-term, final), proxy indicators or small (panel) samples of participants can be tracked during the life of the project.

Project monitoring plan matrixes: an example

For examples of project monitoring plan matrixes, refer to *"Guidelines to Monitoring and Evaluation: How Are We Doing?"* by Tom Barton, pages 36 and 54. (See http://pqdl.care.org.) The simplified example that follows is based on a Sexual & Reproductive Health (SRH) project. Note that most project M&E frameworks have a much larger set of indicators, especially at the lower levels.

Refer to *"Guidelines to Monitoring and Evaluation: How Are We Doing?"* pages 55-56, for examples of more detailed M&E plans for community-based reproductive health and agricultural projects, including examples of indicators.

You may also find Rodolfo Siles' *"DME-IS Guidelines"* to be helpful in setting up an M&E system. The guidelines address information systems for country offices as well as for individual projects.

TIP
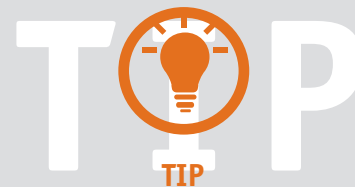
TIP In your role as Project Manager, and as you work with those responsible for setting up and implementing M&E systems, strive for a balance between collecting information that will keep you well informed on progress, and efficient and effective project implementation.

For example, if project staff and partners are spending an unreasonable amount of time and energies collecting data, something is wrong! On the other hand, you will need a limited and prioritized set of the right indicators for reflective practice, to inform decision-making

Hierarchy of Objectives	What: description	Caused by Whom	Claimed by Whom	Examples of objective by level
Program Goal	Impact: sustainable changes in human conditions or well-being of target population at household level	CARE project contributed to it, but other institutions or other factors also influenced this change	Direct attribution is difficult with other influences substantial and inevitable	Birth rate in Nyarusiza sub-county of Kisoro district reduced from X% to Y%
Project Final Goal	Effect: reactions and actions of target populations as a consequence of exposure to project interventions	Target groups experience it; comes from response of target group to project interventions	Should be largely attributable to the project, with other influences acknowledged but relatively minor	60% of women of reproductive age in Nyarusiza sub-county using modern contraceptives
Output	Products produced by the project	Project staff produce it (and are accountable)	100% attributable to the project	75 community based FP distributors trained
Activity	Interventions or activities done by the project	Project staff do it (and are accountable)	100% attributable to the project	8 training courses conducted for district medical staff in FP methods
Input	Resources used by the project	Project staff use them (and are accountable)	100% attributable to the project	FP supplies available at health units without stock-outs all year
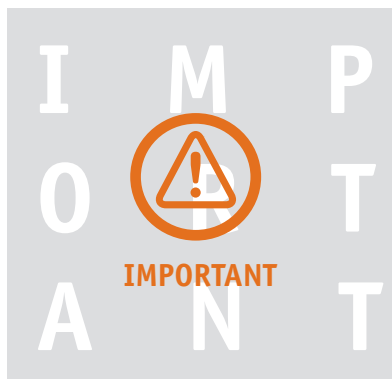
Evaluation

Recently CARE International adopted an **Evaluation Policy** that aims to set higher standards for project and program evaluations. To conclude this introduction to the basics of M&E, review these highlights of **CI Evaluation Policy Lines:**

1. **Country offices have primary responsibility for planning for and supervising the conducting of project evaluations,** as well as their dissemination and utilization, in collaboration with regional management and/or relevant CI Members and relevant technical units. In consultation with donors they determine timing, scope, nature, intensity, and methodologies to be used, consistent with these CI Evaluation Policies and accompanying guidance. Though at times donor requirements may make it difficult to comply with all components of this CI Policy, those planning evaluations are urged to recognize that these reflect good evaluative practice and to try and ensure that these practices are included in Terms of Reference (ToR).

2. Consistent with CI Programming Principle #3 which calls for accountability and responsibility, **the effectiveness of all CARE projects and programs must be evaluated in appropriate ways.** These include relevant baseline studies (see Project Standard #10) and formative (mid-term) evaluations that help improve the quality of on-going projects and programs, and, where possible, ex-post evaluations to assess sustainable impact (see Principle #6). At a minimum, there must be a final (internal or external) assessment and documentation of achievement and lessons learned for future programming.

3. E**valuations need to test the relationships between a project's or program's efforts and progress towards CI's Vision and Mission.** Whenever appropriate, evaluations should include assessments of contributions to the achievement of relevant Millennium Development Goals and Indicators.

4. **All evaluations need to include an analysis** of the degree and consequences of implementation of the CARE International Program Principles and Standards as well as contributions towards Country Office strategic plans. [Note: the PSMI can help you with this process.]

5. Those conducting evaluations of CARE programs and projects should follow **professional inter-agency standards,** due to the need to "speak a common language" within a larger coalition. [1] For humanitarian crises, evaluations will emphasize respect of Sphere and other interagency standards recognized by CI.

6. All evaluations need to include a **significant participation and high level of influence of project/program participants as well as relevant parties** external to CARE. The purpose of this is to promote a culture of critical reflection, bring in important outside perspectives on project/program results, and open CARE and its partners/clients to external eyes and experience. Consistent with Principle #1, the voices and views of minority, disenfranchised and other groups with perhaps contrary opinions should also be heard and considered as part of evaluation processes. While CI recognizes the inherent value of participatory evaluations, project/program staff, Country Office managers, and regional management need to determine the appropriate level of external control, influence, and authority for evaluation findings.

7. **Evaluation documents need to include the following sections,** at a minimum:
   > Name of project and country, PN (Project Number), dates project was operating, and date of evaluation;
   > Names and contact information of those conducting the evaluation, including external consultant(s) (if used).
   > Executive summary;
   > Principal findings, including lessons learned that could be useful to the wider CARE and development community, and recommendations for future programs/ projects.
   > Annexes, at minimum, should include :
   > Terms of Reference (ToR);
   > Study methodology, including key research questions or hypotheses, operationalization of key concepts, strategies to achieve appropriate controls (e.g. comparison with non-project groups), sampling strategies, and data analysis procedures;
   > Data gathering instruments (observation guides, surveys, focus group discussion guides, etc.);
   > Data presentation and analysis.

8. **Evaluation activities are conducted openly and in a transparent manner:**
   > Terms of reference, findings, lessons learned and recommendations are always placed in the public domain;

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[1] Examples of sources of such standards are included in the full version of the Evaluation Policy.

> Special effort is required to ensure that evaluation results reach and are made understandable and relevant to host governments, CARE partners, local and national peer organizations, and most importantly the poor whom we serve (recognizing that different formats may be required for different audiences); and

> All evaluation reports are to be submitted electronically through C-PIN or directly to the CI Evaluation e-Library (EeL).

9. **Follow up recommendations from evaluations are to be followed up with action plans,** and these action plans, in turn are to be followed up by relevant supervisors. In the case of single-country projects or programs these will usually be Assistant Country Directors for Programming. In the case of multi-country programs, the responsibilities for follow-up will be the persons or units responsible for those programs.

10. CARE International members commit to a **continuous process of improving:**
> the level and importance of evaluation activity within the organization;
> the capacity of CARE staff to plan for, supervise and participate in evaluations that meet these and related standards;
> the effectiveness of its evaluation methods and management; and
> the sharing and utilization of evaluation findings and recommendations with others including members of participating communities, government, civil society and other NGOs.

11. CARE International commits to **allocating and generating the resources required** for this Evaluation Policy to be fully and effectively implemented. In that respect adequate financial support for monitoring and evaluation must be written into and firmly negotiated with CARE's donors.

Ideas to Guide Evaluation ToRs for CARE

Here are a few extracts from "Ideas to Guide Evaluation ToRs for CARE" (See PQDL, Cutting Edge area) that may help you and others responsible for planning an evaluation:

> **An evaluation should be based on a sound understanding** of why the evaluation is being commissioned, how the findings will be shared and used, and the political context within which it will be conducted. Understanding the client's bottom line — what information and analysis is essential and what would simply be "nice to have" — is critical when decisions have to be made on what can and cannot be cut in light of budget and time constraints.

> **All programs are based on an implicit (or explicit) model or hypothesis** of how the program is expected to operate, how the intended outputs and impacts are to be achieved, and the factors facilitating or constraining achievement. Defining the program theory helps focus the evaluation and identify the key hypotheses and linkages that the evaluation must test.

> **The scoping step should end with an agreement between the client and the evaluator(s)** on the design and methodologies that best respond to the purposes for which the evaluation is being commissioned, while at the same time adapting to the budget, time, data, and political constraints under which it must be conducted.

The ToR (adapted from UNICEF) should define:

> **Who will be involved in what ways,** with what responsibilities, including forms of stakeholder participation in evaluation planning, data collection, analysis and reporting;
> **Information sources for existing data** (e.g. project proposal, baseline study, monitoring data, midterm or other previous evaluations, annual reports, case studies; secondary sources);
> **Need for and sources of information for new data** collection;
> **Sampling approaches for different methods,** including area and population to be represented, procedures to be used and sampling size (where information is to be gathered from those who benefited from the project, information should also be gathered from eligible persons not reached.)
> The **level of precision required** (considering trade-offs between what's desired and what resources in terms of budget, time and skills are available)
> **Data collection instruments and methods** (preferably a mix of **quantitative and qualitative** approaches)
> **Expected measures** put in place to ensure that the evaluation process is ethical and that participants in the evaluation – e.g. interviewees, sources — will be protected (see standards promoted by professional evaluation networks, referenced in the CI Evaluation Policy)
> Types of and processes for **data analysis**
> **Forms of communicating** findings and recommendations to various stakeholders (audiences)
> **Responsibilities for follow-up action** plans in response to findings and recommendations.

Guiding Principles for M&E Practice

Thinking Evaluatively

> *Reality checks:* We all need to seek objective feedback, gain perspectives on our work; learn lessons and apply them.

> *Rational decision-making:* Before making decisions be clear on what evidence we have, from whom it was obtained, and how reliable it is.

> *Challenge paradigms:* Our own as well as others'. Ask what other perspectives would be informative.

> *Be accountable:* We owe it to our clients (intended beneficiaries as well as donors) to document not only our use of inputs and production of outputs, but also what outcomes are achieved; i.e. what difference our projects have made in the lives of beneficiaries.

> *Timeliness and Relevance:* we need to provide and use relevant information about lessons learned when it is most needed.

Definitions by the Organisation for Economic Co-operation and Development-Development Assistance Committee (OECD-DAC)
[With related comments about CARE's definitions]

Goal: The higher-order objective to which a development intervention is intended to contribute.

[CARE has two levels of goals. A higher-order goal is referred to as a Program Goal. A goal that is more directly attributable to a project is a Project Final Goal.

CI DME Standard #6 says that a Project Final Goal should be "significant, yet achievable and measurable" (and make a plausible contribution to a higher program goal).]

Objectives: The intended physical, financial, institutional, social, environmental or other development results which a program or project is expected to contribute to and which lies in its own sphere of influence.

[CARE projects may have several objectives. Objectives should be specific, achievable, measurable and contribute to the achievement of the Project Final Goal.]

Outputs: The products, capital goods and services which result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes.

[At CARE, outputs are the highest level of the results hierarchy over which project implementers have direct control.]

Outcome: The likely or achieved short-term and medium-term effects of an intervention's outputs. Related terms: result, effect, impacts.

Results: The output, outcome or impact of a programme/project.

[Note how inter-related and synonymous these terms are considered by various persons and agencies.]

Results framework: The program logic that explains how the development objective is to be achieved, including causal relationships and underlying assumptions. Related terms: results chain, logical framework [or "Theory of Change].

[Note that at CARE a project or program design is based on an implied or articulated logic model or hypothesis. An evaluation assesses how well that model or cause-effect chain actually worked in practice.]

Indicator: Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, results, and to reflect processes as well as changes in the context.

[Note: there can (and should) be indicators at all levels, including those that measure progress of activities, outputs, outcomes and impact, and even assumptions about external factors. These can also be referred to as specific evidence with which to determine progress (or lack thereof).]

Baseline study: An analysis describing the situation prior to a development [or relief] intervention, against which progress can be assessed or comparisons made. [In contrast to a Diagnostic Needs Assessment, which provides general information on conditions leading to choices in project design, a Baseline measures indicators of the "starting point" of intended outcomes and impact with the same methodology and level of rigor as intended for the final evaluation, for accurate "before-and-after" comparisons.]

Monitoring: A continuing function that uses systematic collection of data on specified indicators to provide management and the main stakeholders of an ongoing development or relief intervention with indications of the extent of progress and achievement of objectives and progress in [activities and results generated by] the use of allocated funds.

Evaluation: The systematic and objective assessment of an on-going or completed project, program or policy, its design, implementation and results. The aim is to determine the relevance and fulfillment of objectives, development efficiency, effectiveness. Evaluation also refers to the process of determining the worth or significance of an activity, policy or program - an assessment, as systematic and objective as possible, of a planned, on-going, or completed development intervention. Note: Evaluation in some instances involves the definition of appropriate standards, the examination of performance against those standards, an assessment of actual and expected results and the identification of relevant lessons.

Project evaluation: Evaluation of an individual development intervention designed to achieve specific objectives within specified resources.

Program evaluation: Evaluation of a set of interventions, marshaled to attain specific global, regional, country, or sector development objectives. Note: a development program is a time bound intervention involving multiple activities that may cut across sectors, themes and/or geographic areas.

Impacts: Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended. [CARE defines impact as "equitable and durable improvements in human wellbeing and social justice" –refer to CI DME Standard #6.]

Effect: Intended or unintended change due directly or indirectly to an intervention. Related terms: results, outcome. [In CARE, effects are defined as changes in knowledge, attitude or practices on the part of persons or institutions influenced by CARE's interventions.]

Effectiveness: The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance. [Note: Also used as an aggregate measure of (or judgment about) the merit or worth of an activity, i.e. the extent to which an intervention has attained, or is expected to attain, its major relevant objectives efficiently in a sustainable fashion and with a positive institutional development impact.]

Sustainability or Durability: The continuation of benefits or effects generated by a program or project after its termination.

Lessons learned: Generalizations based on evaluation experiences with projects, programs, or policies that abstract from the specific circumstances to broader situations. Frequently, lessons highlight strengths or weaknesses in preparation, design, and implementation that affect performance, outcome, and impact. [The CI Evaluation Policy calls for evaluation reports to include a section on lessons learned that are addressed to others (beyond those directly involved in a particular project), to influence future project design or strategies.]

Chapter 7

Project Report Writing

Introduction

Writing project reports is a very important—and sometimes challenging—task for Project Managers. The act of writing itself can often be daunting, and you may feel additional pressure to report on only the positive aspects of a project, without addressing its difficulties. But good quality project reports with a balanced presentation of the facts are essential to CARE's success—from winning further donor support to learning important lessons about what works, what doesn't and why. The following guidelines aim to help you prepare top quality project reports.

Purposes of Reporting

To be an effective project manager, you must keep an eye on the project's intended results and perform periodic monitoring to ensure reasonable progress toward achieving those results. (Refer to Chapter 6 for more details about Monitoring and Evaluation.) Being a good project manager also means taking appropriate actions or making management decisions when you are not achieving intended results. A good progress report is simply a record of your progress. The report also serves to inform others of the evolution of the project. In summary, reports should:

> First and foremost provide a snapshot of progress towards project objectives for management purposes.
> Secondly satisfy external requirements for reporting according to the donor's requirements.

AT A GLANCE

Essential aspects of reporting:

> Timeliness
> Appropriate Content
> Compliance
> Appropriate Presentation

Essential Aspects of Reporting

Timeliness: A report is of little use if the information is outdated. As a general rule, refer to the following guidelines:
> Send progress reports by one month after the end of the reporting period.
> Send final reports by three months after project completion. Different donors have different requirements, so check the contract to be certain.

There is no need to wait until the end of the quarter/semester/year to begin preparing your report. In fact, meeting with project staff before the end of the period can be particularly useful to review progress and the status of indicators, what has been learned, how the project will proceed, what changes (if any) should be made, etc. Whenever such a meeting or review takes place, be sure to record it—such a meeting or review can serve as the basis for the project's report.

Appropriate Content: While the information presented within a report should be tailored to the particular audience or reader, there are some generally accepted standards for report contents:

> > <u>Focus the report on the results</u> of the project in addressing the core problems (i.e. poor health, food insecurity, etc.) and their underlying causes. This means including less technical information on activities and outputs and more details at the effect level. Remember: the people reading your report are more often generalists or social scientists, not engineers.

> > <u>Include analysis of the implementation process,</u> i.e. challenges faced and how they were solved. This shows that the project is striving for improvement. Remember: showing significant project results doesn't always equal a good report. It is important to be honest and critical about the project's strengths and weaknesses.

> > <u>Include participants/stakeholder perspectives (where possible):</u> Information reflecting the target population's experiences of, participation in and benefit from the project/initiative is an effective way to communicate the subject to a reader. Quantitative information (i.e., numbers such as "how many loans were made," or "how much seed was distributed") is important. However, qualitative storytelling —such as women describing how they were able to use the loans to start or improve their own businesses, or farmers telling how they were able to use the seeds successfully— can help the reader to identify with the "human element" and make the project's results understandable. (Refer to Reporting Contents, later in this chapter, to learn how organize your report's content by section.)

Compliance with contract/contribution agreement: You can usually learn what is expected for reporting (frequency, content and even format) by reviewing the project agreements or contracts. However, because donor formats vary greatly, we suggest preparing one "core" internal narrative for each project. This short narrative should contain all the information needed by various donor reporting formats. Such a narrative will remain constant over different project phases and donors, and staff will become familiar with and proficient in its use.

Appropriate Presentation: While content is the most important factor in your report, the way you present information also reflects on the report's quality. Here are a few pointers to help you communicate effectively through your writing:

> > **Be clear and concise:** Use as few words as possible and avoid rambling. (The length of your report will depend on the subject's size and complexity.) Try not to use longer phrases when one word will do, as shown in the following chart:

Complex Phrase	Simple Word
the reason for; for the reason that owing/due to the fact that; in light of the fact that; considering the fact that; on the grounds that; this is why	**because, since, why**
on the occasion of; in a situation in which; under circumstances in which	**when**
as regards; in reference to;with regard to; concerning the matter of	**about**

> **Be reader-friendly:** Keep your intended reader in mind when preparing a report. Just like you, he or she generally doesn't have a lot of time to read reports in detail. Make it easy for readers to find the information they need:
> - Use clear headings and sub-headings
> - Include tables, charts and other visual tools to communicate information
> - Start with a clear, succinct message statement at the outset of the report and in each section of the report (the most important, "big picture" information) followed by more detailed, technical information.
> - Include an executive summary and a table of contents for longer documents.
> **Write in your native language, then translate:** If you have difficulty writing in English, try writing the report in your native language first before translating the report yourself or asking someone to help you translate to English. This will enable you to communicate more effectively without being constrained by the limitations of language.

Report Contents

Cover Page, including:
> Project Title
> Country
> Donor Name
> Date of Report
> Time Period Covered by Report

Executive summary: The executive summary is a brief synopsis of the report that gives the reader a quick but comprehensive snapshot of the full document's contents by consolidating the main points, the purpose, conclusions and recommendations in one place. An executive summary should always be developed after writing the body of the report. It should briefly cover all the major points mentioned in the report. Note that the executive summary is different from an introduction that simply states what the reader can expect to find in the body. In preparing the executive summary, you should:
> Place the information in the same sequence as it's presented in the main document.
> Make the executive summary approximately 10 percent as long as the main text, but generally not more than 3-4 pages. Thus, a 20-page report would have a two-page executive summary.
> Be as concise as possible.
> Include only the most important information you want to communicate, for example, in a project report, the major activities, their results and main challenges faced.

Project overview information: When describing the project background, context, strategy, target groups, etc. in a report, do not repeat the exact information written in the proposal. The funding agency has already read this. If possible include more recent information on the problem(s) being addressed and the target beneficiaries, i.e. new developments, changes in the conditions, etc. If there is nothing new to report, simply indicate that little

has changed since the last report, through wording such as, "The context remains as described in the last report."

Objectives: All projects have clearly written and understood objectives. These should be restated clearly and consistently in the report. To gather appropriate information for reports, project staff in the field must be working with the same objectives as stated in the project document (the proposal, log frame, contract, etc.).

Project Performance

Effect Indicators: For each objective, indicators must be identified. (While this is generally d
one as part of the project design process, field staff should take an active role in determining the appropriateness of project indicators. (Please refer to chapter 6 for more on M&E) When reporting on indicators, make sure that their link to a larger project goal or objective is clearly shown. The data collection for indicators can and should be compared against the baseline on a regular basis (i.e. monthly or quarterly). Analysis of this information can give a picture of how far the project has come and may provide insights on how projects can be improved. This type of information is critical for certain reports, for example, mid-term and final reports.

Outputs: Tables for reporting on the actual vs. planned should be standardized and used consistently. Include the targets and actual results, both for the reporting period and for the project to date. Standardization can begin as early as the project design stage. Note: activities are not outputs. A report should say more than "training in business planning was carried out." At the very least, the report should indicate the result that has been achieved at the output level, e.g. 25 women are now able to prepare business plans. Eventually, this output should lead to the achievement of an objective, i.e. 25 women were successful in expanding their business.

Narrative description of implementation process: The report's narrative of implementation need not repeat what the charts or tables already state. Rather it should clearly state what results have been achieved, and explain any significant variance from the targets, including any unintended results (positive or negative). The implementation narrative should provide analysis i.e. discussion on why the results indicated in the table may be high, low or unchanged. Are the results based on something the project has done/not done? Did the results occur because of a change in the operating environment? If it is determined, for example, that training sessions did not produce the desired results in terms of the knowledge level or practices of the participants, a good Project Manager should make adjustments, either by modifying the training methodology or seeking other ways to achieve the intended results. Analyzing the project's progress in this way is an essential part of the implementation process – it is an opportunity to internally assess the project and make recommendations for improvements. Progress reports should communicate what changes have been made. Donors also want to know how effectively and/or creatively Project Managers have solved implementation problems.

Participant perspectives: participants' feelings about the project can be expressed through:

> Case stories: These human interest stories are a powerful way of sharing the personal experiences of a project participant or other stakeholders. Case stories help contrast and balance the more technical language that often dominates reports.

> Quotes: Quotes from project participants, staff, and other stakeholders about the project serve the same purpose as case studies, but are easier to gather and document.

> Participatory monitoring/evaluation: Involving the target groups directly in assessing the project progress and results is helpful in evaluating the project. Include appropriate results from such monitoring activities in reports.

Developing lessons learned: A lesson learned can be defined as, "something that contributes to what an organization knows and how it acts." Specifically, it should add to the organization's existing knowledge or field practice. For example, "beneficiary participation is critical to project success" is not a lesson learned, as this has been widely accepted for some time. Instead, a useful lesson would be explaining specific ways in which a project gained meaningful participation of the target groups.

Developing lessons learned is considered a normal part of project management. This is your chance to think through and clearly state what has been learned. It is always difficult for one person (the report writer) to try to come up with the lessons learned. One effective way of developing lessons is to hold a meeting of key team members towards the end of the reporting period or project. During the meeting you could discuss the following points:

> What obstacles were faced that challenged you and/or your team in new ways? ...In the preparation stage?... Implementation stage?... Final stages?

> How did you and/or your team respond to these challenges? Which actions contributed to solving the problem(s)? Which actions did not?

> What lessons could be drawn from the above experiences of your team that would be useful in designing future projects?... In terms of problem analysis? Project design? Implementation (methods used)? Performance (results achieved)? Management, etc...?

Activities planned for the coming period: The report should mention - briefly - the activities that are planned for the upcoming quarter. (It is not usually sufficient to include this information only in table form.) It is important to describe the specific activity areas where the project is behind and explain how these delays will be made up (or not) in the coming period.

Financial report: Financial reporting requires its own guidelines. However, it is useful for the report to contain a narrative description of major expenditures, reasons for over- or under-spending, and/or other financially related problems faced. This will give the average reader an idea of the project's financial aspects without having to review the actual financial forms.

Appendices: For some projects it will be useful to include a listing of important documents that the project has produced during the reporting period, e.g. map of project area, gender analysis, sample Participatory Rapid Assessments, strategy documents, etc.

Index

Index

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