

ANNEX 2 - GUIDELINES FOR PREPARATION OF THE PROJECT DOCUMENT

1. Although the recipient is responsible for project preparation and for producing the Project Document, ACBF has an interest in proper project preparation to facilitate the decision whether to recommend the project for grant approval. Good project preparation also enhances effective implementation and it is more cost effective for ACBF to intervene in the earliest possible stage of the project cycle to ensure good project design. The following guidelines for project document preparation are intended to guide ACBF staff in assisting recipients. ACBF staff should share the information with grant applicants and ensure that they are well versed on the function and significance of preparation and the contents of the preparation of the document.
2. The starting point in the preparation document is the PIN. The Project Document will contain a more detailed analysis of the topics addressed in the PIN and include additional topics relevant to the project. The Project Document is expected to lay the ground work for appraisal of the project.
3. The following is a format of the structure of the Project Document and accompanying explanations of the purpose of individual sections and their content:

1.0 INTRODUCTION

- Country's location and political setting/situation
- State of the economy and growth prospects
- Structural constraints to growth and development
- Ongoing efforts to address constraints

2.0 PROJECT CONTEXT

- Project entity: problems and issues
- Country development strategy and relevance of the proposed project
- Current level of donor assistance in the area of intervention by the project
- Government and other stakeholders' commitment to capacity development, including ownership and coordination of the capacity development processes and initiatives
- Shortcomings in current donor interventions

3.0 JUSTIFICATION FOR THE PROJECT

4.0 OBJECTIVES OF THE PROJECT

5.0 PROJECT COMPONENTS AND PLANNED ACTIVITIES

6.0 OUTPUT, OUTCOME AND EXPECTED IMPACT

- (6.1) Outputs/Outcomes
 - Quantitative outputs

- Qualitative improvements

(6.2) Expected Impact

- Institutional enhancement
- Improvement in the quality of skills
- Institutionalized framework/mechanism for policy consultations, design and management
- Etc

(6.3) RESULT FRAMEWORK (see annex)

7.0 PROJECT INPUTS, BUDGET AND FINANCING

(7.1) Inputs

- Staff time
- Share of activities to be delivered by full-time staff and consultants
- Specific areas in which consultants will be used
- Equipment to be procured
- Other inputs

(7.2) Budget

- Size of budget relative to institutional capacity
- Analysis of all components of budget - relative shares and implications for project implementation (attention to be paid to percentage share of administrative expenses in total cost of operation as well as levels and percentage share of salaries in administrative budget. Salary levels to be set at sustainable levels and with reference to similar projects in ACBF portfolio)

(7.3) Financing

- Proposed financing plan in absolute and relative terms
 - ACBF
 - Government/project's internally-generated revenue
 - Bilateral donors
 - Others
- Prospects of co-financing

8.0 PROJECT IMPLEMENTATION AND MONITORING

(8.1) Governance Structure and Organs, Organization and Management

- Adequacy of governance structure and organs
- Review of organizational structure, functions and responsibilities (Board; Board Sub-committees, if any ; day to day management ; functional departments, units and centres, if any ;
- staff and workload analysis – qualification, background and experience of existing and planned staff ; adequacy of existing staff, recommended growth in staff complement, etc)

(8.2) Institutional Framework

- Analysis of institutional framework for implementing project activities. Evaluation of past performance, in the case of an existing institution, donor support, strengths, weaknesses and prospects of long-run sustainability
- Analysis of requirements for effective implementation and monitoring of project activities, including :
 - Detailed annual work program
 - Clear job descriptions for staff and performance evaluation criteria
 - Staff annual performance evaluation system
 - Systems and procedures to guide procurement, financial management and general administration
 - Procedures for tracking emerging needs of beneficiaries
 - Procedures for continual evaluation of effectiveness and utility of project output by beneficiaries and stakeholders
 - Follow up on responses to publications disseminated
 - Quarterly/bi-annual reporting on project activities and performance
 - Mid-term review of performance
 - End of project evaluation
 - Project Implementation Schedule (template in Annex 8)

9.0 PROJECT RISKS AND STRATEGIES FOR OVERCOMING THEM

- Analysis of risks identified with the project, including country political and economic context or instrument type
- Analysis potential implementation risks that may require some attention, e.g., non-availability of high-quality staff, ineffective oversight by governing board, excessive reliance on consultants in the implementation of project activities etc.

10.0 CONCLUSIONS

Conclusions to be drawn with respect to the foregoing core elements

11.0 SIGNATURE AND DATE OF PROJECT DOCUMENT

The Project Document must be sent to the Executive Secretary by the promoter with a signed covering letter bearing the letterhead of the organization