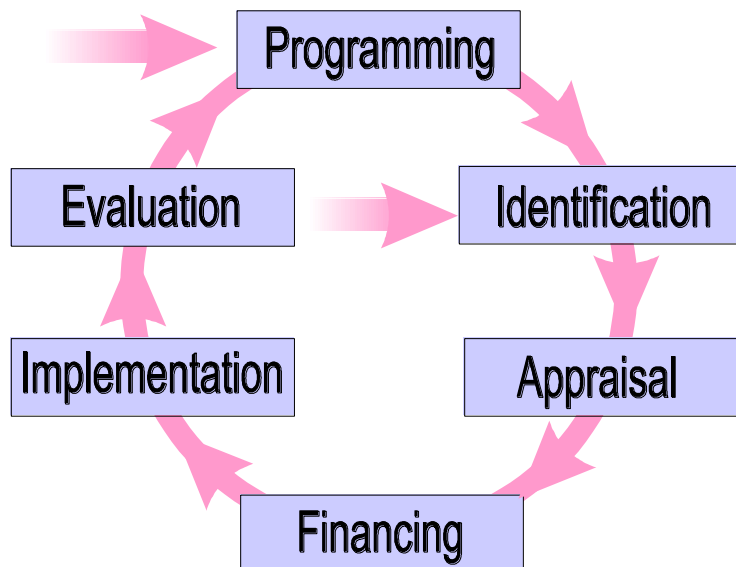




## EUROPEAN COMMISSION

EUROPEAID Co-operation Office  
General Affairs  
Evaluation  
PCM Helpdesk

# Assessing the Quality of a Financing Proposal / Feasibility Study



**This document is used as resource material in the PCM training programme. It is not an official document, and remains in draft form. It is intended to provide guidance in applying the principles of PCM to assist in assessing the quality of project documents, and in particular, Financing Proposals and Feasibility Studies.**

# Assessing the Quality of a Financing Proposal / Feasibility Study

## Training and Helpdesk Services in Project Cycle Management

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# Assessing the Quality of a Financing Proposal /Feasibility Study

## The Purpose of Quality Assessment

This guide can be used to assess the quality of both Financing Proposals and Feasibility Studies.

During the Identification and Appraisal phases of the project cycle, a major task of project managers within the Commission and in-line Ministries of partner countries is to ensure the quality of project design. By assessing the quality of project design, project managers are able to identify logical inconsistencies, information gaps and other problems with the document, and are thus able to formulate questions on the project which can be clarified subsequently, e.g. by discussion with the partner countries or by an additional short study.

A blank information sheet is attached to this guide where issues requiring further clarification can be recorded. Also appended is a "Quality Rating Sheet" on which you can summarise your appreciation of the quality of the document.

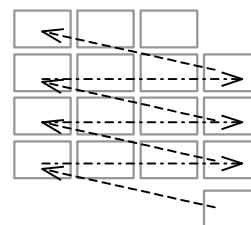
## Quality Assessment Parameters

Under PCM there are three main parameters which serve as a basis for assessing project documents: **Relevance, Feasibility** and **Sustainability**.

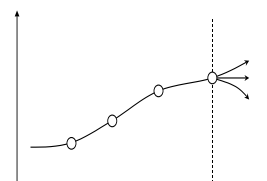
- **Relevance** relates to the importance of the problems to be addressed by the project, and starts with determining for whom the project is relevant. At the 'project purpose level', the project should address the specific problems of the target group (for example, declining revenues of small scale agricultural producers). At the 'overall objectives' level, the project should address the related but wider problems of society as a whole (for example, declining standards of living in rural areas), problems at sector level. The overall objectives should fall within the overarching policy objectives of the EC.



- **Feasibility** relates to whether the project objectives can be effectively achieved. This requires an assessment of the coherence of the project's intervention logic and assumptions (e.g. if Results are achieved, and Assumptions hold true, will the Project Purpose be achieved?) and of the capability of the implementing agency to mobilise the necessary resources and expertise to undertake project activities within the time required.



- **Sustainability** relates to whether project benefits will continue to flow after the period of external assistance has ended. Although actual sustainability cannot be assessed ex ante, prospects can be assessed by determining the extent to which mechanisms have been incorporated into project design to address the key factors which have influenced sustainability in the past.



## 1. Relevance

A project is designed and implemented in order to solve a number of problems faced by people. People whose problems are to be solved are the target groups and, in a broader sense, the final beneficiaries of the project. The relevance of a project is the degree to which their real problems are addressed by the proposed intervention. A number of key questions need to be asked when assessing a project's is relevance.

### 1.1 Are the major stakeholders clearly identified and described?

Any individual, group of people, institution or firm that may be linked to the project / programme are known as stakeholders. In order to maximise the social and institutional benefits of the project / programme and minimise its negative impacts, the stakeholder analysis identifies those likely to affect and to be affected (either positively or negatively) by the project / programme, and how. It is important that the stakeholder analysis be carried out at an early stage in the identification and appraisal phases of a project / programme.

The stakeholder analysis should provide a comprehensive picture of:

- who the stakeholders are,
- what their expectations and relationships are,
- what their sensitivity is towards and respect of cross-cutting issues (gender equality, environmental protection, human rights, etc.),
- what their potential, resources and capacities are.

All parts of the picture should provide a gender breakdown. On the basis of the stakeholder analysis, clear conclusions should be drawn and recommendations for the project, i.e. how the project intends to deal with the group, should be made.

*Scoring indicators: The stakeholders have been clearly identified and described...*

	<i>when...</i>
<i>fully</i>	All of the above elements are described in detail for each of the major stakeholders, and appropriate and clear conclusions are drawn on how the project intends to deal with the group.
<i>fairly</i>	Most of the above elements are described in detail for each of the major stakeholders, and some conclusions are drawn on how the project intends to deal with the group.
<i>hardly</i>	Only a number of elements are specified, and only few conclusions are made.
<i>not at all</i>	Stakeholders are only mentioned and not described, nor are conclusions made.

### 1.2 Are the beneficiaries (target groups and final beneficiaries) clearly identified?

Beneficiaries in the broad sense are all those who benefit from the implementation of the project. Distinction can be made between

- “target group(s)”, i.e. the group / entity who will be immediately and positively affected by the project at the Project Purpose level, and
- “final beneficiaries”, i.e. those who benefit from the project in the long term, e.g. at the level of the society or sector at large.

A clear description of the target groups should at least include a statement of their economic and social roles/positions and their geographical location. Information on age, ethnicity or other social characteristics may also be required. In addition, educational/skills levels, management capacity, ownership and/or access to resources, and potentials of the target groups have to be clearly described, especially those of the target groups. The analysis should also make clear how the project intends to deal with these aspects. A gender breakdown of this information is useful, in order to ensure that the needs of women and men are addressed by the project.

A description of the final beneficiaries should at least include a statement of their economic and social roles/positions, their geographical location and their links with the target groups.

*Scoring indicators: The target groups and final beneficiaries have been clearly identified...*

	<i>when...</i>
<i>fully</i>	Their socio-economic roles and positions and geographical location are described in detail. Organisational set-up, resource endowment, educational/skills level, management capacities and their specific potentials are also described in detail, especially for the target groups, providing a gender breakdown where appropriate. The analysis clearly shows how the project will take advantage of and support skills, potentials, etc. of the target groups. It also provides a description of how target groups and final beneficiaries are linked.
<i>fairly</i>	The description includes key socio-economic information, geographical location and gender breakdown; skills, capacities and potentials are presented, but lacks detail. The analysis somehow shows how the project will take advantage of and support skills, potentials, etc. of the target groups. It also provides an idea of how target groups and final beneficiaries are linked.
<i>hardly</i>	Only a number of elements are specified. It is not clear whether and how the project will use/take advantage of potentials for instance or how target groups and final beneficiaries are linked.
<i>not at all</i>	No specific information about their characteristics are presented, and no information is provided on how the project will deal with the groups

### 1.3 Are the problems of the target groups and beneficiaries sufficiently described?

Problems are descriptions of existing negative situations in a given context. Very often, project proposals only describe macro-economic problems, or limit themselves to the problems of implementing institutions. Description of their problems is necessary, but in order to verify the project's relevance, these problems must be linked to the problems faced by the target groups / final beneficiaries. Their problems should be analysed in detail in relation to the project's area of intervention, and the relative importance of these problems explained.

*Scoring indicators: Problems of beneficiaries are described sufficiently...*

	<i>when...</i>
<i>Fully</i>	Problems are described in detail, including information on the specific problems faced by the target groups and the final beneficiaries.
<i>fairly</i>	Problems are described in reasonable detail, but information on specific problems of different sub-groups is incomplete or missing.
<i>hardly</i>	Few problems faced by target groups / final beneficiaries have been described.
<i>not at all</i>	No problems from the viewpoint of target groups / final beneficiaries are stated.

### 1.4 Is the problem analysis sufficiently comprehensive?

A comprehensive problem analysis defines the problems of the target groups / final beneficiaries (see above) and other relevant problems, but also explains why these problems occur, or why they persist. This requires a systematic analysis of all relevant problems and their causes. Many proposals discuss problems in a haphazard way, without explaining the underlying reasons for the persistence of the main problems. These are 'gaps' in the problem analysis. Sometimes problems are not formulated as existing negative situations, but as 'absent solutions' (often phrased as a 'lack of..' something). They are described as the solutions which are not there, and these give rise to the so called shopping list projects - what is needed is vehicles because there is a lack of *vehicles*. The effect is that the existing situation is not researched, but instead solutions are proposed. Sometimes problems are described in very general terms (e.g. 'poor management'), which give no indication about what is going wrong.

*Scoring indicators: The problem analysis is comprehensive...*

	<i>when...</i>
<i>fully</i>	The causes of the problems of target groups / final beneficiaries have been researched, and the problem analysis gives a clear indication of how these problems are related (cause – effect).
<i>fairly</i>	The causes of most problems of target groups / final beneficiaries have been analysed on a reasonable level of detail, and the problem analysis gives an overall indication of how these problems are related (cause – effect).
<i>hardly</i>	A number of problems are mentioned, but have not been researched. No problem analysis has been prepared.?
<i>not at all</i>	Problems mentioned are either absent solutions (lack of...), very large categories or personal opinions. No problem analysis has been prepared.

### 1.5 Do the Overall Objectives explain why the project is important for society / sectoral development?

Overall Objectives indicate the longer term benefits which can be expected from the project. The extent to which these benefits can be shared by others than the target groups can be a measure for the relevance of the project to society in general. It should also become apparent how the Overall Objectives relate to the sectoral policies of the government, and to the sectoral objectives stated in the Indicative Programme, Country Strategy Paper, etc. In addition, it should be made clear how the Overall Objectives fit into the overarching policy objectives of the EC.

*Scoring indicators: Overall Objectives explain why the project is important to the parties involved...*

	<i>when...</i>
<i>fully</i>	<ol style="list-style-type: none"> <li>1. The final beneficiaries will benefit in the longer term from the project,</li> <li>2. the project fits within the sectoral policies of the Government and the sectoral objectives stated in the Indicative Programme, Country Strategy Paper, etc., and</li> <li>3. the project fits within the overarching policy objectives of the EC</li> </ol>
<i>fairly</i>	Only two of the three elements above (and including the first dot) are mentioned.
<i>hardly</i>	Only one of the three elements above is mentioned.
<i>not at all</i>	Overall Objectives are not longer term benefits for the final beneficiaries.

### 1.6 Does the Project Purpose express a direct benefit for the target groups?

Projects are intended to produce sustainable benefits to their intended target groups. A benefit can be described as having been received when the target groups' situation is improved. This can relate to the economic environment (income, employment, etc.) the social environment (living conditions, hygiene, nutrition, health, etc.) or even the very personal environment (absence of stress, fulfilment of aspirations, etc.).

With regard to the Project Purpose, the following should be kept in mind: if a health project offers improved access to vaccinations for under-fives, the Project Purpose should not describe the increased number of children vaccinated, but the improved health status which results from this. In relation to the gender disaggregated problem analysis, it is important to separately analyse the benefits to be received by men and women?

*Scoring indicators: The Project Purpose is a benefit for the target groups...*

	<i>when...</i>
<i>fully</i>	The PP describes a direct benefit to be derived from the project by the target groups at the end of the project as a consequence of achieving the results.
<i>fairly</i>	The PP describes a direct benefit to be derived from the project by the target groups at the end of the project, but its linkage to the results is not fully explained.
<i>hardly</i>	The PP describes the utilisation of project services by the beneficiaries, rather than the new situation for the target groups achieved after the achievement of all results.
<i>not at all</i>	The PP summarises the delivery of services by the project and / or the implementation of activities.

### 1.7 Does the EcoFin (Financial and Economic) Analysis provide sufficient information on the questions raised above?

Financial and Economic Analysis allow to substantiate the answers to the questions raised above. There are a number of rules to be complied with to perform a thorough analysis: use reliable data, define properly the period of analysis, as well as the with and without project situation, test the assumptions, etc.

The Financial Analysis of target groups and beneficiaries allows to determine their incremental net benefit<sup>1</sup>. If the benefits of the project cannot be expressed in monetary terms (i.e. are tangible), costs are to be compared to an indicator of benefit expressed in quantitative terms. If one of the beneficiary groups is losing from the project, the project should be redesigned (e.g. the in kind contribution of a local community is higher than the expected benefits).

Both Economic Analysis methods (Effects method and Shadow Pricing) allow to assess how well the project fits with national priorities and reforms undertaken by the government and how well it matches policies and priorities of the EU. If the Economic Analysis shows that the project does not fit with economic priorities and constraints, it should be reformulated (i.e. the project does not help redistributing income to the poor, when this is a top priority policy of the government and the EU).

Please note that, although Financial and Economic Analysis is not an obligatory tool to be applied to all EC funded projects, it is an important decision criterion, and the outcome of the analysis will be useful to judge upon the financing of a project.

*Scoring indicators: The EcoFin Analysis substantiates the relevance of the project...*

	<i>when...</i>
<i>fully</i>	The EcoFin Analysis has been performed according to the EcoFin guidelines and provides extensive data on the incremental net benefit of the beneficiaries as well as on the contribution to the achievement of national and EU policy priorities.
<i>fairly</i>	The EcoFin Analysis has been performed according to the EcoFin guidelines and provides acceptable data on the incremental net benefit of the beneficiaries as well as to the contribution to the achievement of national and EU policy priorities.
<i>hardly</i>	The EcoFin Analysis has not been performed according to the EcoFin guidelines and does not provide acceptable data on the incremental net benefit of the beneficiaries as well as to the contribution to the achievement of national and EU policy priorities.
<i>not at all</i>	No EcoFin Analysis has been performed.

## 2. Feasibility

An assessment of feasibility addresses the question: –"Can this idea be realised?" Three aspects are assessed: the logical consistency of the project (does it make sense?); the acceptability of the identified risks; and the capacity available to implement it.

### 2.1 Will the Project Purpose contribute to the Overall Objectives (if the Assumptions hold true)?

The first check of the logic is whether the Project Purpose would indeed contribute significantly to the Overall Objectives. In order to check this, the proposal should present evidence from past experience that there is a clear linkage between the Project Purpose and Overall Objectives..

*Scoring indicators: The Project Purpose contributes to the Overall Objectives...*

	<i>when...</i>
<i>fully</i>	Previous experience (in other projects or regions) has shown a strong causal relationship between the Project Purpose and Overall Objectives.
<i>fairly</i>	Previous experience (in other projects or regions) has shown a sufficient causal relationship between the Project Purpose and Overall Objectives.
<i>hardly</i>	No supporting data is presented, but it does make sense.

<sup>1</sup> The Guidelines for the Financial and Economic Analysis of Projects (see EuropeAid intranet/working tools/EcoFin) explain the recommended EcoFin techniques.

<i>not at all</i>	No data presented; it does not make sense.
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## 2.2 Are the Results products of the implementation of activities?

Before checking whether the Results are sufficient in order to achieve the Project Purpose, it should first be checked whether they are a consequence of the implementation of activities. Very often, the Results are described as activities (e.g. ‘training provided’) without specifying *what* will be achieved (e.g. increased competencies) and neither to *whom*. Also, a very common mistake is to repeat activities in the same or almost the same way as result (e.g. offer incentives to water users → incentives provided to water users).

*Scoring indicators: Results are products of activities ...*

	<i>when...</i>
<i>fully</i>	All Results are a consequence of undertaking the related activities.
<i>fairly</i>	Most of the Results are a consequence of undertaking the related activities.
<i>hardly</i>	Only few Results are a consequence of undertaking the related activities.
<i>not at all</i>	Results are only a reformulation of activities.

## 2.3 Will the Project Purpose be achieved if all Results are attained?

The results-to-purpose linkage is the key linkage in the project’s intervention logic as it describes the relationship between what the project will produce (Results) and the benefits to be received by the target group (the Project Purpose). The proposal should provide evidence for this link (e.g. through sound analysis, or experience from past projects confirming that the Results remove the main problems underlying the Project Purpose).

*Scoring indicators: The Project Purpose will be achieved if the Results are produced...*

	<i>when...</i>
<i>fully</i>	Clear evidence is provided that there is a direct and logical link between the Results and the Purpose in terms of means-end relationship, i.e. the achievement of the Results will remove the main problems underlying the Project Purpose..
<i>fairly</i>	Achievement of Results seems likely to remove the main problems underlying the Project Purpose, but little evidence is presented.
<i>hardly</i>	Achievement of Results will remove some of the main problems underlying the Project Purpose, but no evidence is presented.
<i>not at all</i>	Results do not address the main problems underlying the Project Purpose.

## 2.4 Are the means sufficiently justified by quantified objectives?

It should be possible to gain a basic measure of a project’s cost-effectiveness by comparing the means to be deployed to the planned achievements of the project (e.g. total cost/person trained; total cost per person employed). Assessment of this criterion therefore requires, firstly, that objectives are fully specified (with Quantity, Quality, Time, Location and Target group); and secondly, that we have sufficient information to compare the cost-effectiveness of using resources for this project against alternative uses of the same resources.

Indicators represent a particularly problematic area of project design. Often indicators are specified without Quantity, Quality, Time, Location and Target group, and are often not ‘specific’ to the objective they are intended to measure. For example, if the Project Purpose is ‘*improved health status of pregnant and nursing mothers*’ an indicator of ‘*increased number of pregnant and nursing mothers receiving treatment*’ is not specific to the objective as it measures service delivery. A specific indicator would be ‘*reduced incidence of under-nutrition among pregnant and nursing mothers*’. Quantity, location and time would then be added to complete the indicator. Key indicators should where appropriate be disaggregated by gender.

*Scoring indicators: The means are justified by quantified objectives...*

	<i>when...</i>
<i>fully</i>	Indicators for Project Purpose and Results are ‘specific’ and are described with measurable quantities, time frame, target group, location and quality, if possible..
<i>fairly</i>	Indicators for Project Purpose and Results are ‘specific’ but are described with incomplete



	indicators (e.g. no quantities)..
<i>hardly</i>	Indicators for Project Purpose and Results are not ‘specific’.
<i>not at all</i>	No indicators are specified for the Project Purpose or Results.

## 2.5 Have important external factors been identified?

External factors (or assumptions) are the factors that may be important for the success of the project but which it chooses not to, or is unable to, control. They include accompanying actions by other organisations (e.g. the government or other projects). In the logframe these external factors are formulated as assumptions, and are specified at the levels of Activities, Results and Project Purpose. As the assumptions are important to project success, they must be monitored during the project’s lifetime, and must therefore be formulated in measurable terms. The risk analysis identifies these assumptions and assesses the likelihood that they will be realised.

Usually, Assumptions will be identified from the problem analysis, from previous experience, and from assessment of sustainability

*Scoring indicators: Important external factors have been identified...*

	<i>when...</i>
<i>fully</i>	External factors and accompanying measures have been comprehensively identified at the relevant levels in the logframe.
<i>fairly</i>	Most external factors and accompanying measures have been identified, but some important factors appear to have been left out.
<i>hardly</i>	A number of external factors and accompanying measures have been identified, but many important factors appear to have been left out.
<i>not at all</i>	External factors and accompanying measures are hardly mentioned.

## 2.6 Is the probability of realisation of the Assumptions acceptable?

When the external factors have been identified, we can check whether the probability of realisation is discussed in the proposal. This aspect will be a central part of any feasibility study.

*Scoring indicators: The probability of realisation of the assumptions is acceptable...*

	<i>when...</i>
<i>fully</i>	For each assumption, supporting evidence is provided that the probability of realisation is acceptable.
<i>fairly</i>	For most assumptions, supporting evidence is provided that the probability of realisation is acceptable.
<i>hardly</i>	For a number of assumptions, supporting evidence is provided that the probability of realisation is acceptable.
<i>not at all</i>	No supporting evidence regarding the probability of realisation of assumptions presented, and doubts exist as to whether they can be realised.

## 2.7 Will the project partners and implementing agencies be able to implement the project?

Project partners are those who implement a project / programme in a given country. This covers all partners from central to decentralised level and includes the implementing agencies.

If the above logic makes sense and the risks are acceptable, it is still important to assess whether the partners and implementing agencies will be able to realise all the works. In that perspective, detailed information regarding the organisational design, the management, the procedures and the means are needed. Information regarding the track record of the partners is also useful for assessing organisational capacity. The active involvement of partners and implementing agencies in the appraisal phase of the project is a positive factor as it indicates ownership, and is likely to mean that expectations of implementing agency capabilities are more realistic.

*Scoring indicators: Project partners and implementing agencies are likely to be able to implement the project...*

	<i>when...</i>
<i>fully</i>	Responsibilities and procedures have been clearly established, the partners have actively participated in the appraisal phase. There is clear evidence that they have relevant implementing experience and already most of the capacity to cope with the tasks of the project. If not: sufficient capacity building measures are foreseen to enhance implementation capacity.
<i>fairly</i>	Responsibilities and procedures have been defined for most Results, the partners have actively participated in the appraisal phase. There is some evidence that they have relevant implementing experience, but not yet the full capacity to implement the project. However, capacity building measures seem sufficient to enhance implementation capacity.
<i>hardly</i>	Only few responsibilities and procedures have been defined, the partners were hardly involved in the appraisal phase. The proposal provides no evidence that they have relevant implementing experience and the capacity to implement the project. Only few and insufficient capacity building measures are foreseen.
<i>not at all</i>	No responsibilities and procedures are mentioned. No specific information regarding partners and implementing agencies and their implementation capacities is provided.

## **2.8 Does the EcoFin (Financial and Economic) Analysis provide sufficient information on the questions raised above?**

Determining the financial and economic efficiency of a project can be a complicated process; however, it should be possible to gain at least a proper estimate of a project's efficiency by comparing the means to be deployed to the planned achievements of the project (e.g. total discounted cost/person trained; total discounted cost per person employed).

Assessment of this criterion therefore requires,

- that objectives are fully specified (indicators defining quantity, quality, time, location and target group see 2.4);
- that sufficient information is provided to compare the efficiency in using resources for this project against alternatives achieving the same purpose (for example by training the trainers instead of all beneficiaries, thereby reducing costs) or a different project purpose;
- that one should get a measure of possible risks (by performing sensitivity tests, that is changing some assumptions and measuring by how much the efficiency or if applicable profitability is affected) .

*Scoring indicators: The EcoFin Analysis substantiates the feasibility of the project...*

	<i>when...</i>
<i>fully</i>	Efficiency analysis was carried out according to the EcoFin guidelines. Relevant alternatives were analysed in detail. Appropriate sensitivity tests were carried out.
<i>fairly</i>	Efficiency analysis was carried out according to the EcoFin guidelines. Relevant alternatives were analysed in sufficient detail. Main sensitivity tests were carried out.
<i>hardly</i>	Efficiency analysis was not carried out according to the EcoFin guidelines. Relevant alternatives were not analysed in sufficient detail. Main sensitivity tests were not carried out.
<i>not at all</i>	No EcoFin analysis was performed.

### 3. Sustainability

Sustainability relates to whether project benefits will continue to flow after the period of external assistance has ended. In the past it has been found that projects have failed to deliver sustainable benefits because they did not take sufficient account of a number of critical success factors. Sustainability is not an issue only to be considered shortly before the end of a project, but should be kept in mind from the planning stage onwards.

#### 3.1 Will there be adequate ownership of the project by the target groups / beneficiaries?

Evaluations of projects demonstrate that ownership of the project by the target groups and beneficiaries is often crucial to success, both in terms of feasibility (during the project's lifetime) and for sustainability (post-project). Ownership can be described as the degree to which beneficiaries feel themselves owners, actors and decision makers in the project. This factor should be addressed in the very early stage of the planning process.

*Scoring indicators: Ownership of the project by the target groups / beneficiaries is likely...*

	<i>when...</i>
<i>fully</i>	Target groups and beneficiaries took the initiative to promote the initial idea, they have been active participants in all phases of the planning process, and major decisions have been validated by them or their representatives. They agreed and committed themselves to achieve the objectives of the project.
<i>fairly</i>	Target groups and beneficiaries have expressed positive support for the project and have been consulted during the planning process. They committed themselves to achieve the objectives of the project.
<i>hardly</i>	Target groups and beneficiaries have been informed in an early stage of the planning process, but not actively involved.
<i>not at all</i>	No information regarding consultation is presented.

#### 3.2 Will the relevant authorities have a supportive policy during implementation and after project completion?

No project can be sustained in an unsupportive policy environment. Making the policy environment more supportive may indeed require adapting or changing existing regulations, or even create new legislation.

*Scoring indicators: Adequate policy support can be expected...*

	<i>when...</i>
<i>fully</i>	Relevant authorities have demonstrated support to projects of this type through the adaptation of rules, regulations and policies, <u>and</u> the commitment of significant resources.
<i>fairly</i>	Relevant authorities have demonstrated support to projects of this type through the adaptation of rules, regulations and policies, but have not committed significant resources.
<i>hardly</i>	Relevant authorities have not yet demonstrated support to projects of this type but have undertaken to adapt rules, regulations and policies.
<i>not at all</i>	No information on policy support is presented.

#### 3.3 Is the technology appropriate for the local conditions?

Projects often involve the provision of new technologies to implementing agencies and target groups / beneficiaries. Technology refers not just to hardware, but to 'softer' items such as new seeds or new methods of training. It is important to determine the appropriateness of this technology to the capabilities and preferences of the institutions concerned and the target groups. As different groups are likely to have different views of a particular technology, information should be provided for these groups. It is also important to assess if the operating environment supports the use of the technology (e.g. through availability of spare parts or provision of technical advice) in a sustainable and safe manner.

*Scoring indicators: Technology is appropriate for local conditions...*

	<i>when...</i>
<i>Fully</i>	Various alternatives have been examined, and in the selection the different needs of the beneficiaries (men and women), local conditions and capacities (technical, financial, etc.) have been taken into account.
<i>fairly</i>	The different needs of the and beneficiaries (men and women), local conditions and capacities (technical, financial, etc.) have been taken into account for the chosen technology, but no alternatives have been examined.
<i>hardly</i>	No alternatives have been examined, and only some of the different needs of the and beneficiaries (men and women), local conditions and capacities (technical, financial, etc.) have been taken into account.
<i>not at all</i>	No alternatives have been examined, none of the different needs of and beneficiaries, local conditions and capacities (technical, financial, etc.) have been taken into account.

### 3.4 Will the ecological environment be preserved during and after the project?

Benefits of a project can only be sustainable if it preserves the natural resources on which it relies. Take for example a project with the purpose of improving the general health status of a village through increased food production obtained via activities such as irrigation and use of pesticides. Such a project will not be sustainable if water is extracted at a faster rate than it is replenished. Furthermore, if the increased food production is made at the expense of increased pesticide residues in the drinking water and consequent health problems among the villagers, the Project Purpose is defeated and it can not be called sustainable, even if the increased food production is sustained after the end of the project. In other words, a sustainable stream of benefits can only be guaranteed if environmental issues are addressed as part of project design. Projects must ensure that the use of those resources which are input to the project is sustainable, and that the project does not create other environmental problems which counteract the Project Purpose.<sup>2</sup>

*Scoring indicators: The ecological environment is likely to be preserved after the project...*

	<i>when...</i>
<i>Fully</i>	There is evidence that the appropriate level of Environmental Impact Assessment has been carried out (check with existing screening lists), and that all necessary recommendations are integrated in project design. This means that an environment management plan which specifies the environmental (mitigating) measures to be undertaken should be in place, as well as a plan for monitoring the environmental situation of the project and for taking further environmental action should the mitigating measures prove insufficient.
<i>fairly</i>	There is evidence that the appropriate level of Environmental Impact Assessment has been carried out and that most, but not all, necessary recommendations are integrated in project design.
<i>hardly</i>	No assessment has been carried out, and only some measures are indicated without being founded on an adequate environment analysis.
<i>not at all</i>	No assessment has been carried out but is required on the basis of current procedures.

### 3.5 Will all beneficiaries have adequate access to benefits and products during and after the project?

Projects take place in social contexts and have social implications. To achieve sustainable benefits project planners must therefore understand the cultural and social norms and attitudes, and recognise the differing roles and needs of the various groups likely to be involved in, or affected by, the project, e.g. disabled, children, but also of minorities, if relevant. In this way participation is strengthened and prospects for sustainability enhanced.

<sup>2</sup> The tool used to integrate environmental aspects like the above in project preparation and implementation is called Environmental Impact Assessment – EIA. There are specific instructions and guidelines for when and how to apply EIA, based on the collective experience of donors and partners regarding common impacts of typical projects.

*Scoring indicators: Socio-cultural norms and attitudes are likely to be respected ...*

	<i>when...</i>
<i>Fully</i>	The proposal has analysed socio-cultural norms and attitudes for all major sub-groups of beneficiaries, and specifies in detail how these norms and attitudes will be taken into account in the project to ensure a more equitable distribution of access and benefits.
<i>Fairly</i>	The proposal has analysed socio-cultural norms and attitudes for most sub-groups of beneficiaries, and specifies for some of them only how these norms and attitudes will be taken into account in the project to ensure a more equitable distribution of access and benefits.
<i>Hardly</i>	The proposal mentions socio-cultural norms and attitudes, but does not specify nor explain how these norms and attitudes will be taken into account in the project to ensure a more equitable distribution of access and benefits.
<i>not at all</i>	No mention is made of the issue nor of measures to be taken.

### **3.6 Will the project contribute to gender equality?**

In all societies, there are differences in the roles and responsibilities of women and men, and in their access to and control over resources, and their participation in decision-making. Everywhere, women and men have inequitable access to services (e.g. transport, health, education) and to opportunities in economic, social and political life. Gender inequalities hinder growth and harm development. Failure to adequately address gender issues can damage the effectiveness and sustainability of projects and programmes, even unintentionally exacerbate existing disparities. It is therefore vital to analyse the gender differences and inequalities and to take them into account in the intervention, its objectives, strategies and resource allocation.

*Scoring indicators: Gender inequalities are likely to be reduced in the longer term...*

	<i>when...</i>
<i>fully</i>	Sufficient measures are built into the project to ensure that it will meet the needs and interests of both women and men and will lead to sustained and equitable access by women and men to services and infrastructures
<i>fairly</i>	A limited number of measures are built into the project to ensure that it will meet the needs and interests of both women and men and will lead to sustained and equitable access by women and men to services and infrastructures
<i>hardly</i>	The proposal gives little or no explanation of what measures will be taken to ensure that the project will meet the needs and interests of both women and men and will lead to sustained and equitable access by women and men to services and infrastructures
<i>not at all</i>	The proposal does not specify measures to be taken.

### **3.7 Will the implementing agencies be able to provide follow-up after the project?**

Institutional and management capacity of the implementing agencies is important not only during the project's lifetime (feasibility – see question 2.7), but also after project completion (sustainability). The organisational design of a project should therefore take institutional sustainability into account by selecting those organisations and institutions which have a strong interest in continuing to produce services post-project, and to ensure that these organisations have the required skills and experience to do so after completion of project funding. A particular issue concerns the choice between public and/or private forms of organisation.

*Scoring indicators: Implementing agencies are likely to be able to provide follow up...*

	<i>when...</i>
<i>fully</i>	The implementing agencies have demonstrated a strong interest in continuing to produce services post-project, adequate institution-building measures have been built into the project to enable them to do so, and evidence exists that the required resources (human and financial) will be available.
<i>fairly</i>	The implementing agencies have demonstrated interest in continuing to produce services post-project, some institution-building measures only have been built into the project to enable them to do so, and some indications exist that the required resources (human and financial) will be available.
<i>hardly</i>	The implementing agencies have not demonstrated interest in continuing to produce services post-project, institution-building measures are not adequate to enable them to do so, and few indications exist that the required resources (human and financial) will be available.
<i>not at all</i>	None of the above-mentioned aspects is at least roughly described.

### **3.8 Does the EcoFin (Financial and Economic) Analysis provide sufficient information on the questions raised above?**

- The EcoFin Analysis should provide answers regarding the financial and economic sustainability of the project: The Financial Analysis of the main stakeholders' interests (i.e. the beneficiaries, the implementing agency, etc.) shows whether they will face liquidity problems during and after the implementation of the project (i.e. insufficient funds to finance recurrent costs).
- The Economic Analysis (Shadow Pricing Method) allows to assess if the project is efficient (or if applicable: competitive) internationally, hence sustainable.

*Scoring indicators: The EcoFin Analysis substantiates the sustainability of the project...*

	<i>when...</i>
<i>fully</i>	The EcoFin Analysis was carried out according to the EcoFin Guidelines. The Financial Analysis of the main stakeholders shows in detail that the project is sustainable both during and after the project The Economic Analysis provides clear evidence that the project is sustainable internationally.
<i>fairly</i>	The EcoFin Analysis was carried out according to the EcoFin Guidelines. The Financial Analysis of the main stakeholders shows some evidence that the project is sustainable both during and after the project The Economic Analysis provides some evidence that the project is sustainable internationally.
<i>hardly</i>	The EcoFin Analysis was not carried out according to the EcoFin Guidelines. The Financial Analysis of the main stakeholders shows some evidence that the project is sustainable both during and after the project The Economic Analysis provides some evidence that the project is sustainable internationally.
<i>not at all</i>	No financial or economic analysis is presented.

## Using the Quality Assessment Tool to Identify Information Needs

Training and Helpdesk Services for Project Cycle Management  
Training Document

<b>1. Relevance</b>	
1.1 Are the major stakeholders clearly identified and described?	Rating:
1.2 Are the beneficiaries (target groups and final beneficiaries) clearly identified?	Rating:
1.3 Are the problems of the target groups and beneficiaries sufficiently described?	Rating:
1.4 Is the problem analysis sufficiently comprehensive?	Rating:
1.5 Do the Overall Objectives explain why the project is important for society / sectoral development?	Rating:
1.6 Does the Project Purpose express a direct benefit for the target groups?	Rating:
1.7 Does the EcoFin Analysis substantiate the relevance of the project?	Rating:

<b>2. Feasibility</b>	
2.1 Will the Project Purpose contribute to the Overall Objectives (if the Assumptions hold true)?	Rating:
2.2 Are the Results products of the implementation of activities?	Rating:
2.3 Will the Project Purpose be achieved if all Results are attained?	Rating:
2.4 Are the means sufficiently justified by quantified objectives?	Rating:
2.5 Have important external factors been identified?	Rating:
2.6 Is the probability of realisation of the Assumptions acceptable?	Rating:
2.7 Will the project partners and implementing agencies be able to implement the project?	Rating:
2.8 Does the EcoFin Analysis substantiate the feasibility of the project?	Rating:



<b>3. Sustainability</b>	
3.1 Will there be adequate ownership of the project by the target groups / beneficiaries?	Rating:
3.2 Will the relevant authorities have a supportive policy during implementation and after project completion?	Rating:
3.3 Is the technology appropriate for the local conditions?	Rating:
3.4 Will the ecological environment be preserved during and after the project?	Rating:
3.5 Will all beneficiaries have adequate access to benefits and products during and after the project?	Rating:
3.6 Will the project contribute to gender equality?	Rating:
3.7 Will the implementing agencies be able to provide follow-up after the project?	Rating:
3.8 Does the EcoFin Analysis substantiate the sustainability of the project?	Rating:

# Quality Rating Sheet for Financing Proposals

Training and Helpdesk Services for Project Cycle Management  
Training Document

Project title:
Analyst:
Date:

	<i>fully</i>	<i>fairly</i>	<i>hardly</i>	<i>not at all</i>
<b>1. Relevance</b>				
1.1	Are the major stakeholders clearly identified and described?			
1.2	Are the beneficiaries (target groups and final beneficiaries) clearly identified?			
1.3	Are the problems of the target groups and beneficiaries sufficiently described?			
1.4	Is the problem analysis sufficiently comprehensive?			
1.5	Do the Overall Objectives explain why the project is important for social / sectoral development?			
1.6	Does the Project Purpose express a direct benefit for the target groups?			
1.7	Does the EcoFin Analysis substantiate the relevance of the project?			
<b>2. Feasibility</b>				
2.1	Will the Project Purpose contribute to the Overall Objectives (if the Assumptions hold true)?			
2.2	Are Results products of the implementation of activities?			
2.3	Will the Project Purpose be achieved if all Results were attained?			
2.4	Are the means sufficiently justified by quantified objectives?			
2.5	Have important external factors been identified?			
2.6	Is the probability of realisation of the Assumptions acceptable?			
2.7	Will the project partners and implementing agencies be able to implement the project?			
2.8	Does the EcoFin Analysis substantiate the feasibility of the project?			
<b>3. Sustainability</b>				
3.1	Will there be adequate ownership of the project by the target groups / beneficiaries?			
3.2	Will the relevant authorities provide policy support during implementation and after project completion?			
3.3	Is the technology appropriate for the local conditions?			
3.4	Will the ecological environment be preserved during and after the project?			
3.5	Will all beneficiaries have adequate access to benefits and products during and after the project?			
3.6	Will the project contribute to gender equality?			
3.7	Will the implementing agencies be able to provide follow-up after the project?			
3.8	Does the EcoFin Analysis substantiate the sustainability of the project?			