

# LFA MANUAL



LFA - LOGICAL FRAMEWORK ANALYSIS – IS A TOOL FOR PROJECT DESIGN, PLANNING AND MONITORING



THE SECRETARIAT OF THE AFRICAN DECADE OF PERSONS WITH DISABILITIES

## CONTENT

1. INTRODUCTION.....	3
2. PROBLEM.....	6
3. OBJECTIVE .....	9
4. EXPECTED OUTPUTS AND INDICATORS.....	11
5. ACTIVITIES.....	13
6. INPUTS REQUIRED .....	15
7. ASSUMPTIONS/EXTERNAL FACTORS.....	18
8. RISKS .....	19
9. PROJECT ORGANISATION.....	20
10. MONITORING AND EVALUATION .....	21
11. REPORTING.....	24
APPENDIX 1 - The LFA Cycle.....	25
APPENDIX 2 - Advantages and Limitations of LFA.....	26
APPENDIX 3 - Check-list for Project Assessment .....	27

## 1. INTRODUCTION

Every organisation needs a mission and a set of objectives in order to be effective and to focus on prioritised areas of work. As regards objectives, there is a need for long-term ones (covering a period of 3 – 5 years) that we normally call strategic objectives as well as for short-term ones, annual or shorter. All programmes, projects and activities that the organisation embarks on should contribute to the attainment of these objectives.

Many organisations work increasingly more with projects. This is due to the fact that projects are often considered more effective and efficient than other work-organisation and that it is generally easier to obtain external funding for projects. It is, however, of great importance that every project launched by the organisation is designed to contribute to its overall objectives and mission. This implies that the organisation ought to decline an offer for project funding unless it is considered contributing to its overall business objectives.

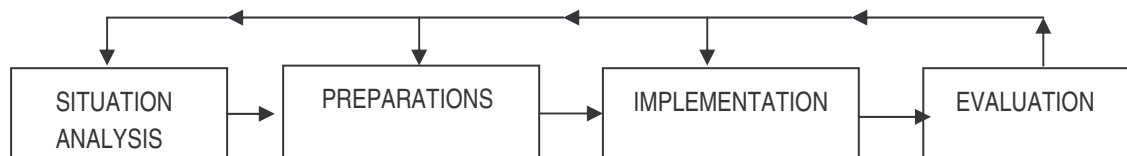
So what is a project and how does it differ from other work-organisations? Let us take a look at the definition of a project before we proceed:

*"A project is a series of activities that are limited in terms of time and resources, and designed to generate a predetermined result".*

This implies that one organises certain jobs and activities in a process that is limited in time (there must be a definite beginning and end to the project), a clearly defined budget (with limited manpower and other resources) and the work should generate specific results that have been determined prior to the start of the project.

This manual attempts at presenting how one works with the design and implementation of projects in an effective and efficient way.

A project consists of four inter-related and inter-dependent phases as follows:



It is important to consider all four phases when one designs a project. It is all too common that a project team is too keen to launch a project before it has had ample time to undertake a proper situation analysis, problem analysis and made sufficient preparations. Such behaviour normally results in failed projects and unnecessarily expenses.

Too many projects fail for a number of different reasons. Among the most common reasons for project failure are the following;

- No or insufficient problem analysis / needs analysis before starting the project.
- No or vague project objectives.
- Insufficient planning.
- Weak control and monitoring of plan of operation and project budget.
- Weak project management.
- Unclear division of roles and responsibilities.
- Too much – or too little – money in the project budget.
- The target group does not want the project.
- Insufficient “buy in” into the project from senior management.
- No or weak relation between objectives – activities – budget.
- Poor monitoring and evaluation of the project.

To avoid this type of failures one needs a tool that can help in the planning, implementation and evaluation of projects. Such a tool is presented in this manual.

LFA (Logical Framework Analysis) is an analytical tool that is used to facilitate project planning, preparation, implementation and evaluation. It is based on objectives and it aims at ensuring that resources are used in the most cost-effective way possible. Allowing the project management to have a clear focus and orientation in all its aims, activities and decision-making does this.

LFA consists of six equally important and inter-dependent steps as follow;

1. Define the *problem* that needs to be addressed. Also identify the causes and effects of this problem.
2. Develop a SMART *objectives* for what you want to achieve when solving/limiting the problem.
3. Determine the expected *outputs/results* you will get from solving/limiting the problem. Also determine indicators, which will help you assessing whether you have attained your expected outputs or not.
4. Determine what you have to do, identify *activities*, in order to attain your expected outputs.
5. Determine the resources, *inputs*, you require for each of the activities to be undertaken.
6. Define the *assumptions/external factors* on which you have based your problem, objectives, activities and inputs. We also need to define the major *risks* involved in the project.

Please note that steps 1 to 5 shall be taken in sequence. In other words, you must fully complete step 1 before you shall proceed to step 2, fully complete step 2 before you proceed to step 3, and so on. Step 6 should be applied throughout the whole process, and on each one of the five first steps. In the diagram on the next page we can follow the five main steps of the LFA cycle. Please note that from each problem we probably will define several objectives, from each objective several outputs, from each output several activities and from each activity several inputs required.

When you implement a project you start from the other end, i.e. from step 5 to step 1. You use the resources to be able to undertake the activities. You undertake the activities to generate the expected outputs. You must generate the expected outputs to attain your objective, and you must attain your objective to reduce or eliminate the problem.

In Appendix 3 you will find a checklist that will facilitate your assessment of a project idea or project proposal. Below you can find a more detailed presentation, including examples, of each of the six steps in the LFA approach.

## 2. PROBLEM

In order to justify a project or a programme, there must be a "problem" that is considered important enough to justify the allocation of time, money and other resources that will resolve or limit the problem. In other words, there must be a cost-benefit in the project. Such cost-benefit could be increased revenue, reduced costs, a better living standard for the target group, etc.

Organisations, interest groups and individuals have different motives and interests. It is of fundamental importance to analyse the interests and expectations of the various participants, both early on in the planning process and later on during the implementation of the project or programme. An important requirement of all projects is that the problem identified - and the objectives for addressing the problems - reflect the needs of the society and the intended target group, and not merely the internal needs of institutions.

It is likely that you can identify a number of important problems in your organisation or among the people that are expected to benefit from your organisation's work. However, for a project you need to prioritise and select the one problem that you feel is the most important and urgent one to address. In this process your organisation's mission statement and strategic objectives will assist and guide you.

The problem to be addressed in a project must be manageable and therefore reasonably limited. In other words, we sometimes have to focus on a part of a bigger problem in order to be able to solve or limit it, as a project always has its limitations in terms of time and other resources.

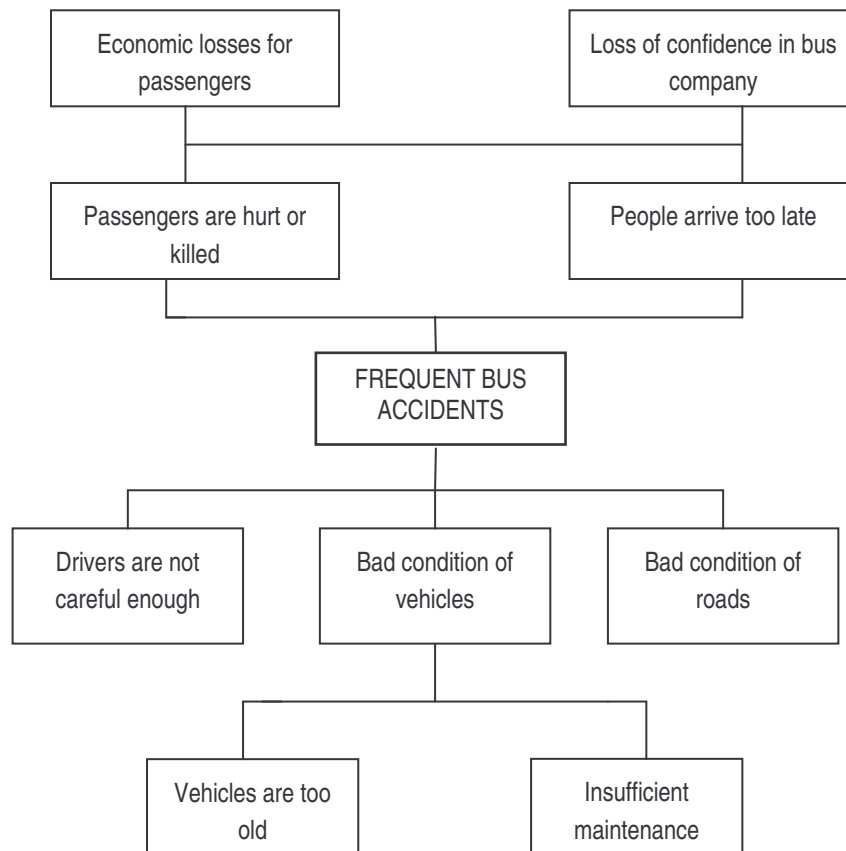
Compare the following two "problems":

- A. People with disabilities do not play an active role in this country's economy.*
  - B. People with disabilities commonly lack the competence to play a leading And steering role in this province's economy.*

The "A" problem is very broad and could be interpreted in a number of ways, while problem "B" is much more focused. Problem A is probably difficult or impossible to solve in a project as it might be caused by (i) cultural reasons, (ii) lack of finance, (iii) lack of knowledge/skills, (iv) time constraints, (v) lack of constitutional rights, (vi) other reasons. In problem "B" we have established that the main problem is a lack of competence and hence we should address this problem by training the target group.

The prioritised problem needs to undergo an analysis of substantial and direct causes and effects. In this analysis we will develop a "problem tree" which will help us keeping track of causes and effects. It will also help us verify the validity and completeness of our analysis.

A problem tree iron out the causes and effects of a prioritised problem:



Once you have identified the possible causes and effects of the problem that you have analysed you need to ask yourself if

- It is feasible to address *all* causes identified.
- All causes are part of your organisations mission (or if another department/organisation should address one or several of the causes).
- Such a project would be manageable for ONE project (or if it would be better to start two or three smaller projects to address these causes).
- It would be meaningful to address only one of the identified causes.

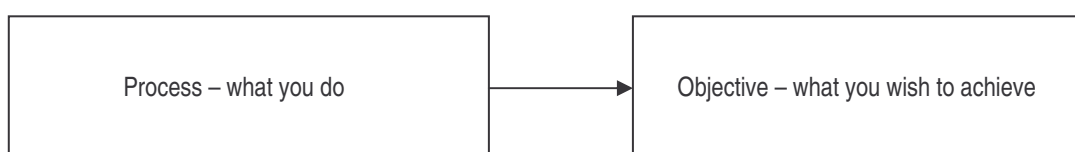
After such an analyses you *might* conclude that – in the example above – you should only address the problem with careless drivers, and let Department of Public Works and Infrastructure take care of the bad condition of roads. The problem with bad condition of vehicles will have to wait until the next budget year. Of course, you can also do it the other way around – address the problem with the bad condition of vehicles and let the training of your drivers wait until later. You need to conclude how you will obtain the best return of the money and time that you intend to invest in your project (maximise cost-benefit).

Remember that, “A small success is better than a great disaster”. Hence, we should normally try to limit out projects to a level that is manageable.

### 3. OBJECTIVE

For each of the problems that you now have identified, prioritised and analysed you need to decide what you want to achieve by tackling it. This process is called “setting objectives”.

An objective is a positive statement that describes a desired state of matters at a certain moment in time. Such an objective should obviously be based on – and directly related to – the problem that you have chosen to tackle. It is important to realise that an objective cannot describe a process, but the desired state of matters your processes will lead to.



Consider this example

- You can hold a seminar in order to train people (process).
- In March 2006 all personnel shall be able to efficiently develop and use activity-based budgeting (objective).

By developing objectives for your organisation and its projects you will be able to focus and prioritise in a better way. You can ensure that all activities that you embark on, and all the resources that you allocate will pull in the same direction, i.e. towards the objectives. In this way you will have a higher degree of effectiveness and you will utilise your resources in a more efficient way. Obviously, everybody who is expected to contribute to the achievement of the objectives need to be informed, understand and appreciate them. When possible, all project members should be involved in – and hence take ownership of – the setting of project objectives.

When you develop project objectives, the following factors should be taken into account:

- The total project cost.
- Advantages and benefits to the target group.
- The probability to achieve the objective.
- Potential risks in the project.

### 3.1 Developing SMART Objectives

We shall aim at developing SMART objectives. SMART is an acronym for;

- Specific
- Measurable
- Achievable
- Relevant
- Time-bound

A specific problem requires a SMART objective to constitute the foundation for a project. All your efforts and resources shall be addressed to achieve this objective.

Let us compare two different examples, where the first one is not SMART and the second one is SMART:

*A. Start a support programme for persons involved in the planning of disability projects, to facilitate their work lives.*

*B. By the end of 2006, at least 50 managers engaged in disability projects linked to ADDP shall be able to run their projects more cost-effectively by using LFA in the planning, implementation and evaluation phases.*

Objective A lacks the definition of time (when shall the objective have been achieved? It only states when it shall be started) and the specificity (what type of support and for how many people?). Hence it is not possible to measure. Moreover, it describes an activity and not an objective. An objective shall express the state of affairs at the end of a project or programme, while an activity describes an action / process or something that is happening / will happen. Objective B, on the other hand, is SMART.

In addition to being SMART the objective should preferably be:

- Formulated in a short and concise manner.
- Challenging and motivating for the project team.
- Supportive of the organisation's mission and strategic objectives.
- Acceptable to the project's target group.

## 4. EXPECTED OUTPUTS AND INDICATORS

### 4.1 Expected Outputs

The SMART objective that we have developed can be broken down into a number of expected outputs (results). These expected outputs represent a measurable specification of the SMART objective.

Outputs differ from the objective. As a rule of thumb, *objectives* describe the effects we *hope* to achieve as a result of the project while the *outputs are largely within the power of the project management to achieve*, provided that the requested funds, personnel and facilities are available. Let us look at an example:

*A project can guarantee* that a number of entrepreneurs are trained in business management, and provide them with finance so that they can expand their businesses. These are concrete *outputs* of the project.

However, the *project cannot guarantee* that these entrepreneurs' annual average production is increased from X tons in 2004 to Y tons in 2007". This must be seen as an *objective* since it is the direct result of the entrepreneurs' work, and outside the direct control of the project itself.

As an additional example of expected outputs, we can use objective B from Section 2 above;

*B. By the end of 2006, at least 50 managers engaged in disability projects linked to ADDP shall be able to run their projects more cost-effectively by using LFA in the planning, implementation and evaluation phases.*

Broken down into specific outputs it could look like this:

- 50 persons able to run a disability project in a cost-effective manner, by December 2006.
- Training programmes on project management, by October 2005.
- Write-ups on models for work practices in disability project management, by April 2006.
- Teaching aids for the training programmes, by November 2005.

By developing expected outputs, we shall enhance the clarity over what the project is to achieve. It will give the management and all other people involved in the planning and execution of the project, a more specific and elaborated perception of what the project aims at. It will also greatly facilitate the identification of activities that need to be undertaken by the project staff, in order to achieve the objective.

To summarise, expected outputs are:

- Concretisation/specification of the objective
- Products and services produced through the project
- Guaranteeable by the project manager
- Time-bound
- Supported by Key Performance Indicators (KPIs)

## 4.2 Spin-off effects

In addition to these expected outputs, one has good reasons to hope that the following positive spin-off effects will result from this project;

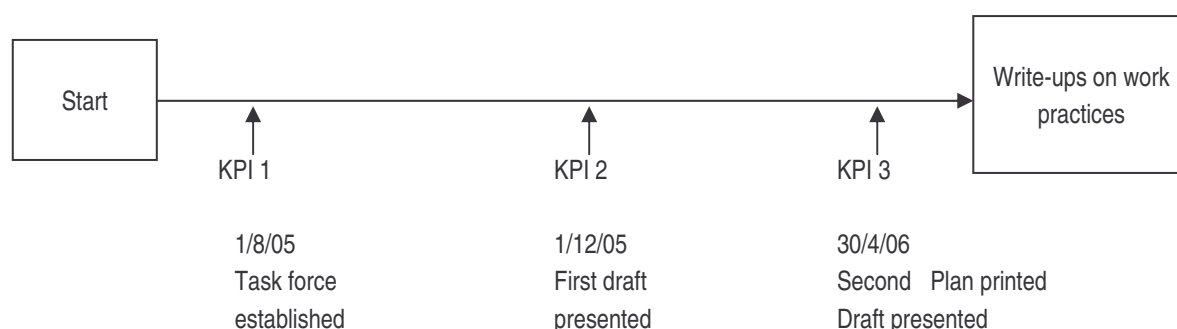
- 15% higher resource utilisation within the concerned disability projects,
- better co-ordination of disability programmes at the micro and macro levels.

Spin-off effects are results that one cannot guarantee but that still are probable, in the short- or long-term perspective. Commonly, spin-off effects can be seen only some time after the completion of the project and hence the project leader cannot be held accountable for those.

## 4.3 Key Performance Indicators (KPIs)

For each expected output that we have developed, we shall define *Key Performance Indicators (KPIs)* that will help us assess whether we have attained (or are approaching) our objective.

As an example we can use an expected output where write-ups on models for work practices in disability project management, by April 2006. The following KPIs can be used:



After having identified Key Performance Indicators for the first expected output, we shall proceed and do so for all other expected outputs that we have determined.

## 5. ACTIVITIES

In order to produce the results/outputs that we want to achieve, we have to *do* something. For each expected output we have to undertake a number of activities. The outputs will certainly not just fall down at us, we have to ensure that they are delivered - and do so in a systematic and cost-effective manner.

The activities included in the project design should be target-oriented in that they are tasks to be performed in order to produce a specified project output. If the task is not geared to producing one of the outputs, it should not be listed as a project activity.

Each activity that you plan and list will have to answer the following questions:

- What needs to be done?
- When can it be done (start – completion)?
- How will it be done?
- Who will be doing it?

We have to ensure that all proposed activities are appropriate to the situation in the country / province / institution where the project will be implemented. Appropriate in this context means in terms of culture, technology, ecology, institutional values, etc.

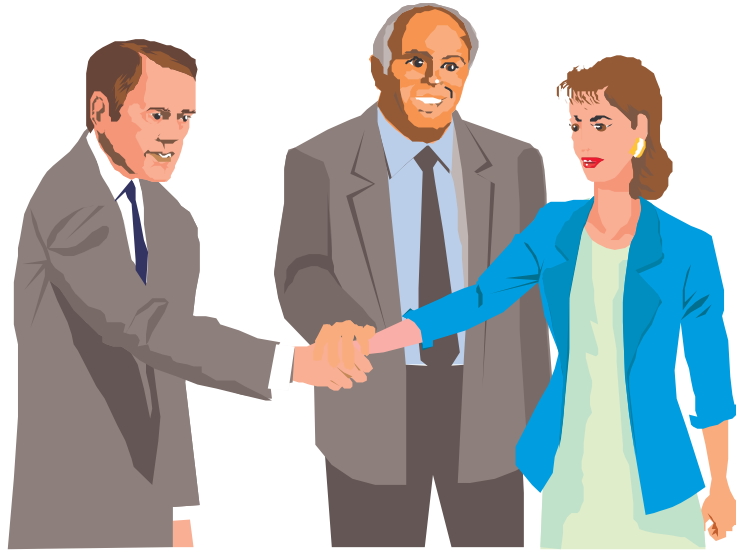
Let us study an example of how we can plan activities that are necessary to undertake in order to deliver the output " 50 persons able to run a disability project in a cost-effective manner, by December 2006". from above.

Necessary activities are;

- develop criteria for selecting the target group (the 50 persons),
- select the persons and notify / invite them to the training programme,
- select and prepare trainers,
- develop the course plan and learning materials,
- develop teaching aids,
- select and book training venue,
- deliver the training
- evaluate training,
- follow-up on impact.

Can you think of any other activities that are necessary to undertake in order to meet this output? If so, please write them below.

We need to develop activities for each of the expected outputs that we have listed under step 3 above. Once we have completed the list of activities for "50 persons able to run.....", we shall proceed to the "training programmes on project management" output, and then to "write-ups on models for....", and so on.



#### Summary:

When you develop the project's activity plan you shall use the expected outputs as your point of departure. For each expected output you should ask yourself the following questions:

- What needs to be done to attain the expected output?
- When can it be done? Starting point and completion of each activity.
- Who shall be responsible and who needs to be involved?
- How shall it be done?
- Will I attain the expected output if I undertake the activities that I listed above?
- Are the listed activities cost-effective?
- Are the listed activities suitable in the environment where they will be undertaken?

To assist you in the planning, monitoring and evaluation of your activities we recommend that you develop and make use of a Gantt-chart. You can find an example of such a chart in Appendix 4 to this manual. It presents what needs to be done, when it is expected to be done and who will be involved in the execution of each activity.

## 6. INPUTS REQUIRED

For each of the activities that we shall undertake there is a need for resources / inputs. The different types of resources we might need could be

- time,
- people,
- money,
- facilities,
- tools and equipment.

We shall ensure that the required inputs that we have listed are necessary and sufficient to undertake the planned activities. This is a rather cumbersome, but necessary, exercise, as we need to make sure that we *budget for all necessary resources*. Example:

- *Expected Output 1*

Activity 1.1 – That will contribute to expected output 1.

Activity 1.2

Activity 1.3

Input 1.1.1 – Required to undertake activity 1.1.

Input 1.1.2

- *Expected Output 2*

Activity 2.1

Activity 2.2

Activity 2.3

Input 2.1.1

Input 2.1.2

As mentioned above this can be a cumbersome and long exercise, but necessary as it will form the foundation for our budget (that will ensure that we have enough money to run the project in an effective and efficient way). This type of exercise will also assist us in justifying our budget, both internally in the project team and to other people. Such justification is necessary as there often is a tug of war for scarce resources.



Start with activity number one and list all resources required to undertake it. Then proceed to activity number two, three, four and so on, until you have covered all activities.

Once we have listed all inputs required to undertake all the activities we need to do, we shall transform all these inputs into monetary terms. Let us look at an example that is based on our list of activities that we developed under Section 4 above. We need to identify the inputs for each of the activities that we have to undertake.

Activity	Inputs required	Cost (Rand)
develop criteria for selecting the target group (the 50 persons),	2 person-days (p-d)	2000
select the persons and notify/invite them to the training programme,	3 p-d stationary postage	3000 1000 500
select and prepare trainers,	6 p-d stationary literature	6000 500 5000

develop the course plan and learning materials,	20 p-d photo copying stationary	20000 700 400	
develop teaching aids,	10 p-d photo copying stationary	10000 1000 500	
select and book training venue,	1 p-d funds	1000 20000	
deliver training	40 p-d facilitators 20 x 20 per diem travel allowance stationary	40000 30000 10000 3000	
evaluate training,	5 p-d questionnaires	5000 1000	
follow-up on impact.	10 p-d 6 per diem questionnaires travel (500 km)		10000 450 500 2000

In the example presented above, one person-day (p-d) costs Rand 1000. The total budget for personnel will accordingly be 97 (as there is a need for 97 man-days to complete all planned activities) x Rand 1000 = Rand 97. 000. In case the per diem is Rand 75.00, our total budget for will be 406 x Rand 75. 00 = Rand 30450, etc. (we arrived at this figure by multiplying 20 days training with 20 participants and add 6 per diem for the follow-up).

When we have completed our calculations for all expected outputs, their activities and what resources they require, we can develop our budget. This budget will be a reflection of the activities we need to undertake to attain our objectives, and what resources they require. This way of budgeting is called activity-based budgeting. Hence, the budget we develop will be a *steering instrument* for the project management.

## 7. ASSUMPTIONS / EXTERNAL FACTORS

External factors are situations, events, conditions or decisions which are necessary for a project's success, but which are largely or completely beyond the control of the project management.

Most projects operate in difficult development environments in which external factors may seriously delay or prevent the achievement of the project's outputs and objectives.

It is important to identify external factors as early as possible and take these into consideration when the project is designed, in order to

- determine the risks or probability of success
- avoid serious risks by redesigning the project
- clarify the area and limits of responsibility of the project management
- indicate areas where there is a need for more information or further investigations.

External factors shall be formulated as desirable, positive conditions.

Our project planning should be based on a number of assumptions / external factors that will actually enable us to start up and sustain our project, towards the successful completion. These assumptions / external factors relate to issues such as type and number of people who will be available and willing to work on the project, availability of funds and other resources, political stability or changes, weather conditions, infra-structure, etc.

The following assumptions could apply on our example above;

- ADDP will receive external funding for the budgeted costs,
- The target group will prioritise this type of training,
- Fees for the facilitators will remain at the same level as last year,

Can you think of any other assumptions that are relevant to this project planning? If so, please write them below.

The effort to identify assumptions / external factors shall be made already from step 2 above (Objectives), and then again for each phase throughout the whole LFA cycle. In case we conclude that one or several of our assumptions do not hold, we need to assess whether this fact will have implications on the justification of the project and / or if we need to make major revisions in the project design.

## 8. RISKS

There are always risks involved in any type of project. We need to try to envisage what types of risks are the most likely ones for our project, and thereafter determine how we can limit or avoid them. This implies that we may have to revise our plan, choose an alternative way that may be a bit slower or more expensive to achieve our outputs – but that is less risky.

If the risk is severe and likely to occur (so-called *killing factor*), the project should either be redesigned to avoid it - or abandoned.

Often it is necessary to plan for a second alternative, if we consider some key activities to be "high risk" activities. In case we consider the risks "very high", meaning that the likelihood for success is only 50 % or less, we probably would have to ask ourselves whether we should start the project at all.

Examples of risks are;

- lack of funds to complete the project,
- lack of skilled and motivated manpower to lead or implement the project,
- political changes (elections bringing in new leadership, etc.),
- civil unrest,
- cultural taboos,
- lack of support from the surrounding community,
- slim chances of sustainability after the completion of the project,
- lack of steady supply of necessary raw materials or other inputs,

Can you think of any other risks that are relevant to this project planning? If so, please write them below.

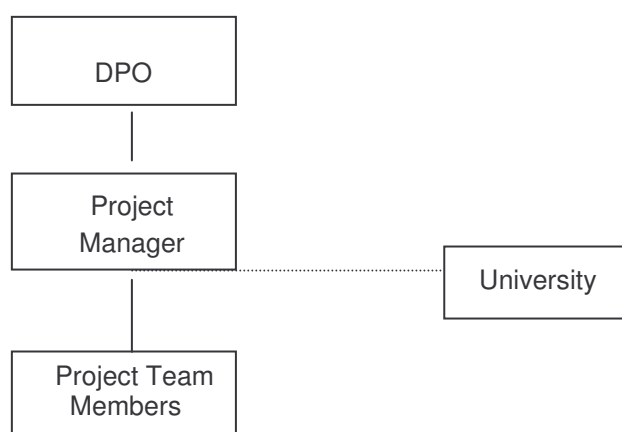
The effort to identify risks shall be made already from step 2 above (Objectives), and then again for each phase throughout the whole LFA cycle. In case we conclude that one or several of our risks are too high, we need to assess whether this fact will have implications on the justification of the project and/or if we need to make major revisions in the project design.

## 9. PROJECT ORGANISATION

In order to implement a project it is important to assign a group of people responsible for carrying a project through. The most important person in a project organisation is the Project Manager. He/she is over-all responsible and accountable for delivering the expected outputs within given time- and budget frames. The Project Manager is responsible for monitoring, reporting and the follow-up of a project.

The project organisation should also describe the Project Team Members and their responsibilities and level of authority.

An illustration describing the project organisation can facilitate the understanding of the lines of decision-making. An example of this could be the following;



The Project Manager (PM), is accountable to the DPO for;

- Delivering the expected outputs on time.
- Following the approved action plan.
- Keeping the approved project budget.
- Monitoring progress and proposing modification on plans when required.
- Co-ordinating activities and resources.
- Writing and submitting quarterly Progress Reports to DPO and donors.
- Informing line management and colleagues on project progress.

## 10. MONITORING AND EVALUATION

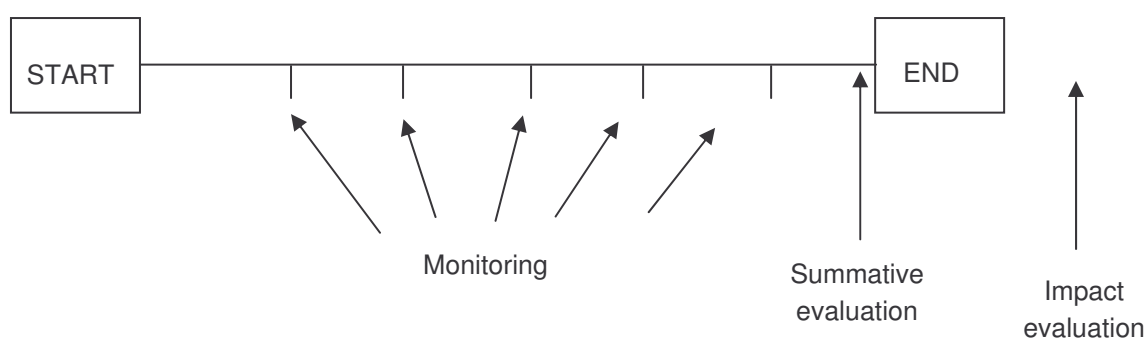
Project monitoring and evaluation are needed for us to ensure that we are approaching the desired outputs and to enable us to compare the results with the objective/expected outputs. Evaluation is also important in order to learn from our experiences and to point out who is accountable for the results (or lack thereof).

Evaluation can be used as inputs to improve performance and implementation, designing and planning of future activities and also for internal policy and strategy formulation processes. Evaluation also helps when documenting the effectiveness and efficiency of activities.

There are three ways to evaluate a project:

- Monitoring
- Summative evaluation / project evaluation
- Impact evaluation

These three ways are not mutually exclusive, but complementary to one another. All projects need to be monitored and (summative) evaluated in a systematic way. Where it is possible and considered cost-beneficial an impact evaluation of the project should also take place.



### 10.1 Monitoring

To ensure that a project actually progresses towards the objective and expected outputs and does so within set time- and budget frames it is important to monitor the process. Monitoring starts as soon as the project is launched.

The tools for monitoring are:

- Objective / expected outputs / Key Performance Indicators (KPIs)
- The plan of action
- The activity-based budget

To enable the Project Manager to monitor progress on the key aspects of the project, information can be collected through:

- Progress reports
- Meetings (approximately bi-weekly) with project team and other stakeholders
- Observations during workshops and other activities

The Project Manager is overall responsible for monitoring. The Project Team Members and the target group can also take part in the monitoring process.

## 10.2 Summative evaluation

Summative evaluation is done at the end of a project to compare results with the objective and expected outputs. The tools for summative evaluation are;

- Objective / expected outputs / Key Performance Indicators (KPIs),
- The plan of action and
- The activity-based budget

When evaluating we have to go through the project phases and analyse the situation. The phases are: the analysis phase, the preparation phase and the implementation phase. Common methods used for summative evaluation are:

- Reading project documents, progress reports etc
- Observations
- Meetings with project team, beneficiaries and other stakeholders

The Project Manager, the Project Team Members, the target group, donors and the management can be involved in summative evaluation. The summative evaluation normally results in a written report that contains the three following sections:

- Findings from the evaluation
- Conclusions
- Recommendations for the way forward

## 10.3 Impact evaluation

Impact evaluation is done some time after a project has been completed. Impact evaluation is used to determine any sustainable effects (impact) from projects, such as changes in systems, organisational structures, competencies, income levels etc.

Impact evaluation always compares the situation (for selected parameters that the project is expected to address) before the project with the situation after the project. It can be illustrated as follows;



In the example above one can study whether the competence of the target population (to participate in the project) prior to the project differs from their competence some six months after the completion of the project.

There are different methods for impact evaluation, such as:

- Time-series study: This method compares the same parameters applied to the target group at various moments in time.
- Compare a target group and a control group, before and after the project

An external evaluator, the target group, the management, donors and the Project Manager can be involved in impact evaluation. Please see details on this subject in the Evaluation manual.

## 11. REPORTING

Apart from the project team there are other people with an interest in the project, such as institutional directors, funding agencies (sponsors) and the community who may benefit from the project. These are the project stakeholders. All stakeholders in the project need to, at regular intervals, be informed about the status and progress of the project.

### 11.1 Progress Reports

Progress reports are tools used to disseminate information regarding the project to all stakeholders in the project. Such reports must include important information resulting from the constant monitoring of the project, and should therefore address such issues as:

- Whether the project is progressing in the right direction (i.e. towards expected outputs),
- Whether the project is on schedule,
- Whether the project is following the plan of action,
- Whether the project runs within budget frame.
- What drawbacks is the project experiencing (problems encountered)?
- What is being done to remedy these problems?
- What kind of support would be needed from relevant quarters to solve the problems, help the project stay on course, or progress better?

The Project Manager is over-all responsible for regular and timely progress reports. It is important that such reports are in writing in order to enhance accountability. However, written reports may be supplemented by meeting and / or discussions.

The reports should be made monthly, quarterly, or half yearly, depending on the project's size, duration, magnitude, or the situation under which the project operates. Whatever the situation, however, it is of paramount importance that reports are made as regularly as possible, since they are in themselves important monitoring and steering tools.

Progress reports are related to the expected outputs.

Project reports should be written following the format below:

- Executive summary
- Background and introduction
- Progress made
- Problems encountered
- Budget follow-up
- Plans for the next quarter/month

Please see details on this subject in the Progress Report manual.

## APPENDIX 1 - Advantages and Limitations of LFA

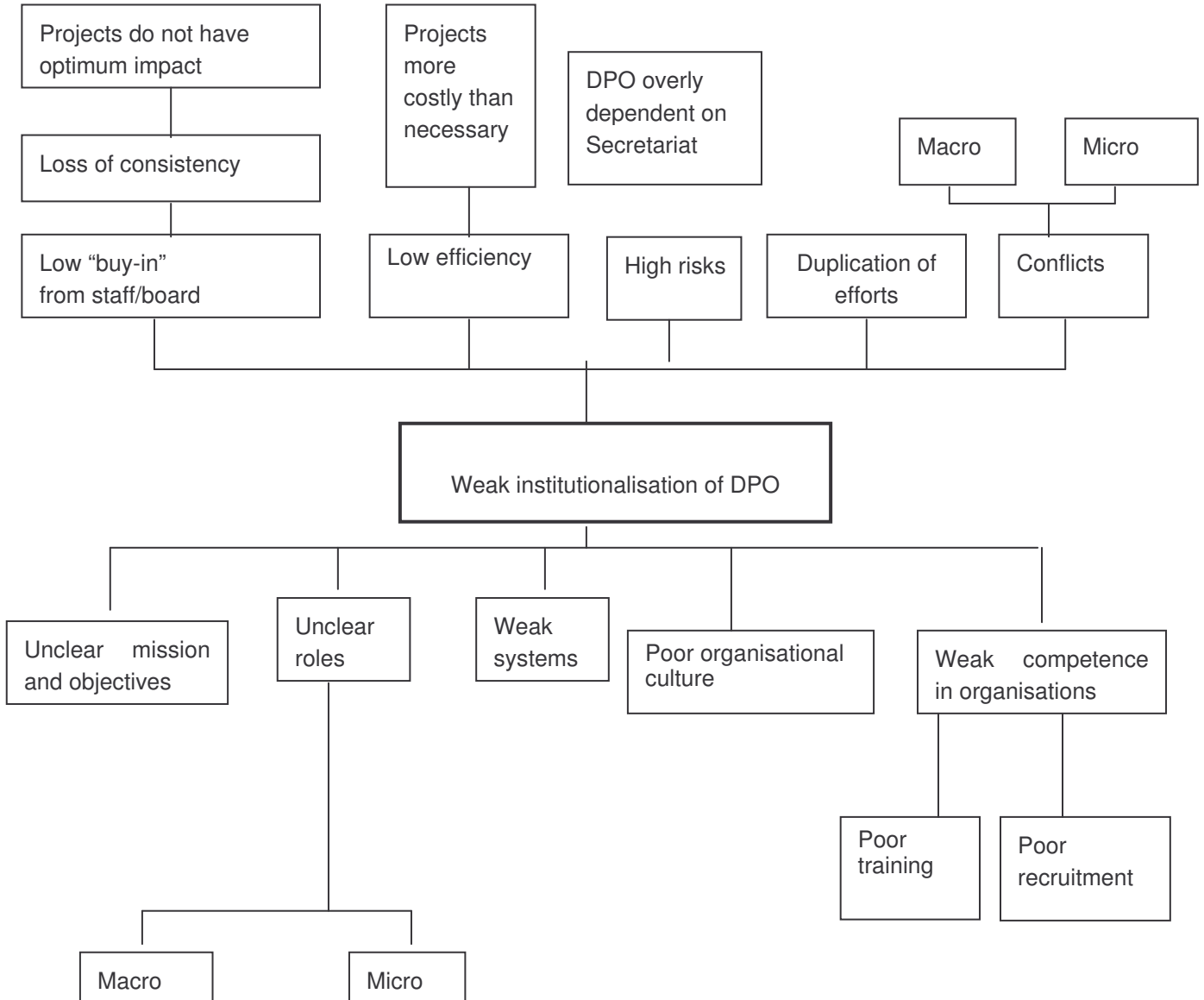
### Advantages

- It ensures that fundamental questions are asked and weaknesses are analysed, in order to provide decision-makers with better and more relevant information.
- It guides systematic and logic analysis of the inter-related key elements which constitute a well-designed project.
- It improves planning by highlighting linkages between project elements and external factors.
- It provides a better basis for systematic monitoring and analysis of project effects.
- It facilitates common understanding and better communication between decision-makers, managers and other parties involved in the project.
- The use of LFA and systematic monitoring ensures continuity of approach when original project staff are replaced.

### Limitations

- Rigidity in project administration may arise when objectives and external factors specified at the outset are over-emphasised. This can be avoided by regular project reviews where the key elements can be re-evaluated and adjusted.
- LFA is a general analytical tool. It is policy-neutral on questions of income-distribution, employment opportunities, access to resources, local participation, cost and feasibility of strategies and technology, or effects on the environment.
- LFA is therefore only one of several tools to be used during project preparation, implementation and evaluation. It does not replace target-group analysis, cost-benefit analysis, time planning, impact analysis, etc.
- The full benefits of utilising LFA can be achieved only through systematic training of all parties involved, and methodological follow-up.

## APPENDIX 2 – PROBLEM TREE



## APPENDIX 3 - CHECKLIST FOR PROJECT ASSESSMENT

In order to ensure that a project document addresses all pertinent aspects of the project, the following questions should be asked and answered. The checklist presented below aims at facilitating the analysis of the project proposal. It must be used with a certain amount of flexibility, as the one project might be very different from the other.

This checklist reflects the steps to be followed in the LFA process. There are a number of questions to be asked, and answered, for each of the steps.

LFA Steps	Has this aspect been checked?	
<b>1. BENEFICIARY ANALYSIS AND PROBLEM ANALYSIS</b>		
1. 1	What organisations, authorities, groups and people will affect / be affected by the project (directly and indirectly)? How do these agents relate to one another?	Yes      No
1. 2	Is there a description of the target group (sex, age, income, (work situation, etc.) and an analysis of the distribution effects?	Yes      No
1. 3	In what ways does the target group / intended beneficiaries participate in the planning of the project, its execution and follow-up? Does the target group "own" the project?	Yes      No
1. 4	How will the effects of the project benefit / impede disadvantaged / poor people or groups?	Yes      No
1. 5	How will men and women, respectively, be affected by this project? Is there a risk that some groups will be negatively affected?	Yes      No
1. 6	What is / are the actual problem(s) that the proposed project shall address?	Yes      No
1. 7	What are the causes and effects, respectively, of this problem?	Yes      No
1. 8	Why does the target group require external assistance to solve or limit the problem?	Yes      No
1. 9	Are there background studies that have analysed the problem area?	Yes      No

LFA Steps	Has this aspect been checked?		
<b>2. OBJECTIVES</b>			
2.1	What are the development objectives for the sector for which the proposed project is targeted.	Yes	No
2.2	What is the project's objectives (SMART)	Yes	No
2.3	What is the project's relation to other development efforts within the sector?	Yes	No
<b>3. OUTPUTS / RESULTS</b>			
3.1	What outputs can be expected from this project, in relation to the project's objectives?	Yes	No
3.2	Will the outputs result in the full achievement of the project's objectives?	Yes	No
<b>4. ACTIVITIES</b>			
4.1	What specific output will the different activities lead to?	Yes	No
4.2	What specific resources would the different activities require, in terms of manpower, money, time, equipment, etc.?	Yes	No
4.3	Is the timing specified, in terms of beginning and expected end, for each main activity?	Yes	No
4.4	Is there a time-plan for the phasing out of this project?	Yes	No
<b>5. RESOURCES</b>			
5.1	What resources are available for implementing necessary project activities?	Yes	No
5.2	Is the project budget comprehensive and realistic? Is it directly and clearly linked to project activities?	Yes	No

LFA Steps	Has this aspect been checked?		
5.3	How does the host organisation contribute to the project budget? Are there several donors involved in the project?	Yes	No
5.4	What local actions are planned to secure the financial sustainability of this project, once the external aid is phased out?	Yes	No
<b>6. RISKS AND ASSUMPTIONS</b>			
6.1	What factors or conflict of interest - external as well as internal - could obstruct or seriously hamper or delay the project's execution?	Yes	No
6.2	To what extent would the external risks influence on the project's execution?	Yes	No
6.3	Is there any major factor which is a precondition for the successful completion of the project? What are the plans (of the organisation "owning" the project) to secure that it exists?	Yes	No
6.4	What negative side-effects can be caused by the project?	Yes	No
6.5	Have alternative strategies for achieving the project's objectives been considered?	Yes	No
<b>7. ORGANISATION AND EXECUTION</b>			
7.1	What resources (personnel, money, materials, time, etc.) are allocated by the host organisation to the respective activities to secure the success of the project?	Yes	No
7.2	Are there "in-house" policies and regulations that support the project?	Yes	No
7.3	What are the organisational and administrative competencies and capacities in the host organisation (for the project)?	Yes	No

LFA Steps	Has this aspect been checked?		
7.4	Is there an institutional capacity and sufficient management capacity, as well as financial resources, to sustain this project after that the external assistance has been phased out?	Yes	No
		Yes	No
7.5	Is the division of roles and responsibilities between the various parties involved in the project, clarified?	Yes	No
7.6	Will the target group/beneficiaries be trained in the execution and monitoring of project activities (to ensure sustainability)?		Yes
	No		
7.7	Have the implications on the environment resulting from this project been assessed?	Yes	No