# Annex I: Annotated ToC for the project proposal document

## Executive summary:

Executive summary (1page max) providing brief and clear information about the project aim, objective, outcomes, expected results, outputs, beneficiaries and implementing arrangements.

## Background:

Provide an overview of the current situation related to the problem/issue that will be addressed by the implementation of the project/intervention. Provide also an overview of the sectors that are related to the issue in hand describing among others the current state in (in terms of knowledge, affected beneficiaries, political context, policy framework etc.).

For projects that have a climate change component/related activities, this section should be expanded to information detailing current national modelling/predictions for climate change scenarios and likely impact on the issue/related sector(s).

Provide the reference to the research papers or studies used as sources for the preparation of this section. Where possible, include website links to relevant information.

## Problem analyses:

Clearly explain what the problem(s)/issue(s) is/are that the project/intervention is attempting to solve. Identify and explain in enough detail the causes and effects of the identified problem(s)/issue(s)[[1]](#footnote-2). A problem tree (to be verified during participatory process; see ToR) must be given.

Describe how the problem(s)/issue(s) is/are dealt with in existing national strategic documents and plans.

Describe the developmental challenge(s) that the project/intervention seeks to address and how it is consistent with and relevant to national development priorities, global environment and/or adaptation issues, and the sustainable development goals (SDGs).

Include evidence to support the analysis, including data demonstrating the magnitude of the problem(s)/issue(s), how it affects different populations groups (women and men) and why it is important for poverty reduction and reduction of inequalities and exclusion. Identify the immediate, underlying and root causes of the challenges and the main barriers to change as identified in the problem tree analysis supporting the Theory of Change.

Clearly describe what mechanisms do exist and what don’t and shall be used/created to resolve the identified problem(s)/issue(s).

Describe the documents and data used for the current analyses as well as which additional analyses or data collection are planned to take place in the framework of the project?

## Theory of change:

Explain the detailed theory of change (ToC) for this project/intervention and what partners will do to address the problem(s)/issue(s) and challenge(s) that are described above. Detail the project’s selected approach and explain how it is expected to lead to change. Why is the approach the best one at this point in time? What is innovative? State key assumptions about what will change, for whom, and how this will happen. Assumptions should include consideration of internal factors (relating to project design and implementation) and external factors (relating to other partners, stakeholders and context) that will be critical for achieving the expected change.

Cite best available evidence which supports these assumptions in the ToC, including -to the extend possible- findings from evaluation and other credible research, as well as knowledge, good practices and lessons learned from previous work and projects by GWP-Med and others, in this country and in other relevant contexts.

Include a theory of change diagram showing the linkages between the development challenge and the immediate, underlying and root causes.

## Proposed solution:

A. The project proposal must clearly outline the proposed solution to the problem(s)/issue(s). Justify why the proposed solution is being put forward as the preferred solution by comparing thos to alternative solutions[[2]](#footnote-3).

It should be justified why (if applicable) the proposed pilot sites (locations) were selected and need to explain how the proposed solution incorporates gender considerations, promotes meaningful social inclusion and addresses poverty alleviation (as appropriate).

In addition, the project proposal must elaborate on the following:

* What is planned to avoid duplication of efforts and to reach synergies? Are there any activities/initiatives at national level that are ongoing or planned that could synergize with this project to achieve the envisaged results (see below)?
* How is the intervention consistent with the relevant national development plans and sectoral policies?
* What is the sustainability plan in relation to the physical investments (including running costs, resources , assets etc.) during implementation and phasing out?

The proposed solution needs to be documented (translated) in a log frame matrix to show the logical linkages between project activities, outputs and achieving the planned project outcomes.

The document should translate the strategy (solution) above into the work that will be done through the project.

B. Describe the following: project aim; project objective; project outcomes/ components; project outputs and associated activities per component (provide the detailed activities here; the activities should be listed also in Annex Ia).

It is required to include Knowledge Management and Monitoring and Evaluation (see next chapters) as stand-alone components in each of the: logical framework; budget; work plan/ Time Schedule.

### Stakeholders involvement

Here it should be explained (and quantified):

* who will be affected (directly and indirectly) by the project implementation and in what way? How will participation in the project implementation will be ensured (as applicable). What is the project approach (strategy) in that respect?
* how the wider dissemination of project lessons and experiences to support the replication and scaling up of project results will be achieved; and a focus on ensuring systematic results-based monitoring and evaluation.

*Partnerships:* Describe how the project will work with partners to achieve results and briefly map what other stakeholders and initiatives are doing to address the development challenge. This should not be simply a list of partners, it should be linked to the theory of change. For example, what are the assumptions and expected results achieved by partners that are critical for the achievement of results of this project?

*Stakeholder engagement:* Identify the key project stakeholders (e.g. local communities, indigenous peoples, women, children, elderly, the poor, vulnerable and minorities etc.) and outline a brief strategy to ensure stakeholders are engaged throughout including:

* Target groups: Identify the targeted groups that are the intended beneficiaries of the project. What strategy will the project take to analyse and engage targeted groups?
* Other potentially affected groups: Identify potentially affected people and a strategy for engagement that ensures they have access to and are aware of mechanisms to submit concerns about the social and environmental impacts of the project.

The following questions should be answered and respective actions should be included in project proposal (and listed in *Annex Ia – Logframe matrix*)

* How does the implementation strategy take into account the possible conflicting needs, priorities and interest of relevant stakeholders?
* Which specific measures are foreseen to straighten capacities (technical, organizational management and monitoring) of stakeholders to ensure sound implementation and sustainability?

*Gender mainstreaming:* Describe project strategy for gender mainstreaming.

### Feasibility:

*Cost efficiency and effectiveness*: Identify how the proposed intervention is expected to deliver maximum results with the resources requested, with reference to evidence on similar approaches in this country or similar contexts. Explain why the selected pathway is the most efficient and effective among available options.

NOTE: More in depth analyses (financial[[3]](#footnote-4) and or economic[[4]](#footnote-5)) is to be consider for undertaking only for projects (or components of the projects) which generate income (for example, a water utility generating revenues from selling water or power producer generating revenue from selling electricity). Climate change mitigation projects (components) are likely to be subject to financial analysis as well as economic analysis. Level of the analyses required for each of the project (or project components), where applicable, will be considered on the basis of content of concept note developed.

Environmental, economic & social impacts:

The project proposal should identify any positive or negative environmental impacts that may arise as a result of project implementation and/or maintenance.

Explain if national legislation requires that the described intervention undertakes an Environmental (Social) Impact Assessment (E(S)IA) or any other assessment (e.g. expropriation assessment). The project proposal must explain how existing assessment recommendations will be considered in the proposed solution or how the respective assessment(s) will be conducted (and included into the project proposal activities).

The project proposal also need to consider and include (as necessary) actions to address possible negative or positive economic and social (including gender differentiated) impacts that may arise from implementing the project (e.g. loss of livelihoods, or unintended benefits etc.). Any negative impacts must be described along with measures that will reduce the risk of occurrence. This can be incorporated in the risk matrix.

## Risk Management

The risk mitigation strategy of the project proposal should be described.

A risk is the potential of losing something of value or something going wrong. All projects have associated risks that need to be considered when designing and implementing a project. The process of risk management helps manage the risks in a project. Two principles applied to risks, reduction and response can help reduce the chance a risk will occur and reduce the impact of risks if they do occur.

*Risk Reduction*

Using a process of risk identification and management the project can minimize the likelihood that a risk will occur. This is called risk reduction and it involves modifying the project design or adding in additional activities (they may be simple small steps) to reduce the likelihood that the risk will occur.

*Risk Response (Contingency)*

Risk management can also minimize the impact to the project if the risk does occur. This is done by identifying risk response or contingency measures in the design phase of a project. If a risk does occur, the project team can quickly respond by implementing these contingency measures.

*Risk Management*: Specify the key risks that could threaten the achievement of results. Formulate the risks in the form of a future event and include all project-level risks - including social and environmental risks. Describe for each identified risk the Risk Reduction and Risk Response activities.

A Risk matrix should list the risk and the risk management activities.

### Knowledge management

Knowledge management refers to both how documents will be managed and how the lessons and results from a project will be collected, documented and communicated to internal and external stakeholders/audiences. The project proposal should briefly describe strategy and action in regard to the knowledge management.

### Monitoring and evaluation

*Monitoring:*

The project proposal needs to include a monitoring (M) plan. The Monitoring plan should build on the project log frame and include indicators (including gender sensitive indicators) for monitoring: outcomes, outputs, as well as risks, knowledge management, and communications. The monitoring plan will be used throughout the life of the project to guide the collection and reporting of monitoring data to empower management to adapt decisions/ actions during the project.

Project targets for indicators for objective and component/outcome level results only should be detailed in the project results framework. Do not include more than a total of 15 indicators in order to keep the M& E burden manageable as these indicators must be monitored annually and will be reported annually. The indicators must be disaggregated by sex as relevant, and sourced from existing national data sets as much as possible. Lower level results (i.e. activities) can be detailed in the Work Plan to be included as separate Annex to the project proposal document. Note that indicators needs to be chosen on the S.M.A.R.T. (Spercific, Measurable, Achievable, Relevant and Timely) criteria.

*Evaluation:*

Define evaluation mechanisms (internal and external) to successfully track project implementation based on proposed monitoring plan and implementation structure

Further to the above, the project should budget funds for external Monitoring and Evaluation; to this end it is important to estimate the cost of all the major M&E activities and include in the project budget.

### Governance and management arrangements

Explain the roles and responsibilities of the parties involved in governing and managing the project. A project can be jointly governed with other projects, for example, through a national steering sub-committee or by a stand-alone body established for the needs of the project.

A project management chart should be provided picturing government and management arrangements for the project implementation. A project organizational structure should be described and depicted through a chart.

### Sustainability of results:

The project proposal should address following points:

*Sustaining:* How will the project/intervention continue to be implemented without donor support once this project is completed?

*Mainstreaming:* What measure will be taken to ensure information lessons learned are incorporated into broader stakeholder initiatives?

*Scale-up and Replication:* Outline the transition arrangement/phase-out plan to sustain or scale-up and replicate result

### Time schedule:

The project proposal must include a detailed timeline documenting the timing of all project activities. The timeline should also include key milestones that are numbered and labelled. All activities including those associated with knowledge management, reporting and evaluation must be included. See *Annex Ib- Time schedule* for a sample timeline that can be replaced by your final version.

### Budget:

A detailed (at the activity level) budget for the proposed project implementation should be prepared. Where co-financing is involved, the consultant should specify if the co-financing has been secured or is still being negotiated. The detailed budget should be include the following elements: monitoring and evaluation; reporting; knowledge management; financial audits; communication and project management costs. Costs associated with the implementing partner (including project management, such as administrative and finance staff, equipment, stationery, transport, office expenses, etc.) should be included in the respective cost categories, and not as a lump sum. Budget template is available in *Annex Ic- Overall and detailed* Budget and as an excel file.

## List of reference documents:

Please provide full list of reference documents used for the development of the project proposal as Annex Id.

## Mandatory Annexes to be attached to the project proposal:

1. *Annex Ia: Logframe Matrix template*
2. *Annex Ib: Time Schedule*
3. *Annex Ic: Overall and detailed Budget*
4. *Annex Id: List of reference documents*
1. These can be found or developed with the information included in the Drin Transboundary Diagnostic Analysis and its Thematic Reports. [↑](#footnote-ref-2)
2. Comparison with alternative solutions may involve conducting a multi-criteria analysis, cost benefit analysis, social/gender analysis of the problem and proposed/alternative solutions, or scoring and ranking the different solutions against a set of pre-defined criteria. Justification can also be supported by referring to existing research and case studies. [↑](#footnote-ref-3)
3. The financial analysis look at the costs and benefits of the project. The benefits are in most cases revenue generated by the project, or the savings realized from new technologies. In general (but with exceptions) [↑](#footnote-ref-4)
4. The economic analysis looks at and includes the costs and benefits of the project to society (and not strictly to the Beneficiary). Note here that “benefits of the project to society” should not be understood as “revenues” which may be generated by the project. [↑](#footnote-ref-5)