

Decentralized District Development Planning In Uganda

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CHAPTER 1: PROJECT CONCEPTS	3
1.1 Defining a Project.....	3
1.2 Project Selection.....	3
1.3 Levels of Projects.....	3
1.4 The Public Investment Programme	3
1.5 Concept for Local Government Funded Projects	4
1.6 The Project Cycle	4
CHAPTER 2: PROJECT IDENTIFICATION	7
2.1 Sources of Project Ideas	7
2.2 District Policy Statement	7
2.3 Project Identification Process	9
2.4 The Project Planning Matrix (PPM)	11
2.5 Consultation with Stakeholders	14
2.6 Identification/Pre-feasibility Studies	14
CHAPTER 3: PROJECT SCREENING AND SELECTION .	14
3.1 Principles of Project Screening	14
3.2 Pre-Selection Criteria	15
3.3 Project Ranking.....	17
3.4 Project Screening Procedures in the Central Government	18
CHAPTER 4: PROJECT PREPARATION	19
4.1 Technical Analysis.....	19
4.2 Institutional Analysis	19
4.3 Management Analysis	19
4.4 Responsibility for Preparation.....	19
4.5 Identifying Sources of Project Finance	20
4.6 Local Government Fund Accounts for Sector Activities.....	21

4.7 Project Profiles 22

CHAPTER 5: PROJECT APPRAISAL 23

5.1 Appraisal and Project Cycle: Sequence of Appraisal 23
 5.2 The Purpose of Appraisal 23
 5.3 Criteria for Appraisal 24
 5.4 Appraisal Techniques 24
 5.5 Checking the Project Concept 26
 5.6 Project Costing and Expenditure Contributions 26
 5.7 The Management and Institutional Framework 27
 5.8 Gender and Development 27

CHAPTER 6: PROJECT IMPLEMENTATION/BUDGETING 31

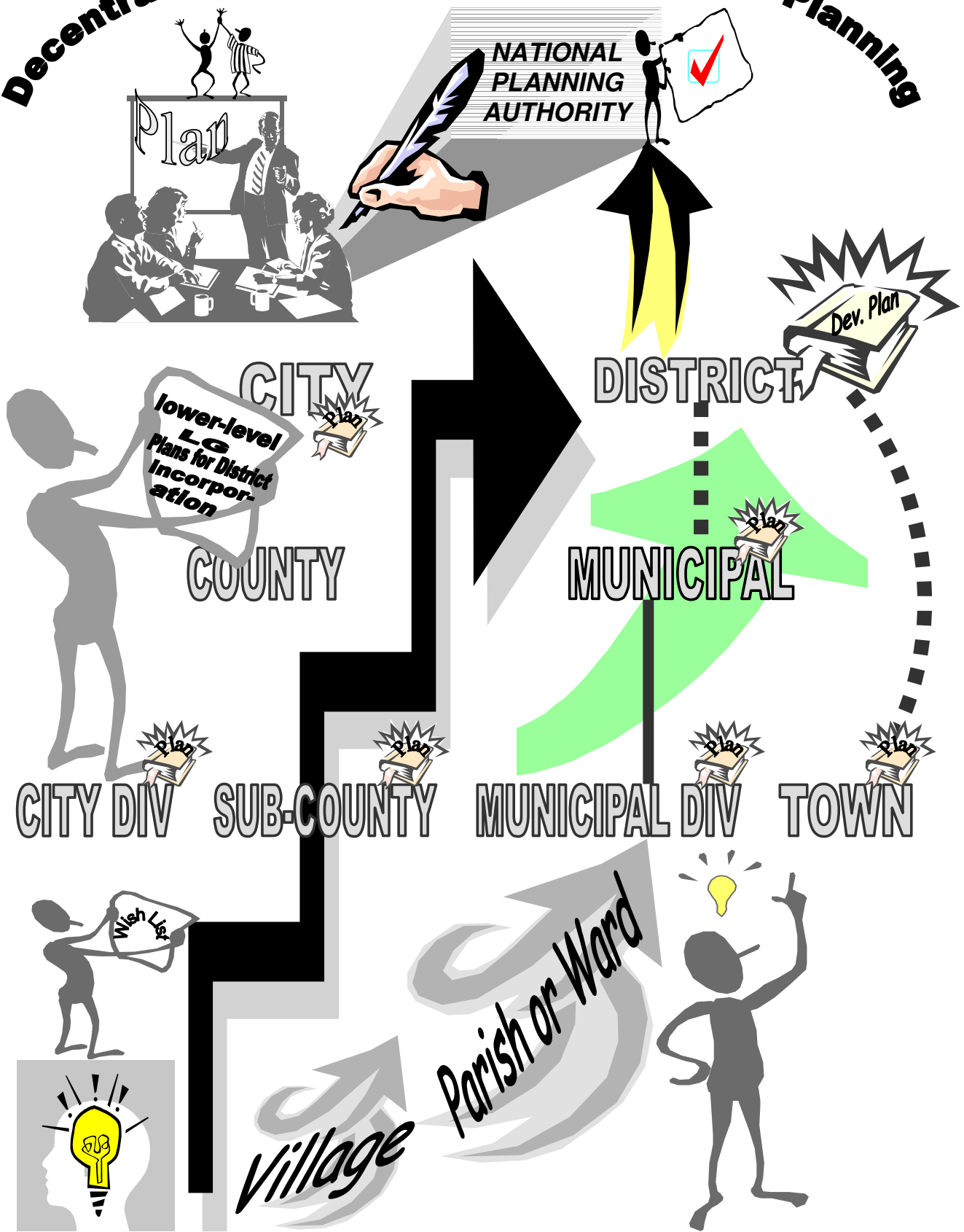
6.1 Project Activation 32
 6.2 Implementation Responsibilities 32
 6.3 The Project Update Process 32
 6.4 Project Financial Administration and Management 33

CHAPTER 7: PROJECT MONITORING & EVALUATION 36

7.1 Important Issues to Consider in Designing M&E Systems 37
 7.2 Steps to Develop an Internal M&E System 37
 7.3 Responsibility for Monitoring and Evaluation 38
 7.4 Mechanisms and Tools for Monitoring and Evaluation 39
 7.5 Ex-post Evaluation 40

Annex 1: District Development Fund Project Proposal Format 46
 Annex 2: Sample of a Typical Village Project Proposal 48
 Annex 3: Guidelines for Assessing District Organisations 51
 Annex 4: Flow Chart for Participatory/Integrated Development .. 52
 Annex 5: Integration of Planning and Budgeting 54
 Annex 6: Cost-Benefit Analysis 56
 Annex 7: The National Gender Policy 59

Decentralised "Bottom-Up" Development Planning



CHAPTER 1: PROJECT CONCEPTS

Introduction

A project is the basic unit of a plan. If there are many projects aimed at contributing to the same development goal and being implemented concurrently, they are referred to collectively as a **programme**. As a first step in a planning framework, the planner will be required to clearly, and carefully define what projects to include in a development programme. Such projects should aim at maximising benefits if they are implemented together. Projects have their own way of being managed. Projects have a beginning and an end. Such a period during which projects are supposed to be planned and implemented is commonly referred to as a **project cycle**.

Chapter One defines what a project is and also provides a summary outline of a project cycle.

1.1 Defining a Project

A project involves a set of different, interrelated activities that need to be coordinated and managed in order to achieve a specified objective.

1. A project involves the investment of scarce resources in the expectation of future benefit.
2. A project can be planned, financed and implemented as a unit.
3. A project has a specific starting and finishing time in which a clearly defined set of objectives are expected to be achieved. Usually achievement of those objectives can be measured.
4. A project has a conceptual boundary, usually geographical but sometimes organisational.

1.2 Project Selection

The following criteria can be useful in guiding a decision-maker regarding project selection:

1. The project must be able to generate more benefits than costs that go into it. It is here that technical officers will be of assistance in guiding local government councils, taking into account the financial, economic, social and environmental factors.
2. Economies of scale must be maximised. Projects must be advanced only if they are going to meet and address a problem that no

other organisation is providing sufficiently.

Sometimes it may be cheaper to increase the scale of an existing institution or service than start a new one.

3. The project must have provisions for future sustainability.
4. The project must have a definite time frame.

1.3 Levels of Projects

Projects can be generated at a number of levels within the Local Government system. For example a Village Council can put up a project for the protection of a water spring; the Sub-county can propose a project for a dispensary, primary school, construction of a feeder road while the District Council can propose an office block, housing estate.

Projects as generated at each level of Local Government should be funded from resources available locally. Two or more local councils are encouraged to identify and fund projects jointly. Where necessary, additional resources can be requested from a higher level of local government.

1.4 The Public Investment Programme

If there are many projects all aimed at contributing to the same development goal, and being implemented concurrently because they either support each other or because of economies of scale and benefits are maximized if they are implemented concurrently, we refer to them collectively a **programme**.

A Local Government, especially at the District level, should be able to formulate a Public Investment Plan (PIP). Such a plan should be essentially a public sector plan but sufficiently integrating public and private sector requirements.

The PIP should list the highest priority projects for the medium term. Each project profile should outline the background and objectives of the project and review any relevant information. In addition a summary of each project's anticipated expenditures, secured funding and funding gaps are included in financial tables accompanying each profile.

1.5 Concept for Local Government Funded Projects

The strategy is to enable the stakeholders in the districts to administrate and manage district development and the day to day tasks within a decentralised lower level LGs administration in a transparent and well-organised way.

The limitations of the District Councils and lower level Local Councils in the form of lack of funds, management skills and logistics make it very difficult to respond to all demands and needs of the population in the urban and rural areas adequately.

One of the most important and promising ways to resolve this problem is to support and strengthen the potentials of the population to help themselves.

Participatory and Integrated Development helps the population to identify and formulate their needs and problems, to plan activities (design projects) to resolve them and to find ways (funding, management and evaluation) to realise the desired projects. The participatory aspect of this methodology secures a high level of identification with the "self designed" project (ownership) and as a result the sustainability of the project.

A broad scale implementation of participatory activities can only succeed if co-ordination at district level is carried out effectively. The Co-ordinating unit is the Participatory Rapid Appraisal (PRA) desk in the Planning Unit of the Council Administration.

The co-ordination begins with the training of facilitators who assist the communities in problem and potential analysis, priority setting and project planing and continues with the evaluation of the formulated projects, transparent prioritisation and approval of the projects.

The strengthening of the TPCs as an important decision making body in decentralised Local Governments enables them to decide and approve the projects adequately and transparently.

Development funds are normally financed by various development organisations with different conditions for funding. The preconditions for soliciting of funds are:

- To know which conditions should be met to be qualified for receiving the funds
- To have a transparent procedure of administering the funds; and

- To have a clear methodology to monitor the funded projects.

NOTE: *The flow diagram in Annex 4 is a suggestion on how to manage Local Government-funded projects, which could be an acceptable way to the funding organisations and a tool for the District or other managing organisations to control the activities in this respect.*

1.6 The Project Cycle

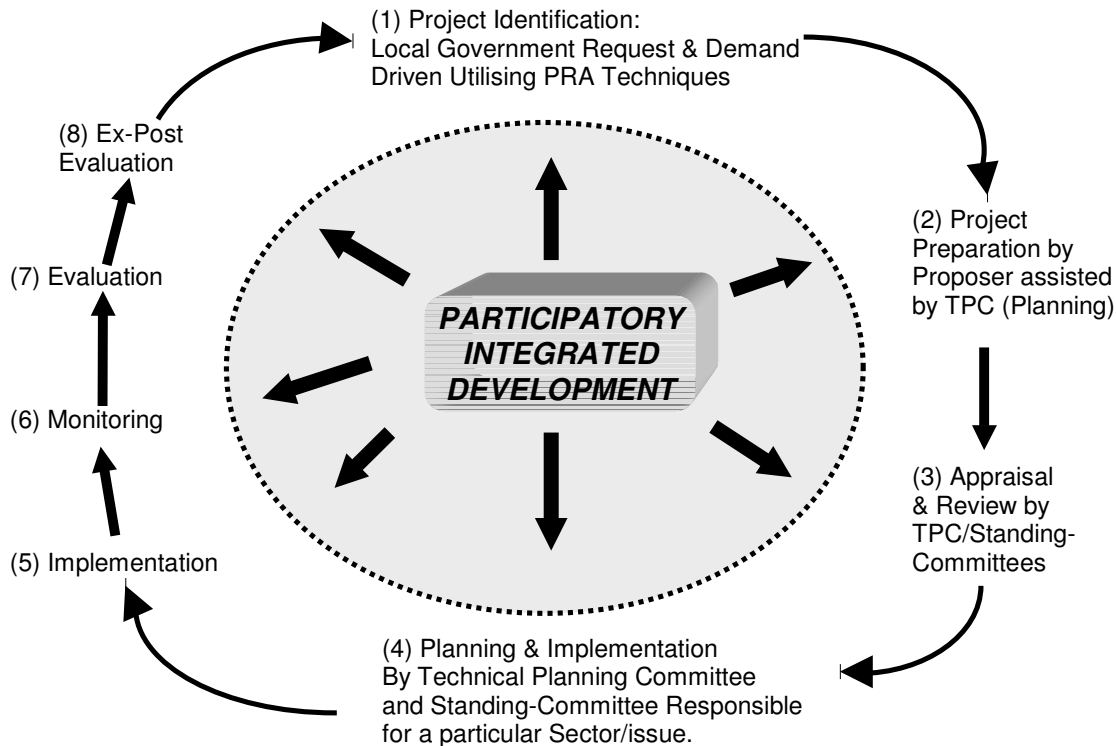
The project cycle approach provides a systematic approach to the identification, preparation, implementation, monitoring, review and evaluation of projects. The approach ensures that projects and activities are related to broader district objectives at the sectoral and program levels. Very importantly, the approach also improves accountability, since it provides a full justification for expenditure of District and Lower Level LG funds.

Underlying this approach is a basic philosophy, with the following elements:

- Define the objectives
- State the most important criteria or questions to be answered
- Assemble information related to the criteria
- Identify the apparent best solution
- Consider all possible alternatives
- Decide on the course of action

These elements are designed to assist thinking about the broad process of development, and the steps are intended to be applied when decisions about projects need to be made.

Since projects have a definite lifetime from start to finish, a step by step process is useful for districts in Uganda to manage projects. The steps involved in a project are linked to a "project cycle". These steps should move from one stage to another as seen in the following diagram:



In drawing up and implementing project activities you have to complete all the steps shown in the project cycle above. Also, when talking about a project activity - always ask yourself which aspects of the above cycle you are referring to.

The steps of the project activity cycle are briefly explained in the following descriptions:

Project Identification

This stage involves the development of the concept of the project, definition of its objectives and consideration of possible ways of achieving these objectives. Ideally, the local communities are involved in identifying their problems through a participatory integrated process. The District Technical Planning Committee (DTPC) should make use of relevant lower level LG officers who are the most familiar with and closest to the Village Level and their needs and problems. A good example is that the DTPC should solicit assistance from Sector Extension Field Officers, Village heads, NGO's and Councilors, etc., during the project identification and problems process. Moreover, from lower level LGs are also appropriate channels. This is the same case for lower-level Councils and their TPC.

Project Screening and Selection

This stage will involve setting of priority projects for inclusion in the Investment Plan. Projects will be reviewed against development priorities of the LG as well as available funds for each sector.

Project Preparation

This stage of the project is undertaken once the concept of the project has been screened and the decision made by the respective council on whether it merits further consideration. The project is then designed, alternatives considered; and technical, social economic and financial feasibility is established. Whenever problems are identified, they must be prioritise so that stakeholders know which ones should have more time spend on them. Project preparation should be based on a standard format developed for project profiles.

(See Annexes 1 & 2). Note: Programme and project priorities should be based upon National, District and overall policies and strategies as well as those established from other lower-level Local Governments.

This stage involves a systematic review of all aspects for the projects outlined above in order that a decision can be made as to whether to proceed. Prepared projects must be checked to see whether they meet with the district goals, objectives and priorities as well as whether a project is feasible, practical and within the means to fund. One must ask whether all alternatives been considered? Moreover, there is the process of submitting the project for review and approval of the TPC and thereafter identifying appropriate funding sources and negotiating with them. For the most part, the Local Government level Sector Project Priorities will be determined through exercises in the Project Planning Matrix (PPM) as seen in Section 2.3.

Implementation

This stage of the project begins once the respective Local Council has approved the finance for the project. Monitoring is a continuous process of measuring, recording, collecting, processing and communicating information to help project management decision making. Planning the implementation of projects is considered in the overall programming of sector sub-committees. Prioritised programs and projects should be based on National/District Plans (which scheduled for formulation in 1999 and to be completed by 2000) and districts must then begin to consider the overall management of programmes and projects based upon various timing factors in order to synchronize their implementation. Districts should base their decisions on present and future situations and conditions and allow for changes due to unforeseen circumstances. Of course - the individual project

profiles should spell out the phasing and timing of projects that will help to plan various stages of their implementation.

The actual implementation of projects are the steps taken and the procedures set in place to ensure the project(s) can start and finish on time - within reason considering unknown circumstances. Again, a reliable monitoring and evaluation system for projects will help greatly in the success of timely project implementation - as discussed below.

Project M&E

This stage of the project is concerned with measuring the attainment of the project's objectives and its wider socio-economic impact. Project evaluation may be carried out at a specific point in time chosen to reflect the fact that the project has been fully operational for a certain amount of time.

Monitoring is the system set up for the project manager to ensure that projects are going ahead as planned. This system is particularly useful to decision makers in that at any given time - the status of proposed, present or ongoing project can be understood and evaluated as discussed below.

The evaluation stage completes the first cycle of a project - however - this cycle is continuous and a never-ending process. This is the stage of the cycle when after the project has been completed, one checks to see whether the project has achieved its original targets and objectives.

Institutional Responsibilities in the Project Cycle

PROJECT STAGE	RESPONSIBLE CENTRE	OUTPUT
1. Project Identification	Councils; TPCs, ESAs / Donors, NGOs, Interest Groups; Central Government.	Development of project concept. A list of possible project proposals.
2. Project Screening and Selection	TPCs, Standing Committees.	Priority projects agreed on
3. Project Preparation	TPCs; Standing Committees.	Project profiles
4. Project Appraisal	Councils, TPCs.	Approved project proposals
5. Project Implementation and Monitoring	Councils, TPCs, Sectoral Committees.	Workplans, mobilisation of resources (personnel, money/ materials) for project implementation, performance reports, possible changes in project design.
6. Project Evaluation and Ex-Post Evaluation	Councils; TPCs, Standing Committees, ESAs / Donors, NGOs, Interest Groups; Central Government	Performance reports, possible changes in project design, new project ideas and proposals

CHAPTER 2: PROJECT IDENTIFICATION

Introduction

Project identification is a process that picks possible options to address identified needs, demands, and gaps to respond to the set programme goals. As pointed out in Chapter 1, a programme is a collection of projects that address the same goal or interrelated goals. Project identification involves the development of the concept of the project, definition of its objectives and consideration of possible ways of achieving these objectives. At this stage communities are involved in identifying their own problems. Prior to the efforts by the Uganda Government regarding stronger decentralisation policies and laws, planning processes in Uganda has been that project identification has involved only technical officers and development agencies instead of project beneficiaries. The local communities had not sufficiently contributed their ideas to the identification of the projects. In the bottom-up approach to planning, the primary focus for project identification must be the beneficiary community. Much progress has been made in this area, particularly with focus on 'community demand driven' project.

2.1 Sources of Project Ideas

Project ideas are usually derived from the identification of a demand, an available resource or a need. The process of identification can be derived from systematic community need, sector analysis or from types of plans such as district development plans.

The development of project ideas should be a highly interactive process involving as many beneficiaries of the project as possible. A wide range of consultations at all levels of Local Government will ensure those project ideas reflect real needs of the beneficiaries. It will also create a sense of ownership that will enable the beneficiaries to fully identify themselves with the project. The idea for a project may originate in a number of ways for example:

- From deficiencies in the levels of service or infrastructure from Local Govt. Councils.
- From a political demand to address a particular problem.
- From a sector review or study which identifies some new or complementary areas of investment.

- From local communities, private sector interests, and NGOs.
- The Local Council system will be the best channel for collecting ideas from the beneficiaries.

The second source of project ideas can be the technical officials in the various local governments. Their ideas would be the result of experience in implementing local projects as well as their interaction with the beneficiaries.

The third source of project ideas can be from external support agencies (ESAs)/donors, Non-Government Organisations (NGOs), and other interest groups working in the Local Government.

The fourth source of project idea is the Central Government. The Central Government may be interested in projects that encompass a number of districts or that may be of interest at the national level. Such project ideas may be in the area of the environment protection, poverty reduction, promotion of tourism, etc.

2.2 District Policy Statement

One of the most important ways to envision suitable projects for a District or lower level LG, are to base them on 'Policy Statements'. The policy statement is based on the potential objectives and indicates the desired direction of future district development. It specifies the most important goals of planning development and list essential principles of a Local Government.

The policy statement must be in line with national policy guidelines while taking into account the needs and requirements of the Local Government's population.

A policy can be defined as the statement of aims and ideals that should guide all development efforts. The purpose of the policy statement is to provide a guiding framework for action in order to preserve the conditions that are valuable for the development process and to reduce the causes that negatively affect the situation.

The District and lower level Local Government policy statement in a planning document achieves the following:

1. A policy statement articulates the fundamental development principles to be applied in the course of district and lower level Local Government planning and implementation;
2. A policy statement summarises the main development problems of the Local Government and transforms them into development issues;
3. A policy statement relates problems and issues to locally available potentials for Local Government development;
4. A policy statement states the overall goals and main objectives to be achieved in the mid to long-term together with the development priorities and major action areas;
5. A policy statement reflects the political needs of the Local Government population concerning the intended development of their area in question.

Designing a Policy Statement

The design of a district or lower level Local Government development policy requires the objectives setting (which is defined through the Project Planning Matrix in Section 2.4) including the evaluation of alternatives at the policy level.

In order to point out the specific character of policy planning as compared to other types of planning, the following distinguishes between the three levels of planning.

LEVELS OF PLANNING		
LEVEL	CHARACTER	OUTPUT
Policy Planning	This is “ we ought to ” stage	Policy Statement
Strategic Planning	This is “ we can do it ” stage	Program and Project
Operational Planning	This is “ we will do it ” stage	Plan of Operation

Between these three levels there is dependencies and overlapping, but it is important to point out the process of planning from policy to formulating to taking some action.

As a planning responsibility, policy planning must be concerned with the design of the system as it relates to the locality. At the policy level a framework should be elaborated, which consists of policy targets such as:

- The definition of future roles and functions of lower level local governments in the district;
- The functional relationships between intra-regional development activities and;
- The institutional actors and their specific contributions expected or necessary to support district and lower level Local Government development.

The following table gives an example outline of a Table of Contents on which a District or lower level Local Government should elaborate on further:

TABLE OF CONTENTS FOR A DISTRICT OR LOWER LEVEL LG POLICY STATEMENT

- 1. INTRODUCTION:**
Objectives and purpose of the District or lower level Local Government policy statement and the time period of planning.
- 2. DEVELOPMENT ISSUES, NEEDS and REQUIREMENTS:**
Summarised findings of analysis, main problem areas; both sectoral and territorial.
- 3. DEVELOPMENT ALTERNATIVES:**
Potential alternatives development possibilities, sets of objectives to be pursued, potentials and constraints of the alternatives, resource assessment; preferred policy based on quantitative and qualitative forecasts and scenarios; inter-linkages with other options.
- 4. DEVELOPMENT POLICY:**
Philosophy, goals, development principles, social norms and values, target groups and their participation, institutional framework and strategic guidelines for decision-making, sectoral components, inter-sectoral relationships and co-ordination, priorities, internal and external constraints and potentials for implementation.
- 5. DEVELOPMENT ACTION AREAS:**
The sectoral, inter-sectoral, thematic or territorial fields of action within the district or lower level Local Government; the spatial perception of their development.

2.3 Project Identification

Process

Identification usually involves working up an idea to a sufficiently advanced stage that the proposal can be regarded as a potential project. In order to enhance bottom-up approach to decentralized development planning all levels of Local Government Councils in the district are encouraged to undertake this step. Because of limited resources at the village level project identification, often only simply "wish list" are drawn up of projects.

Each Village Council will maintain in order of priority the projects that can address their immediate problems; which they can implement with their own resources. This forms a basis for further negotiations with members from other villages and parishes. At village and parish levels the projects submitted from lower levels will be scaled down in view of limited resources available and in light of commonality of interests or needs. It is imperative that members of upper Local Councils inform members of lower level Local Government Councils about the changing priority of projects as the planning process progresses to higher levels.

A major weakness of the planning process in Uganda has been that projects have frequently been identified on an ad-hoc basis. Most District Development Organisations traditionally produced lists of programmes and projects as part of the annual development budget cycle, and the various review committees have had the unenviable task of reducing the lists to match the district's needs.

In theory, programmes and projects should be submitted in the context of district policies and be in accordance with District Development Plans. In practice, this has not always occurred, especially as District Development Plans are not currently in place in most districts. Now that Plans are to be formulated, a Ministry of Local Government Monitoring System should also be developed. It is easier to ensure that programmes and projects are formulated in accordance with an overall development strategy if District Development Plans are produced first. Many management techniques can be used to ensure that this is the case. One, which is frequently used by development organisations, is known as "Goal Oriented Project Planning", or (GOPP) for short. GOPP is a means by which strategic goals can be related to specific solutions. It involves 5 separate analytical steps:

1. analysis of participation
2. analysis of problems
3. analysis of project objectives
4. analysis of alternatives;
5. and the construction of a logical framework or Project Planning Matrix (PPM).

The larger and more complex the project, the more time will be spent on the different steps. For smaller, simpler projects, the process takes very little time. If a project survives initial scrutiny, it can then be written up and subjected to further analysis.

Analysis of Participation

This is concerned with the various groups of people or organizations (stakeholders) that might have some interest in the project:

- The target group or beneficiaries
- The implementing groups
- Other groups with an interest in the project (in favor or against)
- Those groups who might be financing the project

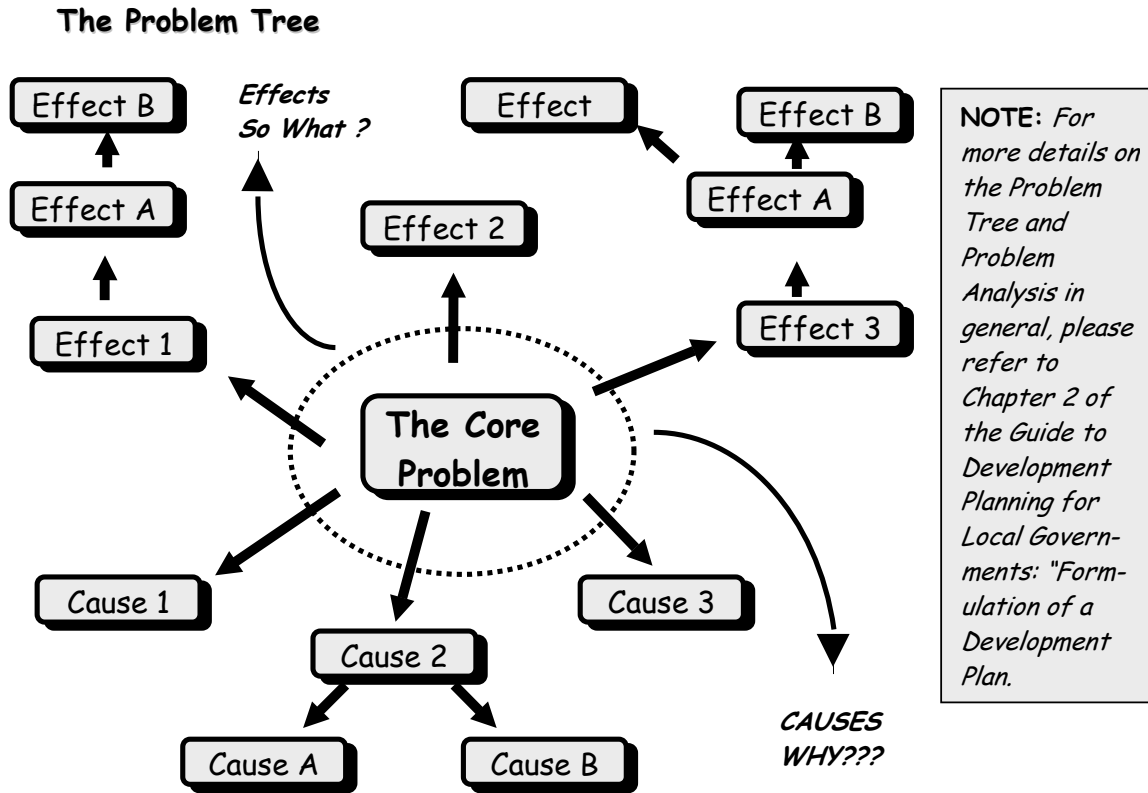
The analysis is intended to define the expectations of each group.

The Analysis of Problems

The identification of the wrong problem will produce the wrong solution. There are three basic rules:

1. Problems are best analyzed when specifically stated in the negative - and not vague. For example, it is always better to state that there is no electricity between 1600 and 1800 hours than to state that the power supply is unsatisfactory.
2. The central issue should be identified and stated clearly. If the problem as stated were solved, would there still be a problem?
3. There must be some consensus that there is a problem.

It is frequently helpful to illustrate problems as such of communities showing the causes of the problem above it and the consequences below it. This is known as a problem tree as briefly illustrated below:



Analysis of Projects and their Objectives

In this stage, the problem tree referred to above is converted into an objective tree by restating the problems in the positive so that they become objectives. Once this is done, each objective is tested to see if it is:

- desirable
- realistically achievable
- sufficient to move to the next highest objective

Having done this, a review of the analysis of the problem and of the objectives will ensure that the problem initially identified is still being addressed.

Analysis of Alternatives

From the objectives tree a number of alternative solutions to a problem can usually be identified. Some of these will not be practical, some will be outside the scope of district policy, but some will be worthy of further examination. From this analysis the project objectives which should achieve broader goals as well as the more specific outputs can be identified.

Project Selection

The following criteria can be useful in guiding a decision-maker regarding project selection.

- The project must be able to generate more benefits than costs that go into it. It is here that technical officers will be of assistance in guiding local government councils, taking into account the financial, economic, social and environmental factors.
- Economies of scale must be maximised. Projects must be advanced only if they are going to meet and address a problem that no other organisation is providing sufficiently. Sometimes it may be cheaper to increase the scale of an existing institution or service than start a new one.
- The project must have provisions for future sustainability.
- The project must have a definite time frame.
- The project must be gender sensitive.

Note: See Chapter 3: Project Screening and Selection, Section 3.2 for a more detailed analysis of project selection.

2.4 The Project Planning Matrix (PPM)

The logical framework (sometimes known as the log-frame) or Project Planning Matrix (PPM) is widely used by development agencies through the use of GOPP. The log-frame and PPM is a way of visualising and expressing the linkage between the various levels of project objectives and the means of achieving them. Clearly, if the basic assumptions are wrong, then the conclusions will also be wrong. Hence the assumptions are stated explicitly in the PPM.

Existing PPM should be included as much as possible in Local Government Development Plans. In order to suit the requirements, they should have explicit **spatial dimension** and follow the following principles:

- They should have tight and clear logic in their Hierarchy of Objectives;
- They should present the work of Sector Departments in a simple form;
- They should be readable in a comparable form, i.e. follow the same kind of logic and build-up on this logic;
- And, most importantly, they should refer to specific sector target goals, objectives and strategies.

Ideal PPM for a Government Department

	<u>The Level of Objectives express:</u> (OVERALL GOAL)	<u>Indicators are performance standards:</u>	<u>Means of Verification:</u> (State the Data Sources)	<u>Assumptions:</u> Refer to these external factors:
Goals	Benefit for the target population (DEVT. GOAL)	...To measure benefit for target population	...For the benefit indicators	Factors influencing sustainability
Purpose	Utilisation of services by target group (PROJECT PURPOSE)	...To measure utilisation by target groups	...For the utilisation indicator	External (economic or natural) factors
Outputs	Intervention measures of respective agency (RESULTS)	...To measure the implementation of measures	...For the output indicators	Third party intervention
Activity	Tasks for implementing measures (ACTIVITIES)	Inputs required (cost and resources)		Prerequisites for activities and outputs

The above PPM chart illustrates the various steps of the process that is best identified during participatory workshops involving all major stakeholders in their development decision making. This GOPP method should be a flexible one and the depth of analysis undertaken can be simple or complicated depending on the nature of the problems and issues at hand. However, whether complex or simple, all of the above steps need to be undertaken in order to arrive at sound solutions and conclusions. Below takes a closer look at these steps.

1. **Situational Analysis – Problem Identification:** A problem is an existing situation perceived as negative (by those affected).

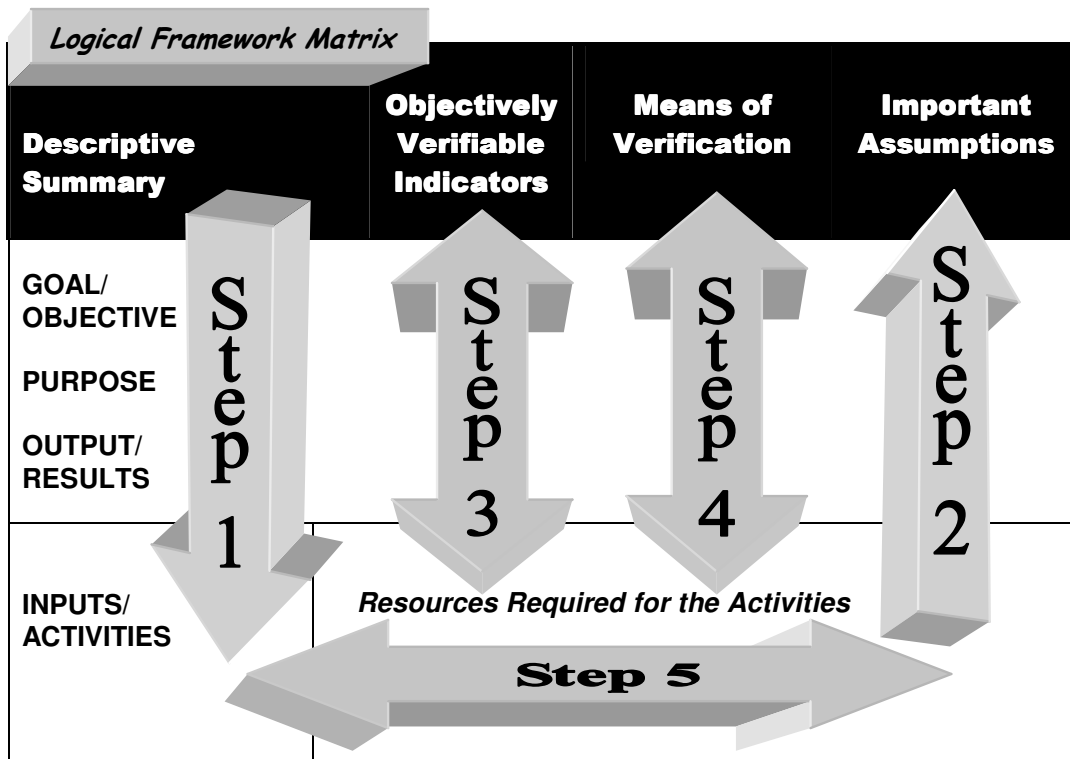
Problems are not defined by the lack of any one conceivable solution, since this would imply one possible solution at the stage of problem definition, excluding other options for action.

2. **Defining a Development Goal:** The development goal defines the improvement that the target group wishes to bring about. It provides a framework for their activities and serves to motivate. The goal is the logical consequences of what the target group wants and what they are able to do. It is generally only achievable when the people affected take the initiative and accept responsibility for making the relevant change (self-help).

3. **Defining the Project Purpose:** The project purpose defines the impact to be achieved by the results of the project at the target group level. The project purpose defines the change in the actions of the people aiming to improve their own situation that are essential if the development goal is to be achieved. The support for the project addresses only areas in which the target group is unable to make the necessary changes or to bring about the necessary developments on its own (principle of minimum intervention).
4. **Assumptions:** Assumptions describe external factors that are important for achieving the objective of a project, but are beyond the control of the project management. The three questions asked when assessing assumptions are:
 - Is the assumption important?
 - What is the probability of it coming about?
 - Can the project strategy be modified such that the assumption is no longer needed?

5. **Verifiable Indicators:** Objectively verifiable indicators indicate how one can recognise that an objective has been achieved. Objectively verifiable indicators specify how much to measure (they provide the yardstick against which progress will be measured) the degree to which the objective has been achieved by stipulating:
 - ☞ *The quantity* *How much/how many?*
 - ☞ *The quality* *How good?*
 - ☞ *The timing* *When?*
 - ☞ *The target group* *Who?*
 - ☞ *The place/region* *Where?*

6. **Means/Sources of Verification:** The sources of verification indicate where the data can be obtained that are required to check whether or not the objectives have been achieved using the indicators (reports, statistics, baseline data, studies, etc.)



7. **Outputs:** These are the important project achievements that need to be realised in order to reach the purpose. The overall plan outputs are usually equated to projects, which

- altogether make-up the entire District or lower level LC development programmes.
8. **Activities/Inputs:** At this level the initiating (start-up) activities need to be executed in order

to accomplish the project or programme results. The main direction that these activities should take will be detailed instead of a simple listing of all the project proposals.

9. **Resources Required for the Activities:** At the input/activity level, the necessary resources have to be listed. The Planner and Technical Planning Committee need an overview of the proposed cost of planned projects and expected income or taxes that they may be

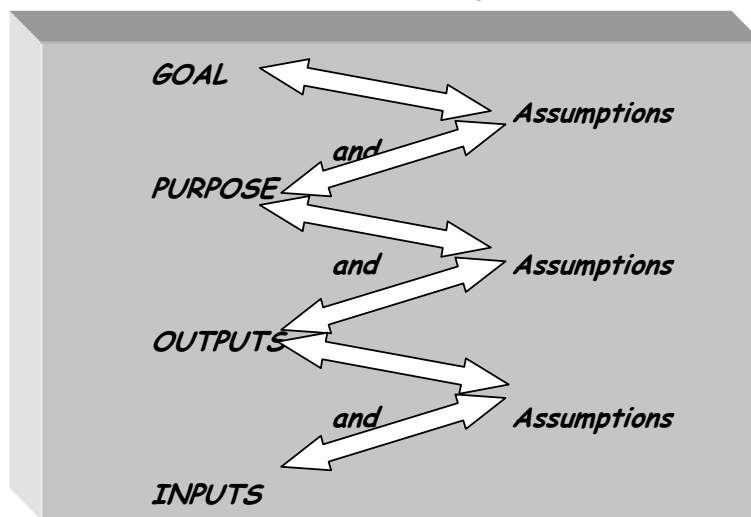
derived. Moreover, he/she needs to know who will do what, where and when so that he/she can ensure proper co-ordinating of activities.

10. **Analysis of Risks:** When planning reaches the point of examining the important assumptions made and the risk attached, it is also necessary to look into the possible pros and cons of the projects for the target groups (also known as impact assessment).

Typical Example of a Project Planning Matrix

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS			MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS	
	STATEMENT	1999	2000			2001
GOAL: The access of people in rural areas in Mpigi to water and health facilities within a reasonable distance improved.	1. User to water points ratio reduces as follows:	591	423	344	Departments of Health and Water Affairs statistics.	Rain fall levels have been dropping in recent years
	2. Distance to the nearest water point reduces as follows:	7 km		<4 km	Periodic Surveys	
PROJECT PURPOSE: The target groups in the rural areas of Mpigi District continuously use and maintain the clean water and hygienic facilities.	% of newly constructed water/sanitation facilities which are adequately maintained and utilised by the beneficiaries at equitable cost.	100%	100%	100%	Inspections of villages, observations and interviews.	
PROJECT OUTPUTS: 1. Boreholes are drilled and hand pumps are installed, operating and maintained.	No. of boreholes drilled and pumps installed	70	70	70	Council, Works and Ministry of Health field monitoring.	Other necessary health activities are being undertaken.
	2. Pit latrines and refuse pits are dug.	No. of pit latrines / refuse pits dug				
ACTIVITIES: -Increase community sensitisation on water, sanitation and health. -Encourage women participation. -Build community capacities in planning, implementation and management of Water and sanitation facilities. - Provide water and sanitation facilities to communities. - Encourage stakeholders commitment.		INPUTS: Village Councils, Villagers commit local materials, labour and organise committees specifically set-up to work with government officers involved.			Preconditions: -Actors both at district and lower level LG allocate funds to activities within their sectors (2000 budgets)	

The Vertical Logic



2.5 Consultation with Stakeholders

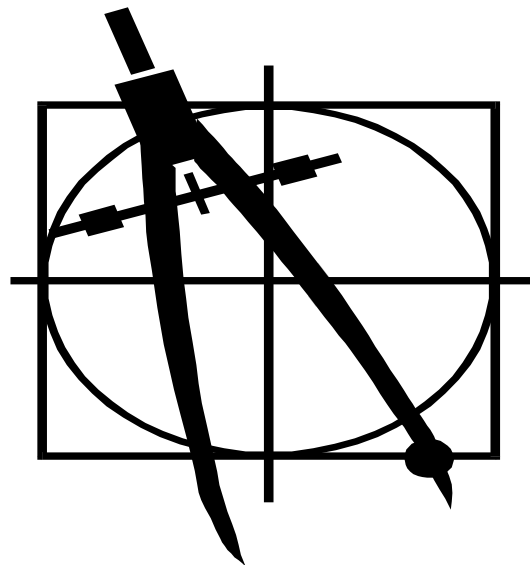
Once the concept has been identified and accepted, the TPC gets involved into considering the project in the wider context of sector policy objectives and its implication for other departments. The aim is for the TPC to satisfy itself that the project is potentially viable from a technical, management and economic viewpoints and that it invites further work being done on it. At lower levels, the respective TPCs will carry out consultations with stakeholders.

During their consultations, the TPCs will be guided by the following questions:

1. Does the project fit in with the overall objectives for the sector?
2. Is the problem amenable to a project solution?
3. Does the proposed method of implementation represent the most feasible way of achieving the stated objectives?
4. Are complementary investments required in order to secure the success of the project?
5. Is the project likely to be accommodated within the local government's budgetary ceilings for both the development and recurrent budget?
6. Does the project meet the needs of specific groups like children, youth, women, and disabled etc.?
7. Spatial distribution?

2.6 Identification/Pre-feasibility Studies

It may be necessary to carry out an identification/pre-feasibility study as part of the project identification process. The purpose of such a study is to determine the overall justification of the project and to consider alternative ways in which it might be implemented, identifying those which look most promising and merit further investigation. Once a pre-feasibility study has been undertaken, its results should be incorporated into the project write-up.



CHAPTER 3: PROJECT SCREENING AND SELECTION

Introduction

This stage of the project cycle will involve setting of priority projects for inclusion in the Investment Plan. Projects will be reviewed against development priorities of the district as well as available funds for each sector. During the screening phase, the different project concepts will be examined to determine their suitability by analysis of the problems and potentials of the district and/or lower level Local Governments. This should be done through discussions with the people involved with regards to the development activities in their area. This analysis, both formally through workshops/committee meetings and informally through Participatory Rapid Appraisals (PRA) and extension field workers feed-back, should ensure that the project proposals are clearly directed to solving the problems facing the particular area in question.

'Actors' of the planning activities are the Local Government sector as well as the private sector. The private sector should be encouraged to finance specific project components supported and initiated by public investments in key areas where constraints exist.

3.1 Principles of Project Screening

The investment demands of projects are always greater than the resources available. The districts and local councils will have to choose between competing demands. The approach is for the Local Government Councils to set investment ceilings for each sector and for the sector to make initial ranking of projects. Ceilings need to take into account both the importance of the sector in the

local economy and the role of government expenditure in sector activity. Each sector should develop simple screening criteria, which it should use for ranking projects. At this stage the Sectoral Committee or the TPC has to ask the following questions:

1. Does the project fit in with the overall objectives for the sector? Projects that are **consistent with general, sectoral or District/lower level LG policy guidelines**;
2. Is the problem amenable to a project solution?
3. Does the proposed method of implementation represent the most feasible way of achieving the stated objectives? Project which **achieve and agreed objective in the best way**;
4. Is the project likely to be accommodated within the Local Government budgetary ceilings for both the development and recurrent budget? Do the **benefits out-weigh the costs**?
5. Does the project **benefit a large number of people (Number of Beneficiaries Maximised)**
6. Is the project **'Practical to Implement'**?

This ranking can be achieved through a method that utilises an 'Assessment Matrix' for selecting options. This multi-step process is adopted to select a project strategy and provide evidence that it is preferable to other conceivable approaches. The crucial element of this procedure is that the development goal is weighed-up against other possible goals and only then the advantages of a particular strategy examined.

The process of discussion when screening and assessing options focuses on identifying various options to be assessed and on agreeing on criteria and yardsticks to apply when assessing and screening these. The aim should be to achieve a consensus among stakeholders. Where this proves impossible, the subsequent actions of those parties who were unable to agree to a certain objective or strategy must be considered.

3.2 Pre-Selection Criteria

The important element when pre-selecting projects is to use practical considerations in a logical way to decide what projects should be forwarded for final planning and implementation.

The following practical steps help to screen-out the most appropriate project proposals ¹. Section 3.3 (Project Ranking) summarises the criteria for selection through a ranking matrix.

1. **Number of Beneficiaries Maximised:** It is important to analyse the number of people who directly benefit from a project proposal. If the numbers are few, then the project might not be worth considering in comparison to other projects which will benefit a larger area and population. However, this should be based according to the overall goals and priorities of the District or lower level Local Governments.
2. **Development of Local Potential:** It is an important consideration when selecting projects to question whether a particular project will improve the development of local potential.
3. **Income Generation:** Some project proposals will directly or indirectly generate income for localities. These are preferred because they not only enhance individual, families or villages, etc., incomes, but they also increase revenue flow in the area and the tax base.
4. **Cost Effectiveness:** Planners, TPCs, Local Government Councils like to maximise the return from a given project investment in order to justify its approval. Cost-effectiveness analysis evaluates the project relative to the cost of alternative projects. Estimating the cost of increased effectiveness does this. Alternatives are ranked in 2 ways:
 - *The least-cost approach only considers alternatives that only achieve the minimum level of effectiveness. Not all projects need to be cost effective; some seek to improve human conditions, which are social rather than economic.*
 - *Maximum effectiveness seeks to ensure that all alternatives have been designed so that they don't exceed their identified resource requirement.*
5. **Sustainability Considerations:** Projects planned by DCs/lower-level LCs and TPCs should provide a wide range of benefits which utilise project methods that can be sustained by local people after the project has been closed-out, i.e. meeting running cost, etc.

¹ District Development Planning and Management in Developing Countries, Spring Center, 1992.

6. **Local Capacities and Management:** It is important to consider the potentials in manpower capacities in an area. All projects pre-selected should take into account the actual capacities, abilities/skills and management strengths of the organisations involved in the project's implementation and continuation. The more complicated a project is, the greater organisation, management, co-ordination and administrative needs are required and the more difficult it becomes to operationalise.
7. **Replication:** Projects under consideration should be designed in such a way that they can be reproduced in another area of the district or elsewhere. For the project to be replicated, they will have to adapt to the local environment, eg. a certain brand of bore-hole pump is found to function better under the local environment conditions and spare parts should be the same where ever the hand pumps exist. Unique programmes resulting in similar projects to solve a general problem may benefit a larger population, but if the model cannot be replicated then the benefits cannot be passed on to other users.
8. **Self-Help Contributions:** More and more it is realised that successful projects are based on a strong self-help or local contribution component, i.e. 25% local contribution input either in the form of money, local materials and/or labour. These projects should be favoured over ones without the local input component. However, the self-help/local input contributions should not over extend the target group and should be for projects directly benefiting the target groups, such as health centres, schools but not national highways.
9. **Learned Experiences and Duplications:** The planner/TPCs must gain knowledge (through experiences) of what works and what does not work in their District. This is important in selecting practical projects for the plan. These experiences may be positive or negative ones and sometimes beyond their control because of local politics. Avoidance of the duplication of projects is vital. Co-ordination is the key, through the TPCs, to assure that duplication of activities does not occur.
10. **Environmental Considerations:** The advantages and disadvantages of alternatives proposed should take into account the positive and negative impacts on the environment. This is what planning is based upon; weighing short-term against longer-term ramifications, i.e. many projects produce short-term monetary benefits, but are not sustainable and have adverse impacts on the environment that cause multiple long-term problems.
11. **Means-Ends Relationships:** There are certain projects that must precede others. This is based on the means-ends relationships that link the various objectives laid-out by a DC or lower-level LC. For example, if a plan objective is to increase agriculture production by 20% during the plan period, there must be several sequential projects to achieve this means-ends relationship. Feeder roads may need to come first, then farmer training in new techniques, then crop-rotation or fertilisers projects implemented, market transport and market supply and demand established and so on.
12. **Affordability:** Lastly, one of the greatest problems to overcome is the financial and personnel resource limitations' of a district. Where does the money come from? The planners/TPCs want to maximise the positive effects through the projects in a low-cost manner. It is therefore necessary to consider the constraints caused by finances, personnel and materials/equipment.

Assessing Development Priorities at Lower Levels

Before any decisions or pre-selection of project proposals are made at this point, the planners, TPCs must assess the 'felt' needs of people in the Parishes and more importantly, the villages. This is no simple matter, but through field experiences (extension workers), PRAs, and Village/Parish Development Committee Meetings, a snapshot of development priorities should include (but not limited too) the following assessment in table form:

Development Priorities at Local Government and Village Level												
Priorities based on Local Government, Council level	Date of Priority Setting	Access Road	Education Facilities	Health Facilities	Animal Dip Tank	Bridges	Borehole / well	Reservoir	Vegetable Garden	Employment	Gender/Women Dev	.Other...
District:												
Sub-County 1												
Sub-County 2												
Sub-County:												
Ward/Parish1												
Village 1												
Ward/Parish 2												
Village 2												
Municipal Council:												
Municipal Division Council												
Town Council:												

3.3 Project Ranking

When screening/ranking priority projects at the District or lower level LC levels, the DTPC or TPC should use a one to five point system to screen or rank project proposals submitted for funding according to how well they meet the above criteria. It should be noted that these projects should have already been screened and assessed by the technicians within the Technical Planning Committee. These should be submitted for consideration in a standard **'Project Proposal Form'** (PPF) to the Executive Committee.

Each project is given a score from 1 to 5 for each of the planning criteria, depending on whether the project is ranked as follows:

- (1) Poor
- (2) Fair
- (3) Average
- (4) Good
- (5) Excellent

These are then summed-up to give a total for each project. Obviously, the projects with the highest ranking are deemed the highest priority and the lowest should be screened out or postponed until they meet a higher priority ranking.

The 'Options Criteria' within the below Assessment Matrix should consider the following:

- Political Feasibility
- Marco-Economic Efficiency
- Meets Priorities of the Target Group
- Considers the Environmental Impact
- Considers the Recurrent Cost

Assessment/Screening Matrix

OPTIONS CRITERIA	WEIGHTING FACTOR	OPTION A	OPTION B	OPTION C
Political Feasibility	%			
Macro-Economic Efficiency	%			
Priorities of Target Group	%			
Environmental Impact	%			
Recurrent Cost	%			
Other, etc....	%			
Σ TOTAL				
Assessment Grid				

Project Proposal Ranking Form

Project	Object-ives	Options	Practic-ality	Benefits	Capital Cost	Recurr-ent Cost	Capac-ity	Total
PPF1	3	2	3	4	2	2	3	19
PPF2	4	4	5	4	4	3	4	28
PPF3	3	4	4	4	3	3	3	24
PPF4	1	2	2	2	3	2	3	15
PPF5	5	4	4	4	4	4	4	29
PPF6	3	3	4	3	3	2	3	21
PPF7	4	4	3	3	3	3	3	23

Example Matrix for Selecting/Ranking Programme/Project Proposals

Project proposals	Rural Electrification Project	Rural Dev Centre Program	Rural Small Business Project	Women Community Group Project
Selection Criteria				
No. of beneficiaries maximised	3	8	6	8
Development of local potential	1	7	8	5
Income generation	1	5	8	8
Cost effectiveness	1	7	6	4
Sustainability considerations	1	9	5	6
Advantage of local management	1	8	7	5
Replicability	1	3	2	2
Self-help contributions maximised	1	4	5	7

Experience and duplication	1	3	3	7
Environmental considerations	1	4	3	5
Means to an end relationship	3	5	5	4
Affordability	1	5	4	5
TOTAL	16	69	62	66

3.4 Project Screening Procedures in the Central Government

The Development Committee in the Ministry of Finance, Planning and Economic Development (MFPED) receives project proposals from sector Ministries. Projects are reviewed against identified Public Expenditure priority programmes. These are:

- Primary Health Care
- HIV/Aids Prevention
- Feeder Roads
- Rural Water Supply

- Increasing/diversifying agricultural production
- Economic liberalisation
- Capacity building in the districts
- Public administration (law and order, human rights, judiciary, accountability).

In its assessment of the project proposals the Ministry of Finance, Planning and Economic Development takes into account the following:

1. **Existing Capacity:** The project must be consistent with existing capacity. Alternatively it should aim at building capacity in the local government.

2. **Budget implications of the Project:** There must be enough funds provided within the sectoral ceiling.
3. **Recurrent Costs Implications:** At the end of the project life the project must be sustainable. That is, the Central Government must not continue financing recurrent cost.

If a project records positive answers on most of the criteria above then it can be recommended for funding and inclusion in the Public Investment Plan.

CHAPTER 4: PROJECT PREPARATION

Introduction

At this stage, key issues must be researched and the results set out in the form of a revised project proposal. As a general rule, the proposal should cover the components identified below. The precise emphasis given to each of the components will depend on the nature of the project or activity. The components, and the detailed elements within each of them, are thus presented primarily as a checklist for consideration when a project or activity is being prepared.

4.1 Technical Analysis

Technical analysis involves the following elements:

- The problem to be solved by the activity must be clearly stated.
- The technical background to the activity must be set out.
- The relationship between the activity and the declared stated objective(s) using GOPP is stated. This indicates the contribution the activity is expected to make to the sector and the district.
- Technical support of stated assumptions, data already gathered, and experiences from elsewhere are added, as annexes if necessary.

4.2 Institutional Analysis

This involves two elements:

1. The proposed organizational arrangements, responsibilities of National Government Ministries, Departments, Districts, NGO's and other funding agencies must be clearly spelled out.
2. Coordination, cooperative and contractual

arrangements must be stated.

4.3 Management Analysis

Management issues are especially important, and the difficulties should not be underestimated

An implementation schedule must be prepared, using bar charts. This schedule should show when human resources and materials will be applied and how they will relate to each other. Important "milestones" must be clearly identified and a reporting system declared. Procurement arrangements must be clearly stated along with the lead-time for major items.

4.4 Responsibility for Preparation

The respective TPCs will have the lead responsibility for project preparation at the various local government levels. Councils at lower levels



should also utilise departmental heads, technical staff and extension officers at various levels in the district in the formation and design of projects/plans. Once the preparation and appraisal are completed, the project(s) will be presented to the respective Councils for approval.

Project Design

Once the Council has agreed to include a project in

the Development Plan the work of detailed preparation or project design can begin. Project design is essentially technical, and therefore responsibility for project design lies with the technical head of department. Consultations should be made with other councillors particularly as project design will involve issues such as local mobilisation and participation.

The detailed project preparation (alternatively called project design) will require a lot of information as detailed below:

1. What is to be done?

- Define the objectives of the project.
- Spell out what the project will do.
- Consider alternate ways of achieving the same objectives.
- Select the most appropriate alternative.
- What are the key components of the project?

These issues need to be considered against the background of socio-economic and environment factors which will determine the feasibility of the project including demand considerations, production incentives, resource constraints both financial and institutional.

2. How is it to be done?

- The technical design of the project.
- Choice between different technical alternatives for undertaking the project.
- Preparation of detailed design specifications.
- Determination of the resources needed to implement the project.
- How to implement.

3. Who is to do it?

- The allocation of responsibility for implementing the project.
- The choice between alternative ways of implementing the project.
- Design of management structure for the project.

4. How much will it cost?

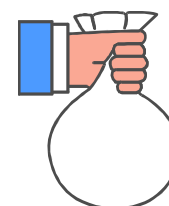
- Making a budget of resources that will go into the implementation of different activities at different stages of the project.
- The translation of the physical budget into a financial budget of the project using unit costs, both capital and recurrent, and local and foreign costs where necessary.
- The analysis of these costs against available resources.

The time required for project design will depend on the type of project. There are some projects for

which the technical Ministry has already worked out standard designs. We need only to stress that the more thorough the project design is the less likely the project is to face subsequent implementation difficulties.

4.5 Identifying Sources of Project Finance

It is very important that a potential source of funds is identified². Sources of finance can be internal to the local council; i.e. using council's own locally raised resources, or external such as from the Central Government or NGOs. The choice of local finance has the advantage that the procedures for preparation and appraisal can be less bureaucratic and the funds can be made available more quickly.



Consequently local finance carries higher opportunity costs than externally raised finance because they are not tied in their use in the same way as externally mobilised funds.

Where external finance is involved, the funding agency normally likes to have its concern incorporated in the way projects are prepared. The Local Government Council must try as much as possible to accommodate such concerns.

Therefore, the TPC needs to agree through dialogue and consultations with potential external funding agencies on the methodology and programme for project preparation process.

The major areas for discussion may include among others:

- The scope of the project that external financing agency is likely to be willing to support.
- The way projects have to be prepared in order to meet bureaucratic requirements for both sides.
- Timetable for preparation and presentation of the project proposals.

(See Chapter 6: Project Finance, Administration and Management for more details on Budgeting and planning)

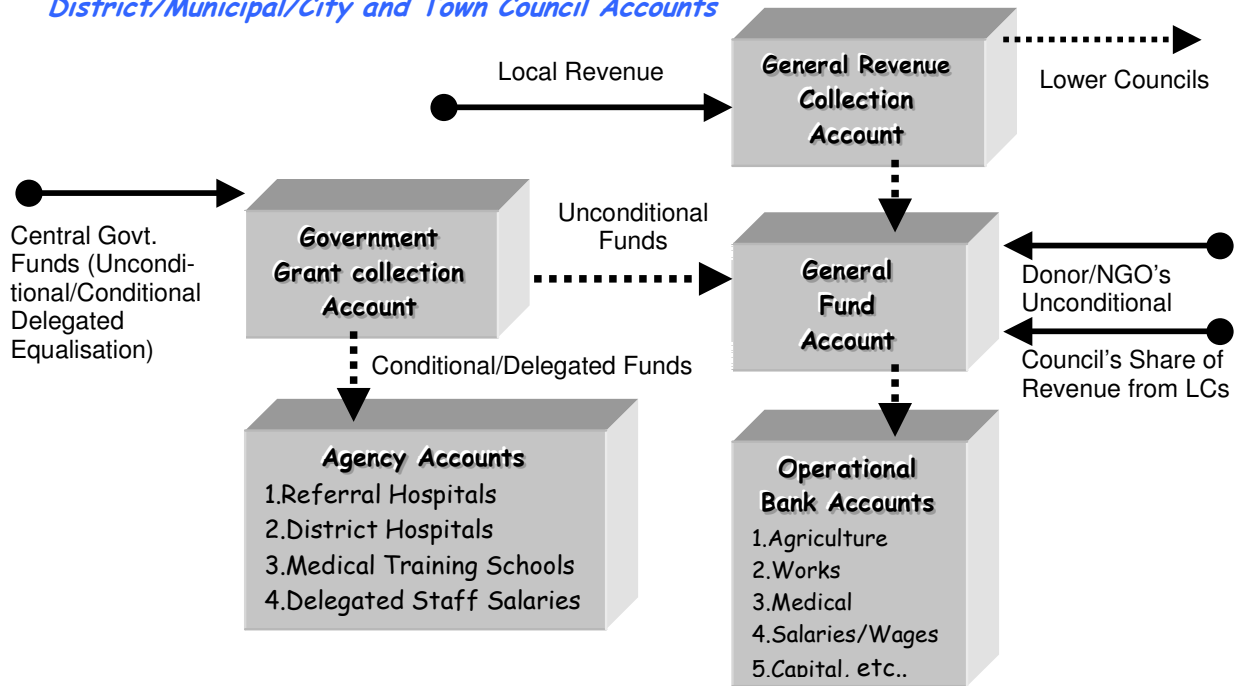
² See 'Investment Planning Guide for Sub-Counties and Lower Level Councils, MoLG, May 1998.

4.6 Local Government Fund Accounts for Sector Activities

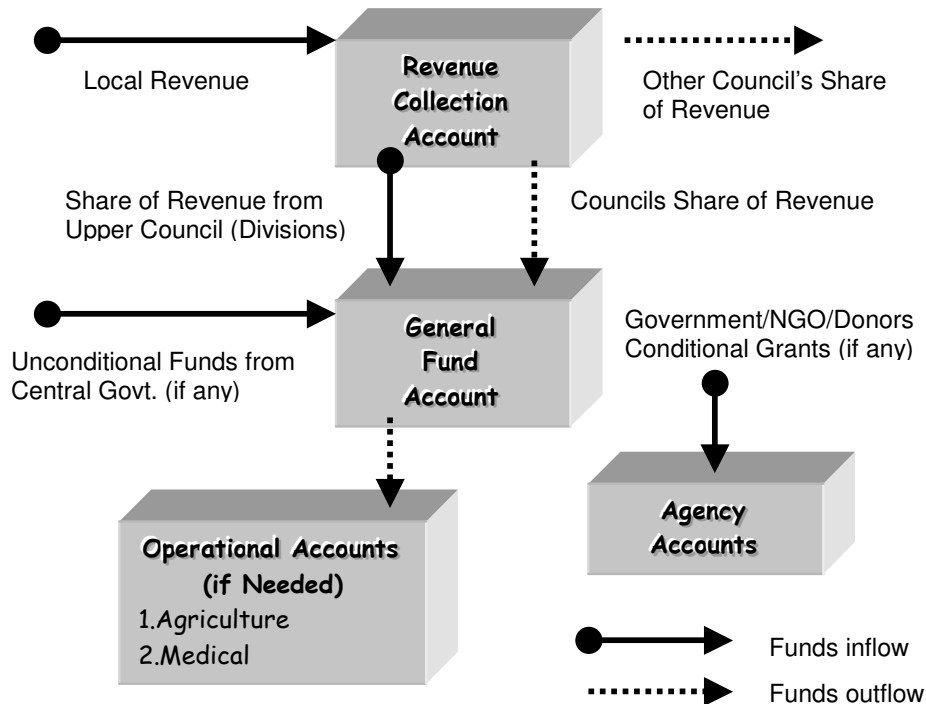
Chapter 5 of “The Local Governments Financial and Accounting Regulations, 1998” spells out District,

District/Municipal/City and Town Council Accounts

City, Municipal and Town Councils Bank Accounts as well as the Municipal Division and Sub-Counties and how these accounts allocate for the various sectors catering for development activities. The following flow-chart illustrates their account responsibilities:



Municipal Division and Sub-County Accounts

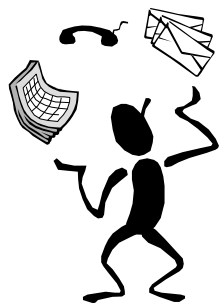


4.7 Project Profiles

The second stage is for the Technical Planning Committee to prepare a project write-up. The sectoral departmental head will take responsibility for the project write-up. The other levels can seek guidance from the TPC to accomplish this task. The write-up consists of summary data about the project, a description of the background, objectives and main features of the project and proposed financing plan. Project write-ups should not only prepare for new projects but also for ongoing projects as part of the regular revision of the District Development Plans or lower level Local Council Development Plans. A typical format for a project write-up is presented hereunder:

Summary Data

This follows the standard rubric used in the Project Profiles prepared for the Plan and identifies the



following:

1. **Sector and Sub-sector:** Within which the project falls.
2. **The Project Code:** This should be similar to that in PIP by MFPED.
3. **The Project Title:** Short but informative
4. **Total Project Cost:** Estimated for the complete lifetime of the project.
5. **Previous Expenditure:** For a new project, this would be zero, unless the project was a further phase of an activity previously undertaken.
6. **Total Planned Expenditure:** For the duration of the current plan period.
7. **Total Funds Secured:** For a new project this would often be zero.
8. **Total Funding Gap:** The difference between total planned expenditures and funds secured.

Project Description

A concise description of the project consisting of 400-700 words divided into the following sections:

1. **Objectives:** Listing of the main objectives of the project.
2. **Background:** Identification of the problems to be addressed by the project, discussion of previous initiatives, how the project fits in with other initiatives being undertaken.
3. **Previous Studies and Reports:** Listing of relevant studies and reports and summary of their main conclusions.
4. **Technical Description:** the main inputs required for the project and how they will be used.
5. **Plan of Operations:** how the project will be implemented, the institutional framework, and timing and management requirements.

Project Cost

Tabulation of capital and net recurrent costs broken down by foreign and local currency components for previous years, each year of the plan and the balance beyond the plan period. Secured finance should also be shown by sources.

The Project write-ups will be submitted to the District Planning Officer for a shorter project profile to be included in the District Development Plan. The project profile follows the same format as the project write-up but much shorter (perhaps a half or third of the project write up). The Economist will be expected to use his/her judgement in appraising the project write-ups and should refer back to the sectoral head of department any project that may appear to conflict with the district plan policy, objective and strategies.

Note: *Annex 1 illustrates a Standard Project Proposal Format, while Annex 2 offers an example of a potentially real project proposal in Uganda.*

CHAPTER 5: PROJECT APPRAISAL

Introduction

Project appraisal is an assessment of technical, social and financial worthiness of the project whether it meets the set objectives.

Project appraisal involves comparing the goals of the project to Council's objectives and possibly national priorities, considering whether the design of the project makes it likely that the goals will be achieved and whether the project represents an efficient use of resources.

In project appraisal the project is broken down, checking relationship between different components in achieving the overall objectives. The cornerstone of any appraisal should be thorough analysis of the design of the project and a detailed examination of the assumptions on which it is based. It should be about assessing the practicality of a project as determining its economic return.

5.1 Appraisal and Project Cycle: Sequence of Appraisal

Project appraisal is closely linked to the process of project identification and preparation discussed in Chapter 2 and takes place at the following stages:

1. At the evolution of the project concept. The responsibility for this initial project appraisal will be with the sectoral head of the department in the District and the local officials at lower planning levels. Such appraisals are a prelude to further work in defining the project.
2. Before the inclusion of the project profile in the District Development Plan or lower level Plans. At the district, the Planning Unit will carry out an economic and financial appraisal of the project. At the lower levels, respective TPCs will have to take respective collective investment decisions otherwise technical advice can be sought from the district level.
3. During the detailed design of the project in choosing between alternatives and determining the overall impact of the project. Appraisal at the district will be undertaken by the TPC; and at the lower-level Governments, TPCs and their respective Councils will do the appraisal.
4. On completion, before the project goes forward for financing. At the district, the District Executive Committee will undertake appraisal.

The appraisal report of the Executive will be the main input for the DC/lower-level LCs to approve the project for financing. At the lower levels, the respective Councils' appraisal reports will be taken as final approved projects.

A project should be appraised with progressively greater detail and thoroughness as it passes from one stage of preparation to the next. At the initial identification stages, appraisal could involve common sense judgements based on experience of the type of project and its compatibility with sectoral objectives and strategies; and the uniqueness of the lower councils' situations. Subsequently, more thorough analysis is required both in checking the project design and in conducting the economic analysis, especially at the district level.

5.2 The Purpose of Appraisal

The purpose of appraising any project is as follows:

1. To review the overall concept of the project and how it relates to the development programme of the district in general and/or respective lower councils in particular;
2. To check the design of the project and its implementation modalities;
3. To undertake a financial, economic, social and environment analyses.

The initial step in any appraisal is to review the overall concept of the project and to assess its likely impact if implemented. The review can be undertaken at a very general level, its purpose being:

1. to check whether the project is potentially worthwhile and merits the commitment of resources for further design and appraisal;
2. To identify for further analysis the major issues and assumptions upon which success depend.
3. To identify the social and environmental issues which are important for popular participation and acceptance of environmental friendly methods.

5.3 Criteria for Appraisal

First, what are the objectives of the project?

These should be listed and assumptions under which they contribute to the higher district or national and sectoral policy objectives and strategies, and local aspirations. This can be done by comparison with the national plan and district plan policies and strategies as well as lower councils' plans, and more detailed sector policy statements. Projects, which are not consistent with these policies, should be rescheduled/reformulated/shelved. For example if the policy recommended by the District Council to provide furniture to primary schools in the district, in a given financial year a project to establish a secondary school should be rescheduled/ reformulated/ shelved until such a time it becomes crucial for implementation.

Second, is a project the best way to address these objectives?

Sometimes alternative policy measures can be equally or more effective. As a general rule these should be preferred since they are likely to involve less commitment of local resources and to have a wider impact and benefits and participation.

Third, is the link between the project and its objectives convincing?

The aim to be satisfied is that the implementation of the project will lead the achievement of the stated objectives. Failure by some projects to achieve expected benefits might be due to the assumptions on which a project is based being invalid. Therefore at this stage a thorough examination of the assumptions on which a project is based is absolutely essential.

A careful consideration of the following issues is most appropriate.

- Availability of effective demand for the eventual goods and services produced by the project, especially for projects that are commercial.
- Analysis of those to gain and lose from the project and whether this is compatible with the project's objectives and local needs.
- Availability of recurrent budget resources to sustain the activities of the project.
- Availability of technical and management manpower to take over on completion of the project.
- Willingness of the beneficiary community to take over the proposed project on its completion.
- Local customs and traditions and how they are likely to affect successful implementation of the project.
- The potential beneficiaries taking into account

- gender roles and gender barriers.
- The need to change existing laws, regulations, or economic policies for the successful operation of the project.
- The likely effect on the environment.
- Gender sensitivity or considerations of the project.
- Community contributions and sustainability.

Even if the above considerations suggest negative answers the project may not necessarily be rejected. The appraisal team may have to consider possibilities of redefining the project, alternative design options, assessment of its inherent risk and the alternative ways of achieving the same overall objectives.

NOTE 1: *Be sure you have reviewed Section 2.2 of Chapter 2 on District Policy Statements before proceeding.*

NOTE 2: *See Annex 6 for a detailed review of Cost-Benefit Analysis, Net Present Value, Internal Rate-Return..*

5.4 Appraisal Techniques

Appraisal techniques or profile analysis is the process of systematically taking stock of the major environmental and physical, social and economic, cultural and political, administrative and institutional conditions existing in a given area (i.e. District) for which planning is being carried out. This is the 'inventory' and/or the current state of District and Local Government development to the identification of problem solving, its causes and effects. The profile analysis will eventually help information gathering in areas where there are information gaps that prevent sound decision-making.

Planners have to investigate the needs of a District or lower level Local Governments and its population and to be responsive to local concerns and ways of life.

The choices of appraisal techniques for a District profile analysis will have to involve the district's population from the very beginning. The populations experiences, interest, expectations and fears will enable the planner to gain a perception of the problems and potentials and to achieve an understanding of the local situation.

Environmental and Physical Appraisal

This looks at danger signals, predicts main impacts, assesses importance of effects, and indicates key mitigating actions required and present implications to decision-making of a project. There are two aspects of this analysis namely; negative and positive effects. Negative effects should be taken into account as costs in the final analysis of the project.

Environmental and physical characteristics shape the district's structure with regard to other features whether its economic, social or institutional ones.

Environment and physical factors to consider for development activities may include:

1. Topography
2. Climate and rainfall
3. Soil characteristics
4. Water resources and mineral deposits
5. Land uses
6. The distribution of human settlements, distances from villages to larger settlements
7. Existing linkages to neighbouring areas (districts/countries)

Important data to include when appraising, which is well illustrated in map form) are existing infrastructure such as schools, hospitals, community centres, utilities (water systems both for drinking and irrigation purposes, electrical stations) and the existence and quality of roads, bridges, railroads, etc.

Demography/Social Appraisal

The appraisal of the demographic setting will provide information to assess available human resources for development and determine the need of infrastructure facilities such as schools and health services.

The appraisal of the social setting should include such aspects as:

- What are the different social groups in the district and how do they relate to each other?
- Are there any forms of social organisation and what are their purposes?

Economic Appraisal

This stage in the appraisal process is to compare the costs and benefits of undertaking the project.

The project analyses are undertaken in a number of ways. They include financial, economic, and environmental analyses. The first two analyses are commonly undertaken at this stage.

1. **Financial analysis** considers the financial costs and benefits of undertaking the project. Financial analysis uses market prices.
2. **Economic analysis** looks at the costs and benefits to society as a whole of undertaking the project. Economic analysis is also concerned with the distribution of costs and benefits between different groups and the wider external costs and benefits beyond the immediate framework of the project.

At the district/lower levels, the type of investment envisaged will require different degrees of financial or economic analysis. The TPC will be expected to identify potential costs and benefits arising out of implementing any project in the district. Generally, sophisticated analyses will be undertaken for projects, which are meant for commercial and for large-scale infrastructure investments. However, simpler analyses are applicable for social sector projects, community projects, and institutional and technical assistance projects.

The following aspects of economic development should be appraised:

- What are the existing economic activities in the district?
- To what degree are they inter-linked to each other?
- What kinds of crops are grown; are they for export or subsistence or internal markets?
- What are the average farm sizes?
- How are they owned? Are there any inequalities in land ownership?
- How is ownership of other resources such as cattle and farm equipment?
- What other industrial and commercial job opportunities are there?
- What is the unemployment rate and does it vary in the year?
- How are marketing opportunities organised for local products?
- Do local manufactures have to compete with external products and if so what?
- Do local industries rely on imports or do they use locally available resources and technology?

Institutional Appraisal

An institutional appraisal reviews the political, administrative and institutional set-up at the district level based upon national frameworks. It includes the analysis of development policies and

decentralisation concepts/laws on the national level which influence the planning efforts in the districts and make-up the levels of authority available to district level institutions.

It is important that the planner knows about the various organisations operating in their district, their structural integration into the district's physical, social and economic setting as well as their present and future activities.

See Annex 3: Guidelines for Assessing District Development Organisations

Cultural Appraisal

The project must not be in conflict with the socio-cultural values of the beneficiary committees. If any conflict is anticipated time should be taken off to consult with the beneficiary community how such a conflict can be avoided. If any aspects of a project are found to be culturally inappropriate, the project will certainly fail before getting off the ground.

Appraisal Checklist

The following provides a standardised checklist, which can be used as an initial brief identification, analysis and evaluation of proposed projects to measure them in terms of their viability and



completeness:

1. **Project Description and Objectives:**
 - Brief project details
 - Project objectives
 - Project analysis (Simple PPM)
2. **Project Concept and Design:**
 - Appropriateness to solving the problem.
 - Technical soundness
 - All aspects considered
 - Alternatives considered
3. **Implementation Agency and Issues:**
 - Who will implement the project?
 - Physical, human & financial capacity of the Agency.
 - Is capacity enhanced by the project?
4. **Timing and Cost Commitments:**
 - Summary network showing key activities/timing/resources
 - Cost implications
 - Recurrent cost (budget, sources, approvals)
5. **Project Justification:**
 - Economic justification of the project

- Financial justification of the project
- Socio-political justification of the project
- Appropriateness of the project to the sector plans/current strategies.

5.5 Checking the Project Concept

At this level councilors and technical heads of departments will be responsible for checking project designs. They will have to distinguish between the technical design of the project and the management framework. *Under the technical design, they will:*

1. Have to ensure that all aspects necessary for the successful completion of the project have been included. For example, when designing for the construction of a new primary school besides constructing classrooms, other integral facilities like latrines, school kitchen, first aid post or infirmary, teachers' houses etc. are included.
2. Have to consider what the project is trying to do overall. They should consider the various components of the project and decide if they will not be difficult to manage. If so they will have to recommend gradual implementation allowing for redesigning and expanding the project once some experience has been gained. Have to explore possibilities of alternative ways of implementing the project.
3. Now review the arrangements for implementing the project to see if they are adequate. First they will have to review management arrangements namely those institutions and persons responsible for project management.
4. Consider the manpower requirements that are the necessary skills and expertise available to complete the project and run the facility once it is established.
5. Consider participation of the beneficiaries, and other agencies in the same activities.
6. Examine the **plan of operations**. They will specifically review **phasing of project activities** and consider likely causes and consequences of any delays.

5.6 Project Costing and Expenditure Contributions

The final step in checking the project design is to examine its financial frame and source of contribution to meeting expenditure. The following aspects will have to be considered carefully:

1. **Adequacy of funds requested.** Consider the basis of the estimates and check whether allowance for inflation and contingencies have been provided for. Consideration should also be given to contributions from communities and in which areas.
2. **How realistic expenditure has been phased?** Sufficient time should be allowed for the process of approval of funding and procurement of materials. This should also take account of the meeting frequency of lower councils, sources of materials and seasons.
3. **Project costing.** Care should be taken not to over estimate or underestimate. It is useful to compare with similar projects or with existing standards. It is important to reflect the contributions in kind by the communities.
4. **Adequacy and availability of recurrent costs.** Care must be taken to closely relate project planning to the Local Government budget. At the District, the Finance Committee will advise all sectoral committees on the expected budget ceilings in respect to each sector before planning begins. At the lower levels, the respective Secretaries for Finance will advise their councils/ development committees on the expected budget ceilings in respect to each sector and/or project before planning begins.

Where funds are locally solicited, seasonal fluctuations of revenue need to be taken care of to avoid projects stalling.

5.7 The Management and Institutional Framework

The arrangements for implementing the project will be reviewed. There may be alternatives that will need to be evaluated.

1. **Management Arrangements:** Examine how the project is to be managed who is responsible for its management. It is important to note that simple management structures are more likely to be successful and should usually be preferred. For public expenditure programmes, use of existing structures must be followed.
2. **Manpower:** Examine the type or manpower needed to implement the project, their skill and the type of expertise that is available to the lower-level Local Council. It is important to keep in mind the type of manpower required to run the facility once it is established.
3. **Plan of Operation:** Examine the adequacy of the phasing of project activities. If any delays are anticipated, councils should be able to evaluate the consequences of such delays and minimize any adverse effects.

5.8 Gender and Development

In order for Local Government Councils to incorporate 'Gender Issues/Concerns' in their development making process and planning, and understand the underlying issues for Gender and Development, it is important to clarify some basic concepts. This is intended to enable Local Governments (men and women) to appreciate and analyse gender issues, how they affect them individually, as a household, village, parish and up, how they affect their institutions of work and the general development of men and women.

Gender is a concept that has cultural and psychological connotations and is used to establish the socio-cultural relationships between males and females that are culturally and psychologically determined. It also refers to an individual's subjective feelings of femininity or masculinity. Society has attributes that are associated with each gender, i.e. that of being masculine or feminine.

The key to Gender and Development is through sensitisation and education and the gradual acceptance, through people's perceptions, on the issue of change...

1. **Gender roles** are the identification of roles that are done by males and females, culturally and socially constructed, eg. household chores for women, etc.
2. **Sex roles** are biologically determined roles as a result of being born a male or female, due to biological make-up, i.e. becoming pregnant and giving birth, breastfeeding, etc.
3. **Gender analysis** is the determination of the roles each gender plays and looking at the effects of the actions on each gender.
4. **Gender blindness** is the assigning of roles either of gender without first analysing the effects of the activities on each gender.
5. **Gender sensitive** is when consideration is given to the effect of gender roles when

assigning activities.

6. **Gender awareness** is being aware of the effects of the relationship of both male and female.
7. **Gender and development** is a process of a positive change that takes into account the effective participation and benefit of both male and female in the process. It aims at providing equal development opportunities to both genders.
8. **Gender neutral** is designing programmes that meet the needs of both genders.
9. **Gender balance** is the balancing of gender in terms of numbers that is always interchanged with gender equity.
10. **Gender equity** is the fair distribution of roles according to the numbers available for each gender proportionally.
11. **Practical needs** are basic requirements and a response to an immediate perceived necessity. They are needs shared by the whole household but are specifically identified as practical needs of women, i.e. water provision, health care, family food provision, shelter, etc.
12. **Strategic needs** are ones accessible to higher needs like land, loans, special bursaries for the girl-child, etc. It is an intervention that challenges the nature of the relationship between men and women. When addressed leads to the transformation of the gender division of labour and aims at overcoming women's subordination. These are things that give an elevated status to a human being.
13. **Sex role stereotyping** people think because one is born with a particular sex, it is as it should be that this person should perform roles only associated with their sex since society accepts things to be that way and there is resistance to change.
14. **Education in Gender** is a positive change in behaviour through the acquisition of knowledge skills and attitudes. Education without change is

not education.

15. **Participation** is the key to gender issues by men and women taking part in activities from all levels of planning, implementation and decision making stages.
16. **Impression management** is one that expects the status quo to be maintained according to societal expectations. Reinforcing sex role stereotyping.
17. **Gender skills** and techniques are necessary for carrying out gender analysis of any situation.

Women's 'Triple' Role

Women contribute to all of the following three roles of villagers (human labour) in Uganda than men. Men on the other hand contribute less in Roles 1 and 3:

1. **Reproductive Role:** Work for the family includes domestic tasks (including cooking, washing, housework, water collection, etc), child bearing and rearing, care for the elderly and sick. This guarantees the maintenance and reproduction of the labour force. It is not valued in monetary terms.
2. **Productive Role:** Work that has remuneration/exchange value, i.e. work that earns or could earn money. Paid employment, growing cash crops/livestock.



3. **Community Managing Role:** Community level roles such as community "politics", preparing for communal occasions such as funerals, marriages or community labour schemes (sweeping, drain clearance, etc)

Examples of Gender Roles and Needs

PROJECT INTERVENTION/ ACTIVITY	GENDER ROLES			GENDER NEEDS AND INTEREST	
	Reproductive	Productive	Community Management	Practical	Strategic
1. Training for employment: • Training for women • Cooking cakes for family • Tailoring for sale • Masonry / carpentry					
2. Basic Services: • Location in Community • In Mother's workplace • In father's workplace					
3. Primary Health Centre in are where women work on cash crops in the morning: • Open only in the morning • Open in the evening					
4. Housing Tenure rights: • In man's name • In women's name					
5. Community Participation Project: • With unpaid women's time • With paid women's time					

Source: Oxfam Gender Training Manual, 1994.

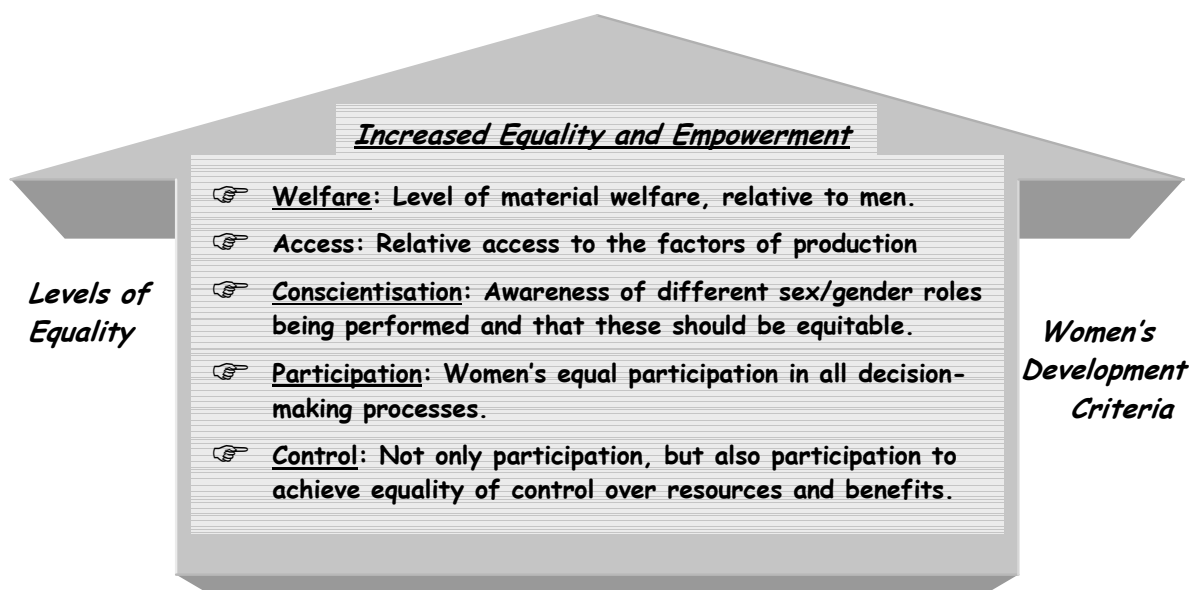
Gender Analysis

- **Visibility:** Development planning has failed to recognise fully or systematically women's contribution to the development process and the effect of the development process on them.
- **Women perform** 2/3's of the world's work, earn 1/10 the works income, are 2/3's of the world's illiterates, own less than 1/100 of the world's property. (UN Statistics 1995).
- **Gender analysis** is important for economic growth, project efficiency, equity and social justice. What this can do is improve/refine district/lower level LG/LC plans and project objectives.
- **Practical gender** needs relate to "condition" while **Strategic gender** needs relate to "position".



NOTE: See Annex 7 for National Gender Policies, Principles, Objectives, Strategies, etc., Sa per: "The National Gender Policy", Ministry of Gender, Labour and Social Services, 1997.

Women's Empowerment Framework (WEF)



Gender and Project Cycle Analysis

The above Women's Empowerment Framework (WEF)³ should be assessed in the project cycle when analysing women's roles regarding development. Within the WEF the following should be considered which is illustrated in the plan/project gender profile:

1. **Project Identification** – One should show all project objectives from the women's and men's perspectives, identify opportunities and constraints to involve women, identify possible negative effects on women.
2. **Needs Assessment** – Needs of women should be assessed at all 5 levels.
3. **Project Identification and Design** – Are project objectives that can be negative, neutral or positive with reference to women's equality. What will be the impact of all elements, stages and approaches of the project on women's activities and access and control over resources and benefits?
4. **Project Implementation** – Critical to have a gender-aware project team. What is the relationship of women to project personnel and/or government officers, organisational structures, etc?
5. **Project Monitoring and Evaluation** – Monitor progress and outcomes for all 5 levels. What are the data requirements for assessing plan/project effects on women?

Plan/Project Gender Profile (WEF)

Sector	Levels of Concern with Women's Development					
	Project	Welfare	Access	Conscience	Participation	Control
Agriculture						
Education						
Commerce/Industry						
Women's Projects						
Health						

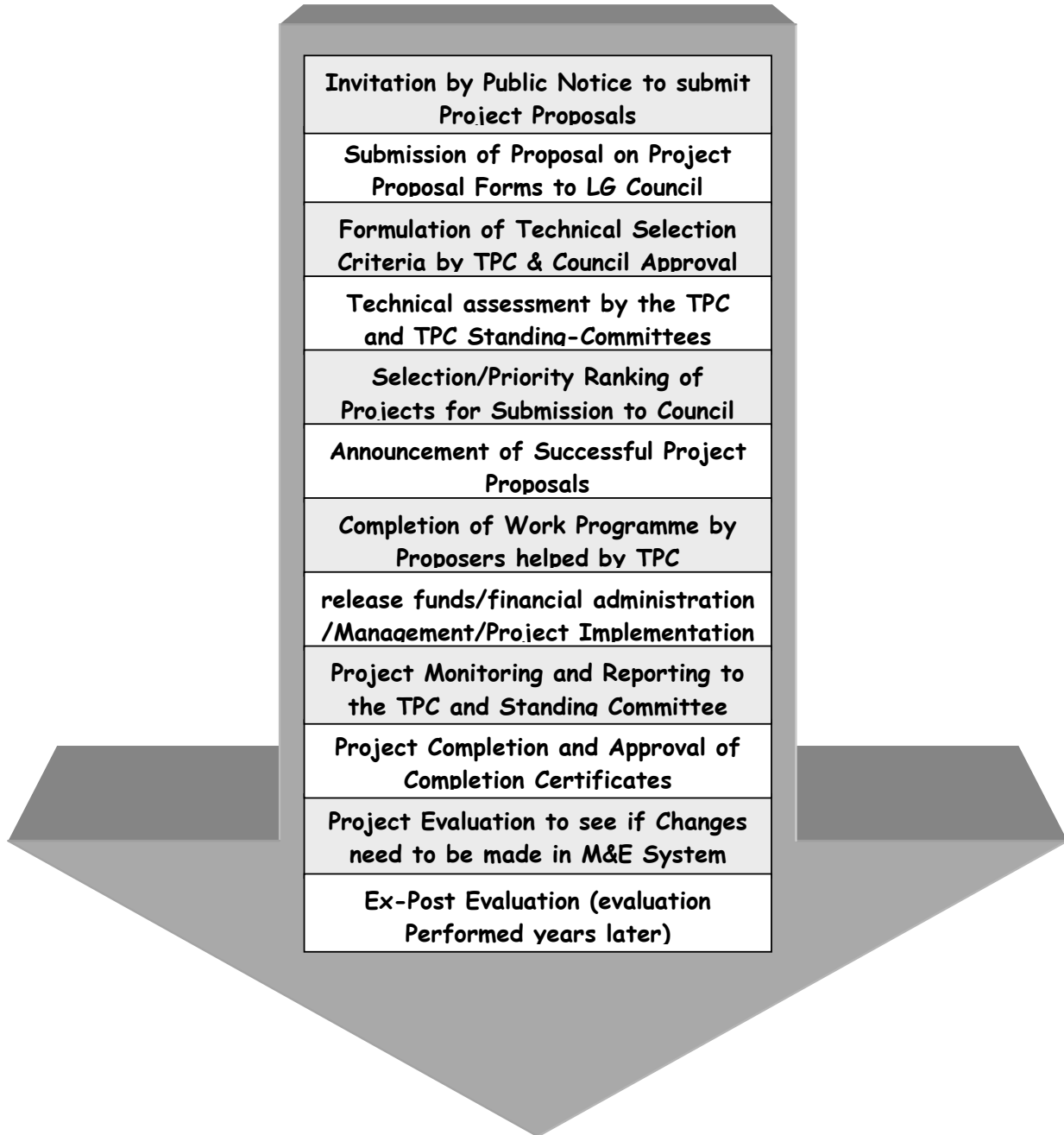
³ Gender Skills Workshop, LOGOSP, Gardner J., Lusaka, March 1997.

CHAPTER 6: PROJECT IMPLEMENTATION/BUDGETING

Introduction

Implementation of a project refers to the steps taken and the procedures set in place to ensure the project(s) can start and finish on time - within reason considering unknown circumstances. As pointed out in *Chapter 7*, a reliable monitoring and evaluation system for projects will help greatly in the success of timely project implementation.

PROJECT IMPLEMENTATION PROCESS



By this stage the local government agencies responsible for planning will have been advised that contracts have been signed, money is available to the implementing department or agency, a project manager is on the site, key project personnel have been appointed, procurement is under way and the revised schedule of milestones and cash flows have been provided. After this, reporting at milestones should be sufficient unless problems arise; in which case early warning is essential.

As part of project implementation, a system must be set up for the manager to ensure that projects are going ahead as planned. This system is particularly useful to decision makers at any given time.

6.1 Project Activation

This stage of project implementation refers to the initial stages. This period is crucial to the success of the project. During this period, the District Planning Unit and the Sectoral Head of Department (at District level) should satisfy themselves that steps required to get the project underway have been identified and that adequate management arrangements exist for the project⁴. Examples of such preliminary actions could include:

1. Finalisation of project management arrangements.
2. Identifying the necessary staff.
3. Preparation of equipment specifications
4. Preparation of tendering procedures.

6.2 Implementation Responsibilities

The responsibility for project implementation will be with the sectoral committees of the District Council at the District level and the respective TPCs of the Councils at lower levels. The day-to-day management of the project will be the responsibility of the sectoral head of the department at district level and at other levels the responsibility lies with the respective heads (i.e. Sub-county Chiefs or Town Clerks). The overall responsibility for project management is to ensure that the technical design and plan of operations for the project are strictly adhered to. The tasks involved are the following:

1. Recruitment and administration of project staff.

⁴ Projects are often delayed for several months because these initial tasks are not undertaken at the earliest opportunity.

2. Organising staff meetings, site visits, etc.
3. Day-to-day financial control, expenditure records, etc.
4. Internal project monitoring/reporting system.
5. Liaison with and reporting to the Councils through the Chief Administrative Officer, Sub-county Chief or Town Clerk at district, sub-county or urban authority level respectively.
6. Preparation of tender and contract documents, equipment lists and ordering, etc.
7. Work plan review and development.

6.3 The Project Update Process

Tendering Procedures

The success of the project will depend on the timely availability of the required goods and services. Project management must identify the goods needed and prepare their detailed specification for submission to the District Tender Board. The procedures for tendering are contained in the Guidelines for District Tender Boards.

Work Plan

After the project has been approved for implementation, considerations must then begin of its overall management based upon various timing factors in order to synchronise the implementation. Decisions must be based on present and future situations and conditions and allow for changes due to unforeseen circumstances.

When all conceivable activities have been identified, this information should be organised on a time/task chart which lays out the sequence of tasks (activities) and the overall timing of the project, i.e. **work plan**. This helps the implementers and funders of the project to review how project activities fit together and the sequence of events. The chart helps project managers to organise their work and that of others to see where the project is at any time during implementation and what needs to be organised in future as seen below:



WORKPLAN AND MONITORING SCHEDULE

No. & type of activities	1 st QT	2 nd QT	3 rd QT	4 th QT	Responsible person/group
Agriculture Training Programme		→			Mr. Banda
Agriculture Fertiliser Project			→		Mr. Wagaba
Agriculture Seed-Proj				→	Mr. Mukwaya

Release of Funds

One of the most important requirements for the success of the project is the timely release of funds. The project management must have a well-defined work plan for the implementation of the project upon which the accounting officers release funds. The work plan should be quarterly. The procedures for release of funds are contained in the *Local Government Finance Regulations*.

Project Review

During the course of project implementation it may be necessary to revise the project for a number of reasons.

- 1. Cost Overruns:** These occur when the funding originally requested proves to be inadequate to complete the implementation of the project⁵. Cost overrun may arise out of the following reasons:
 - Changes in project design.
 - Poor original estimation of costs.
 - Unexpected increases in prices.
 - Delays in implementation and resulting increases due to inflation and higher overheads.
- 2. Changes in Project Design:** Changes in project design become clear during the course of implementation. The project management can effect small changes in project design and plan of operations that do not require additional finance. The need for modification of the project must be presented to the respective Councils for appraisal & subsequent approval⁶.

⁵Cost overruns involve an opportunity cost in that the additional resources required to complete the project could have been used elsewhere. Therefore it is important that potential cost overruns should be identified earlier so that the necessary documentation justifying the increase in cost be presented to Council for approval.

⁶Modification may change the scope of the project. Generally modification that increase the scope of the

6.4 Project Financial Administration and Management

Identifying the 'self-reliant development role of Local Government under the *Local Government Act of 1997*' and decentralisation in general is critical for Uganda. However, questions relating to the ability for financial planning and management of development at the district and lower level Local Governments have not been given sufficient attention.

Local Government Fiscal Capacity Enhancement

An important objective under the *Local Government Act of 1997* is that Local Governments must have a balanced budget each fiscal year. A means to realising this objective is the financing and administration of development projects as far as possible on a self-reliant basis. Progress will depend upon many factors including the fiscal capacities of Local Governments. The three major influences regarding progress in this area are:

1. System of financial administration and management at the central government.
2. Expenditure responsibilities and accountability, financial resources and powers allocated to a Local Government; and
3. Local Government financial administration and management behaviour/accountability.

For purposes of this Chapter, attention is focused on the third factor of Local Government's financial administration and management with particular regards to project accountability.

While there are many development problems associated with the 'growing pains' and process of decentralisation in Uganda, the most pressing and basic problem is a lack of adequate funds to finance and manage self-reliant initiatives at the Local Government levels. The Central Government continues to be the primary funding source for Local Government activities. However, because of decentralised laws that have passed, many districts and lower level Local Governments are not finding sufficient money to meet the development needs of their jurisdictions. Although foreign sources of funding have been significant in implementing some of these projects, these sources are also limited and not sustainable.

It would, therefore seem reasonable to rely more

project should not be accepted.

and more upon the fiscal efforts of each Local Government body and the resources that can be generated from within the locality at the minimum level in order to meet recurrent costs of operations and maintain 'basic' public services.

For a Local Government to contribute to capital and economic generation, it must involve three processes: **1. Financial resource mobilisation; 2. Allocation and; 3. Utilisation management.** Each of these fiscal processes defines the capacity of a Local Government to raise, distribute and apply funds in accordance with the development priorities of the Local Government.

As stated under 'Local Governments Revenue Regulations, Fifth Schedule 7: "In addition to graduated tax, rates and grants from Government, Local Government revenue shall consist of—

- (a) Fees/fines, on licences and permits in respect of any service rendered or regulatory power exercised by the Local Council;
- (b) Interest on investment;
- (c) Rents from lease property owned by the LC;
- (d) Fees/fines imposed by courts administered by the LC;
- (e) Donations, contributions and endowments;
- (f) Charges or profits arising from any trade, services or undertaking carried on by the LC;
- (g) Annual bicycle licences;
- (h) Parking fees;
- (i) Advertising fees;
- (j) Cess on produce;
- (k) User – charges where applicable;
- (l) Fishing licences;
- (m) Agency fees;
- (n) Charcoal burning licences; and
- (o) Any other revenue which may be prescribed by the LG and approved by the Minister.

In addition, under the same section, distribution of grants (by %) is as well spelled out:

1. A minimum of 30% of the total revenue collected and remitted by all City or Municipal Divisions to a City or Municipal Council shall be distributed as grants to Division Councils based on a formula under Part V, 14. Paragraph (4).
2. A Sub-county shall retain 65% of the amount retained and distribute the 35% as follows—
 - 5% to be remitted to the County Council
 - 5% to be distributed amongst Parishes;
 - 25% to be distributed amongst the Village Councils.

25% of the total of what a Division retains and

⁷ Local Government Act, 1997: Fifth Schedule, Part IV – Other Revenue, No. 13.

receives from the City or Municipal Council shall be distributed amongst the Village Councils within its area of jurisdiction, and 10% amongst the Parish or Ward Councils.

Structure/Levels of Revenue

It is useful in analysing the revenues of a Local Government to distinguish between funds mobilised directly by the DC or lower-level LC itself, called own-source revenues and those generated from higher or other sources; such as grants from the central government. Table 1 is a hypothetical example that shows revenue sources in a district. This could also be used to analyse other lower level Local Council's revenue sources.

Table 1: Sample DC Financial Revenues and Relative Contributions by Source:

Revenue Source	Contribution of source as % of total	Actual receipt as % of estimate
Own-source revenues:		
• Fees and fines	23.0	23.8
• Property rates	4.8	44.1
• Interest/investments	16.9	0.0
• Donation/endowments	3.5	33.1
• Licences	22.1	22.4
• Trading services	4.9	33.9
• Parking fees	3.1	13.7
• Cess on produce	1.6	12.0
• Advertisement fees	1.5	88.4
• Agency fees	12.9	66.3
• Council properties	7.2	2.8
• User charges	3.2	30.9
• Miscellaneous	1.2	172.5
Total own-sources	89.0	58.9
Shared Revenues:	3.5	4.8
Grants Specific Grants:	7.5	- -
Total District Revenue	100.00	-

Structure and Level of Expenditure

Table 2 is a hypothetical budget of a district, which shows how revenues that are mobilised were used.

Table 2: Sample District Council Budgetary Expenditures and Relative Composition (by % of distribution):

Expenditure Category	Category as % of total expenditure	Actual expenditure as % of estimate
• Personal Emoluments	31.3	86.6
• Travelling and transport	14.3	98.8
• General expenditure	6.2	107.2
• Development projects	22.2	87.6
• Maintenance, repairs and renewals	7.6	30.2
• Other current expenditures	7.4	47.7
• Construction works	14.7	55.8
• Plant, equipment and vehicles	0.4	8.8
• Other capital expenditures	0.1	1.2
Total District Expenditure	100	63.5

Integration of Planning and Budgeting

One of the major requirements for the integration of planning and budgeting is a clear definition of development goals, objectives and priorities by all Local Government Councils and a clear understanding of these by Planners, TPCs,



Standing Committees and budget officers.



Annex 5 offers a format that could be utilised during Technical Planning Committee workshops both at the District and lower level Local Governments whom are responsible to formulate their own plans, namely: The District Council responsible for the overall comprehensive and integrated plan, the Sub-County, the Municipal Council, the Municipal Division Council and the Town Council. All the above plans shall also incorporate the views from the Parish and Village levels. An example of this format is found in **Chapter 3 under Section 3.2**.

A detailed annual plan (based on the goals, objectives and priorities of their development plan) should be produced to present specific programmes, projects and activities together with resource mobilisation policies. This can provide a good framework for budgeting. The most favourable system design is an operational development strategy that incorporates Local Government investment and current expenditures where planning and budgeting activities could be merged.

However, the effectiveness of such a strategy depends greatly on the quality of planning and budgeting and especially with regards to the monitoring of performances of development projects and the evaluation of their results. *The monitoring and evaluation of projects is addressed in the following Chapter 7.*

In conclusion, the budgeting process must be tied to the project planning and implementation process. That is, budgeting should be an effective tool for the formulation of goal, mobilising and allocating resources, implementing policies, programmes and projects, reviewing and revising development plans as well as monitoring performances. If one thinks about it in this way, a budget becomes a sort of 'action plan.

NOTE 1: One should review "*The Local Governments Financial Accounting Regulations, 1998*" to get a detailed analysis and examples of Local Government Financial Management, Accounting and Budgeting

NOTE 2: See Annex 5 for suggested Table's of District and Lower Level Local Councils categories for assessing and integrating planning and budgeting.

CHAPTER 7: PROJECT MONITORING & EVALUATION

Introduction

Monitoring and Evaluation (M&E) is the routine collection and analysis of information on the progress of project activities with the original plan and its follow-up. M&E is the continuous assessment of project implementation in relation to agreed schedules, and of use of inputs, infrastructures and services by project beneficiaries. This should also identify actual or potential success on problems as early as possible to facilitate timely adjustment to project operations. Below defines M&E within the scope of decentralised District and lower level Local Government:

Monitoring is a management instrument, this assumes that development projects need managed and not only planned. Monitoring measures and records progress of implementation and focuses on the meeting a plans objectives that is a continuous task during the entire life cycle of the project. Monitoring is usually part of an overall management information system or data bank and it must produce the necessary data or information on time. This requires the timely collection and analysis of data during the planning and implementation of the project.

Evaluation is ongoing and determines the causes of projects that deviate from the plan, the effects as well as the impact the project has on the target group. Evaluation provides the planner and TPCs with the explanation of why things have happened the way they have and provide them with the necessary information to do something about it. Ongoing evaluation is done within the project and challenges the design used to draw conclusions and makes judgements that focuses on their relevance. Evaluation attempts to determine why things happen the way they happen. In contrast to monitoring, it is ad-hoc in nature and can only show tentative results because time passes and variations are seen before the full impact of a project is realised.

When a Local Government approves a project or programme identified as a priority and money has been released, we now need to monitor how money is being spent, including physical progress (evaluating) of the project. Two things need to be monitored: The expenditure of money and the physical progress of the project as defined below:

1. **Financial monitoring (*Expenditure Vs Budget over Time*)** compares actual

expenditures against the financial frame for the project. It provides a measure of the utilisation of the project's input and thereby a basic assessment of the project's progress. Financial monitoring should be undertaken as the project management provides accountability for the funds they receive.

2. **Physical monitoring (*Materials Vs Progress; Progress Vs Timeframe*)** compares the physical progress of the activities being undertaken under the project against its plan of operations. It provides an assessment of the project's outputs. Physical monitoring will require a lot of different information; it is therefore important to ensure the quality of information collected.

The purpose of monitoring is to ensure that implementation is **going according to plan**. There is no point, for example, in planning to build a primary school extension with 1,700 locally made bricks and then going out to buy 2,000 commercially made ones. The money will soon run out before the project is complete.

Implementers of a project must keep a close record of their work against their work programme, which is after all, a plan of what they are going to do.

Things may go wrong during implementation, either because something was not foreseen, or because the original plan was wrong. Monitoring the project helps the implementers to see a problem early on, which increases the chances of being able to do something to solve the problem. So another reason to monitor is **to help overcome implementation problems**.

Finally, monitoring helps to maintain **accountability**. Reporting on progress ensures that the implementers are kept accountable for the use of the resources that have been issued. If materials are purchased but are not being used on the development project, the officer should be held accountable for them. Project evaluation, on the other hand, is an objective assessment of effects and impact relative to agreed or understood objectives. Evaluation is concerned with examining the wider implications of project performance in meeting the overall objectives of the project.

Evaluation may take place at one or more of the stages during the project cycle.

1. **Mid-Term Evaluation:** during implementation to assess the likelihood of the project achieving its objectives and suggesting changes in design

- to increase the project's chances of success.
2. **Terminal Evaluation:** undertaken immediately on completion of the project. Since it is usually still too early to assess the benefits of the project, the evaluation concentrates on reviewing the implementation stage and identifying the main lessons applicable to other projects. There are similarities between terminal evaluation and a project audit.
 3. **Ex-post evaluation:** undertaken sometime after completion of the project when its impact can be assessed against its original objectives. The results of ex post evaluations feed back into the design of the new projects and the development of sector policy.
 4. **Impact evaluation** considers the extent to which the project is achieving its objectives by measuring its effect on the project's intended beneficiaries. It is used mainly for agricultural and social sector projects. The results of impact monitoring will be useful to identify adjustment in the way the project is being implemented. In the district impact monitoring will rely on statistical data collected on the relevant sector.

disregards the 'human element' and is seen as a form of external control. Most government staff members are not actually involved in the design of their M&E System and they are often designed for externally funded development projects, which underlie donor driven management techniques and are therefore not always appropriate for Countries such as Uganda.

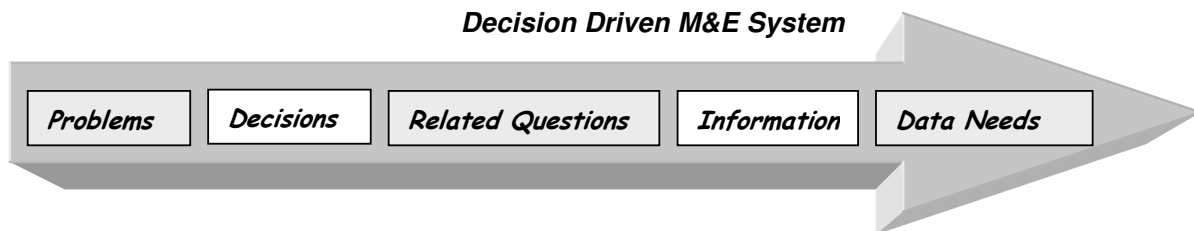
- **Technical:** The problem of poorly trained staff for monitoring task and compounded since information needs are usually unknown at the beginning of a project or programme.
- **Economic:** The overall lack of clarity on how much information is really needed and discrepancies among users on the value of information gathered. The poor system design which produces too much useless data. The lack of agreement on the expected results (technical and financial) to measure results and the overall cost of systems are often underestimated. Data often arrives too late and systems lack flexibility and rarely redesigned. Organisational problems and no specific responsibilities assigned hamper the M&E systems.

7.1 Important Issues to Consider in Designing M&E Systems

- **Political:** Politicians are very often sensitive to the various implications of the results of an M&E System and how this may reflect on them from the perspective of their constituents.
- **Psychological:** Information from an M&E System may pose a threat to implementers since this information may expose deficiencies of their performance or weakness in management. The M&E System inherently

Accountability/Decision Driven

An M&E system can either be 'accountability driven' (system seeks to examine or account for the plan, the delivery of outputs, cost efficiently, etc) or M&E is 'decision driven' (system designed to assist in effective decision making all data collected is only for making effective decisions). Generally, monitoring tends to be accountability driven and evaluation is decision. Below illustrates the flow of activities that is typical of a 'decision driven system':



7.2 Steps to Develop an Internal M&E System

1. **Identify what the Planner should monitor and evaluate** by examining the planning

documents produced to initiate development in the region;

2. **Determine the information users.** This is who will need what information from or about the programme or policy;
3. **Determine the information needs of the users.** Only collect information which will be needed to guide the development in the district

or lower level Local Government and how best will the information be used or decision driven;

4. **Determine the source of information.** This is where the data needs have already been determined and where they can be collected;
5. **Establish the method of data analysis.** This is whether continuous data gathering is required, or whether 'ad-hoc' survey will suffice. Also, whether the method of analysis and degree of confidence required of the data;
6. **Define who will do what, when and where.** This means establishing a time frame when monitoring or evaluation should take place as well as staff and financial requirements.
7. **Determine the overall organisation of the M&E system.** This is where the data will be stored and how. How will it be used and who has access to the results?
8. **Establish how the findings and recommendations will be communicated.** This will most likely be either in a report format, simple summary sheets, verbal communications or formal meetings.

7.3 Responsibility for Monitoring and Evaluation

Planning Units

The **District Planning Unit** will not generally have direct responsibility for project management but will be required to assist as the project goes along.

The responsibilities of the DPU with respect to the projects will include:

1. Assisting in the development of M&E indicators of all projects at district level.
2. Assist TPCs of lower local governments in the development of monitoring and evaluation indicators of all projects at their levels.
3. Assisting with the start up phase in establishing the management arrangements.
4. Monitoring the overall implementation of the project.
5. Identifying when things are going wrong and bringing this to the attention of the project management.
6. Following the problems affecting implementation, which is beyond the control of project management.
7. Undertaking social/economic analyses, which is part of the project or necessary for monitoring.
8. Participating in the evaluation studies.
9. Attending project management meetings and site visits.

DTPC

Reports received/giving directions:

While financial/budgetary monitoring is primarily a political function of Local Government Councils, the responsibility of technical and physical monitoring is the responsibility of the DTPC and its Standing Committees at the District level, and respective LCs at the lower levels. The active involvement of the DPU will be required to provide the office providing overall co-ordination of development activities in the district. What should be emphasised is that monitoring is an integral part of a sound project management. Therefore monitoring is a tool that project management teams will have to use to help them carry out their functions. A good and sound monitoring system will provide the following:

1. Identify targets and objectives for project implementation.
2. Maintain easily retrievable records of project implementation.
3. Identify problems encountered by the project.
4. Provide readily available analyses for decision making.

Political Leaders

Under the *Local Government Act of 1997, District Committees and Functions, Section 23*: The District Council may appoint Standing Committees that may be involved in M&E responsibilities of the District. Members of the Executive Committee or Councillors may also take part.

Central Government

Monitoring by the Central Government may be viewed in two aspects. First in respect of delegated services. The second can be in terms of policy guidance, technical assistance so as to foster equitable development throughout the country. The Central Government will carry out each of the types of monitoring identified above.

The *Local Government Act of 1997, Part IX – Inspection, Monitoring and Co-ordination of Local Governments, Sections 97-101*, specifies the various roles of the Central Government with regards to M&E. It is stated under Section 97 that "For purposes of ensuring implementation of national policies and adherence to performance standards on the part of Local Governments, Ministries shall inspect, monitor and shall where necessary, offer technical advice, support supervision and training within their respective

sectors.” Section 98 states that Government Line Ministries shall monitor and co-ordinate Government initiatives and policies as they apply to Local Governments in areas of projects, technical assistance, harmonisation, etc. Section 99 refers to the inspection and monitoring of Local Governments by the national government. Section 100 provides for the Minister to give guidance while Section 101 discusses the taking-over of District administration by the President in certain cases.

Responsibility for Evaluation

At the District level evaluation will involve members of the respective DTPC and its Standing Committees, technical officers of the District Administration and outside persons as well as outside bodies such as NGOs, and institutions of higher learning. For services evaluation will be undertaken by the Central Government. The importance of evaluation is for determining requirements for redesigning of a project and also for identifying new project in similar fields. The project cycle therefore begins once again.

7.4 Mechanisms and Tools for Monitoring and Evaluation

Monitoring Schedule

Comparison of planned activities against actually completed activities must be done regularly. It is necessary not only to observe the time schedules, but also financial releases, deposits, machinery and equipment inputs. Delays and changes should be noted in the schedule under comments.

(See Table 7)

Also, operation indicators have to be developed which measure the control of resources, personnel, financial disbursements, expenditures, incomes and time. Performance and efficiency indicators which show whether activities have been completed.

(See Table 8)

The Monitoring Form

1. **‘Amount budgeted’** refers to the amount originally budgeted for by the respective District Council or lower-level Local Government Council. This is the amount appearing in the annual budget for projects funded from many sources, or the amount appearing on the approved list of the Councils.
2. **‘Date Funded’** is the date on which the work programme received its final signature, or on

which the contract was signed.

3. **‘Amount Funded’** means the amount that has been agreed will be funded, either on the work programme, or in an agreed contract awarded a tender/bidder. This amount is therefore committed to that project, though it need not yet have been issued or spent – it may still be sitting in the bank account. Note that in the case of a community project, this amount may be the total provided by the project funds, but may not always include the community contribution component.
4. **‘Amount Spent’** is the amount issued from the bank account held by the LG Councils. For projects implemented by the LG Councils for a line department, this will show amounts issued against pro-forma invoices or on impress. For community based projects it will show the amounts issued as advances to the community. It will not show the amount of money actually spent by the community. This will appear in the project account produced by the community group. For contract projects, it will show the amounts issued against completion of the contract or phases thereof. Therefore, the total of the ‘Amount Spent’ column should always equal the ‘Amount of Money Spent’ from the LG Council’s bank account.
5. **‘Comments’** should always include an up-to-date record of the physical progress of the project and whether this has been verified or not. In the case of community based projects, it should also include a recent statement of expenditures by the community committee to compare with the amount of money issued by the LG Council thus far.

Who should fill in the Monitoring Form (MF) and where should it go?

The completion of the MF should be co-ordinated by the lower-level Local Governments or the lower-level LC Officer responsible for that function. He/she should gather information from those responsible for implementing each project and from the finance section on the financial information required. A statement as to whether the reported physical progress of the project has been verified by physical inspection or not should be included in the comment’s column. As far as possible, all projects being implemented in the district (including lower level LC projects) should also be included in this form. The report of these MFs should be prepared and presented to the DTPC and the respective lower-level Local Councils, on quarterly bases, as well as on annual bases. Copies should be sent to the National Planning Authority, MoLG and interested Ministries of Parliament.

Completion Certificate

After the project has been approved, the work programme planned and the monitoring as per the Monitoring Form has been carried-out/implemented, we can now assume that the project has been completed and the next step is to fill in the Completion Certificate (CC).

What is the Completion Certificate (CC)?

1. The CC indicates what has gone according to the Work Programme Plan, or what did not go according to plan. This allows lessons to be learned for the next time so that mistakes can be avoided next time.
2. The CC also ensures that the implementer is required to account for all the materials used against the Work Programme Plan of what was thought necessary. The implementer should be required to explain any discrepancies between the Work Program Plan and what was actually used.
3. The CC is particularly important in cases where the Council hires out/contracts for a project. In this way there is a legal binding account of a contractor's actual work and completion. Also, final payment due can be based upon this CC. The signatures at the bottom of the CC denotes that the project has been completed physically and to an acceptable standard and that the CC is an accurate record of what actually happened and what was actually used. A project cannot be considered properly complete until a CC has been filled in and approved by the appropriate signatories...

Work Programme M&E Forms for Review

The following are the various types of Work Programme forms a District or lower-level Local Council needs to track and complete projects selected and funded. Bear in mind, that these are only examples. One should tailor their own M&E forms to best fit the needs of the particular users.

The main issues/questions regarding Project Monitoring and Evaluation should always include and answer the following:

1. What are the five input items that must appear on Work Programme Forms?
 - Materials
 - Labour
 - Transport

- Sundries
 - Local Contribution
2. Who signs the front of the Work Programme and WHY?
 3. How do you calculate worker or staff-days?
 4. How often should a Monitoring Form be prepared?
 5. Who should prepare it and to which committees/ organisations should it be reported to?
 6. What are the purposes of a Completion Certificate?

7.5 Ex-post Evaluation

Upon completion of projects, the monitoring ends with the signing-off of the Completion Certificate. As mentioned previously, on-going evaluation is done within the project, challenging its design and draws conclusions and makes judgements that focuses on its intended relevance. This is all done to see if things were done right and/or if there need to be any changes in the basic M&E system adopted by a particular Local Government.

The 'ex-post evaluation' means some years after completion of the various sector projects, the stakeholders need to step back after some time to get a grasp of the overall functionality of their M&E system. It involves the analysis of the goals and objectives to determine the impact that the development plan has had on the target population. This is in contrast to on-going evaluation that examines the immediate effects. In other words, has for example, the reduction of the rural-urban socio-economic disparities lead to an increase in per-capita income or not? This in essence questions the original policy statements of the development plan such as their development principles and objectives.

There are two simple methods in examining these ex-post evaluations. Firstly, the Planners/TPCs and LG Councils should review (preferably by sector as well as overall) projects that have, say, been implemented over the past 2 years. In doing so, they should be able to identify patterns that they may want to change. Secondly, to review the impacts of projects on their policies. The following 2 tables provides simple illustrations of this kind of logic to "improve for the next time".



Evaluation of Impacts of Projects on Policy

POLICY STATEMENT	EXPECTED IMPACT ON	INDICATOR	SOURCE
<u>Development Principle:</u>			
“self-help capability of the Target Group Improved”	Villagers	4 projects started solely by the Villagers in 1998	On-site survey inspections.
<u>Development Objectives:</u>			
“Rural-Urban Linkages in District and Lower Level Local Governments Improved”	Rural Population	Increase in Districts overall Gross-Product by 25% from 2000 to 2005	Survey

District/Lower Level LG Council Projects Implemented in the Last 2 Years				
Local Government	Funding Agency or Source	Type of Project and Sector or Sub-Sector	Value of Assistance	Local Contribution
◆ District				
◆ Sub-County				
◆ Parish/ward				
◆ Village				
◆ Municipal Council				
◆ Division Councils				
◆ Town Council				
Total				

Table 1: WORK PROGRAMME LABOR WORK SHEET

PROJECT TITLE _____ Code: prog _____ Sub-Prog _____ Project _____

Activities: From District Plan	LABOR NEEDED				COST			
	Carpenters Laborers Operators Bricklayers	Date Need -ed	Number of People: X >	Number of Days: X >	Wages by Day or Job = >	Labor Cost + >	Travel Cost = >	TOTAL
1.								
2.								
3.								
5.								
6.								
7.								
8.								
9.								
10.								
PROJECT TOTALS Shs>						+	=	

Table 2: PLANNING MATERIALS & SUPPLIES WORK SHEET

PROJECT TITLE _____ Code: prog _____ Sub-Prog _____ Project _____

ACTIVITIES: From District Plan	MATERIALS & SUPPLIES			COST				
	Date needed	Where did you get from?	Item	Shs Item X >	No. =>	Shs Amount + >	Trans- Port Shs=	Total
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								
PROJECT COST >					+	=		

Table 3: WORK PROGRAMME TRANSPORT COST

PROJECT TITLE _____ Code: prog _____ Sub-Prog _____ Project _____

PURPOSE OF TRIP Vehicle License #	Signature of Person Responsible	DISTANCE (km)			AMOUNT/COST	
		TO	FROM	TOTAL	Liters	Shs
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
TOTAL						

Table 4: WORK PROGRAMME LOCAL CONTRIBUTIONS

PROJECT TITLE _____ Code: prog _____ Sub-Prog _____ Project _____

MATERIALS AND SUNDRIES				
ITEM	PRICE/UNIT	QUANTITY	RECEIVED FROM	COST
1.				
2.				
3.				
4.				
5.				
6.				
7.				
TOTAL				

LABOUR					
TASK/JOB	SKILL	No. WORKERS	No. DAYS	WAGES	ALLOWANCES
1.					
2.					
3.					
4.					
5.					
6.					
7.					
TOTAL					

Table 5: WORK PROGRAMME BUDGET SUMMARY WORK SHEET

PROJECT TITLE _____ Code: prog _____ Sub-Prog _____ Project _____

ACTIVITIES: From District Plan	Materials & Supplies	Labor	Any Other Cost: List each item, # Needed Total Shs	Total Cost of Activity	From Comm- unity	From Out- side
1.						
2.						
3.						
4.						
5.						
6.						
7.						
PROJECT TOTALS >	+	+	=			

Table 6: WORK PROGRAMME ACTION PLAN WORK SHEET

PROJECT TITLE _____ Code: prog _____ Sub-Prog _____ Project _____

WHAT TO DO ? (Activities)	WHEN TO START & FINISH? (Weeks or Months)										WHO WILL DO IT? Leaders or Workers	WHAT MATERIALS ARE NEEDED?
	1	2	3	4	5	6	7	8	9	10		
1.												
2.												
3.												
4.												

Table 7: SAMPLE DISTRICT PROJECT MONITORING REPORT

PROJECT TITLE _____ Code: prog _____ Sub-Prog _____ Project _____

ACTIVITIES: from district plan	SCHEDULE, ON TIME ?	LABOR see work schedule	MATERIAL/ SUPPLIES work-sch	COMMENT
1. Collect sand/gravel	yes	yes	yes	
2. Order mold, cement and other materials	yes	yes	yes	Order placed but no cement in Kampala
3. Transport mold and materials	no	ready	ready	Delivery expected on 15 April
4. Build Foundation	no	ready	ready	Scheduled 17 April
5. Maintenance	no	ready	yes	

Notes: If cement does not arrive on 15 April, other ways to buy cement will have to be found.

Table 8: M&E WORK PROGRAMME AND COMPLETION CERTIFICATE

District/LC/Department	Project Code			
Project Title				
Project Description				
Location				
Source of Funds				
Project Belongs to Implementation Dept/Agency				
Maintaining Dept/Agency				
User Dept/Agency				
	WORK PROGRAMME		COMPLETION CERTIFICATE	
Start/Completion Date				
SUMMARY OF COSTS:				
Labour (From Table 1)				
Materials (From Table 2)				
Transport (From Table 3)				
Sundries (From Table 4)				
Local Contribution (Tab 4)				
Difference Between Estimated and Actual Project Cost				
SIGNATURES:	Signature	Date	Signature	Date
Implementing Dept/agency				
User Dept/Agency				
Project Treasure				
CAO				
Funding Representative				
FUNDS issued/returned	Shs		Shs	

Annex 1: District Development Fund Project Proposal Format

GENERAL

1. Name of the project. Give a brief description of the activity, including its location.
2. State reasons why this project is required. What is the present situation and what problems or difficulties exist? Please give details.
3. What alternative solutions to the problems have been considered? Why were they rejected?
4. What alternative locations were considered and why were they rejected?

PLAN

1. Give the location of the project. Show the location and other infrastructure on a map to be attached to this checklist.
2. Provide plans giving dimensions for facilities (e.g. clinics, warehouses, etc.). Show clearly any modifications to existing buildings. For water supplies give nature of source, type of supply, e.g.: borehole, dam, etc., distance to source and whether or not water needs treatment before acceptance for drinking.
3. Has the project been surveyed? When was survey done?
4. What priority does this project have over the construction of other District Projects?
5. How does this project fit in with the overall development plan (for districts when plans for existing) for the District?

INPUTS

1. How much land will be needed? Has agreement been reached with the landowners? When and where was the meeting held? Were payments for compensation required? What are the existing land tenure and what tenure system is proposed?
2. Is resettlement involved?
3. List the tools, machinery, etc., required for construction and the source(s) from which this equipment will come.
4. Does the District have sufficient labor? Give the number of laborers required for this project, the time required and their salary per day for:-
 - supervisory labor
 - skilled labor
 - unskilled labor
5. Are there sufficient materials in the following categories:
 - materials available locally?
 - materials to be transported from where?
 - Attach the list of materials required and their costs.
6. How long will it take to construct this project activity? Please give an estimate of the time needed for each phase of the activity.
7. How will beneficiaries contribute (25%) to the project: labor/materials, etc.

CAPITAL COSTS

1. Who prepared the capital cost estimates and when were they prepared?
2. The following table offers a format for capital cost in terms of components to be considered when costing and phasing a project:

CAPITAL COST FOR DISTRICT PROJECTS

COST PHASING IN MONTHS OR WEEKS FOR PROJECT

CAPITAL COST	1	2	3	4	5	6	7	8	9
PURCHASE: -land -other									
CONSTRUCTION: -labor -local material -plant/vehicles									
TRANSPORT: -freight -other (fares etc.)									
OTHER COST: -preparation -design -surveying -miscellaneous									
Local Contribution 25%									
-Administrative 5% -Inflation etc. 10%									
TOTAL EST. COST									

RECURRENT COSTS

- Who prepared the current costs and when were they prepared?
 - Recurrent costs per year
 - labor
 - local materials
 - imported materials
 - plant/vehicles
 - Total Annual Costs
- Are those costs already covered by your recurrent estimates? If not, what provision will you make to fund these recurrent costs? How many officers are needed to staff the project and where will they come from?

LINKAGES AND BENEFITS

- What areas and how many people will this project serve? List villages served by each school, clinic, borehole, etc., and their populations.
- Give other nearest locations where similar facilities exist.
- What benefits will this project provide:
 - Directly to the area and people served? e.g. cash incomes, health, food crops, housing etc.
 - To other projects in the area - i.e.: list other projects, nature of project, ownership and how it is related to this new project.
- Please try to give details of the economic social benefits, which will come from this project. Development Organisations are not always aware of the problems of the District and need details of the expected benefits.

Annex 2: Sample of a Typical Village Project Proposal

MPIGI DISTRICT PLANNING OFFICE: KIRA VILLAGE HEALTH POST PROJECT

GENERAL

1. The Kira Health Post Project is a community demand driven project that originated in September 1997 as a result of a Participatory Integrated Development PRA Workshop initiated by the Mpigi Planning Office (MPO). A copy of the Workshop Village Action Forum Report can be obtained at the MPO.
2. A Village Action Committee was created and presently exists with 5 elected members and 3 additional members on a sub-committee (Working Group).
3. Kira is approximately 43 km from Mpigi. Most of the roads leading to Kira are not graded and only passable with a 4X4 during the heavier rain season.
4. The proposed Health Post will serve 84 families (800 people) and 4 surrounding villages of approximately 2,500 additional people.
5. According to the PRA Workshop, the Project objective is to improve basic primary health care and facilitate safe natural births for the people of Kira and surrounding villages. The present difficulties are lack of access to similar services.
6. Kira and surrounding village's basic services/infrastructure are lacking or non-existent.

PLAN

1. A map of Kira is attached.
2. The dimensions for this Health Post are 12 X 7 Meters.
3. This project has been surveyed during the PRA Workshop.
4. This project was reviewed by the DTPC Planning Sub-Committee and presented to the DTPC on February 4, 1999 (approved) and is considered a high priority project given the poor conditions in the project area. (See DTPC minutes available at Mpigi Planning Office)

INPUTS

1. An agreement has been reached with the landowners/villagers that this Health Post requires no purchase for the land as part of the Village (Headman) contribution.
2. Kira Village will contribute all required unskilled labor, sand/stones, molding of bricks and all other local materials required to complete the project, which is above 25% of the total cost of this project.
3. The Department of Health will contribute medical supplies and birth kits to properly stock the Health Post and train 3 Community Health Workers (CHW's) and 2 Traditional Birth Attendants (TBA's) to staff the Health Post.
4. The Mpigi District Council will contribute Project Managers (salaries and overtime) for the implementation, monitoring and evaluating this project (Health Department provides training). The Council has already contributed greatly in assisting in preparing this project proposal through the PRA Workshop as well as several follow-up visits and project final review and approval activities.

CAPITAL COSTS

The Capital Cost for this Project were prepared partly during the PRA Workshop and finalised by the MPO in February 1999 as follows:

CAPITAL COST FOR KIRA HEALTH POST PROJECT

CAPITAL COST	LOCAL CONTRIBUTION	REQUEST FROM DONOR
Land provided by the village (Headman)	450,000	
Unskilled labor (Village) Molding Bricks	350,000	
Unskilled Labor (Foundation/Building)	275,000	
Local materials (Village)	330,000	
Skilled Labor (Finishing Work)-----	-----	500,000
Recurrent cost per year X 5	800,000	
Materials:		
8 x Poles-----	-----	140,000
14 x 12 FT Iron Sheets-----	-----	1,600,000
3 x Door Frames-----	-----	250,000
3 x Window Frames-----	-----	170,000
10 x Bags Cement-----	-----	135,000
4 x Kg Roofing Nails-----	-----	150,000
6 x Window Panes & Locks-----	-----	350,000
10 x Paint-----	-----	625,000
3 x Tables-----	-----	200,000
5 x Chairs-----	-----	250,000
3 x Benches-----	-----	250,000
Transport/freight charges-----	-----	400,000
Refresher Health Course & Materials-----	-----	255,000
Medical Supplies (Dept. of Health)	625,000	
4 x Beds/Mattresses/Bedding-----	-----	800,000
3 x Bicycles for Health Workers Rounds----	-----	600,000
Preparation:		
PID Workshop (MPO)	300,000	
*Logistics/Fuel (MPO/UNCIEF)-----	-----	301,000
Design	80,000	
Surveying	30,000	
Administration-----	-----	65,000
*Council (MPO/Agric/DSA)-----	-----	480,000
Implementation, M&E	270,000	
Total Village Contribution	2,205,000	
Total Mpigi Depts. Contribution	<u>1,305,000</u>	
SUB-TOTAL Shs	3,510,000	
REQUEST FROM DONOR-----	-----	7,521,000
10% Contingency/Inflation-----	-----	8,273,100
TOTAL COMBINED COST OF PROJECT	Shs 11,783,100	

* Logistics/fuel cost based on 500/Shs X 7 village visits at 86 KM round trip.
The average DSA rate is Shs 40,000/night X 3 Officers at 4 village overnights.

CONTRIBUTIONS

1. As seen above in the Capital Cost, between the District Council (primarily the Planning Office), the Department of Health and Kira Village, their total contribution comes to approximately 35% of the total cost of this project proposal while the Donor request is about 65%.

2. The Village (Local) contribution well exceeds 25% of the amount request to the donor, which includes bearing all recurrent cost for maintenance and in part, collecting fees for re-stocking supplies.
3. The Department of Health will contribute greatly with essential medical kits/supplies and training both in the short and long-term.
4. The Mpigi Planning Office is largely responsible for making this project happen, although it is a community demand driven request. The Mpigi Council has and will bear all salary cost for this project. Primarily they only request Donor subsidy for fuel cost and extra Daily Allowances while their officers required overnight stays. However, the Council will bear all overtime/weekend pay for there employees.

RECURRENT COSTS

1. Kira will meet the recurrent cost of maintaining the Health Post at approximately Shs 100,000 per year. The Village/Surrounding villages will assist in the purchase of new medical supplies for re-stocking from fees collected.
2. The Department of Health will supply all other essential medical supplies as well as training and updated courses in health and primary health education/awareness.

LINKAGES AND BENEFITS

1. As previously mentioned, this Health Post Project will serve a total population of more than 3,000 villagers and will improve the basic health care and lower the infant mortality rate for the people served.
2. The nearest locations where similar facilities exist are at least one days walking distance and sometimes not accessible by vehicle during the rain season.
3. This project will help facilitate activities of the Ministry of Health Programmes in their ongoing efforts to improve water and sanitation, health and education in the rural areas. (The Mpigi 1998 Health Plan can be obtained at the MPO)

See attached work sheets, which will be utilised by the Mpigi Planning Office and Department of Health in carrying out implementation, evaluation and monitoring activities required to make this project successful.

_____ Date _____
Mr. Paul Kirabira
Mpigi District Planning Officer

Annex 3: Guidelines for Assessing District Organisations

1. Name of the organisation _____ GO _____ NGO _____
Registered _____ Non registered _____ Year of registration _____
 - **Organisational structure:**
2. Manpower per organisational structure (by profession)
3. Years of operation at:
4. National _____ District _____ County _____ Sub-County _____ Ward _____ Community _____ Village level _____
5. Locations/sub-locations within the district/community/villages (area/population coverage)
6. Ratio of locations/agents to the village population
7. Sources of finance _____
8. Annual budget _____
9. Budget allocation: Projects _____ Administration _____ Accountability _____
10. Logistics: (offices, Cars, Motor bicycles, pedal bicycles, computers, typewriters, etc.)
11. Major goals of the GO/NGO/Community
12. Major achievements of the GO/NGO/Community (for the last three years)
13. Major constraints faced in implementing its goals (shortcomings)
14. Information flow system regarding projects, problems related with subject matters etc. (from interested group village/community etc.)
15. Planning methods (how do you identify, implement, monitor, evaluate projects?)
16. Degree of participation of local population in planning, implementation, monitoring and evaluations of projects/programmes
17. Contribution of the community/villages in development project (material, financial, labour etc.)
18. Criteria for starting a project?
19. Co-operation with other Governmental Organisations Non governmental Organisations, community, self-help organisations etc:
 - The DTPC
 - District Planning Office/Unit
 - The Decentralisation Secretariat, MoLG
 - Other Non Governmental Organisations
20. Modification of the organisations structure to adjust itself to the ongoing decentralisation policy?
21. Are there ways and means of integrating your plans on district, community and village level?
22. Which organisation do you feel can co-ordinate development activities on district/community/village level? Why?

Annex 4: Flow Chart for Participatory/Integrated Development

ACTIVITY	RESPONSIBLE	SUPPORT
1. Village/Parish or interest group requests assistance from Co-ordination-desk to facilitate process.	Village/Parish CAO or interest group leaders	Councillors, officers of GO's, NGO's, LAs, private organ. or persons
2. Co-ordination desk finds a facilitating agency (GO or NGO) which is willing to facilitate an action forum or a problem solving dialogue on village/parish or interest group level.	Co-ordination Desk	
3. Facilitating Agency (GO or NGO) forms an appropriate PRA team (interdisciplinary) and facilitates an action forum or problem solving dialogue on community, village or interest group level.	Leader of facilitating team	Co-ordination desk offers advice and training
4. Community, village or interest group analyse their potential and constrains, identify projects, set priorities and elect a village committee.	All community, village or interest group members	Facilitating agency
5. Village committee compiles project proposal in close co-operation with subject matter specialists and submits proposal to Co-ordination-desk.	Village committee	Facilitating agency
6. Facilitating Agency gives assessment of the technical, social and economic feasibility of the project to co-ordination desk.	Facilitator from facilitating agency	Co-ordination desk and subject matter specialists
7. Project proposal and assessment are reviewed by TPC Standing-Committee (Responsible for Planning) and amended in co-operation with village committee if necessary (before the next TPC meeting). Potential funding organisation is identified.	Chairman of sub-committee Planning	Co-ordination desk
8. Project is approved or disapproved during TPC meeting.	Council Administrator	Co-ordination desk
9. Co-ordination desk solicits for funding from the funding organisation and prepares agreement between Council secretary, village committee, facilitating agency and funding organisation	Co-ordination Desk	
10. Treasurer opens bank account for the project with two authorisation panels and	Treasurer	Co-ordination desk

checks must be signed by the treasurer or council secretary and the village committee chairperson		
11. Funding agency pays into project account according to terms of payments	Funding Organisation	Treasurer
12. Village committee and facilitating agency manage project implementation and submit progress reports (as specified in agreement) to PRA Co-ordination desk	Village committee Chairman and facilitating agency	Co-ordination desk
13. Co-ordination desk spot checks project reports and compiles quarterly progress report of all development activities to the TPC and funding agencies	Co-ordination Desk	
14. After completion of the project the co-ordination desk compiles a final report consisting of an assessment of the project progress and impact from the perspective of the village committee and from the perspective of the facilitating agency. It also contains a financial report by the treasurer.	Co-ordination Desk	Village committee, facilitating agency, treasurer
15. The funding organisation has the right to audit the project. The treasurer will provide all relevant documents to carry out the audit.	Funding organisation	Treasurer

The Actors Involved in Fund Process are:

- ☞ **Communities, villages or interested groups (beneficiaries).**
- ☞ **Committees formed on community, village or interest group level, which will be responsible for the management of projects.**
- ☞ **A Co-ordination Desk in the District Planning Unit of the Council Administration.**
- ☞ **Facilitating Agencies are Government Departments or NGO's which take over the tasks to send a PRA-Team to a community, village or interest group and to organise the follow-up (technical assistance to the village committees during planning and implementation.**
- ☞ **PRA-Team is an inter-disciplinary Team of 5 to 9 officers from different development agencies and sectors (GOs, NGOs) who facilitate a PRA process.**
- ☞ **DTPC and its Sub-Committees appraise and approve or disapprove project proposals resulting from PRA processes.**
- ☞ **Funding agencies or programmes likely Development Funds, Embassy Funds who provide discretionary funds for community 'demand driven projects'.**
- ☞ **Chief Administrative Officer/ Treasure who have to open accounts for each project and have to ensure that funds are administered in a transparent and auditable way.**

Annex 5: Integration of Planning and Budgeting

DISTRICT				
Major Problems	Potentials	(Concrete) Priority Devel. Objectives	Revenue Sources	Budgetary Expenditures
♦	♦	1. 2.		

SUB-COUNTY				
Major Problems	Potentials	(Concrete) Priority Devel. Objectives	Revenue Sources	Budgetary Expenditures
♦	♦	1. 2.		

MUNICIPAL				
Major Problems	Potentials	(Concrete) Priority Devel. Objectives	Revenue Sources	Budgetary Expenditures
♦	♦	1. 2.		

MUNICIPAL DIVISION				
Major Problems	Potentials	(Concrete) Priority Devel. Objectives	Revenue Sources	Budgetary Expenditures
♦	♦	1. 2.		

TOWN				
Major Problems	Potentials	(Concrete) Priority Devel. Objectives	Revenue Sources	Budgetary Expenditures
♦	♦	1. 2.		

Annex 6: Cost Benefit Analysis

Identifying of Cost and Benefits of a Project

The immediate costs and effects are easy to identify but secondary and external effects of the project are often overlooked by those responsible for project preparation. A list of costs and effects carefully identified can be a useful guide to the Development Committees at all levels to decide what projects to include or exclude from the respective development plans.

The objective of identifying the costs and benefits of a project and later calculating them, is to give a clear, consistent and comparable measure of economic or financial viability or acceptability of the project. Identifying costs and benefits of a project is easier than measuring them. For example⁸, it seems obvious that a child vaccination programme will have considerable benefits in terms of reduced incidence of disease among children, but estimating the impact requires information or assumptions about:

- The present incidence of the disease.
- The proportion of children who will be vaccinated.
- The efficacy of the vaccines (this will be both a function of their inherent and the ability to maintain an effective cold chain).
- The effect of reduced incidence of the diseases on other childhood diseases and ailments.

Similarly, for an agricultural extension project there would be a clear benefit in increasing production and farm incomes, but in order to quantify that benefit, assumptions would have to be made about:

- The proportion of farmers in the project area taking up the new farming methods and how quickly they adopted them.
- The proportion of farmers in the project area who would have adopted the innovation without the project (and whose increased production could not be attributed as a benefit of the project).
- The quantity of inputs farmers will use and the

prices paid for them.

- The increase in yield from adopting the improved practices.
- Changes in the area farmed and in the production of other farm products.
- The prices at which the increased production can be sold.

In the case of a rural health project, while it might be feasible to estimate its benefits to the population, it would usually be impractical to value the benefits and so compare them directly with the project's costs. In these circumstances there are a number of ways in which the economic analysis could proceed:

1. Present a balance sheet of costs and benefits and make a qualitative assessment of whether the project is worthwhile.
2. Undertake a cost-effectiveness analysis to assess whether the project represents the most efficient way of achieving a given level of benefits.
3. By analogy with previous studies of the economic returns to rural health services and of the appropriate design standards to provide an indication of the likely scale of benefits.

With an agricultural project it would be more likely that benefits could be adequately valued and that the project would be amenable to a formal cost-benefit analysis.

If a stream of costs and benefits arising from a project can be ascribed financial values, it is possible to carry out a cost-benefit analysis of the project to provide a measure of its value. Cost-benefit analysis is applicable to:

- financial appraisal, where it measures the financial benefit to those participating in the project, and
- economic analysis, where it considers the wider value of the project to society as a whole. Cost-benefit analysis may enable direct comparisons to be made with other investment alternatives as a basis for the final investment decisions.

Stages of Cost-Benefit Analysis

There are three main stages in carrying out a cost-benefit analysis:

1. Adopted from Republic of Uganda (1988), Planning Manual, Ministry of Planning and Economic Development, Sections 7.4.7 - 7.4.10.

Quantify and value the streams of costs and benefits during arising from the project. The problems of doing this are known. It may not be necessary to value all costs and benefits. Provided the most significant ones are covered, it may be sufficient to use them to impute a value to the project. This can then be qualified by a descriptive analysis of costs and benefits for which the evaluation was not possible.

Next, for economic appraisal, convert the valuation of costs and benefits from financial prices to economic prices. As the concern is with the economic value of the project, prices need to be corrected for distortions in the economy, notably those caused by taxes and subsidies, imperfect labour markets and the scarcity of foreign exchange.

Finally, discount the future flow of costs and benefits to the present. This allows comparisons to be made between the value of the project and the alternative uses of the investment resources involved. The use of discounting acknowledges that resources invested today have an opportunity cost in terms of the benefits foregone from their alternative uses.

There are three main measures of the value of undertaking a project when discounting costs and benefits. These are:

The Net Present Value (NPV). This measures the value of the project's net cash flow when discounted for the opportunity cost of capital. The formula for calculating the NPV is as follows:

$$NPV = \sum_{j=0}^n \frac{B_j - C_j}{(1+i)^j}, \quad j = 0, 1, \dots, n.$$

WHERE:

- NPV = the net present value of the project.
- $B_j - C_j$ = the net benefit from the project in year j.

This may be negative or positive.

i = the discount rate.

j = a number from 0 to n+1 is the number of years in the cash flow with the 1st year 0.

If the NPV is zero then the project is no better and no worse than if resources had been used elsewhere in the economy and obtained a return equal to the opportunity cost of capital. If it is negative then the project will yield less and there are better investment alternatives. If it is positive then the project is worth undertaking.

The Internal Rate of Return (IRR): The IRR for a project is that specific discount rate which would make the NPV of the project equal to zero. The formula for calculating the IRR is given below:

$$NPV = \sum_{j=0}^n \frac{B_j - C_j}{(1+r)^j} = 0, \quad j = 0, 1, \dots, n.$$

Because certain types of cash flow have more where:

- NPV = the net present value of the project.
- $B_j - C_j$ = the net benefit from the project in year j. This may be negative or positive.
- r = the discount rate that makes NPV equal to zero.
- j = a number from 0 to n+1 is the number of years in the cash flow with the 1st year 0.

The determination of the IRR is done by calculating the NPV for alternative discount rates until two rates are found which give an NPV just above and just below zero. In comparing mutually exclusive project alternatives it is not as straight forward as the NPV

(since one alternative could have a higher NPV but lower IRR than another). For this reason it is usual to calculate the NPV using the opportunity cost of capital as well as the IRR.

The Benefit- Cost Ratio (BCR): The third common measure of a project's worth is the BCR. This calculates the present value of the benefits and costs of the project separately at the discount rate and then expresses the present value of the benefits as a proportion of the present costs. If the BCR is greater than one, then the project has a positive NPV and is a justified investment to make. The BCR is useful for comparing alternative projects of different size, but with similar NPVs, since the project with the higher BCR makes a more efficient use of the capital invested and should be preferred.

possible to compare different ways of achieving the same benefit and to identify the most cost effective alternative. This is called **cost effectiveness analysis** and it is widely used in social sector projects.

Cost effectiveness analysis is also useful in selecting between design alternatives for components of a project for which a subsequent cost- benefit analysis is to be undertaken if the benefit will be the same. Cost effectiveness analysis will select the more efficient alternative.

Cost-effectiveness analysis

Where the benefits cannot be measured, it is

BENEFITS		COSTS
	Primary	
<ul style="list-style-type: none"> • Subsistence production from scheme. • Cash Crop production from scheme. • Greater reliability of crop production • Employment of scheme management. • Savings in inputs used on former income generating activities no longer pursued. 		<ul style="list-style-type: none"> • Scheme development costs. • Scheme management costs. • Extension service costs. • Lost production from former income generating activities no longer carried out .
	Secondary	
<ul style="list-style-type: none"> • Less malnutrition and lower incidences of related diseases. • Educative impact on scheme membership. 		<ul style="list-style-type: none"> • Increased incidence of bilharzia and malaria among farm families. • Increased demands on women's time affecting child care. • Reduced leisure time.
	External	
<ul style="list-style-type: none"> • Increased trade opportunities in scheme area. • Reduced food costs to community. 		<ul style="list-style-type: none"> • Increased incidence of bilharzia and malaria among local community. • Reduced water local available for downstream irrigation. • Increased pollution from fertilizer residues. • Loss of grazing for pastoralist who previously used scheme site.

Annex 7: The National Gender Policy

Gender Policy Goals/Objectives

The overall goal of this policy is to mainstream gender concerns in the national development process in order to improve the social, legal/civic, political, economic and cultural conditions of the people in Uganda in particular WOMEN.

Specific Objectives

1. To provide makers and other key actors in the development field reference guidelines for identifying and addressing gender concerns when taking development policy decisions.
2. To identify and establish an institutional framework with the mandate to initiate, co-ordinate, implement, monitor and evaluate national gender responsive development plans.
3. To redress imbalances which arise from existing gender inequalities
4. To ensure the participation of both women and men in all stages of the development process.
5. To promote equal access to and control over economically significant resources and benefits.
6. To promote recognition and value of women's roles and contributions as agents of change and beneficiaries of the development process.

Strategies

1. The policy objectives shall be achieved through the following strategies:
2. Sensitisation on gender issues at all levels
3. Promoting a Gender and Development (GAD) approach that is based on the understanding of gender roles and social relations of women and men as well as the Women in Development (WID) approach which focuses on women specifically.
4. Ensuring that the gender policy shall be disseminated, translated, understood and implemented by all sections of Ugandan society.
5. Promoting appropriate education, sensitisation and creation of awareness on the responsibility of all concerned parties in each sector to address the specific gender concerns within the sector. This should entail consultation with both women and men in specific areas of relevance to identification of gender concerns.
6. Ensuring gender responsive development planning at all levels: community, district and national
7. Promoting a holistic and integrated approach to development planning to ensure that gender issues common to different sectors are adequately identified, analysed and addressed.
8. Promoting and carrying out gender oriented research in order to identify gender concerns.
9. Establish gender responsive monitoring and evaluation mechanisms for development.
10. Promoting a gender sensitive approach to technical co-operation among the various actors in the development arena.
11. Advocate for gender equity at all levels.

Sectoral Planning Level

At this level information is continuously generated and fed into macro policies which are interpreted for the development of sector specific policies and plans. The strategies include:

1. Sensitising and training planners in gender analysis skills to identify and analyse gender concerns.
2. Internalising gender and development concepts
3. Collecting, compiling, utilising and disseminating data disaggregated by age and gender.
4. Formulating appropriate sectoral policies that are gender responsive.
5. Developing gender specific sectoral indicators for monitoring gender sensitivity of sectoral policies.
6. Using regional and international instruments to monitor the implementation of Government commitment to ensure gender equality.
7. Monetizing the contribution of women in the relevant sector to reflect their actual contribution to national development.
8. Enacting specific laws and developing programmes (including affirmative action where necessary) that enhance equal participation.

District Plans

The process of democratisation/decentralisation provides a particularly important entry point for addressing gender concerns at the local level.

Strategies include:

1. Ensuring equitable devolution of power to women and men.
2. Enhancing capacity to interpret the macro and sector policies from a gender perspective at the district level.
3. Promotion, collection, compilation and dissemination of age and gender disaggregated data at all levels.
4. Initiating specific by-laws (including affirmative action where necessary) geared towards promotion of gender equity to redress the imbalances identified at district level.
5. Sub-County and other Local Community Levels
6. The Local Councils at sub-county and local community levels are responsible for incorporating local community issues and concerns into development. Strategies shall include:-
7. Promotion, collection and analysis of age and gender disaggregated data at all levels.
8. Creating the capacity within the community to identify and analyse gender concerns.
9. Initiating specific by-laws geared towards redressing the existing gender imbalances.
10. Targeting community based organisations and affirmative bodies e.g Women and Youth Councils to incorporate a gender perspective in their work.
11. Focus on the family unit as the basic structure for the social construction of gender relations through community based initiatives.