Code Version Control and History: 3 Project Development

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Document History

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<tr>
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Summary of supporting tools for Project Development

All PGS tools can be downloaded from the Union Portal (click here)

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<td>• Project logical framework – Excel template (owner: PME)</td>
<td>3.1.2.1 Preparing a logical framework</td>
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<td>• Project Monitoring Plan and Results Template – Excel file (owner: PME)</td>
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<td>• IUCN Project Budget Tool (Excel file) (owner: Global Finance Group)</td>
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<td>• ESMS Screening Questionnaire (owner: GEF CU – see the “ESMS Manual” for the tools)</td>
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<td>• Partner Screening Tool (for implementing partners and grant recipients) (owner: Finance)</td>
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Tools in the PAAS Tools folder:
• Checklist of contents for project concepts and proposals (owner: PME)
• Project appraisal and approval form – proposals (owner: PME)
• Short Form for project approvals (owner: PME)
• Guide for project appraisals by peer reviewers (owner: PME)

Note: not all steps in identification or conceptualization are supported by a tool. See the table at the end of Module 1 for an overview of the mandatory tools and processes.

1 Full URL of the Union Portal page for the PGS Tools: https://portals.iucn.org/union/node/5095
3.1 Project Development

This section of the Project Guidelines and Standards outlines the process, tools and guidance related to project development, which will result in the project proposal (or design) document.

At this point in the project development process, it is assumed that the project concept has been approved internally and is under negotiation with a potential donor(s) and IUCN has been invited to submit a full proposal. In instances where IUCN is responding to a Request for Proposals or other instances where a lengthy concept was prepared in the previous stage, project development will focus on finalizing the project’s design.

The main steps in preparing the project proposal document include (Figure 3.1):

- Finalizing anything left outstanding from the project conceptualization stage, including the situation analysis, stakeholder analysis and theory of change. At this stage, the proposed project should be gender responsive, based on sound analysis completed. Completion of this step will create the narrative sections in the project proposal.
- Results oriented planning, which includes development of the logical framework and monitoring and evaluation plan.
- Risk analysis (continued from concept phase), including further risk analysis, assessing partners and grantees, ESMS screening (if not already completed in concept phase) and an Environmental and Social Impact Assessment (if necessary) and associated Environmental and Social Management Plan. Full business due diligence is also required for business engagements deemed high risk by the Business Risk and Opportunity Screening Matrix. The project document should also address contextual risks related to governance issues or political stability.
- Financial planning (continued from concept phase), including preparation of the final budget and a procurement strategy.
- Finalization of the project proposal document, including all narrative.
- Appraisal and approval (continued from concept phase), of the project proposal document prior to sending to the donor(s).

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2 IUCN Procurement Policy
Similar to the project conceptualization stage, the donor to whom the project proposal is being submitted will influence what is included in the proposal itself and how the information is formatted. All donors have specific formats for proposals, ranging from very informal to highly specific. Any donor using logical frameworks will have a preferred version.

Generally all projects must present an analysis of the project context that includes a situation analysis, stakeholder analysis and problem analysis. All projects must outline intended results and impacts and describe the means (activities, outputs) by which results and impacts will be achieved. Usually this is presented in a narrative and logical framework. Increasingly, theories of change diagrams are also included. All projects must include a budget and be screened for risks (working with partners, ESMS, business, contextual) which might lead to adjustments of project design and provides for an appropriate level of monitoring and evaluation.

What happens when the donor approves the project?

Before implementation can commence, a project contract must be signed with the donor, which includes the following steps:

- Contract & budget negotiation
- Contract review and sign-off
- Budget review and sign-off
- Approval of the project contract under the Delegations of Authority

Refer to the Contracts Review and Sign Off provided by Office of the Legal Adviser for more information.
3.1.1 Project planning - completing steps from Project Conceptualization

The first stage in preparing the project proposal document is to ensure that all of the steps outlined in Project Conceptualization are complete. This may include completing or adjusting the:

- Situation analysis
- Stakeholder analysis
- Theory of change and intended results and means
- List of main partners
- Preliminary risk analysis

All analyses in these sections should be gender sensitive and responsive. If these sections are not completed, they will need to be completed now before proceeding to the next stage of proposal development.

3.1.2 Results-oriented Planning

Once the project’s theory of change has been completed and the main results identified, this stage will fill in the details resulting in the preparation of the project proposal, including:

- Preparing the project’s logical framework;
- Preparing the monitoring and evaluation plan;
- Developing a plan for sustainability and an exit strategy

Include only as much detail as is necessary.

3.1.2.1 Preparing the Logical Framework

A logical framework is a process and means of organizing information from the project plan in a way which is intended to ensure that the project is well-planned, complete and logical. The results of logical framework analysis are summarized in a table called the logframe.

As a process, logical framework analysis (LFA) is intended to complement problem analysis and theory of change by addressing the information in a different manner. LFA is also intended to be iterative and participatory.

A logframe captures the main intended results, key outputs and activities and indicators of success. The logframe also captures any assumptions underpinning the project’s logic, and an analysis of any external risks facing the project. It does not replace the theory of change.

Donors and logframes

Each donor has a preferred method for documenting a project proposal. This includes various preferences for planning languages, use of theory of change and logframes. When preparing a project proposal, it will be necessary for the project team to be aware of donor preferences and to use their preferred tools.

IUCN has developed a planning language for the IUCN Programme that uses the term “results” to describe the main change the project is trying to bring about. Other donors use outcomes or
objectives to describe these main changes. Examples in this Guide of the logframe, theory of change and monitoring plan are offered as examples only; the tools may be used with the donor’s consent, however, in most cases, projects must be prepared using the donor’s preferred tools.

There are also many formats for a logframe. The example included in this Guide is intended to provide a simplified and intuitive tool.

Similar to project conceptualization, the logical framework analysis is an activity which can be completed in a workshop setting. There are many different ways to convene such as workshop involving different combinations of stakeholders. Some workshops are very small, involving only the project team which will implement the project, while others include potential donors, partners and stakeholders (beneficiaries). The basic guidance is that larger, more complex projects that will involve a wide range of stakeholders will benefit from a more participatory process.

At this stage of the planning, the project team will need to ensure that all results, outputs (and intended uptake) and activities are gender responsive, to ensure that the project promotes and will achieve gender equality and also avoid results, outputs and activities that will perpetuate or exacerbate gender inequality. The logframe process is useful in checking that activities and outputs will achieve results and vice versa, and the same approach can be done from a gender perspective as well. Use step 4 – identification of assumptions and risks – to really question the gender aspects, power relationships and who stands to be benefit from the project intervention.

In any case, preparing a logical framework analysis involves a set of generic steps. This process is iterative, so it is very normal to go back and redo certain steps as discussions progress. The logframe should be completed as the analysis progresses.

1. **Review the project concept, including the problem analysis and theory of change.**
   The main intended results are the building block of the analysis and should be entered into the logframe in the first column to the left. At this point, the group should be prepared to discuss whether the project results will adequately address the problems identified. Make adjustments as necessary.
   A typical project will have 3-5 main results. A more complex or multi-location project may have up to 8 main results. If more results have been identified, it is worth spending some time on simplifying the project’s main results, either by nesting them in hierarchy, clarifying whether the identified results are actually results or are outputs or activities and/or grouping results.

2. **For each result and impact, identify 1-2 indicators which will measure progress toward it.** More guidance on selecting indicators is given in 3.1.3.1- Preparing a monitoring plan. A small number of indicators is preferred measuring changes at the level of results, rather than outputs or activities. In some cases, it will be desirable to measure outputs. Measuring the number of trainees of a capacity building activity, or the update of a new toolkit by users are important pre-conditions for achieving a result and may be easier to measure. Repeat this step until 1-2 indicators have been chosen for each project result.

3. **For each result, identify the main outputs and activities necessary to deliver the result.** It is important at this stage to review the IUCN results chain again and recognize that results are changes that IUCN is trying to influence, but does not have direct control
over. The discussion on whether the identified outputs and activities will influence the result is very important in this context. This step needs to be completed for all results. Setting up a project with broad activities and nesting sub-activities under these makes it easier to prepare a budget (one budget line per broad activity area).

4. **For each result, identify any assumptions and risks.** An **assumption** is a belief that underpins a theory of change and intended results. For example, it is often assumed that local stakeholders will manage a natural resource more carefully if given stronger control over its management, or that if local stakeholders are given an alternative opportunity to generate income, then they will use less of a scarce natural resource. These are important beliefs to tease out during project design and test during project implementation. Many projects have failed precisely because assumptions were neither identified nor tested.

It is worth spending some time to reflect as a group on the assumptions underpinning the project and risks the project is facing as a means of deciding whether to proceed with the project itself.

A **risk** is a condition under which the project operates which may cause problems for the project’s implementation and delivery of results. Serious risks may prevent project implementation altogether and if such a risks are identified, but no mitigation strategy is forthcoming, it is questionable as to whether the right conditions for the project to proceed are available. The PGS includes a number of tools for assessing risks (partner, ESMS and business – explained further down) for identifying and ranking risks, however in most cases; this assessment is adequately done within the logframe. Document risks and assumptions in the right-hand column of the logframe and repeat this step for all results.

Use the logframe tool to prepare a logframe for inclusion in the project document.

The logframe is also the basis for preparing the work plan (see Section 4.1.2) which is a shorter term implementation plan (usually annual, adjusted quarterly).

**Adjustments to implementation: in the logframe or the work plan?**

Most implementation can be adjusted via the work plan, however, there are instances where the logframe itself will require adjustment:

- The donor has requested adjustment;
- The conditions under which the project is being implemented have fundamentally changed (assumptions or risks);
- Monitoring data is consistently demonstrating that results are not being delivered or that unintended results are being delivered and that the project’s results and means may need adjustment;
- Additional funding or partners have been added, expanding the scope of the project intervention.

All adjustments to a logframe are significant and should include the same group that initially developed the logframe, namely the project team, partners, donors and stakeholders.
3.1.3 Preparing Monitoring and Evaluation Plans

Monitoring and evaluation (M&E) is a critical but often overlooked component of any project plan. Monitoring and evaluation are often treated as being the same thing, but are in fact, quite different.³

Monitoring is the continuous collection and analysis of information used by management and partners to determine progress on the implementation of activities, achievement of objectives and use of resources.

Evaluation is a periodic and systematic assessment, as impartial as possible, of the relevance, effectiveness, efficiency, impact and sustainability of an activity in the context of stated objectives. Evaluations are formal IUCN activities that provide evidence of the achievement of results and institutional performance.

3.1.3.1 Preparing a monitoring plan

The tool - Project Monitoring Plan and Results Template is intended to outline how the impact, results and outputs of the project intervention will be measured. A monitoring plan contains not only indicators, but also plans for monitoring activities, their costs and an indication of who will be responsible for collecting the data.

Indicators are measures that show progress toward the intended result and targets. Indicators are not new results or targets, but instead are the means of measuring progress toward the intended result.

Indicators should be SMART:

(S)pecific - The information captured measures what it is supposed to measure. In other words, the data collected clearly and directly relates to the achievement of an objective and not to any other objective. If the information collected is specific, it can tell us whether the change we seek to create is happening or not.

(M)easurable – Before starting monitoring, staff must make sure that the information required can be practically collected using measurable indicators.

(A)ttributable – Any changes measured must be attributable to the intervention.

(R)elevant – Monitoring results must make a contribution to selected priorities, i.e. they must fit with the IUCN Global Programme and where possible IUCN global results indicators must be included in monitoring.

(T)ime-bound – Monitoring is not open-ended but allows change to be tracked at the desired frequency for a set period.

In preparing a monitoring plan, there are several considerations:

- Who will use the results of monitoring? For what purpose? Will monitoring be primarily used to satisfy accountability requirements? Or will monitoring be used to provide evidence for lesson learning or policy messages?
- Will the project team collect primary data or make use of secondary sources?

³ See also the IUCN Monitoring and Evaluation Policy (2015)
• Does the donor have certain indicators or approaches to monitoring which are mandatory?
• Are the results and indicators formulated in a differentiated way by sex to ensure that the participation of women and men is documented systematically?

3.1.3.2 Choosing indicators, baselines and targets

Choose as few indicators as possible in order to satisfy accountability-reporting needs and the need for evidence to support lesson learning and policy influencing. If possible choose indicators that measure change in the most direct manner possible and which will yield valid and reliable measures (e.g. the indicator measures what it says it is trying to measure and that the measurement is consistent). If a direct measure is not possible methodologically use a proxy measure (explaining the relationship between the indicator and the change being measured).

IUCN through the IUCN Programme 2013-16 uses a set of results and impact indicators and will do the same for the Programme 2017-2020. It is required that each project monitor against the indicators from that set in order to contribute to global reporting on progress in implementing the IUCN Programme. At the time of choosing indicators, the project team should review the Programme level indicators and choose the ones most relevant to their work.

IUCN is also committed to reporting against the indicators associated with the Aichi Targets of the Strategic Plan for Biodiversity and the Sustainable Development Goals, so projects should be prepared to contribute reporting on these indicators.4

As part of IUCN’s commitment to gender mainstreaming, all indicators which provide a benefit to people – men and women – must be disaggregated by sex. In addition, gender responsive indicators can help capture how the project is specifically addressing gender gaps and providing benefits to women. See the PGS Annex on Gender Criteria and Mainstreaming for more guidance.

Finally, the Biodiversity Indicators Partnership (of which IUCN is a member) maintains a meta-database on potential biodiversity indicators and data-sets.

Once the indicators are identified, the project team needs to establish baselines and targets to measure the level of change they want to achieve. The baseline and target should be clearly aligned with the indicator using the same unit of measurement.

Baseline data establishes a foundation to measure results over time, monitor and evaluate. Baseline data also allows to measure progress against the situation that prevailed before an intervention.

After the baseline is established, a target should be set. The target will normally depend on the duration of the project and its activities.

4 http://www.cbd.int/sp/indicators/
3.1.3.3 Completing the Project Monitoring Plan and Results Template

The indicators used in the monitoring plan must be exactly the same as the indicators entered into the logframe tool. The monitoring plan should be prepared by the project team with the support of a monitoring and evaluation specialist, this person will be important in choosing indicators, data collection methods, which can be implemented through budgeted monitoring activities.

After completing, baselines and targets for each of the indicators, it is important to establish other elements of the monitoring plan that will set the basis for the project’s monitoring framework. These elements are:

- **Methods and data sources**: Methodologies used to identify data sources and collect information on indicators. Methods include informal and formal surveys, direct and participatory observation, interviews, focus groups, expert opinion, case studies, desk review, etc.
  Data sources are broadly classified into primary and secondary data; primary data being the one that has been collected specially for the purpose of monitoring progress and secondary data is the one that has already been collected by and readily available from other sources.

Use the Project Monitoring Plan and Results Template to prepare a project monitoring plan. Both the log frame and the Project Monitoring Plan and Results Template should be reviewed – and revised if needed – in the first six months of a project to ensure they are still appropriate. The Project Monitoring Plan and Results Template is approved by the relevant programme manager Programme Director or Head or Regional Technical Coordinator).

3.1.4 Preparing an evaluation plan

**Key tools**: Evaluation plan template

A short plan outlining the evaluations which will be completed during the life of the project should be included in the project proposal and budget. Use the Evaluation Plan Tool.

An evaluation, according to the IUCN M&E Policy defines evaluation as:

> Evaluations are formal IUCN activities that provide evidence of the achievement of results and institutional performance. Evaluation is a periodic and systematic assessment, as impartial as possible, of the relevance, effectiveness, efficiency, impact and sustainability of an activity in the context of stated objectives. Evaluations can focus on different IUCN activities, including programmes, projects, policies and organizational units. Evaluations should provide credible, reliable and useful information, enabling timely incorporation of findings, recommendations and lessons learned into relevant decision-making processes. (IUCN M&E Policy, 2015)

At IUCN project evaluations are undertaken as agreed with the project’s donor(s), normally at the mid-term of the project schedule and at its termination. Every IUCN project with a value over CHF500,000 requires an end of project evaluation. In addition, every IUCN project with a value over CHF2,000,000 will add a mid-term evaluation to its monitoring and evaluation plan. Smaller
projects and those for which the donor does not plan an evaluation are encouraged to introduce other evaluative approaches for lesson learning and reflection throughout the duration of the project.

All evaluations must be followed up with a management response that spells out the actions that will be taken to respond to the recommendations from the evaluation and is used to track follow-up.

At this point, the evaluations do not need to be planned in any detail. This step is covered in Section 5 on Evaluation.

3.1.5 Developing a plan for ensuring sustainability and an exit strategy

Sustainability refers to the extent to which the positive results of the project intervention will persist once the project implementation (and funding ends) and considers four main aspects: capacity, finance, policy mandate and institutions. Sustainability is often overlooked in project design. In IUCN’s context there are a number of ways of ensuring sustainability, for example, through:

- Creating a trust fund for ongoing conservation activities that will maintain a core of capital while yielding income to stakeholders to pay for the activities;
- Creating a policy or governance change, that places the project result permanently under the control of stakeholders or an appropriate government authority;
- Permanent removal of a threat to a habitat or species or a perverse incentive (legal or economic) that underpins a threat;
- Building capacity in local stakeholders (women and men) and communities to continue conservation activities;
- Embedding the preferred result or behavior in local attitudes, preferences and ways of doing things;
- Ensuring that benefits that emerge from good conservation results are shared equitably amongst between men and women and all stakeholder groups;
- Handing over responsibility to a capable organization for continued conservation activities.

The section in the project proposal on sustainability and the exit strategy should describe in narrative terms the means by which results will be sustained and how the project team will prepare stakeholders, partners and authorities to assume responsibility for maintaining the project results in the medium to long term. The exit strategy should explicitly document how long the strategy is expected to continue, which activities will continue or be discontinued and who will be responsible and in which roles.

At this stage it is also important to consider sufficient time for the closure of the project including the submission of completion reports and other related activities. Depending on the size and duration of the project, this process could take up to six months.

3.1.6 Risk Analysis

Key tools for this section:
- Partner Screening Tool (for implementing partners and grant recipients)
- ESMS Screening Questionnaire (owned by ESMS Coordinator)
At this point in project development, the preliminary risk analysis started in project conceptualization must be completed. Risks to be assessed include environmental and social risks according to the provisions of the Environmental and Social Management System (ESMS), Operational Guidelines for Business Engagement and working with partners. This section summarizes the key documents related to risk assessment and the tools which must be used to screen the proposal.

Tools used for risk screening of proposals:

- Apply the Partner Screening Tool for each partner or grantee;
- ESMS: Complete the ESMS Screening Questionnaire;
- Complete the IUCN Business Risk and Opportunity Matrix
- Undertake full due diligence if business engagement is deemed “high risk”.

Assessing environmental and social risks

The purpose of IUCN’s Environmental and Social Management System (ESMS) is to avoid or minimize potential negative environmental and social impacts of IUCN projects and enhance positive impacts. The detailed procedures and tools of the ESMS are outlined in the ESMS Manual posted on the IUCN website (ESMS section).

As explained in Module 2, screening for environmental or social risks is done in 2 steps: (1) a self-assessment done by the team developing the project using the ESMS Screening Questionnaire (mandatory for all projects) and (2) the formal ESMS Screening undertaken by the ESMS Coordinator and ESMS Expert Team. The second step is compulsory only for projects above CHF 500,000 as well as for smaller projects in case the ESMS Screening Questionnaire has identified risks.

The formal ESMS Screening Decision leads to the classification of the project as a low, moderate or high risk project. Moderate and high risk projects require a more in-depth risk assessment, the identification of measures for mitigating them and a respective management plan (ESMP). It is important to note that the costs for mitigation measures need to be reflected in the project budget and that monitoring ESMP implementation is considered an additional monitoring task. See Module 4 and ESMS Coordinator for more information on ESMP.

Low risk projects do not need further action. High risk projects will require a full Environmental and Social Impact Assessment (ESIA), preceded by a scoping exercise to identify and confirm the risk issues. For projects facing moderate risks a light ESIA or topical impact assessment studies will be sufficient.

The ESMS screening is usually done at the end of the concept stage and the respective assessments during the development stage. However, under certain conditions (lack of detail at concept stage) the screening can also be postponed to the development stage.

As IUCN works largely through partners, it is important to ensure that each partner has the capacity to meet its obligations in a technical and fiduciary sense.

5 For a quick overview the document ESMS Introduction, posted in the same Union Portal folder, can be consulted.
At the project development stage, the Partner Screening Tool needs to be applied (as many times as needed each time new partners are identified).

**Partner Screening Tool (for implementing partners and grant recipients)**

This risk analysis aims to evaluate the capacity of partner organisations to complete their responsibilities. It is based in part on the IUCN SOS tool and on the former “due diligence” tool by Finance and sets out a risk ranking for both programmatic and financial risk.

Where IUCN gives a grant to a partner organisation, IUCN may carry out a mission to supervise the partner's work if deemed necessary and feasible. If the project involves IUCN funding (i.e. a grant) to the partner organisation, an annual independent financial audit of this funding is required.

Moreover, IUCN reserves the right to request copies of the general ledger or receipts from any partner organisation receiving IUCN funding in order to more closely monitor a project. Each year IUCN conducts selected financial and programmatic site visits and verifies coverage based on the risk levels and the dollar amounts.

This tool sets out a risk ranking for the programmatic and financial risk related to the proposed partner. It evaluates the capacity of partner organizations that could affect the organization's ability to complete its responsibilities. Where partnership working does not involve the giving of a grant, the financial risk assessment is not required. However, the programmatic risk assessment should nonetheless be carried out.

The Partner Screening Tool can be found here: [https://portals.iucn.org/union/node/12569](https://portals.iucn.org/union/node/12569)

### 3.1.7 Budget Planning

This stage of project development should be completed with the appropriate experts and includes:

- Finalization of the project budget (with the project financial officer);
- Preparation of a Cost-Effectiveness Analysis (if applicable).

Use the IUCN Project Budgeting Guidelines and **Project Budget Tool** to prepare the detailed project budget. See also Module 2 for general guidance on project budgeting.

The cost-effectiveness analysis may have already been completed during project conceptualization - if project design was advanced sufficiently at that stage. In many cases it is advisable to analyse the project on cost-effectiveness at the development stage when the activities have already been defined and also costed out in detail.

### 3.1.8 Finalization of the Project Proposal

A final project proposal should have the following sections:

1. Executive summary
2. Introduction to the project context (situation and stakeholder analysis)
3. Rationale for the project (problem analysis placed in the context introduced in 2)
4. Intended impacts and results (outlining how the project intendeds to influence longer term impact – e.g. the IUCN Programme – and medium term results)
5. The logframe and some narrative explaining, result-by-result – the main outputs, activities, assumptions and risks
6. A separate list of the main partners and their respective roles
7. The monitoring and evaluation plans
8. The project budget
9. For high and moderate risk projects: Environmental and Social Management Plan (ESMP) and respective provisions for monitoring its implementation

3.2 Appraisal and Approval of project proposals

Key tools for this section:

- Project Proposal Appraisal and Approval Form
  - Supporting document: Guide for project appraisals by project reviewers
- Short Form for Project Appraisal and Approval
- Budget Review Tool (part of the PGS tools)

The final stage in project development is project appraisal and approval, also referred to as the “PAAS”. The PAAS process is now nested within project life cycle management as laid out by the Project Guidelines and Standards.

Definitions

All projects in IUCN must go through the mandatory appraisal and approval process before a project concept or a project proposal may be submitted to a donor.

- **Appraisals** refer to a procedure of peer review of concepts or proposals aimed to improve the concept or proposal prior to submission for approval.
- **Approvals** refer to a procedure where the concept or proposal is formally approved by the approving authority.

A **peer reviewer** is an IUCN Secretariat or Commission Member who is independent of the proposed project and has the relevant skills and experience to undertake a technical review. The peer reviewer may also call on the technical skills of other IUCN Secretariat or Commission Members in completing a review to address topics such as unfamiliar technical topics, the local context or aspects of the projects that require specialized review (i.e. communications).

The peer reviewer may be the same as the approving authority (M or D grade level), but must be at least a P2 and fully independent of the project under review. The peer review makes a recommendation for the approving authority to approve the project.

The **approving authority** for approving project concepts and proposals is the same as the approving authority named in the IUCN Delegation of Authority Policy. The approving authority is expected to consider the recommendation of the peer reviewer when approving a project. The peer reviewers, approving authorities and forms required are outlined in Table 3.
All project appraisal and approval sign offs are guided by the thresholds given in the Delegation of Authority Policy (2011 – “DoA”) available here.

This table intends to provide a summary of the current DoA thresholds for PAAS purposes plus one additional “micro” category. An update to these thresholds and a new “Very large” projects category is expected pending approval by IUCN Senior management (approx. Q1 2016). Until then follow the IUCN Delegation of Authority policy.

Table 3: Project thresholds and approving authorities

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<thead>
<tr>
<th>Project Size</th>
<th>Review</th>
<th>Who can review?</th>
<th>Form</th>
<th>Approval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>Self</td>
<td>P2</td>
<td>Short form for project approval</td>
<td>DOA: Director, Heads of Unit or Head of Outposted Office</td>
</tr>
<tr>
<td>Up to CHF 100K (and projects that have no field component and pose no risk to IUCN)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small-medium</td>
<td>One peer review</td>
<td>P2 and above or DOA approver</td>
<td>PAAS Form + risk forms</td>
<td>DOA: Director, Heads of Unit or Head of Outposted Office</td>
</tr>
<tr>
<td>CHF 100-499K</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large</td>
<td>Two peer reviews</td>
<td>P2 and above and DOA approver</td>
<td>PAAS Form + risk forms</td>
<td>DOA: Up to CHF 1m: Regional or Global Director Above CHF 1m: Director General (Send to DGO)</td>
</tr>
<tr>
<td>CHF 500K+</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Very small projects – “micro” level

Projects up to CHF 100K and projects that have no field component (refer to PGS Module 1 for a definition) and pose no risk to IUCN can use the “PAAS Short Form” for a self-assessment. The person doing the self-assessment should be at P2 level or higher.

Approval

Once the concept is recommended for approval and approved by the approving authority the project proponent may proceed to develop a full project proposal. The project may then be listed on the ABC list as an “A” project.

Appraisal and Approval Steps for Proposals

The appraisal/approval process for project concepts has the following steps:

1. Identify peer reviewer(s) and approving authority: Determine who can review and approve (sign off) the project proposal according to the table above and ensure each person is aware that PAAS is underway and when they will receive the PAAS form to complete.

2. ESMS review: For high or moderate risk projects the project proposal should undergo a final ESMS Review to ensure that the findings of the ESIA have been incorporated.
together with appropriate mitigation measures and to issue the ESMS clearance. This is done by the ESMS Coordinator supported by the ESMS Expert Team.

3. **Budget review:** the budget must be reviewed by the Global Finance Group or the Regional Head of Finance using the Budget Review Tool (see section 2.2.3.1).

4. **Appraisal:** The peer reviewer(s) review the project proposal using the forms identified in Table 3 (noting that micro projects use a simplified form). For most projects, the PAAS form includes the project summary information (Part I of PAAS Form) and any attached risk forms. S/He completes the relevant rows of Part 2 of the Project Appraisal and Approval Form (PAAS form). The reviewer may recommend to approve the project, request minor or major modifications, or not recommend the project at all.

5. **Adjusting the concept:** If the peer reviewer has suggested modifications, the proponent should make these and provide a brief explanation of the changes on the PAAS Form Part II. The technical and financial reviewers’ recommendations will be used as the basis for approval by the approving authority. If only minor modifications are requested the proponent makes the changes, provides an explanation on the form, and can proceed to approval. If major modifications are made the proposal should return to the reviewer.

   *The proposal and PAAS Form may only be sent to the approving authority if the project has been recommended for approval as is or with minor modifications.*

6. **Approval:** Once a project proposal has been recommended for approval by all reviewers (or ‘recommended with minor modifications’ that have been addressed) the PAAS form goes to the approving authority who may approve the project on the basis of the reviewers’ recommendations. Approving authorities use Part 3 of the PAAS form.

   Signing-off the Project Appraisal and Approval Form indicates approval of the final project proposal for (re)submission to a donor.

### Moving from a proposal to negotiation and contract signature

Only once the project proposal is approved may negotiations to establish a project contract begin. The contract review process should not begin if the project proposal has not passed approval. In other words, projects cannot move from B to C without formal approval using the PAAS.

Note that B projects may be in various stages of development. All B projects (proposals) have demonstrated interest from a donor. The decision of when to take the proposal under development through PAAS requires good judgment, noting that IUCN intends to review and approve proposals internally well in advance of signing donor agreements.

This concludes Module 3 on Project Development.

All the PGS tools can be downloaded from [https://portals.iucn.org/union/node/5095](https://portals.iucn.org/union/node/5095)

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7 See [Contracts Review and Sign Off](https://portals.iucn.org/union/node/5095) procedures and templates on the Union Portal