Guidance for bilateral projects

August 2018

TOR for project appraisal

HUOM: Tunnisteosiot alusta (pvm, laatija, kenelle laadittu jne) puuttuvat tästä versiosta.

**1. Background to the appraisal of programme plan**

[The purpose of this section is it so provide information on the content and of context the programme that will be appraised. You can briefly describe:

* The programme that will be appraised
* The objectives of the programme, including the cross-cutting objectives
* The roles of final beneficiaries and stakeholders in programme planning and implementation, i.e. organisation of the implementation and who is doing what
* What are the linkages of this programme are e.g. to other activities in the country/sector.
* Place the assignment in the context of Finland’s development policy, sector specific and thematic priorities, as well as cross-cutting objectives: gender and social equality, human rights, equal participation opportunities of easily marginalized groups (including children, people with disabilities, indigenous peoples and ethnic minorities), HIV/AIDS as a health problem and as a social problem, governance, environment, climate change and disaster risks; ]

**2. General Approach to the appraisal**

The appraisal shall be a joint action by [partner country], Government of Finland and [name possible other partner organisations, e.g. an international financing institution].

Finland’s support, guided by the Finnish development policy, shall be built on the partners’ development policies and priorities and be aligned, to the extent possible, with the partners’ planning and management systems. Coordination and coherence with other development processes need to be ensured. The appraisal will confirm the foundation for operationalising and achieving the cross-cutting objectives of Finland’s development policy in the subsequent phases of the project cycle.

**3. Objectives of the appraisal**

[1. The purpose of the appraisal is to assess the feasibility of the Programme as defined in the draft Programme Document (PD). The key issues of the appraisal are the Programme’s relevance to beneficiaries and main stakeholders in the country/region, feasibility of the proposed implementation strategy, organisational structures, TA support, work plans, resource allocations and budget, sustainability as well as the result orientation and likely effectiveness in the given country or regional context. The appraisal also assesses the integration of cross-cutting objectives into the programme plan. Apart from the general tasks, the appraisal can include specific issues identified during the planning process. Recommendations of the Quality Assurance Group shall be taken into account when defining the specific issues of the appraisal.

2. The appraisal may also include the finalisation of the draft Programme Document. However, prior to finalisation, the competent authorities have to make decisions on the revisions to the PD whereby the finalisation will be done based on these decisions.

3. The appraisal may have also fulfill the function of assessing/appraising from MFA point of view a programme document that has been received from partner government or international organization.]

**4. Issues to be studied in the programme document and LOG frame**

The appraisal is expected to focus on the feasibility of the programme. Feasibility should include overall feasibility, feasibility of the management arrangements and sector/theme specific considerations. The appraisal should also cover relevant aspects concerning relevance and effectiveness of the programme.

The issues to be studied should provide a comprehensive view on whether the programme document provides a feasible and implementable guidance for programme implementation. The possible problem areas should be pointed out and workable solutions to the problems should be presented.

[In addition, it is possible to point out 1-10 specific items which are already identified as possible issues of concern. These should be listed in the form of open question. For example: “Is the programme implementation schedule realistic, given the capacity constraints?”]

A checklist of possible items is provided in below. [select suitable items to be included]

Relevance:

* consistency with partner country’s development policies and relevant sector programmes, as well as with international legal instruments and norms and the needs and aspirations of beneficiaries and main stakeholders, including easily marginalised groups.
* The cross-cutting objectives, environmental, climate change, disaster risk and good governance requirements of the Finnish development policy
* Key stakeholders and the final beneficiaries have been clearly identified, poverty, equity, vulnerability and institutional capacity issues analysed, and local ownership demonstrated

Feasibility:

* general feasibility
* sector specific feasibility

General issues

* The project’s Overall Objective is clearly linked to a relevant policy or sector objectives and priorities
* The project purpose clearly specifies the direct benefit(s) that the final beneficiaries should achieve through the implementation of the project, and shows that the benefits are consistent with the analysis of needs/problems facing them
* A feasible and logical set of objectives and activities has been described which will allow expected results to be delivered over a realistic time-frame
* The importance of different risks has been assessed, including the degree of negative impact they might have on achieving objectives, including those on crosscutting issues and environment.
* Programme management, organisational and administrative arrangements
* Management responsibilities have been clearly defined building on the analysis of institutional arrangements and capacity, and clearly promoting local ownership and capacity building
* The project design is not overly prescriptive, and allows for necessary changes to operational plans to be made during implementation
* The arrangements for coordinating the work of different stakeholders have been clearly described and are practical to implement, and allow project managers to access support from senior decision/policy makers (i.e. a governing body/Steering Committee)
* Arrangements for regular review, operational work planning and budgeting ‘fit’ with local systems and support the ability of managers to respond to lessons learned and changing circumstances on the ground
* National and sector specific financial management arrangements have been specified (in particular for providing an adequate level of overall internal control) and promote accountability and transparency
* Audit arrangements have been clearly specified (including responsibilities and coordination arrangements where various stakeholders are involved)
* Possibilities for civil society and private sector to act as stakeholders are recognized.
* The governance gaps have been identified and addressed.

Sector specific feasibility

* Sector specific risks have been assessed stating the degree of negative impact they might have on achieving objectives, and corresponding mitigation plan has been presented.
* Lessons learned and best practices available in the country from experience of the sector, and from Finnish experience elsewhere.
* Linkages with other ongoing/planned projects/programmes in the sector have been assessed and incorporated into strategy selection.
* Sector specific coordination with the national authorities and donors well established. Preferably joint coordination mechanisms taken into account.
* Working modalities and approaches, existing mechanisms of the sector has been into account.
* Commitment to expected results and political will for implementation assessed.
* The capacity of the implementing organisation has been assessed and capacity building has been planned to cover existing weaknesses.

Sustainability:

An appropriate level of environmental impact analysis has been carried out, and an environmental management plan is/will be in place

* The project is technically feasible, meets relevant industry standards and uses/introduces technology that is appropriate to the needs/resource endowment of target groups.
* The project is socially acceptable, i.e. a social consensus and joint commitment exists among powerful local decision-makers, as well as with the frontline staff and the local communities, including intended final beneficiaries, about the desirability of addressing the poverty problems the programme is intended to address.
* A gender analysis has been carried out, and the project has a clear strategy to ensure benefits are appropriately shared by women and men
* The project has a clear strategy to ensure that the identified easily marginalized groups (i.e. the poor, women, children, disabled people, indigenous peoples, ethnic minorities, the old or infirm) have equal rights and participation opportunities in the decision making, implementation and benefit sharing of the programme, and that it addresses HIV/AIDS as a development challenge.
* There is an exit strategy and gradual hand over plan in place.

Effectiveness:

* The programme is likely to achieve its set objectives.
* The project’s Logframe Matrix includes a set of indicators and sources of verification (namely for the overall objective, purpose(s) and results), which will allow management information to be collected and used in a timely and cost-effective manner
* Adequate resources have been included within the project design to support the implementation of the performance measurement (monitoring and evaluation) system
* Roles and responsibilities for collecting, recording, reporting and using the information have been clearly described
* The implementation arrangements of the programme build on and/or support existing systems (capacity building)
* The information needs of intended beneficiaries and other relevant stakeholders have been given adequate priority, and include providing the means by which they can voice their opinions and concerns (local accountability)
* Recurrent cost implications have been described, and an assessment has been made of the local capacity to meet these costs at the end of donor financing
* An appropriate level of Financial and/or Economic analysis of the project’s costs and benefits has been provided, which shows that the project is financially viable and has a positive economic rate of return
* The resources (such as staff, equipment, materials etc) required to implement the project have been clearly described, including an analysis of resource contributions from each of the primary stakeholders (e.g. local communities, partner government institutions, other donors and the Finnish government)
* Project investment and operating costs have been described and analyzed in sufficient detail, including the financial contributions of different stakeholders.
* Budget is in proportion to expected results in terms of poverty reduction and sustainable development impact and the promotion of the cross-cutting objectives.
* The budget includes all necessary items and has sufficient flexibility
* Effective anti-corruption monitoring tools and audit requirements have been proposed, or are in place

**5. Methodology** [Needs to be checked in all cases]

The team shall review all the relevant documents indicated by the national competent authority and by MFA-Finland. Before the mission the Team Leader and company representative shall meet with the MFA-Finland programme officer for more detailed instructions on tasks and expected reports. The team shall ensure an adequate involvement of the stakeholders in the appraisal.

The team shall consult at least with the following stakeholders [if relevant prepare a detailed list]

* the national competent authority and other relevant line agencies and ministries
* the national/local implementing agency and main implementing partners
* representatives of the intended main beneficiaries
* representatives of other stakeholders
  + academic institutions, research institutes,
  + private sector representatives and non-governmental organisations (national and regional),
  + other donor agencies, and other actors active in the sector should also be contacted.

The Embassy of Finland in [name of corresponding embassy], shall assist the team in preparing the programme for the Appraisal Mission, identifying relevant stakeholders and organising meetings with them, but the main responsibility for the organisation of all the meetings lies with the consultant in organisation of all the meetings.

The team shall prepare a mission report and recommendations in order to facilitate the finalisation of the Programme Document.

**6. Appraisal mission team**

The exact expertise requirements are described in the Instructions To Tenderers and any description in ITT will override description in this TOR.

7. Timetable, tasks and reporting

The mission is tentatively scheduled to

1. start in [date], and

2. last for approximately [number of days or weeks] weeks, including desk study, field work and reporting.

3. the Appraisal Report is expected to be ready at the latest by [date]

The tasks and reporting shall be carried out according to the following tentative schedule:

* Briefing by MFA-Finland and Embassy of Finland in [country/capital city]in the beginning of the mission
* Prior to the field work, desk studies shall be done
* Meetings arranged with the national competent authority, the implementing agency and other relevant stakeholders, with the support by Embassy of Finland.
* Meetings and/or participatory consultations with the intended ultimate beneficiaries and/or their genuine representatives
* A debriefing session with main stakeholders (including representatives of the intended ultimate beneficiaries, the MFA and embassy of Finland) by the end of the field mission. A Draft of key findings and recommendations should be presented. This version should already indicate the main conclusions and possible main shortcomings and the respective corrective measures for the Programme.
* Delivery of a draft report to the competent and implementing authorities who shall provide feedback and comments to the team in writing within 14 days.
* A Final Appraisal Report to the MFA-Finland within 5 days after reception of the comments.
* The draft and final report should include a list of proposals for changes in the Programme Document.

[In case finalisation of the Programme Document is included as part of the process, schedule of the finalisation shall be defined. 7-14 days should be reserved for the PD finalisation.]

The reports shall be produced in English and submitted in three copies as a printed report. The Appraisal Mission shall also provide the Ministry an electronic copy/CD-ROM of the reports using Windows compatible Microsoft Word for text and Excel for tables and charts.

**8. Budget**

The Ministry for Foreign Affairs of Finland will contract a consulting company or an independent expert to carry out the appraisal mission. The company shall be responsible for the hiring of the personnel and financial management. The company shall also take the responsibility of providing adequate back-up services to the appraisal mission team.

The maximum budget of the assignment is [value in euro].

**9. Mandate**

During the appraisal mission, the team is entitled and expected to discuss with the pertinent persons and organisations any matters related to the assignment. The team has no authorisation to make any commitments on behalf of the Government of Finland.

The competent authorities have the right and responsibility to advise and comment the work of the team.

Link to the MFA “guidelines for bilateral projects and progammes”

<https://um.fi/publications/-/asset_publisher/TVOLgBmLyZvu/content/manual-for-bilateral-programmes>

Annexes: Listed background documentation:

* + Draft programme document
  + [Concept Paper and other relevant reports related to the programme preparation]
  + [Mid-term Review and related reports]
  + Other [name documents]