

Support to Non-State Actors Through Calls for Proposals

Comoros



Kenya



Madagascar



Mauritius



Seychelles



Tanzania



Somalia



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PREFACE

The Indian Ocean Commission (COI) is a regional intergovernmental organisation composed of 5 island States in the South-West Indian Ocean (Comoros, France/Reunion, Madagascar, Mauritius, and Seychelles). Since its creation, the COI has worked in close collaboration with its partners to promote and support sustainable development of its member States through a mechanism of regional cooperation.

Since 2000, the COI has extended its actions to East African countries to further improve the regional management of marine and coastal resources. This was made possible through the financial support of the European Union, which since the creation of the COI, has partnered us in our activities towards sustainable development and poverty alleviation in the region.

The Regional Programme for Sustainable Management of the Coastal Zones of the Indian Ocean countries, better known by its acronym ReCoMaP (or ProGeCo in French), is one of the main programmes of our partnership with the European Union. It is a programme that directly addresses the vision of the COI: "To place people at the centre of scientific and technical advances and at the heart of economic, social and human development".

ReCoMaP has not only brought the governments of the Indian Ocean countries and the coastal countries of East Africa closer together, but has also employed a mechanism for project funding, the Call for Proposals, which has provided opportunities for non-state actors to develop and manage funded projects; these projects have strengthened the contribution of civil society to the sustainable management of the coastal and marine resources.

What do we mean by 'sustainable management'? It can be viewed as the conservation as well as economic development of natural resources for the benefit of coastal populations, many of whom, particularly fishers and farmers as well as traders and artisans, depend on these resources for their livelihoods.

Through the production of this Manual, the COI wants to share its experience in implementing a regional call for proposals and to make available to non-state actors a tool to help them better prepare and answer to future calls for proposals.

The COI will continue to work towards the effective conservation and management of marine and coastal resources, which are one of our region's greatest riches but which are facing risks of over-exploitation and are seriously threatened by pollutions and other forms of degradation.

The COI would like to take this opportunity to express its sincere thanks to all those who contributed to the effective implementation of ReCoMaP's call for proposals, as well as to those who have developed this Manual.

His Excellency Ambassador Callixte d'OFFAY
Secretary General
Indian Ocean Commission (COI)

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INTRODUCTION

From 2006 to 2011, the Indian Ocean Commission (COI) implemented the Regional Programme for the Sustainable Management of Coastal Zone Resources (ReCoMaP) with the financial backing of the European Union. The specific objective of ReCoMaP-COI was to strengthen the capacities of local communities and public/private bodies, in order to achieve a sustainable Integrated Coastal Zone Management (ICZM) in South-West Indian Ocean Countries: Comoros, Kenya, Madagascar, Mauritius, Seychelles, Tanzania and Somalia. As part of this, the programme financed 63 local development projects, through two Calls for Proposals for the benefit of Non-State Actors (NSAs).

This manual sets out the steps followed and initiatives carried out by ReCoMaP-COI as part of the implementation of these two Calls for Proposal, between November 2007 and June 2011. It is a summary of the lessons learnt and main information to be drawn from this long and rich experience carried out for the first time in the South-West Indian Ocean region under the supervision of the COI.

It is also a methodological guide based on actual cases, and aimed at any actor called to put in place and/or manage a similar process financed by the European Development Fund (EDF). However this manual is not meant to replace either the EDF procedures guides or the specific guidelines of each Call for Proposal. Instead it is intended to supplement them. In addition it is supplemented by fact sheets which aim to provide potential bidders with directions and instructions to help them better prepare and manage their projects.

The document is broken down into two parts:

First part: Experience of South-West Indian Ocean countries

- Drawing up guidelines
- Information and raising awareness
- Preparing and submitting projects
- The evaluation process
- Implementation of activities
- Monitoring and technical supports
- The closure process

Each chapter includes a description and analysis of the steps followed and initiatives carried out and the information drawn from these achievements under the heading "Things to remember".

Second part: Building Capacities for Project Implementation

Module 1 - Tools for designing & planning a project

Module 2 - Tools for project management

Module 3 - Tools for assisting commercial activities

Module 4 - Tools for developing infrastructures

Module 5 - Tools for evaluating impacts of a project

Each module comprises of a set of independent technical documents which are tools for the conception, implementation and evaluation of micro-projects.

FIRST PART

EXPERIENCE OF SOUTH-WEST INDIAN OCEAN COUNTRIES

(Comoros, Kenya, Madagascar,
Mauritius, Seychelles, Somalia, Tanzania)

First Part

EXPERIENCE OF SOUTH-WEST INDIAN OCEAN COUNTRIES

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ReCoMaP

The Regional Programme for the Sustainable Management of Coastal Zones was financed by the European Union to the sum of 18 million Euros. It was an Indian Ocean Commission Programme which was implemented by a Consortium of European research consultancies including AGRECO, Ulg and Lamans S.A. The Programme was structured around 7 main lines of intervention: 1) Knowing and promoting marine and coastal resources, 2) Developing training capacities, 3) Informing and raising awareness among the public, 4) Drawing up and adopting national ICZM plans, 5) Improving negotiation capacities on environmental issues, 6) Involving non-state actors in drawing up and implementing ICZM plans, 7) Promoting a regional approach in terms of the sustainable management of coastal zone resources. So further to the 63 projects financed as part of the Calls for Proposals, ReCoMaP-COI granted subsidies to around ten Marine Protected Areas (MPAs). It supported the implementation of an information system on halieutic resources in 5 countries, and enhanced the institutional capacities of 8 training institutions in the region. ReCoMaP-COI also supported the drawing up and adopting of national ICZM policies and plans in each beneficiary country of the programme, except Somalia. It then initiated and managed the negotiation process of a regional protocol on the Integrated Management of Coastal zones to be signed by East African and South-West Indian Ocean countries, under the banner of the of Nairobi Convention.(see annex E: objectives and result areas of ReCoMaP-COI programme)

1. Drawing up guidelines

Guidelines for Grant Applicants (GL) were drawn up according to the template shown in appendix E3a of the practical guide on contractual procedures applicable to the 9th EDF (available on the website http://ec.europa.eu/europeaid/work/procedures/index_en.htm).

Before drawing up the final document, ReCoMaP-COI team held information and dialogue meetings in each eligible country with the main actors working in the environmental and/or development field in general, i.e. Government Directors, Representatives of International Organisations, Project Managers, non-profit group leaders, economic operators, etc. These local exchanges and consultations lasted around three months. They were supplemented by a literature study and individual meetings with resource persons chosen for their skills and experience within the Call for Proposals field. These investigations allowed ReCoMaP-COI team to better define the political and socioeconomic environment in which the programme would be implemented, but especially to make a list of the experiences acquired in the region in terms of community project financing and local natural resource management by NSAs.

More precisely, this approach made it possible: a) to identify the priority areas on which to focus, and b) to assess the real capacities of Non-State Actors in drawing up and managing projects financed through grants mechanism. A national workshop was organised in each country to validate the results obtained and give directions to follow in drawing up Guidelines, making it possible to determine the regulations and basic principles to apply to the Calls for Proposals.

What is a Call for Proposals?

It is a financing mechanism open, in general, to a specific group of actors (NSAs for example) and on a specific theme (coastal resource management in the case of ReCoMaP-COI). As its name implies, each eligible actor, draws up its project proposal which it submits to the management authority for financing. It is based on the principle of competition. The proposals received are then assessed according to pre-defined criteria and procedures. The applicants selected receive financing in the form of a grant, to allow them to implement their own projects themselves, within a given period. A minimum contribution is always required from the beneficiary who must co-finance part of the initiative, either in cash or in the form of a contribution in kind. The regulations and procedures which govern Calls for Proposals are contained in an official document (Guidelines for Grant Applicants) to which all actors involved in implementing the Call must refer.

THE BASIC PRINCIPLES

It was essential above all to determine; how many Calls for Proposals, open or restricted Calls, the size of the subsidies and the co-financing rate of the beneficiary. These four points in fact constitute the basic principles on which the Calls for Proposals were organised.

How many Calls for Proposals?

ReCoMaP's decision to implement 2 Calls for Proposals was guided by i) the budget allocated to the grants (5.5 million Euros), ii) the resources available for managing the Calls for Proposals (1.2 million Euros and 6 International Technical Assistants one of whom worked full-time on the Calls for Proposals, iii) the maximum implementation duration of the initiatives (the duration of ReCoMaP-COI was 5 years). In addition this option made it possible for organisations which were unsuccessful in the 1st Call to review their proposals for submission in the 2nd Call.

Open or restricted calls?

An "Open" Call for Proposals means that any eligible applicant can submit a full proposal, according to the instructions given in the guidelines.

A Call for Proposals is said to be "restricted" when the applicant initially submits a project concept note, (first stage) required for pre-selection and is subsequently invited to prepare and submit a full proposal for final assessment (second stage).

According to certain national project experiences, the "restricted" method seems more appropriate in the regional context. It is especially suitable for the vast majority of potential applicants, i.e. small organisations with limited technical and financial capacities.

Size of the grants

If the minimum amount of the grant were disproportionate to the capacities of the beneficiaries, this would in fact be a disqualifying factor for small organisations. And if the maximum amount of the grant were too low, the Call for Proposals would only be able to finance small projects with little impact and of no great interest to communities, unless the beneficiary were to provide very sizable co-financing, which was not within reach for the more modest organisations. It was also necessary to take into account the exchange rates between national currencies and the Euro and the very variable cost of living between one country and another. For example: €400 (around 1 million Ariary) is the monthly salary of a project manager in Madagascar, but it is 4 times more (€1,600) for the same position in the Seychelles.

Taking into account all these parameters, the minimum amount was set at €10,000 and the maximum amount at €100,000, which are also the limits set out in the contractual procedures guide of the 9th EDF.

Co-financing

According to EDF procedures, co-financing is compulsory in the case of subsidies through Calls for Proposals. Given that the competition was open to a of diverse and varied actors, and taking into account the very limited financial capacities of the vast majority of target applicants, it was wise to keep the level of co-financing as low as possible, in this instance 5% of the total project budget. And for the same reasons, in kind contributions were accepted under certain conditions.

THE MAIN REGULATIONS

It was necessary to define realistic eligibility criteria and submission procedures applicable in all the countries eligible for the Calls for Proposals. It was therefore necessary to take into account both the lessons from the past and the socioeconomic and legal context of each country.

Eligibility criteria

Eligible applicants: The Calls for Proposals were aimed at NSAs, but this very broad, even imprecise heading required some clarification on the eligibility of certain actors. This was especially true for specific groups of actors identified in certain countries; for example “steering committees” in the Comoros and the “beach management unit” in Kenya and Tanzania.

Non-State Actors

As set out in the partnership agreement between the European Union and the group of ACP (African, Caribbean, and Pacific) countries, Non-State Actors include:

- Private sector organisations;
- Economic and social actors, including trade unions;
- Civil society in its diversity (NGOs, campaign associations, religious organisations, women's groups, community organisations, etc.);
- Decentralised local groups (Districts, Towns, Village councils, etc.);

This very broad definition meant that the Calls for Proposals were open to a very varied range of actors whose capacities and interests, or needs, were not necessarily convergent. This made it difficult to set regulations and procedures which were applicable and suitable for all.

Eligible actions: To ensure efficiency, the eligible actions were limited to 7 priority issues: sustainable management of coastal marine resources, *upland erosion control*, *coastal erosion control*, *solid waste management*, *liquid waste/water pollution management*, *mariculture and coastal ecotourism*. These issues were identified after various consultations carried out during the inception phase. But it was necessary to explain that, to be eligible, each project must contribute to the achievement of the ReCoMaP-COI specific objective.

Priority geographical zones: These were determined by mutual agreement with the authorities of each country. The objective was to concentrate intervention in zones with high potential, for greater visibility for the programme and impact for beneficiaries. But this approach had only a very small effect on the 1st Call for Proposals. It was therefore not repeated in the 2nd Call for Proposals.

Submission procedures

Questions arose in particular regarding the submission date. Should this be the dispatch date or the receipt date? Based on the fact that means of communications (post office and private parcel services) do not work in the same way from one country to another, or even from one region to another within a single country, it was more appropriate to use the dispatch date as the submission date, "*the post-mark of the post office (or parcel service) being proof thereof*". Consequently it was imperative to also consider a minimum "waiting" period between the submission deadline and the opening of proposals (a regulation which was not listed). It was a way of ensuring that all the dossiers were received before the start of the evaluation process. For example in the 1st Call for Proposals: submission deadline: 21st of December 2007; proposal opening session: 22nd of January 2008 (i.e. 31 days wait).

In the end 1,200 copies of the Guidelines were published for each Call for Proposals and distributed to the non-state organisations. The document was also available on CD-ROM and could be downloaded from the official ReCoMaP-COI website.

Things to remember...

- In the opinion of several actors, the Guidelines (based on the European Commission format), should be simplified so as to be more readable and comprehensible for all organisations involved.
- With regard to non-state actors, it would be fairer to have two separate processes: one for small organisations (grassroots organisations, development committees, village associations, etc.) and another open to “large” institutions such as international NGOs and inter-governmental organisations.
- Certain applicants submit incomplete or badly drawn up dossiers quite simply because they have neglected to *read the document fully or carefully enough* and to comply accurately with the instructions given in the Guidelines.
- The eligibility of private sector organisations has been the subject of several interpretations and requests for clarifications on the part of applicants. But in reality the questions were mainly about the eligibility of the initiatives proposed which need to be explained more explicitly (for example the project is not eligible if the subsidy directly benefits a private company).
- On several occasions, applicants have confused “associates” and “partners” even though the profile, eligibility and role of each within the project seems to have been defined correctly in the Guidelines (who is what and who can do what?).
- In many proposals, associates and partners were in fact fictitious. They served to “embellish” the document and give the applicant a few more points in the assessment.
- The delimitation of geographical zones is only relevant for vast countries such as Kenya, Tanzania and Madagascar. But these need to be “exclusive” rather than “priority” zones. This makes it possible to minimise the cost of monitoring the projects and be more efficient in terms of support to beneficiaries.
- 30 days wait between the submission date and the opening session seems reasonable. But it seems wise to also set a *final receipt date* after which no application can be accepted.
- It is desirable to limit both the number of eligible themes (no more than 5 per Call for Proposals) and to avoid themes which are too generic such as “marine and coastal resource management” which open the door to all possible extrapolations and complicate the task of assessors.

2. Information and raising awareness

The communication campaign started with a list of potential applicants followed by individual meetings with communication specialists and advertising agencies operating in the region. The information collected made it possible to distinguish two groups of actors to target: on the one hand national and international NGOs more familiar with texts books (newspapers, brochures and Internet), and on the other hand community-based organisations, more receptive to oral communication (public meetings, audiovisual means in particular). The tools and methods of communication were therefore design in such a way as to reach all groups of actors identified and targeted.

PRESS RELEASES

Press releases were broadcast through the media (at least 35 newspapers and 16 radio stations), but also via the Internet (email and websites). The first press release informed the public of the planned publication date of the Guidelines. The second press release announced the official launch of the Call for Proposals and contained practical information on the process. There were also other more specific press releases published regarding specific events (e.g. invitation to information meetings). Texts were written in French and English, but on the radio they were also read in national languages, which made it possible to reach rural zones, where radio remains the most common means of information, more effectively.

INFORMATION BROCHURE

Based on the principle that the Guidelines were complicated for certain categories of actor, the information brochure was designed to provide applicants with practical advice in simple, easy-to-understand language. It was supposed to be the applicant's guide. It stated among other things, "*what had to be done, and how to do it*". The document described stage by stage the steps to follow to prepare and submit a high-quality project document. For each Call for Proposal 2,400 brochures (published in French and English only) were produced and distributed in the region.

RADIO COMMERCIALS

For each Call for Proposal a communication company was recruited to make a standard "promotional" commercial for all the countries. Produced initially in French and English, the commercial was then translated into local languages (Mauritian Creole, Seychelles Creole, Malagasy, Comorian and Swahili) for extensive broadcast over national, private and community airwaves. Messages were concise, but very informative, broadcast in 12 different languages via 16 radio stations in the 7 ReCoMaP-COI beneficiary countries.

POSTERS

Each Call for Proposal was characterised by an A2 format full-colour poster. In addition to the communication aspect, the posters also had a visibility effect for ReCoMaP-COI programme in general. It actually provided information on the Call for Proposal, and at the same time marked the positive presence of the Programme in the area. Messages were written in English or French, but also in local languages for some versions aimed at specific geographical zones. 1,600 posters were produced per Call for Proposal and distributed through ReCoMaP-COI partner institutions (not just NSAs).

INFORMATION MEETINGS

More than 150 information and awareness-raising meetings were scheduled for each Call for Proposal process and organised through beneficiary countries, (with the exception of Somalia, due to obvious security reasons). Participants were invited through press releases published in newspapers and/or broadcast on the radio. The information and awareness-raising sessions were interactive and brought about very fruitful exchanges between participants. In addition, these were the preferred framework for distributing Guidelines and other communication material: posters, brochures and press releases.

INTERNET, FREQUENTLY ASKED QUESTIONS (FAQ)

Documents to be distributed and all other relevant information relating to the Calls for Proposals were available on the website www.recomap-io.org. In addition, interested parties could communicate with ReCoMaP-COI Regional Coordination Unit, either through the FAQ on the programme website, or via the email address cfp-ap@coi-ioc.org, reserved exclusively for the "Calls for Proposals".

Things to remember...

- A correctly drawn up and executed communication/information strategy, making it possible to reach the maximum number of possible actors, is a key aspect in the success of the process.
- For an initiative to succeed, it is vital to know the socio-cultural environment of the country well before actually determining the communication tools best suited to the target group of actors.
- There are no standard or uniform "turnkey" communication tools or methods which can be adapted to all intervention countries or areas. It is therefore worth drawing up a specific strategy on a case by case basis, according to the target actors, but also the means available and the ambitions.
- As far as possible, public information sessions should be favoured as they serve to enhance applicants' capacities in terms of identifying and drawing up their projects.
- It is easy and less costly to centralise the production of documents (commercials, brochures, posters, etc.) in order to broadcast them throughout the various sites, rather than set up decentralised production in each beneficiary country.
- Time-consuming shipment and customs clearance formalities mean that communication material needs to be distributed within the country well before the launch of the information campaign.
- In total 918 demands (Concept Notes) from 16 countries were recorded by the management authority. So it appears that the information and awareness-raising campaigns carried out as part of these two Calls for Proposals were effective.

3. Preparing and submitting projects

For concept notes, as for full proposals, ReCoMaP ICZM Officers and to a lesser extent National Focal Points, played a major role on the ground by informing and guiding organisations and helping them prepare and submit their proposals.

Drawing up the Concept Notes

At this stage of project preparation, organisations required above all information and clarifications on the Guidelines, sometimes even reiterated information, just to reassure them that they were on the right track. It is also worth noting that:

- *The main stakeholders were seldom involved in drafting the document.*
- *Sometimes intervention sites had not yet been identified and beneficiaries were unknown (as in the case of certain exogenous projects which were entirely top-down).*
- *The applicant does not necessarily have a clear overall vision of the future project.*
- *The total budget was often determined in a very approximate manner without real cost estimates per activity.*

In addition, most applicants had trouble structuring their texts in the absence of a specific form for the summary.

Preparing the full proposal

In each country, ReCoMaP-COI organised guideline meetings during which it was explained to the pre-selected applicants how to fill in and complete the application form. On the ground ICZM Officers provided their support to the organisations in various forms (information, directions, advice, etc.), providing equal treatment to all participants. In collaboration with the ReCoMaP-COI Coordination Unit, they then monitored the dossiers until all the applications submitted had reached the evaluation committee secretariat.

Applicants complained that they were not given sufficient time to prepare their proposals properly, especially if they needed to carry some extensive technical investigations. But in the interest of the beneficiaries, the preparation/assessment phases were intentionally reduced to the minimum possible so as to save time for completing the activities.

Things to remember...

- The presence of at least one full-time person in each country is essential to provide the link between those taking part in the Call for Proposals and the programme management unit.
- A specific form for the concept note seems necessary to help applicants to better formulate their proposals and also to harmonise the documents.
- Disruptions almost always occur during the full proposal preparation if the main stakeholders have not been involved at the very least jointly in identifying and drafting the concept note.
- Cost estimates per activity must be carried out in the conception phase, otherwise the bidder will have trouble finalising his budget when preparing the full proposal. See technical sheet 4 of training module 1: "Price and budget structure".
- Organisations do not always have the technical and financial capacities to carry out the necessary studies (essential in certain cases) to be able to formulate a technically feasible and economically viable project.
- Exact "partner" and "associate" roles in the project must be explained in the project document to avoid situations of conflict when planning and implementing activities.
- "In kind" contribution methods must be specified in the project document (who contributes what and how?) to avoid financing or funding problems during implementation. See technical sheet 5 of training module 1: "In kind financing, co-financing and contribution".
- With the exception of certain cases, the 60 day period seems sufficient to prepare a full proposal, provided that the project has been properly designed (why? how? and how much it will cost? etc.) in the conception phase. See training module 1 "tools for project design and planning".
- Organisations are not necessarily aware of the importance of a well presented document. Some projects which were very relevant on first glance were disqualified essentially due to questions of form: ideas were not well ordered and the text was poorly written.
- Applicants have a tendency to want to overload their applications with unnecessary documents such as site photos, bibliographies, recommendation letters, etc. These do not add anything to the quality of the document; on the contrary they may be detrimental. Anyway they are not sent to assessors or examined by the assessment committee.
- So as to minimise the prohibitive costs of parcel services, applicants located in the same geographical zone can arrange to send their applications in groups. The system worked well for example in the Comoros.

4. Evaluation process

The evaluation process involved four main groups of actors: the programme management unit (ReCoMaP-COI), the evaluation committee, the assessors and the approval authorities (the COI and the EU). The management unit was responsible for organising logistics and mobilising resources. The evaluation committee made its decisions on the basis of the analysis and recommendations of the assessors, and submitted its reports for the approval of the COI and the EU delegation.

SELECTING ASSESSORS

Thirty assessors of 12 different nationalities were selected from a database of experts drawn up at the end of a call for applicants, after approval by the COI and the EU delegation. The experts were recruited according to their academic qualifications and proven experience in one of the seven priority issues of the Call for Proposals. They also had to be able, as far as possible, to work in the two submission languages (French and English). They were mainly, but not exclusively, citizens of ReCoMaP-COI beneficiary countries. Some were European residents and others from various African countries, so very rigorous organisation was required in sending documents to be assessed and receiving assessment reports.

SETTING UP THE EVALUATION COMMITTEE

The members of the evaluation committee were chosen from countries in the region, according to their skills, but also their probable availability throughout the procedure. Substitute members were appointed at the same time as the incumbents so that they could be quickly mobilised if necessary, without the need for a new approval of the competent authorities. The committee presidency and secretariat were provided by COI and ReCoMaP respectively to guarantee continuity in committee members through to the end of the procedure.

PROJECT VISITS: RISK ASSESSMENT

During the drafting of the full proposals, ReCoMaP-COI team visited the projects and met the stakeholders, so as to better define the context and assess potential risks. The form drawn up for this was filled in on site with the collaboration with the project champion. At the end of the assessment, projects were graded into three categories: high risk, average risk and minimal risk. The results, including ratings and recommendations, were recorded in a confidential report sent to the evaluation committee for consideration. When a “high risk” project was rated very highly by the assessors, the evaluation committee could decide to have it re-examined by two of its members before making its final decision.

EVALUATION AND APPROVAL PROCESS

Each project was assessed by two assessors, and one of the two should as far as possible have knowledge of the implementation country. When the difference in the final rating of the two assessors exceeded 25 points, the committee decided to have the project reassessed by two of its members. This procedure was followed for projects with a very good final rating (+ 70/100), but an average of 19.5/40 for “relevance” (disqualifying rating below 20/40).

A project was considered “relevant” if it helped achieve ReCoMaP-COI objectives and dealt with at least one of the priority issues of the Call for Proposals. It also had to meet the actual needs of both the implementation country or zone and the target beneficiaries.

The assessment procedure included in total 12 main stages:

1. Opening and administrative verification of concept notes
2. Approval of the report by COI and EU delegation,
3. Technical assessment by the assessors,
4. Deliberation of the evaluation committee,
5. Approval of the report by the COI and EU delegation,
6. Opening and administrative verification of full proposals
7. Approval of the report by the COI and EU delegation,
8. Technical assessment by the assessors,
9. Deliberation of the evaluation committee,
10. Approval of the report by COI and EU delegation,
11. Verification of eligibility of the selected organisations,
12. Final approval by COI and EU, with notification to beneficiaries.

In practical terms this required at least 5 evaluation committee meetings and 5 approval phases, i.e. 7 to 8 month procedure. To save time, dossiers deemed compliant with the administrative criteria, were immediately sent to assessors “subject to the approval” of the assessment report. For the same reason, assessors returned their assessments by email with their definitive reports being sent by post (which could take more than 10 days).

In the case of the 2nd Call for Proposals:

- 352 concept notes received
- 303 concept notes assessed by the assessors
- 89 pre-selected to submit a complete project
- 74 projects received and assessed
- 34 projects selected to receive a subsidy

Dates	Stages	Observations
01/12/08	Official launch of the Call for Proposals	
02/02/09	Submission deadline for concept notes	
Evaluating the concept notes		
09/03/09	Evaluation committee briefing meeting	1 day
11-12/03/09	Opening and administrative check session	2 days
19/03/09	Report sent to COI	
03/04/09	Approval by COI & EU delegation	15 days
20/03-06/04/09	Technical assessment by the assessors	15 days
25/03-12/04/09	Receipt and compilation of the ratings from the assessors	18 days
13-14/04/09	Evaluation committee deliberation meeting	2 days
17/04/09	Report sent to COI	
04/05/09	Approval by COI & EU delegation	16 days
Evaluating full proposals		
05/05-04/07/09	Preparing and submitting full proposals	60 days
13/07/09	Opening and administrative check session	1 day
14/07/09	Report sent to COI	
04/08/09	Preparing and submitting full proposals	20 days
15/07-30/07/09	Evaluation des projets complets par les assesseurs	15 days
20/07-01/08/09	Receipt and compilation of the ratings from the assessors	10 days
04-05/08/09	Evaluation committee deliberation meeting	2 days
06/08/09	Report sent to COI	
24/08/09	2 nd evaluation committee meeting	Re-examination of dossiers
28/09/09	3 rd evaluation committee meeting	Examination of disputed cases
05/10/09	Report sent to COI	
06/10/09	Approval by COI & EU delegation	
07/10/09	Provisional notification to the selected organisations	
Contracting		
07-17/08/09	Submission of supporting documents	10 days
21/10/09	Evaluation committee meeting: eligibility verification	1 day
22/10/09	Report sent to COI	
29/10/09	Approval by COI & EU delegation	7 days
30/10/09	Final notification to beneficiaries	
01-15/11/09	Preparing and signing contracts	15 days
16/11/09	Actual start of implementation	Certain projects

DATA MANAGEMENT

All information concerning the evaluation process was managed from a specially designed electronic database. The evaluation committee could therefore make its decisions and edit its reports in very reasonable time periods, thanks to the very quick and efficient handling of the data. The information collected and dealt with concerned in particular the project profile and the assessors' ratings.

Things to remember...

- The involvement of independent assessors, of various nationalities, is a gauge of the transparency and credibility, which reassures both the applicants and the authorities of the beneficiary countries.
- The recruitment of assessors must be carried out well before the start of the process so that the interested parties can make the necessary arrangements to be available at the desired moment.
- In practice, assessors examine more the technical and editorial aspects of the project, without necessarily taking into account the socioeconomic context of the environment concerned.
- The risk assessment therefore provides important additional information to the assessors' analysis, making it possible for evaluation committee members to have a better idea of the "reality on the ground" for each project.
- The risk assessment makes it possible to identify not only potential problems, but also various types of technical support to improve the projects selected.
- The handling of information through an electronic database makes it possible to markedly reduce time periods. Nevertheless the procedure remains relatively long and complex. It needs good preparation and certain continuity in the teams involved, through to the end of the assessment.
- The assessment system does in certain respects allow "high risk" projects to be rejected, but it does not in any way allow the "reinstatement" of projects disqualified due to procedural issues, which on first glance may have been relevant to the country and the programme itself.

5. Implementation of activities

CONTRACTING

Generally, the signing of contracts took place at the project sites. In these instances, the start of the project was solemnly announced to the beneficiary communities. Before signing, the two parties (ReCoMaP-COI and the beneficiary) reviewed the “general conditions” of the contract, emphasising the main regulations and procedures to be respected by each of the stakeholders. Common management problems were also examined, as well as measures to take to minimise them, both at the start of the project and during its execution.

After signing the contract, ReCoMaP-COI paid an advance of 80% of the grant into the project account, with the 20% balance finally being paid before closing the contract. In certain cases deemed “risky”, the 80% advance could be paid in two or three instalments, according to the project’s state of progress. As a precautionary measure, this payment formula was applied to almost all the 2nd Call for Proposals projects, since the maximum implementation duration was only 18 months, non-extendable. Also for further transparency in fund management, ReCoMaP-COI recommended that organisations open accounts with three signatories, at least one of whom being a woman from the project beneficiary community.

START-UP DIFFICULTIES

Practically all projects experienced start-up problems caused by more or less significant delays to the implementation of activities. These difficulties concerned mainly:

- *The recruitment of technical staff*: some projects taking more than 6 months to hire a coordinator,
- *The purchase of material and equipment*: lack of suppliers in the zone or difficulties preparing a Tender dossier,
- *The technical gaps in the project*: not allowing work to start immediately, in particular for infrastructure projects,
- *The institutional weaknesses of the beneficiary*: not allowing installation to start, while waiting for project staff to be recruited,
- *The unavailability or inaccessibility of the implementation site*: valid especially for so-called “exogenous” projects, designed entirely outside the intervention zone.

However problems were often already identified during the risk assessment, and solutions to remedy them proposed to the beneficiary when signing the contract, for example the appointment of a consultant to review the technical aspects of the project. If necessary, the contract could be cancelled by ReCoMaP-COI if the additional assessment carried out indicated that the project was not achievable in its current state.

DAY-TO-DAY MANAGEMENT

The work plan was reviewed in full at the start with the assistance of the ICZM Officer. It was then the responsibility of the project manager to update it every six months, at the same time as the expense forecasts (cash flow). With regard to accounts, ReCoMaP-COI proposed to beneficiaries, simplified software adapted to the budgetary structure of the respective projects. Generally speaking, organisations were weak in terms of planning, procedural knowledge and budget management. For example completion deadlines were nearly always underestimated, whereas the assessment of funding needs and in kind contributions required regular ReCoMaP-COI assistance. It is also worth noting that the concept “eligible expenses” remained misunderstood by most organisations. See chapter 6 below: *“technical monitoring and support”, anything to do with the organisations’ technical weaknesses.*

Things to remember...

- Project beneficiaries were not always aware that the clock started ticking from the moment the contracts were signed. It could be said that “until the project is up and running, they take their time”.
- Effective well-targeted support is an absolute necessity when starting up all the projects. Problems not identified and/or unresolved at this crucial phase affect the project throughout its execution.
- 24 months seems the strict minimum for completing activities and closing the contract under proper conditions. The organisations’ institutional weaknesses, the nature of the projects, requiring strong community involvement, and the socioeconomic involvement meant that start-up delays were almost inevitable in most cases.
- Multiple requests for extension of contacts and budget modifications proved that there was a real need to enhance capacities in terms of project budgeting, planning and internal monitoring: See training module 1 “project planning design tools”.
- There has to be at least 11 to 12 months between publishing the Guidelines and signing the contracts. In this time the context of the project may have changed significantly. Adjustments may then be necessary during start-up but they should not significantly modify the selected project.
- Organisations struggle to replace staff initially expected to manage projects as jobs description are very often tailored according to the CVs of the target people, and budgets are formulated according to the salaries negotiated in advance with no margin.
- Project beneficiaries are very receptive to advice and recommendations given to them. But they need more management tools adapted to their needs. For example the accounts file provided by ReCoMaP-COI (see annex A) has been used by more than 90% of projects, also see training module 2 “project management tools”.
- Often projects start to pay for operating expenses (salaries, telephone, etc.) a long time before the start of the main activities (e.g.: 14 months for an 18-month project). Finally they find themselves forced to extend the execution period, but without funding or a sufficient budget to cover the extension period.

6. Monitoring and technical supports

The monitoring framework was described in an appendix included in the Guidelines for Grant Applicants (see annex B). Applicants were informed in advance of the way in which project monitoring would be organised. The objective of Call for Proposals monitoring was to put in place an information system making it possible to:

- Know the state of progress of the projects,
- Monitor the correct management of funds , and
- Identify the difficulties incurred and the possible support to provide.

SETTING UP THE MONITORING SYSTEM

Monitoring was carried out on the ground by the ReCoMaP ICZM Officer for technical aspects, and by an independent consultant (a field accountant) for accounts and financial aspects. Monitors received prior practical training in the methodology and implementation of the monitoring system based on the monitoring sheets drawn up for this purpose (see appendices C and D). The ICZM Officer was responsible for monitoring all activities carried out in his country. He planned and organised visits and supervised the financial monitor's work on which he was constantly briefed. Each project was visited at least once every three months according to a previously established schedule. As far as possible, the two monitors visited the project at the same time, so as to best coordinate their actions.

THE MONITORING

Financial accounts :

At the start of the projects, the monitor set up the accounts and if necessary helped put in place an operational accounts system. Monitoring consisted in verifying whether:

- the project funds were used correctly,
- the accounts were well kept, and
- the expenses incurred were eligible.

This translated in particular into checks on: i) budgetary execution, ii) expenditure procedures, iii) expense charges, and iv) the correct book keeping (see check sheet in annex D).

Project implementation :

The technical monitor verified whether the project execution complied with the conditions of the contract. He was concerned in particular with:

- the state of the implementation of activities,
- the acquisition and use of material and equipment,
- the participation of stakeholders , and also
- the accounts and financial management.

He identified possible problems and made recommendations to resolve them. After each visit, the monitoring sheets and reports (technical and financial) were sent to ReCoMaP-COI Regional Coordination Unit (RCU), in principle after having been examined and approved.

ASSISTANCE AND SUPPORT TO BENEFICIARIES

The information collected by the monitors was processed by ReCoMaP-COI RCU to give an overall view of the implementation of the projects and identify possible support to provide to beneficiaries. A “supervision team”, made up of the expert leader of the Call for Proposals, the M&I expert and the ReCoMaP-COI team leader, met regularly to analyse the information and determine possible action to take. The support provided to the projects in this context took various forms:

- Organisational and project management support; by ReCoMaP-COI RCU
- Technical training; by the ICZM Officers and ReCoMaP-COI RCU
- Specific supports; through national or regional consultants.

Organisational support consisted among other things of enhancing capacities in planning, internal monitoring, and financial and budget management.

Technical training was aimed mainly at organisers who supervised grassroots organisations. It was mainly about demonstrations and advice on practical issues. E.g.: choosing and using equipment, the ideal depth of a fish lake, the minimum size of a seaweed bed for the activity to be profitable for the producer, etc.

Specific supports were of two types:

- i. Specific studies aimed at improving the technical or economic aspects of the project (see box listing the studies carried out in this context);
- ii. Enhancing technical and operational capacities. These generally took place over several months. They involved several projects working on the same theme (e.g.: mangrove swamp restoration) and sometimes covered several countries.

For each task the steps followed were the same:

- Visit/diagnosis,
- Drawing up of a training plan,
- Training sessions involving several projects,
- Monitoring and supervision through previously planned visits,
- Production of a guide/manual (see box listing the main manuals produced),
- Implementation of a demonstration site (in certain cases).

Main studies & assessments carried out in support of projects

Some of these documents can be consulted in the folder "/documents/manuals"

Title	Consultant	Country
1. Development of the Domoni Anjouan coastal zone	SECMO-OI	Comoros
2. Technical feasibility study for a protective seawall at Mohéli	SECMO-OI	Comoros
3. Aquaculture of the sea cucumber in South-West Madagascar, "village farming profitability study"	RANDRIANARIVELO Benjamina Mahasolo	Madagascar
4. Technical support on sustainable solid waste management for Kiliwa	Hamad JUMA	Tanzania
5. Feasibility study & business plan for pearl farming in Tanzania	Munira HUMOUD S.	Tanzania
6. Technical and institutional support for collecting and treating waste for the town of Morondava	J-L SALLUSTRO	Madagascar
7. EIA on the construction of a new dumping site for the town of Morondava	RAJAHARIJOANA T.R. RAMBOLATAHIANA H	Madagascar
8. Development plan for a new dumping site at Morondava	RAJAHARIJOANA T.R. RAMBOLATAHIANA H	Madagascar
9. Socioeconomic feasibility study on holothurian culture in South-West Madagascar	RANDRIANARIVELO Benjamina Mahasolo	Madagascar
10. Characterisation of sediments in 4 villages breeding Holothurian Scabra	Thomas PLOTIEAU Igor EECKHAUT	Madagascar
11. Support on the regulatory guidelines of the village marine aquaculture industry: Case of holothurian culture and algae culture	GASSI Development	Madagascar
12. EIA for establishment of experimental seaweed nursery/ demonstration farm in Shimoni	KMFRI	Kenya

Main Guides/Manuals and support tasks for projects

Some of these documents can be consulted in the folder "/documents/manuals"

Title	Consultant	Country
1. Guide to community-based mangrove reforestation and management in WIO	Dr James KAIRO	Tanzania & Kenya
2. Holothurian culture in Madagascar manual (French/English/Malagasy)	Benjamin PASCAL Georgi ROBINSON	Madagascar
3. Anti-erosion and land reclamation guide (in progress)	Amri SALIM Saïd MAHAMOUDOU	Comoros
5. Technical support on seaweed farming & commercialization in Shimoni	Bong CAY AN	Kenya
6. Technical support to community groups for fingerling production & prawn/fish farming	Elgen ARRIESGADO Zouber LUGAZO	Tanzania & Kenya
7. Administrative, accounts and financial procedures manual for village cooperatives	Mohamed Nafion ABDOUL- HALIM	Comores
8. Manual guide for fish farming in Tanzania (Swahili)	Elgen ARRIESGADO Zouber LUGAZO Baraka KALANGAHE	Tanzania

In addition, a mid-term assessment carried out by ReCoMaP-COI in September/October 2010 made it possible to show beneficiaries' weak points in terms of project preparation, management and assessment. Based on the results obtained, training modules were developed with the aim of helping to enhance the capacities of the NSAs in these areas. Each module was made up of several technical sheets (see list below). The final document was presented to the actors who took part in the Calls for Proposals, through feedback workshops organised in the ReCoMaP-COI focus countries.

LIST OF TRAINING MODULES

Module 1 – Tools for designing & planning a project

Technical Document 1 - Logical Framework
Technical Document 2 - Risk Analysis
Technical Document 3 - Beneficiary Participation
Technical Document 4 - Pricing and Budget
Technical Document 5 - Funding, Co-Funding and In-Kind Contribution

Module 2 – Tools for project management

Technical Document 1 - Procurement
Technical Document 2 - Staffing and Recruitment
Technical Document 3 - Accounting and Budget Monitoring
Technical Document 4 - Cash Flow Analysis

Module 3 – Tools for assisting commercial activities

Technical Document 1 - Entrepreneurship
Technical Document 2 - Bookkeeping
Technical Document 3 - Case Study: Promotion of Sea Cucumber Aquaculture
Technical Document 4 - Promotion of Community Ecotourism

Module 4 – Tools for developing infrastructures

Technical Document 1 - Preparing a Coastal Infrastructure Project
Technical Document 2 - Principles and Tools for Technical Implementation
Technical Document 3 - Community Participation
Technical Document 4 - Case Study

Module 5 – Tools for evaluating impacts of a project

Technical Document 1 - Performance and Impacts of a Project
Technical Document 2 - Impact Study
Technical Document 3 - Evaluation of Economic Impacts

Things to remember...

- Monitoring is one of the determining elements in the success of project implementation. Monitoring objectives and methodology should be clearly defined when formulating the programme (why? how? by whom? and by what means?), and the system should be operational from the start of the projects.
- The choice of a team of two monitors per country, one of whom is a full-time employee, seems to be the most appropriate formula for a regional programme such as ReCoMaP-COI. It seems more appropriate than an NGO or a research consultancy consortium hired to cover all countries, for example.
- To be immediately operational, the monitor must have a proven experience out: known skills and experience in project monitoring and assessment. Even so, following the example of ReCoMaP-COI, he will also be involved in implementing other components of the programme,
- The management unit is all the more credible with regard to the projects if it is in a position to support and back beneficiaries, as necessary, in finding solutions to the problems identified through visits and monitoring,
- The parties (ReCoMaP-COI & Beneficiary) should work in a climate of trust and transparency. Most of the difficulties encountered in mid-term assessments were the result of a solution not being found to a problem deliberately concealed since the start of the project,
- To be efficient, project support and supervision should be targeted. In the first stage the technician/supervisor works with all projects beneficiary groups, and in the second stage, intervention is limited to the best ones with the desire and capacities to succeed.
- Project managers tend to ask monitors to draw up project accounts for them or to want to rely on the results of monitoring to draft their own progress reports.
- Monitoring is easy if the organisation concerned has its own internal monitoring/assessment system: one management tool which it is worth helping the beneficiary to put in place at the start of the project.

7. The closure process

To carry out the closure both the final report (technical and financial) prepared by the project beneficiary organisation and the two monitoring reports (technical and financial) from the final visits made to the project were required. Based on the information received, in particular that provided by the financial monitoring, ReCoMaP-COI determined the balance of the grant to be paid to the beneficiary.

After this last payment the grant contract was formally closed by an official letter from ReCoMaP-COI Regional Coordination Unit addressed to the beneficiary organisation. From this moment any material and equipment acquired by the project go to the beneficiary who alone can decide its final destination.

Things to remember...

- Project beneficiaries do not necessarily pay attention to the fact that:
 1. the total amount of the grant is not acquired automatically. It is a maximum amount and only eligible and truly relevant expenses are taken into account.
 2. if the beneficiary contribution is not as high as set out in the contract, ReCoMaP's financial contribution to the total budget will be systematically reduced by the same proportion.
 3. the final amount to be paid is calculated in Euros based on an average exchange rate taken over the period covering the execution of the project. In certain cases losses due to exchange rates can be very considerable.
- Very often organisations only realise at the end of the project that they are not in a position to provide their contribution and to pre-finance the remaining activities up to 20% of the total grant.
- As closure approaches, demands are made for the transfer of project material and equipment, which sometimes disrupts the implementation of activities. It is therefore desirable for this point to be clarified as early as possible with all parties involved in the project.
- Most project champions need to be guided and assisted to put in place and/or consolidate ongoing initiatives in particular by looking for strategic partners capable of backing or taking responsibility for certain activities after financing has come to an end.

CONCLUSION

ReCoMaP-COI experience has shown that at least 16 to 18 months are needed to prepare and launch a Call for Proposals process, assess the applications and select the projects to finance. The total amount of subsidies paid to projects was 5,400,000 Euros while management costs for the whole process including implementation monitoring and various types of support provided to beneficiaries was estimated at 1,182,500 Euros, i.e. nearly 22% of the total cost of the Calls for Proposals.

The involvement of actors was strong and effective especially on the part of small local and community organisations which expected a lot from these Calls for Proposals. At the same time many of them were disappointed by the final results (63 projects financed out of 918 proposals and for the benefit of 53 organisations). This has provoked certain criticisms and also questions about the organisation methods and assessment procedures applied.

It can nevertheless be deduced from this that Non-State Actors from countries in the Indian Ocean sub-region have proven that they are capable of formulating and managing, more or less properly, local development projects financed through grants. In fact, funds allocated to the projects were generally managed correctly. Beneficiaries have proven to be very cooperative throughout the project implementation, with a firm desire to reach the objectives they assigned themselves. On the ground, the mobilisation and participation of the stakeholders were exemplary, both on an institutional and a community level. And promises made in terms of contributions were in most cases honoured.

Beyond the concrete visible results obtained (e.g. construction/rehabilitation of 2 180 m of seawall or the establishment of 110 fish ponds), the organisations have been able, by carrying out their respective projects, to enhance their capacities in various fields: management/accounts, project planning and monitoring, call for tender/award of supply contract, sea cucumber farming techniques, algae culture, and land development in particular.

However training needs are real and significant for the vast majority of them, both on an institutional and an operational level. It emerged from this experience that the success of a project depends more on the managerial capacities of the beneficiary organisation than on its technical skills in the area.

Finally, a Call for Proposals is a relevant financing mechanism for promoting local harmonious development with sustainable management of natural resources. The dynamics created around certain projects made it possible for many organisations to obtain additional financing to allow them to continue or complete their initiatives. It also had a positive effect on the implementation of other components of the programme, in particular the promotion of integrated coastal zones management policies.

However a Call for Proposals remains a long and complex process. It requires preparation time, adequate implementation resources and rigorous and transparent management.

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RECOMAP FIRST CALL FOR PROPOSALS

Grant contract no.	xxx
Beneficiary	Association pour le bien être
Impl. starting date	15/12/09
Impl. ending date	31/05/11
Local currency	MUR 1866586.25

RECORD OF TRANSACTION

No.	Date	Documents references			Amount local currency			
		Payee	Description	Cheque No.	Budet line	Amount Incoming (Credit)	Amount Outgoing (Debit)	Balance
1.	14.12.09		50% Grant from Re-comap			1 866 586,25		1 866 586,25
2.	19.01.10	Editions du peuple	Stationeries	28022842	402		8 000,00	1 858 586,25
3.	29.01.10	Fournitures & services	Tables, Chairs & carpet	28022843	301		52 452 000	1 806 134,25
4.	29.01.10	Rajes & company	Ciment	28022844	401		1 254 000	1 804 880,25
5.	31.03.10	Rajes & company	Travelling	28022879	201		2 000 00	1 802 880,25
6.	18.05.10	CWA	Water Supply	28822896	403		55 00	1 802 825,25
7.								
8.								
9.								
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RECOMAP FIRST CALL FOR PROPOSALS

Grant contract no.	xxx
Beneficiary	Association pour le bien être
Impl. starting date	15/12/09
Impl. ending date	31/05/11
Local currency	MUR 1866586.25

BUGDET AND FINANCIAL REPORT

Bdgt	Description	Budget (local currency)	Expenses (local currency)	Residual (+) Overspent (-) (local currency)
1	Human Resources			
101	Project Coordinator	216 000,00	22 000,00	194 000,00
102	Manager Activity/Team Leader	513 000,00	0,00	513 000,00
103	Engineer for design,quantity surveying and supervision of hard structured works	67 500,00	0,00	67 500,00
104	Surveyor	15 000,00	0,00	15 000,00
105	Landscaper	10 000,00	0,00	10 000,00
106	Financial controller	54 000,00	0,00	54 000,00
107	Works Supervisor	67 500,00	0,00	67 500,00
108	Admin and support staff	36 000,00	7 500,00	28 500,00
109	Overseer	54 000,00	0,00	54 000,00
110				
	Subtotal 1	1 033 000,00	29 500,00	1 003 500,00
2	Travel			
201	Project Management	170 000,00	2 000,00	168 000,00
202	Financial controller	18 000,00	5 000,00	13 000,00
203	Supervisor	18 000,00	0,00	18 000,00
204				
	Subtotal	206 000,00	7 000,00	199 000,00
3	Equipment and supplies			
301	Furniture & Computer Equipment	90 000,00	52 452,00	37 548,00
302	Consolidation of infrastructure	2 400 000,00	0,00	2 400 000,00
303	Setting up of view point	40 000,00	0,00	40 000,00
	Subtotal 3	2 530 000,00	52 452,00	2 477 548,00

4	Local office/ Project costs			
401	Office rent & improvement	36 000,00	1 254,00	34 746,00
402	Consumables - Office supplies	22 000,00	8 000,00	14 000,00
403	Other services - tel/fax,electricity/heating, maintenance	27 000,00	55,00	26 945,00
404				
	Subtotal 4	85 000,00	9 309,00	75 691,00
5	Other costs, services			
501	Publications leaflets, pamphlets & posters	50 000,00	0,00	50 000,00
502	Documentaries	90 000,00	0,00	90 000,00
503	Presentations	40 000,00	0,00	40 000,00
504	Training workshops	40 000,00	0,00	40 000,00
505	Sensitization talks	50 000,00	0,00	50 000,00
506	Launching & End of project symposium	35 000,00	0,00	35 000,00
507	Auditing costs	40 000,00	0,00	40 000,00
508	Interactive seminar	20 000,00	0,00	20 000,00
509	Essay, Painting & sailing competition	20 000,00	0,00	20 000,00
510				
	Subtotal 5	385 000,00	0,00	385 000,00
6	Other			
601		0,00	0,00	0,00
602		0,00	0,00	0,00
	Subtotal 7	0,00	0,00	0,00
7	Subtotal Direct Eligible Costs (1-6)	4 239 000,00	98 261,00	4 140 739,00
8	Contingencies	194 900,00		
901	Administrative costs	286 503,00	0,00	
	% of administrative costs	6,76%	0,00%	
10	Total Eligible Costs (8 + 9)	4 720 403,00	98 261,00	
999	Positive interest credited on bank account	0	0,00	

MONITORING FRAMEWORK FOR PROJECTS

1. Objectives of monitoring

- To assess the status of the project, at the time of the monitoring visit
- To assess progress made in implementing the project and to review difficulties and define possible solutions
- To assess compliance with the terms of the contract. It includes record keeping, reporting duties, accounting systems and internal monitoring and evaluation mechanisms
- To assess the capacity of the project team to implement the project in accordance with the contract. It includes management structure, operational system and capacity, internal monitoring and evaluation mechanisms
- To discuss the needs of the project with regard to communication, reporting, technical assistance and management
- To inform ReCoMaP-COI Regional Coordination Unit for defining follow-up and assessing regional progress

2. Methodology

Supervision and coordination of monitoring (and evaluation) of the CFP projects is under the responsibility of the ReCoMaP-COI Regional Coordination Unit, M&I Expert. The M&I Expert reports to RCU management

Data collection on project sites and reporting on monitoring visits is the primary responsibility of the ReCoMaP-COI National ICZM Officers. ICZM Officers reports to the RCU M&I Expert.

The ICZM Officer defines and organizes a planning of regular visits to each project sites. A visit includes full review of project implementation as per a defined data collection form. A completed visit report is sent to the M&I Expert. The M&I Specialist compiles a regional report for submission to RCU management and follow-up of recommendations

A monitoring visit report includes the following components:

- Identification of project
- Current status of project (at the time of visit)
- Inventory (materials and equipments)
- Progress of activities
- Communication - Progress of work
- Budget and expenditures
- Project management
- Interview of project manager
- Group interview (target beneficiaries)
- Problems and recommendations

Monitoring visits and data collection aims at verifying compliance of project implementation with the signed contractual agreement.

3. Reporting requirements

The contractual agreement signed between ReCoMaP-COI and selected projects applicants indicate the reporting requirements beneficiaries of the grant need to fulfill. Every six months, progress reports are submitted to the National ICZM Officer and the National ICZM Officer submits, after review, the reports to the ReCoMaP-COI Regional Coordination Unit.

Progress report includes a narrative and a financial component. A final report is needed for requesting the final installment; it includes also a narrative and financial component.

For projects of particular interest, additional reports may be prepared by local experts or experts teams, hired by ReCoMaP-COI for the purpose of supporting project implementation.

4. Evaluation mechanisms for the CFP

Evaluation of CFP projects consists in assessing compliance of project implementation with objectives, activities and outputs as stated in the signed contractual agreement. To this end, a comprehensive evaluation form is drafted, basis for data collection. The form is specific to each project and data is collected by the National ICZM Officer, with the participation of the project team and the beneficiaries.

Evaluation includes lessons learnt and recommendations.

Impact analysis is also envisaged for a number of projects. It includes the analysis of the effects of the project on beneficiaries and sustainability.

5. A regional database for CFP

Monitoring reports, project reports, evaluation and impact reports are compiled into a database and variables related to project implementation are identified for analysis.

This database is a management tool and complements the database set-up for managing the CFP, which includes number and proportion of proposals for funding received, number and proportion of proposals returned to the proponent, number and proportion of proposals assessed and the average processing time.

Evaluation variables are also included in the overall database; it includes lessons learned of general value to most projects.

Outcomes of the regional CFP database are also supporting the preparation of the Program Quarterly Progress Reports.

Extract from "Guidelines for grant applicants"

CFP 1 - MONITORING FORM**Title of project :**

The Stabilisation of an eroded coastline with the collaboration of local communities

Name of executing agency :

ABE - Association pour le bien être

Objectives of the project

XXXXXX

Planned activities :

Protection of 1000 m of coastline

Plantation of 2500 mangroves plants

Capacity building and sensitisation in entrepreneurship and sustainable management of resources

Status of project - Overview

dd/mm/yy dd/mm/yy dd/mm/yy dd/mm/yy dd/mm/yy dd/mm/yy

Record keeping (Y/N)

Reporting duties (Y/N)

Accounting system (Y/N)

Internal monitoring system (Y/N)

Internal evaluation system (Y/N)

Management structure/line (Y/N)

Operational capacity/system (Y/N)

Communication with partners (Y/N)

Communication with associate (Y/N)

Communication with administration (Y/N)

Progress of activities (Satisfactory:Y/N)

Progress of activities	dd/mm/yy	dd/mm/yy	dd/mm/yy	dd/mm/yy	dd/mm/yy	dd/mm/yy	dd/mm/yy
Compliance with planned activities (Y/N)							
Activities and completion date							
1							
2							
3							
Outputs and completion date							
1							
2							
3							
Progress of activities							
Amount spent for each activity (Euros)							
1							
2							
3							
<i>Comments (if any) on positive and negative effects of activities implemented</i>							
<i>Comments (if any) on involvement of beneficiaries</i>							
Communication - Progress of work							
Support from partner (Y/N)							
Support from associate (Y/N)							
Communication with authorities (Y/N)							
Communication with public administration (Y/N)							
Communication with target beneficiaries (Y/N)							

Comments (if any) on partner, associate, authorities, public administration and/or beneficiaries

Budget and expenditures

Compliance with original budget (Y/N)

Availability and accuracy of accounts (Y/N)

Double-entry bookkeeping (Y/N)

Availability of supportive documents (Y/N)

Comments (if any) on compliance with original budget and accounting

Project management

Compliance with contract

- Management structure (Y/N)

- Staffing (Y/N)

- Reporting and coordination (Y/N)

- Internal monitoring system (Y/N)

Comments (if any) on management, staffing, reporting and coordination

Comments (if any) on internal monitoring system (main findings of internal monitoring)

Interview of project manager

Date of visit (dd/mm/yy):

1. Overview of project implementation (management, activities and outputs)

2. Compliance with contract

3. Problems encountered or anticipated

4. Needs for technical assistance

5. Positive and negative impacts of project

Group interview (Target beneficiaries)

Date of visit (dd/mm/yy):

Number of participants:

Location of meeting:

1. Is the project relevant?

2. Do you benefit from the project?

3. Does the project avoid replication/duplication of work carried out by others?

4. Is the target group clearly identified?

5. What is your opinion about the results?

6. What is your opinion about the impacts?

7. What are the problems encountered?

9. What will happen when the project ends?

Problems and recommendations (from ReCoMaP monitor)

Date of visit (dd/mm/yy):

About component 1: Current Status

About component 2: Inventory

About component 3: Progress of activities

About component 4: Communication - Progress of work

About component 5: Budget and expenditures

About component 6: Project management

Problems and recommendations identified by project manager

REPORT OF FIELD VISIT

Project visited :

Date :

Persons met :

Notes :

Expenditure accounted for/recorded in the Beneficiary's books

(budget headings alone)

Period: from..... to.....

Budget headings	Budget	Expenditure	Remaining
1. Human resources			
2. Travel			
3. Equipment and supplies			
4. Local office			
5. Other costs, services			
6. Others			
Total			

Check list of verifications and controls

Description	Checks performed	Results of check- ing	Observations & suggestions
1. The expenditure accounted for by the beneficiaries:			
- is complete,			
- has occurred during the implementation period of the Action			
- is accurate ('exact')			
- is eligible (see point 2)			
- is entered in the books of the beneficiary			
- is indicated in the Financial Reports			
- complies with the conditions of the Grant Contract notably with Article 2 of the General Conditions			

2. Verification of eligibility of the expenditure			
- necessary for carrying out the action.			
- identifiable and verifiable			
- substantiated by originals of supporting evidence			
- classified under the correct heading and subheading of the accountancy system			
3. Other verifications			
The expenditure incurred was foreseen in the budget of the Grant Contract.			
The total amount paid by the Beneficiary does not exceed the maximum grant amount (Article 3.2 of the Special Conditions)			
Any amendments to the Budget of the Grant Contract comply with the conditions for such amendments as set out in Article 9 of the General Conditions.			
The Beneficiary has complied with the rules for accounting and record keeping of the Grant Contract			
The correct exchange rates have been applied			
4. Procurement: tender procedures, nationality and origin rules apply for certain expenditure			
The Beneficiary has complied with such rules and the expenditure concerned is therefore eligible.			
Issues of non compliance with procurement rules			

Date

The Field Accountant.....

The ICZM Officer.....

REGIONAL PROGRAMME FOR THE SUSTAINABLE MANAGEMENT OF THE COASTAL ZONES OF THE COUNTRIES OF THE INDIAN OCEAN COUNTRIES

ReCoMaP-COI

BACKGROUND

An estimated 30-35 million people live in the coastal regions of the Western Indian Ocean (WIO) and most of these within the seven countries involved in the Regional Coastal Management Programme (ReCoMaP) - Comoros, Madagascar, Mauritius, Seychelles, Tanzania, Kenya, and Somalia. Many of these people depend on marine and coastal resources for their livelihoods, particularly from fishing (commercial and artisanal) and tourism. The seven countries are at very different stages of development. Tanzania, Kenya, Somalia, The Comoros and Madagascar are all categorized as developing or undeveloped countries, whereas Mauritius and The Seychelles enjoy a medium to a high level of development. Per capita GDP ranges from under US\$600 p.a. to over US\$18,000 p.a., which obviously determines to a large extent the financial and human resources at the disposal of the respective government services. The Small Island States also differ notably from Madagascar and the continental states in that their entire landmass can be considered as part of the coastal zone, since almost all land-based activities have a direct impact on the marine environment.

OBJECTIVES AND RESULT AREAS

The **overall objective** of this Programme is to enhance sustainable management and conservation of natural coastal and marine resources, thereby contributing to **poverty alleviation** among the coastal population of South Western Indian Ocean.

The **specific objective** of the Programme is to **strengthen the capacities** of local communities and public/private bodies, in order to achieve a sustainable integrated coastal zone management. The following are result areas the Programme wants to achieve:

- **Result 1:** Monitoring, conservation, valorization & sustainable management of coastal and marine biodiversity & natural resources of the South West Indian Ocean coastal zones are enhanced
- **Result 2:** Training capacity for coastal and marine technicians are developed and adapted in the region, through Regional Centres of Excellence.
- **Result 3:** Sensitization on ICZM issues amongst decision makers, the private sector, NGOs and the civil society are strengthened.
- **Result 4:** National ICZM plans are drafted and adopted and ICZM national action plans are available.
- **Result 5:** Capabilities of focus countries' to adopt proactive positions on marine and coastal resources in multilateral negotiations and reporting on MEAs are improved.
- **Result 6:** Active involvement of non-state actors in implementing ICZM action plans is improved.
- **Result 7:** Regional policy consensus on sustainable coastal and marine management is improved and exchange of information and experiences on marine and coastal resources is enhanced at the regional level.

Extract from "ReCoMaP Financial Agreement"

SECOND PART

BUILDING CAPACITIES FOR PROJECT IMPLEMENTATION

(Comoros, Kenya, Madagascar,
Mauritius, Seychelles, Somalia, Tanzania)

SECOND PART

MODULES AND TECHNICAL DOCUMENTS

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NOTE

53 organizations (Non-State Actors) have been implementing, from October 2008 to June 2011, 63 small scale projects using grant support through a Call for Proposal scheme in all ReCoMaP-COI beneficiary countries: Mauritius, Tanzania, Kenya, Somalia, Seychelles, Comoros and Madagascar. Project duration varies between 12 and 24-32 months. These projects cover a wide range of themes: eco-tourism, waste management, infrastructure development, education and awareness, resources management and planning, seaweeds farming, fish and prawn farming, pearl farming, agriculture, land reclamation and energy (windmills). They all relate to coastal development, including alternative livelihoods and the vast majority is community based; others involve international organizations such as WIOMSA, UNESCO and WWF.

These projects have been monitored quarterly and evaluated in September and October 2010 by ReCoMaP-COI (Evaluation Survey and Training Modules; ReCoMaP-COI; November 2010). The same evaluation form has been used for all projects. It includes 9 components, with a number of indicators within each component. These components are: objectives versus achievements; design and planning phase; project management; execution of activities; support from partners; technical assistance; community mobilization; impacts of projects and sustainability of activities. The evaluation forms have been reviewed and completed with project teams and beneficiaries.

Overview of projects indicates areas of achievement and performance: respect of contractual obligations, mobilization, implementation of activities in difficult circumstances, reliance on community participation, transparency and accountability in budget management, impacts of technical assistance and logistic capabilities, for example. Subject of concerns, for all projects, are related mainly to the design and planning phase: no or insufficient identification of risks, difficulties for planning and budgeting, technicalities no or insufficiently identified. In the course of implementation, difficulties relates to procedures, staffing, work planning, budget management including cash flow, internal M&E, inputs of partners and economic know-how, for example. These bottlenecks explain the level of impact and sustainability of projects.

They justify also the conception of Training Modules and Technical Documents aiming at reinforcing capacities for conception, management and evaluation of projects implemented by Non-State Actors, organizations and, when relevant, communities. Modules and Technical Documents should be seen as tools aiming at reinforcing the implementation of Decentralized Cooperation Programs.

Module 1

Tools for designing & planning a project

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INTRODUCTION TO MODULE 1

Design and planning of projects includes 5 critical steps, often underestimated during feasibility studies and proposal writing:

1. Drafting a logical Framework - The framework explains the manner in which the activities of a project should converge to produce results contributing to objectives. It lists results expected, activities and objectives of the proposed project. The framework is presented in a chart, or matrix, that describes the intervention logic used and summarize the objectives, results expected and activities to be implemented, with Objectively Verifiable Indicators attached to them (*Technical Document 1*).
2. Conducting a risk analysis - It consists in identifying factors and elements that could compromise results and objectives during the implementation of the project. A wide range of sectors are thus covered: risks related to climate, politics, sociology, economics, etc. The risk analysis is done at the design phase and summarized in a matrix listing, for each objective and activity, probable risks. The chart indicates also, for each risk, a contingency: what to do if the risk occurs? Thus, a contingency planning complements the risk analysis (*Technical Document 2*).
3. Defining beneficiary participation - Participation from project beneficiaries, local communities and leadership is a condition for successful implementation of project. Participation is a way to reduce or avoid mistakes, find support for implementation, develop skills locally, promote ownership and sustainability. Elements for defining a strategy for participation is devised before project, at the feasibility phase, and its' implementation is monitored for adjustment. Element of strategy for promoting participation include: information campaigns, consultation with stake holders, distribution of the added value generated by the project and cooperation (*Technical Document 3*).
4. Pricing and budgeting - A project budget is a prediction of the costs associated with the implementation of activities (operational cost, investments, administration). It is a financial planning and a forecast of expenditures. Information is gathered to price the budget items, in most cases market prices. A budget indicates therefore the financial feasibility of the proposed project. During implementation, expenditures are monitored and budget is adjusted accordingly (*Technical Document 4*).

5. Funding, co-funding and in-kind contribution - Small scale projects are generally funded by one donor. Co-funding exists when more than one donor contributes to project implementation. In all cases, an applicant contribution is required. This contribution can be in cash, or/and in kind. A contribution in kind is a non-cash input with an estimated monetary value indicated in the project budget. Example of in-kind contribution includes labour, material and equipment. In all cases, funding, co-funding and in-kind contribution expenses and expenditures should be accounted for and eligible: they should correspond to a budget line and be supported by appropriate documents (invoice, bills and receipts) (Technical Document 5).

TECHNICAL DOCUMENT 1

LOGICAL FRAMEWORK

A) What is meant by “logical framework”?

Logical framework is a schematic, ordered representation of a reasoning process. It shows the connections between the various elements of reasoning. For projects, the reasoning used consists of developing various activities that attempt to respond to the problematic situations identified at the origin of the project. Logical framework must explain, in detail, the manner in which the activities of a project should, in theory, converge to produce multiple results that will contribute to the achievement of one or more objectives of major significance (reduction of poverty, environmental protection).

In order for it to be pertinent and coherent, the logical framework must specify the conditions required for the achievement of each key step in the reasoning used (achievement hypotheses). It must also provide a set of reliable indicators that will allow the proper progress of each activity to be evaluated, the achievement of expected results and their effects on the primary objectives (Objectively Verifiable Indicators, OVI).

B) An essential tool: the matrix

A logical framework is presented in a **matrix**. This is a chart that summarizes the project's intervention logic.

The matrix must, by necessity, include and show a relationship between the following variables:

- The description of the intervention logic used for the project (subordinating activities and results produced using the different objectives to which they were expected to contribute)
 1. *Overall objectives* to which the specific objective of the project contributes
 2. *Specific objective* (the primary finality of the project)
 3. *Results expected* for reaching the specific objective
 4. *Activities being considered* for producing these results
- The Objectively Verifiable Indicators (OVI) for completing each step
- Sources of verification for these indicators
- Achievement hypotheses for each step

The development of the matrix allows the project leaders and their partners to check the coherence of the strategy vis-à-vis targeted objectives and provides a relevant framework for follow-up and evaluation of the execution and impact of the project.

Moreover, the matrix of the logical framework serves as a conducting wire for detailing and presenting any risks that could compromise the successful achievement of the results (see technical document n°2) or even for identifying the means required for the implementation of the various components of the project. These may be methods or technical, social, economic or financial risks. For example, the implementation of a training activity assumes the presence and availability of experienced trainers at the time when the training is to take place.

Table 1 - Structure of the logical framework matrix (according to CE 2004, "Project Cycle Management Guidelines")

Description of the intervention	Objectively Verifiable Indicators (OVI) (in terms of quantity, quality, lead times)	Sources of verification	Achievement hypotheses
Overall objectives : contribution of the project to the objectives (impact) of a policy or program	How will the achievement of the overall objectives be measured?	How will information be collected, when and by whom?	
Specific objective: : direct advantages intended for targeted group(s)	How will the achievement of the specific objective be measured?	idem	If the specific objective is achieved, what hypotheses must be confirmed in order to achieve the overall objectives?
Results : Products or services provided by the project 1 - 2 -	How will the results be measured (quantity, quality and lead time)?	idem	If results have been obtained, what hypotheses must be confirmed in order to achieve the specific objective?
Activities : Tasks to be completed in order to obtain the desired results 1 - 2 -			If the activities have been carried out, what hypotheses must be confirmed in order to get the expected results?

Thus, the matrix can be read in the following way:

- If the project is to contribute to the overall objectives, then it must reach its specific objective
- If it is to achieve its specific objective, then such results must be obtained
- If it is to obtain such results, then such activities must be completed
- If it is to complete such activities, then it must have such means available

In addition:

- If such activities are completed, then such results may be obtained
- If such results are obtained, then the specific objective may be achieved
- If the specific objective is achieved, then it will contribute to such overall objectives

C) Example of seaweed farming: Logical framework matrix of the project

Seaweed farming is an interesting activity to promote as an alternative to fishing. The development of seaweed farming contributes in this way to the achievement of more general objectives: reduction in poverty and preservation of the environment. Below is a logical framework matrix of a project undertaken in Madagascar (2009-2011):

Table 2 - Logical framework matrix for the seaweed farming project of the Trans'Mad-Development and Blue Ventures (South-West Madagascar; 2009-2011)

Description of the intervention	Objectively Verifiable Indicators (OVI)	Sources of verification	Achievement hypotheses
Overall objectives			
Fight against poverty (through the promotion of an income-generating activity)	Increase in average household income (%) Taxes and duties paid to localities and to the State	National and regional statistics Statistics Surveys	Economic and political situations are stable and favourable International algae contract is stable Increasing interest of coastal populations in seaweed farming
Protection of coastal zones (through the promotion of a sustainable alternative to fishing)	Proportion of the population abandoning fishing for seaweed farming Increase in fishing yields	Seaweed farmers identified (commercial company, administration) Statistics of scientific fishing (halieutic) data	Seaweed farmers decrease their pressure on fish stocks The development of seaweed farming does not cause massive migrations towards the coast, accentuating the pressures of fishing
Specific objective:			
Development of a line of red algae production as an alternative to fishing	Seaweed farmers counted Fishermen interested Potential sites identified	Project report Surveys	Algae production is profitable for cultivators as well as for commercial operators The algae quality is satisfactory
Results:			
50 seaweed farmers trained and productive	Seaweed farmers counted	Project report Buyer data	A sufficient number of fishermen are interested in getting started up in seaweed farming and mastering related techniques
Improvement in cultivator income	Quantity of algae produced Household incomes	Buyer data Economic surveys of households	Algae production is promoted at an attractive price Seaweed farmers abandon fishing for seaweed farming
Private operators buy back production and position themselves sustainably	Quantity of algae purchased Investments are realized by operators	Purchase data Report of operator activities	Quantities produced are worthwhile The quality of algae is correct Potential for extension exists
Other fishermen abandon fishing in favour of seaweed farming	New seaweed farmers identified New sites created	Details of purchases (operators) Surveys	New fishermen express their interest during and after completion of the project
Public authorities support and sustain the development of the line	Regulatory provisions taken Institutions involved in the line	Administrative documents Meeting minutes	The stakes of the development of seaweed farming are properly understood by the public authorities Seaweed farming is defined as a priority by the public authorities

Activities:

Identification of sites	Number of sites evaluated Sites identified as favourable	Project report	At least one site favourable to seaweed farming
Community awareness and cooperation	Number of villages concerned Number of meetings held Number of participants	Project report Meeting minutes	Villagers participate in the cooperation and are interested in the opportunity to develop seaweed farming in their village
Selection of seaweed farmers and signature of contracts between each of them and the project	Number of candidates Selection procedure developed Number of contracts signed	Project report Contracts drawn up	Enough candidates declare their interest Conditions for participation are understood
Training in culture techniques	Number of participants Number of subjects covered	Project report	Selected candidates participate in training programs offered
Purchase and distribution of material	Number of ropes purchased and distributed	Project report	Equipment adapted to seaweed farming is available at affordable prices
Acquisition of cuttings and creation of algae nurseries	Strains identified and obtained Number of nurseries created	Project report	Interesting strains of algae are available Environmental factors are favourable
Technical training of producers	Technicians recruited and trained Number of days of training	Project report	Trained technicians are competent
Mobilization of commercial operators	Number of interested operators Commercial licenses obtained Investments made	Project report Administrative data	At least one operator is interested in buyback of algae
Institutional mobilization	Number of meetings held Number of participants and of institutions represented Subjects covered Agreements signed ...	Project report Meeting minutes	Mobilized public authorities respond positively to project requests They participate in meetings regularly
Scientific monitoring and experimentation	Scientists mobilized Experiments conducted	Project report Results published	Scientific resources are available

Bibliography and useful links

European Commission, 2004. Aid methods: Guidelines - Management of the Project Cycle: Office of EuropAid cooperation, 160p [available online: http://ec.europa.eu/europeaid/multimedia/publications/documents/tools/europeaid_adm_pcm_guidelines_2004_fr.pdf]

TECHNICAL DOCUMENT 2

RISK ANALYSIS

A) What is risk analysis?

Risk analysis is an essential element in the design and then the implementation of a project. Risk analysis is used to identify and measure factors and elements that could compromise the success of the expected objectives and results. This is often the inverse of achievement hypotheses. The risks may be of a climate nature (floods during the rainy season); technical (computer breaks down); social (seasonal migration of fishermen); political (elections and change of leadership) or economic (inflation, exchange rate).

The risk study is an essential task, which is often done by a team, during the project design phase. It is sometimes performed during the actual project implementation and should be followed by a contingency plan: for each risk, one or more attenuation and/or adjustment measures are defined and may be implemented so as to limit impacts if the risk should ever become a reality.

This is the case for the team in charge of the project implementation, and also for financial backers and partners, who need to know where they are going and where they must not go: risks are inevitable; it is a matter of knowing what level of risk is acceptable. Often, risks are expressed as a percentage, i.e. the percentage of chance that a risk will materialize or not. Beyond a certain percentage, the risk is too great; the design (or production) process of the project, or some of its activities, need to be reviewed in their entirety.

B) The matrix: methodological support

Risk analysis is often presented in a chart, a matrix that assembles all the main information. This chart takes the variables of the logical framework and, for each one, presents the possible risks, their probability of occurrence and measures planned in case the risk should materialize.

In the matrix, the risks identified are an echo of the achievement hypotheses and are correlated with adjustment and attenuation measures indicated in the contingency plan.

C) Case study

Going back to the case of the seaweed farming project, different risks may be identified as a function of the objectives and results detailed in the matrix. In the face of these risks, anticipation or attenuation measures are developed from the time the project's design process begins.

Table 3 - Logical framework matrix for seaweed farming project by Trans'Mad-Development and Blue Ventures (South-West Madagascar; 2009-2011)

Description of the intervention	OVI	Check	Hypotheses	Risks	Corresponding measures
Overall objectives					
Fight against poverty (through the promotion of an income generating activity)			Stable and favourable economic and political situations	Unstable contract Deterioration of the economic and political situation of the country	-
Protection des coastal zones (par la promotion of a sustainable alternative to fishing)			Decrease in fishing pressure Development of seaweed farming does not cause migration towards the coast which aggravates pressures from fishing	Maintaining of destructive practices Migrations towards the coast cause an increase in fishing stress	Reinforcement of awareness of the stakes of conservation and research into sustainable alternatives
Specific objective:					
Development of a line of red algae production as an alternative to fishing			Algae production is profitable for operators and cultivators The quality of algae is satisfactory	Insufficient production Unsatisfactory algae quality	Reinforcement of management training Look for new contracts
Results et activities:					
50 seaweed farmers trained and producing			Enough fishermen are interested in getting started in seaweed farming and master the techniques for it	Few fishermen are interested Seasonal abundance of fish sometimes leads them to abandon seaweed farming activities	Seeking out of new potential seaweed farmers
Improvement in the cultivators' income			Algae production is promoted at an attractive price Seaweed farmers abandon fishing for seaweed farming	Income drawn from seaweed farming is not sufficient Difficulties in marketing algae	Seeking out of new contracts Improvement in quality reinforced support and management training
Private operators buy back production and position themselves sustainably			Quantities produced are worthwhile The algae quality is correct Potentials for expansion exist	No operators interested Production is not significant enough	Prospecting of new operators
Other fishermen abandon fishing in favour of seaweed farming			New fishermen express their interest during and at the end of the project	Few fishermen are interested in the sites selected	Prospecting of new production sites
Public authorities support and promote the development of la line			The stakes involved in the development of seaweed farming are properly understood by the public authorities Seaweed farming is a priority	Public authorities do not make seaweed farming a priority and to not participate in the cooperation	Redoubling of mobilization and explanation efforts

TECHNICAL DOCUMENT 3

BENEFICIARY PARTICIPATION

A) Principles

Beneficiary participation is indispensable to the success of a development or conservation project. It allows the local situation to be taken into account and its intervention to be adapted to targeted populations to produce the desired results. From the very beginning of the project, it is imperative that a strategy be prepared that will lead the beneficiaries and stakeholders to participate. To do this, various types of activities are planned throughout the phases of the project (planning, progress, follow-up/evaluation, sustainability...).

Beneficiary participation may take several forms :

- Participation in cooperation in defining priorities, goals, conditions for intervention, results, problems to be solved, etc.
- Financial or in-kind contributions for the project
- Volunteer work and contribution of local skills during project progression

The objectives for the participatory approach are many:

- Avoid errors associated with misunderstanding of the situation and of local specificities
- Find support in local skills and knowledge, and promote them
- Consult beneficiaries effectively
- Adapt the organization of activities to make them locally acceptable and efficient
- Reinforce the local skills of participants (through training, implementation and delegation of responsibilities)
- Impart a sense of responsibility upon the beneficiaries
- Generate economic effects (use of local manpower for example)
- Create a feeling of ownership of the results of the project
- Make the results of the project sustainable, and prepare the after-project
- Promote the establishment of autonomous development (auto-development)

B) Tools for participation

Participation in a project represents a cost to the beneficiaries. Beneficiary groups, who in general are in a precarious situation, cannot be expected to contribute to the success of a project without profiting from it in some way. The profits to be expected from the action for the various participants must therefore be higher than the costs and risks that they must assume during and after the project. Therefore they need to be analysed well from the beginning of the project.

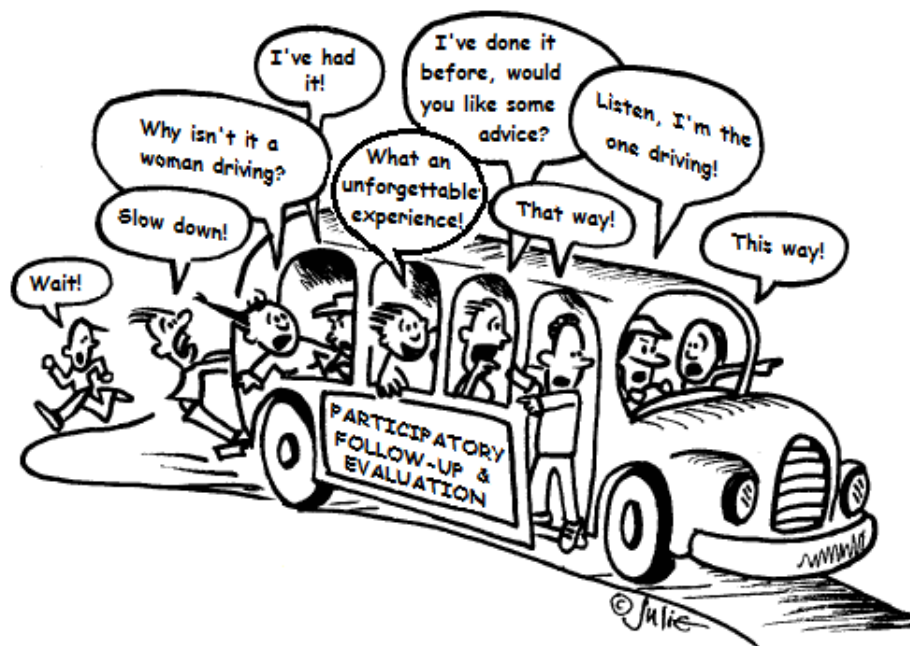
To do this, the following are used for support throughout the project:

- **Informing** and **consultation of the stakeholders** before any actions are taken or decisions made. Being available for all players and giving them as many components as possible so that they will be able to understand will increase the participation of the populations and their mobilization for the programming and implementation of activities.

¹Some of these forms of participation could be promoted as co-financing (financial or in-kind contributions, volunteer work, donation of land...).

- Collective analysis of the **distribution of added value** and of added values. Each group must properly understand the interest that he has in participating in the action and what is involved in this commitment (financial costs, time spent, risks, benefits obtained...).
- The **process of cooperation** when negotiating methods of intervention, specifically the allocation of tasks and responsibilities. Promoting consensus between stakeholders and the identification of solutions by the players generally contributes to producing better results.

C) The participatory approach



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Figure 1 - The participatory approach

For each project, a specific participatory approach must be developed as a function of its objectives, project conditions and all other specificities. There is therefore no standard method. It is more a matter of planning different activities involving the players in different phases of the project's progress. There is a sample list:

Step 1 : *Conception and preparation: consultation / information gathering / diagnosis*

- Identification of the various local stakeholders (organization, interests, capabilities...)
- Development of soil maps that can be read by the stakeholders
- Consultation of stakeholders (diagnosis of the local situation, problems sensed...)
- Identification of key participants, representative of various groups

Examples of indicators: Map produced / Groups identified (organization, membership, problems sensed...) / Participants identified / source persons identified / Problems identified / Diagnostic components

Step 2 : *Initial mobilization: awareness and communication*

- Consultation and surveys targeted towards the problems identified and solutions proposed (group consultation, consultation of resource persons and privileged information)
- Public information meetings on the stakes and opportunities associated with the project
- Definition of expected added values.

Examples of indicators: Number of meetings and subjects covered / Number of participants / Number of groups represented / Added values of project identified / Number of beneficiaries

Step 3 : *Programming: organization and planning of activities*

- Definition of activities (timetable, methods of intervention, methods identified)
- Definition of responsibilities for each (individuals, local groups, other stakeholders)
- Selection of direct beneficiaries and participants in the action
- Development of contracts or agreements between the project and the player-beneficiaries
- Identification of local structure(s) to be created (committee, association, contact persons...)
- Validation of plan(s) of action

Examples of indicators: Activities programmed / Number of candidates / Number of participants selected / Number and types of management structures and/or groups being considered / Types and number of contracts or agreements underwritten with the player-beneficiaries

Step 4 : *Progress: training of beneficiaries and implementation of activities*

- Identification and choice of necessary training programs
- Identification of outside partners (trainers, support organizations...)
- Implementation of activities and beneficiary participation

Examples of indicators: Number of trainings / Subjects covered / Duration / Number of participants / Activities set up by the beneficiaries / Contributions from beneficiaries

Step 5 : *Participatory follow-up/evaluation of actions*

- Periodic follow-up/evaluation of activities
- Periodic restitution and sharing of workforce information (meetings, information support...)
- Planned redefinition of strategy if applicable

Examples of indicators: Activities conducted by the beneficiaries / Committees and groups created (status, members) / Compliance of actions related to programming carried out (respect of timetables, respect of commitments, results...) / Report, meeting minutes and follow-up committees / Number of restitution meetings (number of participants, subjects covered...) / Modifications made to initial plan of action

Step 6 : *Empowerment and self-promotion*

- Progressive withdrawal of outside support
- Surveys (satisfaction, expectations, will of action...)
- Annual experience report (collective): cooperation and definition of results, positive and negative impacts, remaining risks, expectations and new actions to be undertaken

Examples of indicators: New projects proposed / Reinforcement of capabilities / Process continuity and return to previous phases / New practices adopted / sustainability measures taken by the beneficiaries / Desire for self-promotion of the player-beneficiaries

D) Case study

Although significant differences exist between the projects borne by members of the beneficiary community (endogenous project) and those borne by outside organizations (exogenous project), the participatory approach remains largely the same. The differences arise primarily from the knowledge of context and local groups at project start-up and maintaining the presence of participants beyond the project. An exogenous project should therefore make an additional effort to understand the local situation in order to adapt its approach to it and transfer management and coordination responsibilities to local structures once the project has been completed.

i) **An exogenous project: promotion of marine aquaculture in Madagascar (2009-2011)**

Project objective: This involved initiating and encouraging the progressive reconversion of traditional fishermen to artisanal aquaculture activities (sea cucumber farming and seaweed cultivation) thus trying to improve their income while decreasing their fishing efforts.

The approach of cooperation and participation of the project, therefore, consisted of establishing a direct collaboration with the beneficiaries and village communities in order to define the conditions for project success. It involved informing the communities, identifying the sites, defining the partnership methods between the project and the stakeholders and assuring the transfer of the required know-how and skills. It also involved creating a context that was favourable for each village in order to allow a long-term development of aquacultural activities. Some of the provisions made therefore had to be transitory in order to encourage change (training, material supply, grants, guarantees in case of natural catastrophes...), other, more permanent ones should allow for sustainable management of these activities while limiting risks (regulatory managers, methods of funding regulation, village maps, symbolic or material compensations, producer's associative federation or structuring, offer of services to producers...)

Step 1 : The NGO responsible for the project has proceeded with surveys for identifying and selecting the beneficiary villages (aquaculture potential, expectations and capabilities of populations). In each village, the project has sought to find various groups of players, understand the social structure of the village, recognize important persons and diagnose the local situation (conflicts, local problems, economic alternatives, gender relations...) ... Resource persons have been identified and consulted (traditional chiefs, local authorities, local merchants...) and maps were drawn to illustrate the various uses of marine spaces. Lessons have been drawn from prior experiences (successes and failures of previous projects, participants in these projects...).

Step 2 : In the preselected villages, information meetings have been held to inform the population about the opportunities offered by the project. The expected conditions of participation (reimbursement for juvenile sea cucumbers, supply of stakes, work to be completed...), desired benefits, difficulties and risks of the action are presented to the communities. Risk limitation measures are discussed. Local knowledge is promoted in order to identify zones that are potentially favourable to aquaculture.

Step 3 : Villages are selected. Interested persons are invited to become candidates. Surveys and more in-depth maintenance are used to evaluate them and point out their weaknesses (incompatible activities, lack of manpower, no dugout canoes...). A great many of the candidates will desist once they have fully understood the responsibilities and risks associated with these new activities; other will be eliminated. Formal contracts are concluded with the selected candidates.

Organization of activities is defined with the selected beneficiaries and adapted to their constraints (work time, responsibility for meals...). By supporting themselves on the distribution of the added value and the expected effects of aquaculture, compensatory measures are negotiated between fish farmers and village dwellers (these latter agree to grant to the fish farmers an exclusive right of use of sea space that is otherwise held in common). A local pact restating the responsibilities of each one and the rules negotiated is established and a document signed. A ritual is organized to confirm and publicize its existence to all the riverside dwellers.

Step 4 : Selected fish farmers are trained in techniques. The sites are delineated in cooperation with the community representatives. The project is started up. Technician-coordinators recruited by the project support the fish farmers. Within the villages, local contact persons are identified consensually by the project and the beneficiaries. They are recruited and have the role of supervising the work of the fish farmers and of relaying pertinent information in the project team's absence.

Step 5 : Regular follow-ups of operations are organized. Aquacultural performance is evaluated by the project technicians and discussed with the fish farmers. Solutions to identified problems are negotiated and implemented (night guard, crab hunting, construction of new pens, etc...). Strategy is readapted. Regular village meetings are used to get information on the progress of the project. The project's agents continue to consult the representatives of the different groups to gather their points of view on the development of the situation.

Step 6 : The project decreases its technical, financial and institutional support until there is no more support. The fish farmers are encouraged to collaborate directly with the marketing partners without intermediary. The creation and distribution of added value is analysed and discussed. The economic viability of each team is evaluated and those that are not successful (operating expenses/value produced) are urged not to continue the activity. Associations are created at the initiative of the beneficiaries to defend their interests (especially against theft).

Table 4 - Distribution of added value in the development of aquaculture

Players involved	Situation before project	Situation expected or observed after project	Type of added value or impacts	Lessons to be drawn for the implementation and participation level
Producers (new fish farmers selected and trained)	Low, irregular income dependent upon natural resources	Increase and regularity of incomes	Positive Long-term Economic	Interested by financial perspectives and income security
Remainder of community and riverside dwellers	Collective use of the entire territory (fishing and traffic)	Loss of usage rights over part of the territory	Negative Long-term Economic and socio-cultural	Attenuated by compensation measures of fish farmers to the community
	Increasing competition for access to resources	Decrease in competition Improvement in availability of natural resources	Positive Long-term Economic Ecological	Communication centered on the positive impact of aquaculture on future fishing yields
	Lack of alternatives to fishing	Real alternatives with job opportunities	Positive Long-term Economic	Persons interested in guaranteeing the success of the 1st fish farmers
Commercial partner/exporter	Looking for profitable and sustainable commercial activities	Significant profits (or prospects for profits) Income sustainable	Positive Long-term Economic	Persons interested in working to develop the line and supporting the producers
Territorial groups	Difficulty in managing natural resources	Development of alternative activities that promote sustainable management of resources	Positive Long-term Economic et Ecological	Persons interested in playing a central role of supervision and management training of activities during and after the project
	Lack of means of action and function	Increase in tax receipts	Positive Long-term Economic	Persons interested in promoting the activity through communities

ii) An endogenous project: community infrastructure project against coastal erosion

Objective : This involved, for the localities of Tanzanian and Comorian associations for the fight against coastal erosion through the construction of dikes and reforestation.

The cooperative and participative approach for these projects consisted therefore of information, awareness and involvement in the achievement of the work by all the players concerned with coastal erosion in the region. The expected profits and added values drawn from this action for each stakeholder are explained and discussed in order to promote participation and assure ownership and maintenance of any improvements made over the long-term (see chart below).

Step 1 : The project leaders have identified the various groups of local players affected, positively or negatively, by the project to fight against coastal erosion: fishermen, sea shore dwellers, waterway dwellers, tour operators, users of wood resources (artisans, ylang-ylang distillers...), school groups... For each group, they evaluated advantages and drawbacks drawn from the action (see distribution of added values and impacts). Expectations in terms of community participation are explained to the beneficiaries (mandatory contributions to the project). Coordinators have been recruited from within the various groups and have been trained to conduct meetings (communication support has been supplied to them).

Step 2 : The project and coordinators have conducted information meetings and awareness sessions about the stakes of the project. Expectations in terms of participation and expected benefits have been discussed. Points of view have been gathered. Modern media (radio, television, magazines...) are also used to inform the population.

Step 3 : The various technical activities are broken down and explained. The beneficiaries are solicited to assume the tasks that are accessible to them. The most technically complex are entrusted to professional service providers. A Project Monitoring Committee, which includes representatives from various groups, is set up to accompany the team in charge of the project, at their side as they follow the progress of the project.

Step 4 : Necessary technical training is dispensed to each group depending on its role (professional trainers are recruited for the occasion). The activities are launched. Some groups dig holes for replanting trees at the sides of professional nurserymen, others collect local materials to construct the dike or are employed as labourers on the worksite (some as volunteers, others receive indemnities).

Step 5 : The committee follows the work and prepares reports on a regular basis. Work site visits are organized. Sometimes the committee decides on modifications to be made to the work and discusses them with the professionals in charge of the worksite. The committee submits reports to the backers and conducts preliminary and final acceptances of the work. Other groups are invited to follow the projects and information meetings are held on the project's progress. The media also covers the progress of the project.

Step 6 : A committee for management and maintenance of the project is set up. Financial empowerment measures are defined to assure management and maintenance (local taxes, security funds, various withholdings, etc...). Regulatory provisions are made to ensure proper management of the project (specific municipal department, municipal decrees..).

Table 5 - Distribution of added value in a project to fight coastal erosion

Players involved	Situation before the project	Situation expected or observed after the project	Type of added value or impacts	Lessons to be drawn from the implementation and level of participation
Everyone	Heavy coastal erosion	Stabilization and development of the coastl	Positive Long term Patrimonial	Sensitive to the effects of coastal erosion
Fishermen and those who use the sea (cooperatives, fishmongers, part-time fishermen)	Low value of products from fishing (quality, sanitary risks)	Improvement in marketing conditions and in valuation of products	Positive Long-term Economic and Sanitary	People interested in the improvement of production and in working conditions
	Physical risks for fishermen et their watercraft	Improvement in safety for navigation and access to docking areas	Positive Long-term Economic	Sensitive to the safety of property and persons Interest in participating
Riverside communities	Insecurity and uncertainty about the future of dwellings Material losses	Increase in financial value on the coast (improvement of land parcels and dwellings)	Positive Long-term Economic	Sensitive to the safety of property and persons / Persons are interested in financial improvement
	Lack of income-generating activities	Collection of income for participation	Positive Long-term Economic	Paid participation in project achievement Skills acquired
	Consumption of halieutic products presents a health risk	Improvement in the quality of products and decrease in sanitary risks	Positive Long terme Sanitary	Awareness of the impact of sanitary improvement on public health
Wood cutters (distillers, artisans...)	Work habits associated with wood cutting	Suppression or limitation of wood cutting	Negative Short-term Economic and cultural	Attentive to measures taken / awareness
	Uncertainty associated with over-exploitation of wood resources	Use of alternative practices to the exploitation of wood resources	Positive long term Economic	People interested in legal and profitable alternatives to wood cutting
Hotel keepers and tour operators	Tourist sites degraded	Improvement of sites Tourism potential Attractiveness	Positive Long-term Economic	People interested in restarting tourism
	Loss of value of infrastructures	Improvement in land base and infrastructures	Positive Long-term Economic	People interested in the longevity of development
Academics	Lack of knowledge of stakes involved	Knowledge of the stakes of coastal management	Positive Long term Patrimonial	People interested in participating (educational value)

Bibliographical references and useful links:

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- *FRÉCHETTE L., VAN KEMENADE S., 2009. "Meaningful participation of local communities in large-scale project consultation". In GAGNON, C. (ed) and O. Riffon (in collab. with).*
Quebec guide for 21st century local agendas,
[Online: http://soluss.uqac.ca/AL21/18378_fr.html]

TECHNICAL DOCUMENT 4

PRICING AND BUDGET

A) Definition

The principal tool in financial planning is called a **budget**. Most of you know what a budget is and what various types of budget are. You probably put one together for your household expenses to figure out, based on what you earn, how much you can afford to spend next year. Businesses rely on budgets too for much the same reason.

Project budget: The project budget is a prediction of the costs associated with a set of particular actions during a defined time span. These costs include labour, materials and other related expenses. The project budget may also be broken down into specific tasks, with task budgets assigned to each.

The purpose of budgeting is to:

1. Provide a forecast of revenues and expenditures e.g. a model of how your project might perform financially speaking if certain strategies, events and plans are carried out.
2. Enable the actual financial operation of the project to be measured against the forecast.

B) Budgeting: tools and methodologies

i) Main rules in budgeting: how are budgets put together?

Forecast and prediction : A budget compiles forecasts. Just because the budget says that an action will cost a certain amount does not mean that it will. So as the year wears on, the Project Manager should revise the forecasts in adjusting them to reality, both of the real cost and of the available funds.

The Rule of Three in Budgeting : This rule of budgeting says that a company or its individual departments ought to divide into three parts: one part that is considered essential, another part that is desirable and a third part that is dispensable. This way, if a division must pare itself down quickly, so as not to run a deficit, it will already know which units to cut.

Budget and Contingency : You should be prepared to re-considering and downsizing your budget if the donors do not meet your financial expectations, or if unexpected events during the implementation impact on your action.

ii) **Methodologies**

The budgeting process requires essentially 3 steps:

Step 1 : Determining the Flow of Information

The data necessary to compile a budget are gathered in one of these two ways:

- 1) **"Top-down budgeting"** : Centralized process and senior management establishing organization's priorities and projections ; or
- 2) **"Bottom-up budgeting"** : Individual work units and sectors/departments to assemble that information on their own

In general, budgets that are constructed from the bottom up are preferable, if only for the reason that individual workers and units know more about their departments than central management. On the other hand, bottom-up budgeting requires more time to execute and is difficult to manage.

Step 2 : As any organization, an NGO has some permanent structure. It may be a small office or a more important administrative structure if it manages several projects at more than local level etc. In any case, the costs of the structure must be paid for and normally this happens through the projects implemented by the organization and funded by donors. In general, they allow the NGO to charge an "overhead" on the cost of the project, which is intended to cover the administrative costs. So, in your budget of the project you should not forget to add this overhead. Every project implemented must contribute, but it's important to measure the cost of the permanent structure, in terms of staff, office costs etc..

Moreover, every project you are going to implement has its own characteristics, and it is nearly impossible to establish in advance general principles for the establishment of a project budget. In general, you will have costs related to:

- Human resources (salaries of the staff of the project, consultants, temporary workers, travel and mission costs etc.
- Investments (purchase of equipments like computers, printers, cars etc.)
- Materials (building materials, consumables, etc.)
- Direct implementation costs (meetings, seminars, sensitisation, printings etc.)
- Other costs directly generated by the project (on a case-by-case basis).

Normally you gather the information you need:

- From your experience as organization (project already implemented in the past, experience coming from your staff, etc.)
- From other organization you are in relation with (your partners, other organization, the Federation of the NGO if any, etc.)
- From the general public and the market (shops, markets, etc.)
- From the size of the project and the scale of the intervention (number of beneficiaries, duration of the action, area covered and distance between the different sites of intervention...)

Many of those data are historical information that must be updated ; if you refers to your experience of the past, be aware that many elements (price of goods, availability, transport) may have changed and must be verified. For examples, some areas that were difficult to reach in the past may be now better connected - and vice-versa too! These situations may have a great impact on your actions, both in terms of feasibility and costs.

All those costs must be identified and measured (quantities, unit costs, total costs). Their total (plus administrative overhead and an amount to be put aside for contingencies) is the total cost of the project - the amount you need to fund in order to realize the project.

Step 3 : Put All Together and Verify the Financial Feasibility

Gathering good data is not enough. They must be put together in a coherent and consistent way, in order to verify the financial feasibility of the project and the possibility/opportunity to submit it to an available donor.

In fact, you should not forget that different donors may have different point of view about the financial feasibility of a project and on the eligibility of some expenditure. It is impossible, in general, to establish "a priori" what is possible and what is not. But some good practices are well known:

- Salaries (and costs in general) must be determined on the basis of market prices. Don't fool yourselves: the donors have a general knowledge of the country you are and they can see if a budget is (excessively) inflated. The consequences may be that, even if the project is good, they will not fund it because they start to question your honesty...
- There must be a general balance in the budget among the different kind of expenditure. Of course, for example, in a project of sensitisation and training the costs for human resources, mobility and training will be high while you need nothing for infrastructure or investment. Any project has its own budget structure but, again for example, you may ask to buy a computer and a printer for your office, not 10 units!
- Be ready to justify item by item your budget. Donors may be prickly with budgets!
- Have always a contingency fund to cover possible "accidents". If you foresee possible difficulties linked to the economic situation of the country (for example, possible shortages, devaluations, etc.) the contingency fund should take stock of this. Of course there are limits (normally those funds amounts to 5% - max 10% of the total costs), but don't hesitate to put the full amount or to ask for clarifications).

Final note: we often referred to "donors", as external sources of funding for your project, but if you decide to fund your project yourself, with your own resources or with public fund-raising or similar ways that do not imply the recourse to external sources, the principles and good practices are still valid!

TECHNICAL DOCUMENT 5

FUNDING, CO-FUNDING AND IN-KIND CONTRIBUTION

A) Definition

In general, when a project is submitted for funding to a donor, a certain percentage of funding must come from the Applicant itself as a proof of its commitment. In many cases this percentage is also explicitly requested by the donor who may decide a maximum percentage of funding from its part (i.e. the difference must come from other sources, either the applicant or other donors).

In projects of a certain size, it is not unusual that more than one donor is involved. In this case, we say that a “co-funding” is in place. It can be done in several ways, but basically there are two ways:

- The donors fund the project independently from one another (they give the money directly to the beneficiary, sometimes under the conditions of reciprocity, i.e. that the other donor give their own share). In this case, the Beneficiary must be careful in its relationship with the different donors because they may require different type of reports, supporting documents etc., and they have different disbursement procedures etc.
- The donors agree together to put all their contribution in a common fund which is managed by a Committee that decide on the utilization of the money. This kind of organization (pooling) is done for huge projects so it's not usually the case for small projects

The percentage of funding requested by the Donors to the Applicant can be provided in two forms:

- cash
- in-kind contribution

Be aware that in-kind contribution is not always acceptable. So:

- Verify if the donor you are submitting your application accepts in-kind contribution as valid source of funding. This is normally clearly written. If you are uncertain, ask for clarification!
- if in-kind contribution are accepted, be explicit and clear in your application what kind of in-kind contribution you will submit and for what expenditure

B) Contribution en nature

An in-kind contribution is a non-cash input which can be given a cash value. The term “in kind contribution” is used to refer to contributions to a development program other than cash. The amounts represented by these contributions should be shown in the budget as program expenses for which no funding is required.

Many donors like to see a complete specification of in-kind contributions to a program. This shows what groups and agencies are supporting the project and the level of their commitment.

In-kind contributions are hard to quantify in a way that satisfies everyone. The values assigned to in-kind contributions are often negotiated in the final program definition and costing.

Things to do

Here are some things to do to account for in-kind contributions:

- Make an estimate of the value of local in-kind contributions such as donated paper, donated building space, donated transport, or other donated equipment.
- Make an estimate of the number of person-months or person-years of time being donated to the program by personnel from NGOs, government agencies, and other local organizations.
- Include the time committed on the project by expatriate and other persons drawing a salary from any source other than the program.
- Local persons who volunteer their time can be included if you can get a good estimate of the value of their time. Some donors will question this component if the person involved is otherwise unemployed or not fully qualified for the job. This is an usual way to calculate the “community contribution” to a project
- Base your calculations on a salary figure that a similar professional would be paid if hired to do the same work.

Hints and suggestions

Here are some hints and suggestions for accounting for in-kind contributions:

- Consult with your branch or administration to assign a value to the time being donated by expatriate staff.
- In-kind contributions of materials and supplies should be costed at their current fair value (i.e. the actual current value keeping into account age, wear & tear, current conditions etc.), not the new retail value of the items in question.

Supporting documents

In-kind contribution must be justified by supporting documents which show the amount and the criteria of calculation. In practice:

- For salaries/staff costs: a declaration of the number of hours/days of works with unit price and total cost (something like a salary slip but of course with no payment)
- For materials: (example: cement, stones, sand, bricks etc.) a bill of quantity/delivery note with unit price, total cost and origin.
- For equipment: a quotation of the current price and an evaluation of the actual current conditions in order to calculate a fair value.

Prices/unit costs must be reasonably based on current market price (i.e., if the cement cost EUR 50/ton, you can't evaluate it at EUR 100/ton!!). Not everything has a current, or easily computable, market price (for example, voluntary work is difficult to evaluate): in this case, to stay on the safe side, it's better to adopt low values so you can't be accused to "inflate" the costs and therefore subject to never-ending discussions!

You should never forget that in-kind contribution, when allowed, is often frowned upon by the donors which always, in the back of their mind, are thinking that you are cheating! So collect appropriate supporting documents, and be prepared to objections and discussions.

Module 2

Tools for project management

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INTRODUCTION TO MODULE 2

Once a project is granted, management of implementation is critical. Difficulties are related to procurement (procedures and technical specifications), staffing and recruitment (appropriate skills, in time and procedures), accounting and budget monitoring (recording expenditures and eligibility) and cash flow analysis (planning and monitoring expenses).

1. For beneficiaries of EU grants, procurement is essentially a question of procedures. It includes a tender dossier, an evaluation committee and contracting suppliers. The Practical Guide to Contract Procedures describes steps to follow for procurement. The tender dossier should include detailed technical specifications and tender should be publicized. The evaluation process involves an Evaluation Committee reviewing the administrative compliance of the offers and completing the technical evaluation of the offers. Contracting is made once a supplier has been selected and no guarantee is needed from suppliers, except if advance payment is made. No cash payment is authorized between the contractor and the supplier (*Technical Document 1*).
2. Project implementation requires skills and budget should allow proper allocation of resources for appropriate staffing. Recruitment involves public procedures. It includes publication of the job offer, evaluation of CV using an evaluation grid, short listing of candidates; interviews of candidates by a panel and approbation of selected candidate by the board of directors or the project manager. A Performance Review Form helps staff assessment, on a regular basis (*Technical Document 2*).
3. Accountancy consists in communicating financial information using financial statements. It involves accounting: recording, classifying and summarizing expenditures. Bookkeeping helps to format data entries and presentation of accounts. It includes supportive documents: invoices, receipts, journal, ledger and inventory. These supporting documents make the expenses eligible: they can be covered by the grant. The purpose of budget monitoring is to assess eligibility of expenses and consists in verifications and controls using procedures and indicators. Additional information is provided with the statement of accounts: income statement, balance sheet and cash flow statement, informing on project implementation (*Technical Document 3*).
4. Cash flow analysis consists in analyzing the movement of cash out of the project budget. The operating cash flow is the projected, future flows of money needed to operate the project. It includes operating costs, purchase of materials and equipment. Thus, a cash flow projection is a treasury position forecast (several months) on a spreadsheet.

TECHNICAL DOCUMENT 1

PROCUREMENT

A) Procedures to follow

There are two possible procedures:

- Open tender which is published on newspaper and is open to everybody
- Simplified procedure which is open only to invited candidates. A short list of suppliers must be prepared in advance (at least, 3 suppliers have to be contacted).

Therefore it is suggested to use the open tender procedure. The cost of the advertising on the local newspaper is eligible and the budget line « contingencies » may be used.

Annexed you will find the whole procedure as drafted in the « Practical Guide to Contract Procedures (PRAG) » of the European Commission . Some points of course are not directly applicable but you should consider this document as a general guidance in order to follow proper procedures. This « Explanatory note » is drafted with the purpose to facilitate as much as possible your work, maintaining anyway the needed level of correctness and rigor.

The main steps of the procedure are:

- Preparation of the tender dossier
- Publication of the tender dossier and launch of the tender
- Additional information during the procedure
- Evaluation process:
 - Opening session
 - Evaluation session(s)
 - Awarding
- Contracting

B) Preparation of the tender dossier

See Annex 6 (PRAG points 4.3.1, 4.3.2, 4.3.3, 4.3.4, 4.3.5).

CONTENTS OF THE TENDER DOSSIER

Note that the most important part is the Technical Specifications. They must clearly indicate the requirement of the supply tendered, without anyway indicating brands or names (or in any case brand names must be followed by the words « or equivalent »).

PUBLICATION AND LAUNCH OF THE TENDER

If the open tender procedure is followed, as we suggest, a notice on the local press must be published. It must indicate (in short) the subject of the tender, the deadline and the place/address where the tender dossier is available (in paper version) or downloadable (see model of ad in annex). The deadline for submission must be not before 30 days from the date of the publication in the local press and the deadline must be a working day.

²http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/documents/2010pragen.pdf

ADDITIONAL INFORMATION DURING THE PROCEDURE:

See Annex (PRAG point 4.3.4).

The tender dossier should be clear enough to avoid requests of additional information and clarification. If the bidders request additional information or if it appears that the tender is not well understood, it is suggested to call a public meeting (informing of it through another public notice in the press) and answer the questions during the meeting. In this case the deadline for submission may be extended. Please note that this solution may prove very costly and probably unaffordable due to the limited resources.

C) Evaluation and awarding

The evaluation process takes place in various steps. See also Annex 6 (PRAG 4.3.9. - 4.3.10).

SETTING UP OF AN EVALUATION COMMITTEE

This is composed by a Chairperson and a Secretary and an odd number of evaluators (at least three). This people should have a good knowledge of the dossier and some technical capacity to evaluate the offers.

Other people can participate as observer. Their admission is at discretion of the Chairperson. It is suggested that the ICZM Officer should participate as observer in order to support the Committee and assure that the procedure will take place smoothly and correctly.

OPENING SESSION

This is a public session (the bidders can participate) and its purpose is to check the tender submitted are complete and formally in order. After completing the session, the procedure continues in confidential way so the bidders must leave.

EVALUATION SESSIONS

The evaluation consists of four steps:

1. Administrative compliance: the purpose is to verify that the tender is compliant with the administrative requirement (documentation complete, nationality and origin rules respected etc.) - see the « administrative compliance grid » to be filled and signed.
2. Technical evaluation: to evaluate the compliance of the technical offer to the technical specifications required and other selection criteria.
3. Financial evaluation: evaluation of the financial offer (checking and correction of errors, comparison of offer etc.).
4. Awarding: award criteria is pricing, e.g. the contract is awarded to the least expensive of the compliant tenders.

All the above mentioned steps are recorded in a report which must be signed by all Committee members.

D) Contracting

After the awarding, a supply contract must be concluded between the Contracting Authority (in this case, the beneficiary of the grant) and the selected bidder. The draft contract is included in the tender dossier at it should be completed with the requested data. Those parts are in general self-explanatory (addresses etc.).

Please note that no guarantees (tender guarantee or performance guarantee) from the suppliers are requested. Bank guarantees may be exceedingly difficult to obtain for small suppliers or local traders. However, a guarantee is compulsory requested if the supplier asks for an advance payment. We think this should be discouraged (payment is due at delivery and after verification of the goods).

The 10% final payment in principle is to be paid to the supplier after the end of the warranty period. However, this aspect should be considered on a case by case basis, taking into account the nature of the goods supplied (for some basic goods like cement, stones or iron bars of course there is no warranty period so the payment can be done entirely at delivery, while for others like equipment etc. a retention is needed).

Note also that ANY PAYMENT CONCERNING THOSE CONTRACT MUST BE DONE BY BANK (checks or bank transfer). Cash payments are not allowed.

Annexes:

- Procurement rules (Annex IV of the Grant Contract)
- Tender opening report
- Administrative compliance grid
- Evaluation grid
- Model of reports (opening - evaluation)
- Model notice to be published in newspaper
- PRAG

TECHNICAL DOCUMENT 2

STAFFING AND RECRUITMENT

A) Principles

One of the important factors in the success of a project is the quality of the team assigned to the action. Recruitment, a delicate first step, is intended to constitute a team as a function of the needs of the project (skills required for the performance of activities) and available resources (budget allocated for personnel). Then it is important to train and ably accompany this team in order to assure efficient implementation of the activities. The efficiency of the project depends on it.

To face this major stake, there are some good practices that we shall present here.

B) Methodologies and tools

i) **Recruitment and contract termination**

The support staff is recruited in principle through a public procedure involving:

- publication of an advertisement on the press (at regional and/or local level) and on Project's website if any
- evaluation and short listing of the application submitted
- interviews of the shortlisted candidates, performed by a panel and following a pre-determined set of question and a standard evaluation grid
- approval of the proposal of recruitment formulated by the panel by the Board of Directors of the organization

In case of urgency, or for temporary staff or particular circumstances requiring the recruitment of particular positions, a simplified procedure may be followed.

Employment of support staff can be terminated for the following reasons:

- Resignation from the part of the staff member
- Termination from the part of the organization

In both cases, if one of the parties decides to terminate the contract before its term, it must inform the other party thereof in advance (from 1 to 3 months, depending on the level/position) by registered letter, or by submitting the said letter with acknowledgment of receipt. Shorter notice terms may be amicably agreed between the parties.

The main cases for termination of contract are:

- end of Program
- end of appointment (for temporary contract)
- breach of contract
- death

Notice periods may be disregarded in case of the contract is terminated on the grounds of a gross misconduct on the part of the staff member.

Example of an advertisement published on newspapers

Career opportunities

The Indian Ocean Commission (COI) seeks to fill the following two (2) positions for its Regional Program for the Sustainable Management of the Coastal Zones of the Indian Ocean (ReCoMaP-COI):

- 1- **Communication and Public Awareness Officer**
2. **IT/MIS Officer**

ReCoMaP-COI is a five-year (2006-2011) initiative financed by the European Union (EU) which aims to enhance sustainable management and conservation of natural coastal and marine resources with a view to contributing to poverty alleviation among coastal populations. Beneficiary countries include Comoros, Madagascar, Mauritius, Seychelles, Kenya, Tanzania and Somalia.

The two positions are based in Quatre Bornes, Mauritius, which is the seat of the Regional Coordination Unit (RCU) charged with implementing ReCoMaP-COI. The five individuals will work under the supervision of the RCU Program Coordinator.

Required profiles:

1. **Communication and Public Awareness Officer [Ref: COI/COM]**

- A university degree in journalism, communication, marketing or a related field
- Practical experience of at least five years in a similar position including handling large publicity campaigns
- Proven ability to communicate effectively with opinion leaders, decision makers and the general public
- Fluency (spoken and written) in French and English
- Computer literate including MS Word, Excel and PowerPoint
- Experience in website management and in the use of graphics software will be definite advantages

2. **IT/MIS Officer [Ref: COI/MIS]**

- University degree in information technology
- Extensive practical experience in MIS development and in IT network management
- Proficient in database development (e.g. MySQL, Filemaker Pro, Access)
- Experience in training / transferring knowledge in IT-related applications
- Proven ability in identifying and solving technical problems of information systems
- Fluency (spoken and written) in French and English
- Proficiency in GIS, graphics design (Corel Draw, Photoshop, Illustrator, Freehand, Flash, DreamWeaver) and website management will be strong advantages.

All candidates are expected to be highly motivated and results-oriented, and willing to work over-time when needed. They are also expected to possess outstanding interpersonal skills and an affinity for team work, as well as the ability to take initiative and to work under minimal supervision.

Interested candidates may obtain the full description of these positions by visiting the ReCoMaP-COI website at www.recomap-io.org or COI website at www.coi-ioc.org

Applications (CV and a cover letter outlining their relevant experience and motivations) should be submitted by email to quoting the Reference Number associated with each position in the subject heading. Only suitable candidates will be short listed for interview. No telephone enquiries please.

Starting Date: candidates should be available to begin work by February 2007.

Duration of Employment: The employment contracts will be annual, renewable, with an initial probationary period of 3 months. In any case their maximum duration must not exceed the duration of the program (till August 2011).

Remuneration package: Commensurate with qualifications and experience.

The closing date for receipt of applications is

Interviews are forecast to be held during the month of January 2007.

The COI is an equal opportunities employer

Table 6 - Model of a recruitment evaluation grid

Criteria (unranked)	Comments (if any)	Assessment Score (see below)	Maximum score
Eligibility (National of Country, residing in.....)	Yes/No		
A. Knowledge & Skills			
1. Relevant knowledge of subject matter			3
2. Relevant formal qualifications			3
3. Level of education			3
4. Ability to communicate			3
5. Evidence of creative thinking			3
6. Understanding of the technical questions asked			3
7. Language skills			3
8. Likely ability to carry out TOR			3
		/24	
B. Relevant Experience			
9. Total months of relevant experience			3
10. Quality of references provided			3
11. Evidence of a team approach			3
		/9	
C. Personality Traits			
12. Able to admit to past mistakes (not arrogant)			3
13. Level of self-assurance/confidence			3
14. Pleasant personality			3
15. Asks questions of us about the job			3
		/12	
D. Aptitude for the Job			
16. Shows ability to learn new skills			3
17. Evidence of self-help, promotion, ambition			3
18. Shows interest in project's issues			3
		/9	
E. Personal Circumstances			
19. Likely to remain for the stipulated period			3
20. Able to undertake travels/missions (as required)			3
		/6	
21. Any other points that you would like to make about this candidate			
TOTAL SCORE (A+B+C+D+E)		/60	

This framework is to be filled in by the selection panel. Please note that your comments can be a simple 'yes' or a 'no'. Provide brief comments only if necessary.

SCORING

The following scores should be given for each criterion:

3 = **Good practice** (it should be a rare score that is not given lightly. It represents a situation where the candidate is over and above expectations)

2 = **Fully satisfactory** (it is as good as it gets. If there are weaknesses then they are few and minor)

1 = **Marginally satisfactory** (it indicates that there are serious weaknesses in this area)

0 = **Weak** (it should be a rare score which indicates that there is a major deficiency)

Not applicable (N/A) (can also be used and should be scored 0 (should only be used when absolutely necessary).

BASIC PRINCIPLES OF SCORING

- All criteria are of equal value, no weighting system should be used
- When awarding scores, only whole numbers should be used
- Be alert to the tendency of adopting a central position by awarding a '2' when sometimes it may not be merited
- Final Overall Assessment should be made on a logical 'all things considered' basis. Overall assessments need not be derived from any formulaic combination of earlier ratings
- The total score is derived from adding together the criteria scores and they can be used to rank candidates in order of relative merit

PROCEDURE

1. Each panel member fills out a form as the candidate is being interviewed
2. After the interview the selection panel should discuss their results/findings and reach a consensus on each criteria
3. A final evaluation form containing the consensus results should then be prepared and signed (and dated) by the panel members

ii) *Evaluation of performance*

It's essential to evaluate regularly the performance of the staff. Performance evaluations are intended to:

a) for the staff:

- measure the extent to which the employee's performance meets the requirement of the post;
- clarify job expectations and standards and establish future goals;
- provide a specific opportunity to raise questions about the job and the supervisor's guidance
- strengthen the relationship with the supervisor and the other staff members in general;
- provide your supervisor with an opportunity to assess the effectiveness of the communication lines

b) for the supervisor:

- measure the extent to which the employee's performance meets the requirement of the post;
- clarify job expectations and standards and establish future goals;
- appraise past performance and recognize good ones
- identify areas which might require improvement
- strengthen the relationship with the employee and open up channels of communication;
- enable the supervisor to assess his own performance, communication and supervisory skills

THE PROCEDURES

The evaluation areas contained in the evaluation grid are intended as guidelines for a discussion between the employee and the supervisor, to foster two-way communication and the exchange of opinions.

It is suggested that the employee and the supervisor complete the grid together. During this process, a discussion is likely to occur. This discussion should focus primarily on performance and, at this stage, efforts are to be made to separate the discussion from salary issues, which will be dealt with separately.

It is important to allow enough time and privacy during the evaluation process to permit ample opportunity for both parties to discuss, respond and contribute to the assessment. Every attempt should be made to avoid assessment based on subjective impressions, or comparison with other employees or other realities; a successful evaluation should concentrate on concrete and verifiable examples of job performances.

The end of a successful appraisal process is that both parties feel that the outcome has been fairly determined, using objective criteria related to the position requirements, and both the employee and the supervisor have had the opportunity to contribute.

While this does not necessarily mean that the employee fully agrees with the results, the employee should be able to sign-off on the form with the belief that the process has been fair and adequately carried out.

FORMS

The Evaluation Form is composed by three parts (see annexes):

- two Performance Review Form, one for the employee and the other for the supervisor to complete
- a Performance Review Grid, in principle to be completed by the supervisor in close co-operation with the employee

All the forms will be kept in the employee's personal file.

TIME TABLE

The evaluation exercise will be performed in principle annually, shortly before the end of the annual Program Estimate to which it refers.

PERIODICAL REVISION

These documents and the related forms are a work in progress and will be regularly and periodically revised and improved, in the light of the experience and of the lessons learned.

Table 7(a) - Example of a Performance Review Form

(Employee to complete)

Employee's name
Position
Period reviewed
MAJOR DUTIES (the principal responsibilities of the position)
MAJOR ACCOMPLISHMENT IN THIS PERIOD (Activities and accomplishments of significant value and/or beyond the scope of your regular duties)
PERFORMANCE DEVELOPMENT AND TRAINING NEEDS (areas where performance improvement may be warranted; trainings that are deemed necessary)
OBSERVATIONS AND COMMENTS
Signature
Date

Table 7(a) - Example of a Performance Review Form

(Supervisor to complete)

Employee's name
Position
Period reviewed
SUMMARY ASSESSMENT Using the performance standard as indicated in the Evaluation Grid, the overall assessment of the employee's performance is
UNSATISFACTORY NORMAL/EXPECTED EXCEPTIONAL
PROFESSIONAL DEVELOPMENT (Performance areas where improvement may be needed and actions to be taken to assist the employee in achieving a higher level of performance; suggestions for specific trainings)
OBSERVATIONS AND COMMENTS
Signature
Date

Table 8 - Performance Review Grid

1	Employee's name									
2	Current position									
3	Date in current position	From	A							
4	Review period	From	A							
5	Supervisor									
		EVALUATION OF THE PERFORMANCE (see below evaluation criteria and factors)				1	2	3	4	5
A	Quality of work									
A.1	Technical skills									
A.2	Organization of work									
A.3	Accuracy									
A.4	Respect of deadlines									
B	Quantity of work									
B.1	Efficiency									
B.2	Speed, consistency, time utilization									
C	Interpersonal relationship									
C.1	Ability of deal/work with other people									
C.2	Management of interpersonal conflicts									
C.3	Management of contacts with outside									
D	Initiative and self-reliance									
D.1	Ability of taking action without direction									
D.2	Willingness of taking on new responsibility									
E	Dependability									
E.1	Attendance, punctuality, respect of procedures									
E.2	Need of close review from supervisor									
E.3	Dependability in case of absence of supervisor									
F	Summary assessment									
F.1	Taking all the performance factors and criteria into consideration, how would the employee's overall performance be summarized?									

Comments and suggestion from the supervisor

Employee input (optional)

Signature of the supervisor

Date :

Employee sign-off

I have reviewed this evaluation and discussed the contents with the supervisor. My signature means that I have been advised of my performance and have given the opportunity to make comments, but does not imply my agreement with the evaluation or the contents of this sheet.

Signature :

Date :

Rating definitions :

- 1 **UNSATISFACTORY** : The employee does not perform at an acceptable level to meet the standard required by the position
- 2 **NORMAL AND EXPECTED** : The employee consistently meets the position standards; performance is fully acceptable and demonstrates sound balance between quantity and quality
- 3 **EXCEPTIONAL** : The employee routinely exceed the acceptable standards for the position by demonstrating outstanding performance and knowledge to carry out and improve even the most complex and demanding parts of the job

TECHNICAL DOCUMENT 3

ACCOUNTING AND BUDGET MONITORING

A) Principles of accounting

Accountancy is the process of communicating financial information about an operational/ business entity to users such as stakeholders and managers. The communication is generally in the form of financial statements that show in money terms the economic resources under the control of management; the art lies in selecting the information that is relevant to the user and is reliable.

The principles of accountancy are applied to business entities in three divisions of practical art named accounting, bookkeeping, and auditing. The last one is out of the scope of the present note so we will not deal with it.

- **Accounting** is defined by the American Institute of Certified Public Accountants (AICPA) as “the art of recording, classifying, and summarizing in a significant manner and in terms of money, transactions and events which are, in part at least, of financial character, and interpreting the results thereof.”
- A **double-entry bookkeeping** system is a set of rules for recording financial information in a financial accounting system in which every transaction or event changes at least two different accounts.

B) Methodologies and tools

ACCOUNTING ENTRIES

- The double-entry accounting system records financial transactions in relation to asset, liability, income or expense related to it through accounting entries.
- Any accounting entry in the double-entry accounting system has two effects: one of increasing one account, the other of decreasing another account by an equal amount.
- If the accounting entries are recorded without error, at any point in time the aggregate balance of all accounts having positive balances will be equal to the aggregate balance of all accounts having negative balances.
- The double-entry bookkeeping system ensures that the financial transaction has equal and opposite effects in two different accounts.
- Accounting entries use terms such as debit and credit to avoid confusion regarding the opposite effect of the accounting entry e.g. If an accounting entry debits a particular account, the opposite account will be credited and vice versa.
- The rules for formulating accounting entries are known as “Golden Rules of Accounting”.
- The accounting entries are recorded in the “Books of Accounts”.

BOOKS OF ACCOUNTS

It does this by ensuring that each individual financial transaction is recorded in at least two different nominal ledger accounts within the financial accounting system. The two entries have equal amounts and opposite signs, so that when all entries in the accounts are summed, the total is exactly the same: the accounts balance. This is a partial check that each and every transaction has been correctly recorded. The transaction is recorded as a “debit record” (Dr.) in one account, and a “credit record” (Cr.) entry in the other account. The debit entry will be recorded on the debit side (left-hand side) of a General ledger and the credit entry will be recorded on the credit side (right-hand side) of a General ledger account. A General ledger has a Debit (left) side and a Credit (right) side. If the total of the entries on the debit side is greater than the total on the credit side of the nominal ledger account, that account is said to have a debit balance.

An example of an entry being recorded twice for double-entry bookkeeping would be a supplier's invoice for stationery costing 100. The expense or Debit entry is Stationery Nominal Ledger a/c 100 Dr (showing that 100 has been spent on stationery) and the Credit entry is to the Supplier's Control Nominal Ledger a/c 100 Cr (showing that we now owe the supplier 100). This transaction has now been recorded twice in the financial accounting system and the total value is 100 for both Debit and Credit values.

Double entry is used only in nominal ledgers. It is not used in daybooks, which normally do not form part of the nominal ledger system. The information from the daybooks will be used in the nominal ledger and it is the nominal ledgers that will ensure the integrity of the resulting financial information created from the daybooks (provided that the information recorded in the daybooks is correct).

The reason for this is to limit the number of entries in the nominal ledger: entries in the daybooks can be totalled before they are entered in the nominal ledger. If there are only a relatively small number of transactions it may be simpler instead to treat the daybooks as an integral part of the nominal ledger and thus of the double-entry system.

However as can be seen from the examples of daybooks shown below, it is still necessary to check, within each daybook that the postings from the daybook balance.

The double entry system uses nominal ledger accounts. From these nominal ledger accounts a trial balance can be created. The trial balance lists all the nominal ledger account balances. The list is split into two columns, with debit balances placed in the left hand column and credit balances placed in the right hand column. Another column will contain the name of the nominal ledger account describing what each value is for. The total of the debit column must equal the total of the credit column.

From the trial balance the profit and loss statement and the balance sheet can then be produced. The profit and loss statement will contain nominal ledger accounts that are Income or Expense type nominal ledger accounts. The balance sheet will contain nominal ledger accounts that are asset or liability accounts.

BOOKKEEPING PROCESS

The bookkeeping process refers primarily to recording the financial effects of financial transactions only into accounts.

In the normal course of activity, a document is produced each time a transaction occurs. Sales and purchases usually have invoices or receipts. Deposit slips are produced when lodgements (deposits) are made to a bank account. Cheques are written to pay money out of the account. Bookkeeping involves, first of all, recording the details of all of these source documents into multi-column journals (also known as a books of first entry or daybooks). For example, all credit sales are recorded in the Sales Journal; all Cash Payments are recorded in the Cash Payments Journal. Each column in a journal normally corresponds to an account. In the single entry system, each transaction is recorded only once. Most individuals who balance their cheque-book each month are using such a system, and most personal finance software follows this approach.

After a certain period, typically a month, the columns in each journal are each totalled to give a summary for the period. Using the rules of double entry, these journal summaries are then transferred to their respective accounts in the ledger, or book of accounts. For example the entries in the Sales Journal are taken and a debit entry is made in each customer's account (showing that the customer now owes us money) and a credit entry might be made in the account for "Sale of Class 2 Widgets" (showing that this activity has generated revenue for us). This process of transferring summaries or individual transactions to the ledger is called posting. Once the posting process is complete, accounts kept using the "T" format undergo balancing, which is simply a process to arrive at the balance of the account.

As a partial check that the posting process was done correctly, a working document called an unadjusted trial balance is created. In its simplest form, this is a three column list. The first column contains the names of those accounts in the ledger which have a non-zero balance. If an account has a debit balance, the balance amount is copied into column two (the debit column). If an account has a credit balance, the amount is copied into column three (the credit column). The debit column is then totalled and then the credit column is totalled. The two totals must agree - this agreement is not by chance - because under the double-entry rules, whenever there is a posting, the debits of the posting equal the credits of the posting. If the two totals do not agree, an error has been made either in the journals or during the posting process. The error must be located and rectified and the totals of debit column and credit column recalculated to check for agreement before any further processing can take place.

Once the accounts balance, the accountant makes a number of adjustments and changes the balance amounts of some of the accounts. These adjustments must still obey the double-entry rule. For example, the "inventory" account asset account might be changed to bring them into line with the actual numbers counted during a stock take. At the same time, the expense account associated with usage of inventory is adjusted by an equal and opposite amount. Other adjustments such as posting depreciation and prepayments are also done at this time. This result in a listing called the adjusted trial balance. It is the accounts in this list and their corresponding debit or credit balances that are used to prepare the financial statements.

Finally financial statements are drawn from the trial balance, which may include:

- the income statement, also known as the statement of financial results, profit and loss account, or P&L
- the balance sheet, also known as the statement of financial position
- the cash flow statement
- the statement of retained earnings, also known as the statement of total recognized gains and losses or statement of changes in equity (normally not in use for non-profit organizations)

C) Monitoring and accounts verification

Monitoring is the continuous or periodic review of program/project implementation to assess delivery, identify difficulties, ascertain problem areas and recommend remedial actions.

What is budget monitoring?

Budget monitoring involves the collection and analysis of data about budget activities. The data should be easy to understand. It allow budget operators to keep track of budget activities to determine whether budget objectives are being achieved and to make whatever changes that are necessary to improve budget performance. The purpose of monitoring is to ensure the efficient and effective program/project implementation. It provides timely information on the work planned and done to all the parties concerned with the delivery process, ensuring that inputs, through activities, are transformed into outputs, and analysing their quantity and quality.

RATIONALE FOR BUDGET MONITORING

- Provides information on the progress of the program/project as it relates to performance, costs and time schedule relative to the original plan
- Identify constraints to performance, their sources and their impacts on the program/project plan
- Reporting on findings; presenting options for management. The logical options should include, among others, suggested solutions and /or actions needed to be taken to put the project on course.

TYPES OF MONITORING

- Start up Monitoring
- Financial Monitoring - ensures that fund released for execution of project is expended as planned
- Physical Monitoring - involves critical examination of activities such as purchases, construction, etc.
- Inputs -Output Analysis Monitoring - it determines the efficiency and effectiveness of the system and shows whether the level of output is commensurate with inputs consumed

Budget Monitoring and Evaluation serve several purposes:

- facilitates the identification and resolution of problems;
- enhances budget performances and ensures congruence with the overall government policy criteria;
- provides the basis for technical and financial accountability;
- builds local capacity to implement and manage projects successfully;
- Promotes the identification and dissemination of lessons learned which is then applied in the implementation of successive budgets/projects.

ACCOUNTS VERIFICATION

Your accounting will be verified, tested and controlled to see if all is in order, your accounting system is well working following best practices and the supporting documents are kept following the rules.

This kind of controls and monitoring are done by the donors (at their expenses) for obvious reasons: keep an eye on the implementation of the project (is it in time? the objectives are achieved? the activities are taking place? the money is spent for the correct purposes? the financial rules are respected? and so on).

In practice, as far as the accounting/administrative system is concerned, the controls and verifications would be, in general, of the following nature:

- Primary survey and control of the compliance of the beneficiary with the contractual obligations as regards financial and administrative matters, in coincidence or immediately after the signature of the grant contract. In particular, he/she will verify at this stage that the beneficiaries have in place proper accounting and bookkeeping procedures and those procedures are correctly followed
- quarterly verification of expenditure, starting from the date of the signature of the contract
- final verification, immediately after the end of the implementation period as defined in the grant contract

Verifications to be periodically performed are as follows:

- The expenditure accounted for by the beneficiaries is complete, has occurred ('reality'), is accurate ('exact') and eligible (see below point 3).
- The expenditure accounted for is entered in the books of the beneficiary and indicated in the Financial Reports complies with the conditions of the Grant Contract.
- The Beneficiary has complied with the rules for accounting and record keeping of the Grant Contract. The purpose of this is :
- to assess whether an efficient and effective expenditure verification is feasible
- to report important exceptions and weaknesses with regard to accounting, record keeping and documentation requirements so that the Contracting Authority and the Beneficiary can undertake follow-up measures and/or remedial action for correction and improvement for the remaining implementation period of the Action
- the correct exchange rates have been applied for currency conversions where applicable and in accordance with the conditions of the Grant Contract

Moreover, an analytical review of the expenditure headings in the accountancy and in the Financial Report will be normally carried out to verify:

- That the budget in the Financial Report corresponds with the Budget of the Grant Contract and that the expenditure incurred was foreseen in the budget of the Grant Contract.
- That the total amount paid by the Beneficiary does not exceed the maximum grant laid down in the Grant Contract.
- that any amendments to the Budget of the Grant Contract comply with the conditions for such amendments

VERIFICATION OF ELIGIBILITY OF DIRECT COSTS

A verification of eligibility of the Direct Costs charged on the budget will usually be carried out in order to verify that the costs:

- are necessary for carrying out the action. In other words, that expenditure for a transaction or action has been incurred for the intended purpose of the action and that it has been necessary for the activities and objectives of the action.
- have actually been incurred by the Beneficiary or his partners during the implementation period of the grant as defined in the General Conditions;
- are recorded in the accounts of the Beneficiary, are identifiable, verifiable and substantiated by originals of supporting evidence and are classified under the correct heading and sub-heading of the accountancy system and of the Financial Report.

The reality and quality of the expenditure for a transaction or action is verified by examining proof of work done, goods received or services rendered on a timely basis, at acceptable and agreed quality and at reasonable prices or costs.

VERIFICATION OF COMPLIANCE WITH PROCUREMENT, NATIONALITY AND ORIGIN RULES IF ANY

Verification will be done about which procurement, nationality and origin rules apply for a certain expenditure heading, subheading, a class of expenditure items or an expenditure item, and whether the Beneficiary has complied with such rules and the expenditure concerned is therefore eligible. Where issues of non-compliance with procurement rules, are found, a report about the nature of such events as well as their foreseeable financial impact in terms of ineligible expenditure is done and urgently sent to the donor.

So be prepared! Anyway, nothing of what is listed above should be a surprise for a qualified accountant (or even for a high-school student of accounting & management!!). Don't be unfavourably impressed: a great part of all that is just good sense and should not worry you too much..

Table 9 - A comprehensive list of the verifications and controls to be performed with related comments

1. Identification of the verifications & controls to be performed	Comments & suggestions
<p>Initial survey and control of the compliance of the beneficiary with the contractual obligations as regards financial and administrative matters, in coincidence or immediately after the signature of the grant contract. In particular, he/she will verify at this stage that the beneficiaries have in place proper accounting and bookkeeping procedures and those procedures are correctly followed</p>	<p>The beneficiary must have in place a double-entry accounting system - possibly computerized - with basic accounting functions and procedures. A responsible person for the bookkeeping must be identified, with clear responsibilities and capable of managing the accounting system. This person should have at least a basic knowledge of accountancy and bookkeeping. Attention must be paid to the filing system (= where and how the supporting documents are kept)</p>
<p>Quarterly verification of expenditure, starting from the date of the signature of the contract</p>	<p>A program of verification to be strictly abide by will be prepared taking into consideration :</p> <ul style="list-style-type: none"> - the location of the place where the verifications are to be performed - the time needed for travel - the availability of the staff of the beneficiary
<p>Final verification, immediately after the end of the implementation period as defined in the grant contract</p>	<p>Procedures, timetables and activities to be decided at the end of the contract</p>
2. Contents of the verifications & controls to be performed	
<p>The expenditure accounted for by the beneficiaries is complete, has occurred ('reality'), is accurate ('exact') and eligible (see below point 3).</p>	<p>In principle these controls are "physical", i.e. are done by controlling the supporting documents available, and taking note especially of the expenditure NOT properly supported.</p>
<p>The expenditure accounted for, entered in the books of the beneficiary and indicated in the Financial Reports complies with the conditions of the Grant Contract (including format and language)</p>	<p>The beneficiary is requested to provide a full account of the expenditure, with a detailed list of the expenditure indicating the budget allocation for each one of them. The controller must verify the conformity of this list with the supporting documents, asking the beneficiary to provide the missing information or supporting documents in the shortest possible delay.</p>
<p>The Beneficiary has complied with the rules for accounting and record keeping of the Grant Contract. The purpose of this is :</p> <ul style="list-style-type: none"> - to assess whether an efficient and effective expenditure verification is feasible ; and - to report important exceptions and weaknesses with regard to accounting, record keeping and documentation requirements 	<p>The beneficiary must keep accurate and regular accounts using an appropriate accounting and double-entry bookkeeping system. The controller must verify that (see previous point 1) and be sure that the beneficiary enter proper and correct data and the bookkeeping is regularly updated, reporting immediately relevant failures, mistakes or non-compliance with the usual accountancy rules and best practice, in order for ReCoMaP-COI to undertake follow-up measures and/or remedial action</p>
<p>The correct exchange rates have been applied for currency conversions where applicable and in accordance with the conditions of the Grant Contract</p>	<p>For contract funded by the EU, the currency rate to be used for the conversion from local currency to Euro is the EU monthly average published on InforEuro : http://ec.europa.eu/budget/infoureuro/index.cfm?Language=en In exceptional cases (large fluctuations, sudden devaluations etc.) the matter should be decided on a case-by-case basis. Please note that on this matter the rules of each donor may differ.</p>

3. Verification of eligibility of the expenditure

Expenditure is necessary for carrying out the action.

In other words the controller must verify that expenditure for a transaction or action has been incurred for the intended purpose of the action and that it has been necessary for the activities and objectives of the action.

Expenditure has actually been incurred by the Beneficiary or his partners during the implementation period of the Action as defined in the General Conditions.

That is to say that the expenditure must have taken place after the signature of the contract and before the end of the implementation period (those dates are written in the contract)

Expenditure are recorded in the accounts of the Beneficiary, are identifiable, verifiable and substantiated by originals of supporting evidence and are classified under the correct heading and subheading of the accountancy system and of the Financial Report.

The controller must verify that there is correspondence between the bookkeeping, the financial report (or list of expenditure) and the supporting documents. As for the kind of the acceptable supporting documents, see the list below.

4. Additional verifications

The budget in the Financial Report corresponds with the Budget of the Grant Contract and that the expenditure incurred was foreseen in the budget of the Grant Contract.

The Financial Report is due at the end of the Project.

The total amount paid by the Beneficiary does not exceed the maximum grant laid down in the Grant Contract.

This verification may become important near the end of the action in order to avoid to spend in excess of the budget (those expenditure may not be accepted as ineligible)

Any amendments to the Budget of the Grant Contract comply with the conditions for such amendments

Amendments are needed in case of substantial changes in the Action, period of implementation, budget modifications. These aspects must be taken into consideration on a case by case basis. The controller anyway should pay attention and report to the donor in case of clear deviation from the budget due to changes in the nature of the actions or mismanagement of funds.

D) Supporting documents

WORKS, SUPPLY AND SERVICE CONTRACTS – GRANTS

Depending on the contract or grant award procedure concerned, the supporting documents are as follows:

« Consultation » part:

- Pro forma invoices;
- Tender dossiers or call for proposals documents;
- Proof of sending dossiers to bidders;
- Confirmation of receipt of tenders/proposals;
- Minutes of the tender/proposal opening session;
- Tender/proposal evaluation report;
- Contract/grant award proposal;
- Head of Delegation's letter of approval of the award of the contract/grant.

“Contract” part:

- Works, supply or service contract;
- Grant contract;
- Letter of contract;
- Order form;
- Confirmation of the order by the contractor, supplier or service provider.

“Certified correct” part:

- Delivery note or acknowledgement of receipt;
- Provisional/final acceptance certificate for supplies;
- Works progress report duly approved by the works inspector;
- Provisional/final acceptance certificate for works;
- Report on services provided duly approved and dated;
- Grant implementation report duly approved and dated;
- Invoice endorsed with words “certified correct”.

Each delivery note or acknowledgement of receipt must be signed by a person other than the person who signed the corresponding order form.

“Payment” part:

- Paid invoice;
- Financial guarantees (in copy);
- Debit note;
- Bank statement;
- Receipted payment request;
- Proof of receipt by the contractor, supplier or service provider;
- Technical and financial report (grants).

Invoices must be made out to the project or programme estimate concerned and mention the name and address of the contractor, supplier or service provider, the date and number of the invoice, clearly identify the works, supplies or services provided, the number of units supplied and their unit price, the total amount to be paid, the means of payment and the contractor, supplier or service provider's acquittance.

STAFF COSTS

The various supporting documents may be as follows:

Costs of civil servants/other staff from the beneficiary country seconded to the project:

List of the persons concerned;

Receipted statements of allocations, allowances or any other financial benefit paid to them.

Costs covered by the imprest component of the budget of the programme estimates in relation to non-civil servants and other staff recruited for project requirements :

List of the staff concerned;

- Copies of their employment or work contracts and any addenda thereto;
- Receipted statements for monthly wages (advance and balance payments separately, where appropriate), allocations, allowances or payments of social benefits in the form of signed statements of salaries with indication of payment or individual pay slips or other documents initialled by the employee;
- Any other proof of payment, e.g. copies of cheques and cash receipts;
- Copies of documents relating to tax and social security contributions covered by the imprest component of the budget of the programme estimate;
- Leave statements;
- On completion of the employment contract or in the event of dismissal, the statement of allowances paid, proof of their payment and acceptance of the full and final settlement signed by the person concerned.

Reimbursable travel expenses and/or travel allowances:

- Mission orders signed by the person authorised to approve the mission and the person on mission;

A mission order is a document personally authorising a member of staff to carry out a specific task for a fixed duration at (a) precise location(s) which is (are) distinct from his or her normal place of work. A mission order must therefore be issued in the person's name and stamped wherever possible on departure, en route and on arrival as proof of actual travel.

- Receipted statement of the employee's mission expenses and daily allowances (per diems);
- Ticket stubs or tickets for the means of transport;
- Boarding card(s) for each flight taken;
- Proof of payment of the ticket or invoice for the means of transport;
- Approved mission report.

COST OF VEHICLES

The various supporting documents are as follows:

- List of vehicles whose running costs are covered by the imprest component of the budget of the programme estimate;
- Records of running expenses for vehicles allowing expenses to be monitored by vehicle (analytical accounting), backed by relevant supporting documents (log books, invoices for fuel, servicing, spare parts, etc.).

The log book for each vehicle should contain the following information: type and make of vehicle, the registration number, the name of the user, the reason for each trip, trips made, daily km/mileage, the amount of fuel put in the tank and the price paid each time, and average consumption.

All supporting documents should carry the registration number of the vehicle concerned.

TECHNICAL DOCUMENT 4

CASH FLOW ANALYSIS

A) Principles

Cash flow is the movement of cash out of the project budget. It is measured for the duration of the project, with periodic readjustments.

The operating cash flow is the projected, future flows of money needed to operate the project. It includes operating costs (salaries, rent, electricity, fuel, etc.) and purchase of materials and equipment, if any.

A cash flow projection is a treasury position forecast; it indicates liquidity over a specific timeframe and changes in cash (or treasury position) from one period to the next. Usually, a cash flow projection is introduced using a spreadsheet with cash going out to at least 90 days.

B) Case Study

Nature Kenya is implementing a project in Tana Delta (2010-2011), using a grant provided by ReCo-MaP-COI. The project aims at improving the management of natural resources through participatory management planning, the promotion of income generation activities and awareness through the publication and dissemination of documents (brochures, reports, management plans).

The project team has defined during a start up workshop a yearly work plan, listing all activities to be undertaken during the 18 months of the project. For each activity, an estimate of the cost involved has been calculated, as well as total cost for each month of implementation. They thus obtained a cash flow projection indicating for each month and each budget line the amount of cash needed for implementation. This projection, readjusted on a regular basis during implementation, allows for monitoring of expenditures, activities, cash and bank accounts.

Planning activities, costs for each activity, disbursements for each month and total expenditures for project implementation is a useful management and monitoring tool ; it can be presented following budget structure, as for Nature Kenya (in KSh) :

Table 10 - A budget structure: an example taken from the project implemented by Nature Kenya

Expenses	Budget	Nov-Jan	Expendi- ture Till August 2010	Balance
1. Human Resources				
1.1 Salaries (gross amounts, local staff)⁴				
1.1.1 Technical				
1.1.1.1 Project coordinator in Gede	960 000	180 000	180 000	780 000
1.1.1.2 Extension officer (Sabaki and Tana Delta)	400 000	0	0	400 000
1.1.1.3 Conservation Programme Manager (15%)	312 000	0	0	312 000
1.1.1.4 Communication and Advocacy Coordinator (10%)	184 000	13 500	13 500	170 500
1.1.1.5 Conservation Education Coordinator (10%)	184 000	8 250	8 250	175 750
1.1.1.6 Community Conservation Coordinator (15%)	276 000	13 500	13 500	262 500
1.1.1.7 Marketing Manager and editor (5%)	104 000	0	0	104 000
1.1.1.8 Executive Director (5%)	232 000	0	0	232 000
	0	0	0	0
1.1.2 Administrative/ support staff	0		0	0
1.1.2.1 Finance Manager (5%)	120 000	5 060	5 060	114 940
1.1.2.2 Accounts Assistant (10%)	76 800		0	76 800
1.1.2.3 Accounts Cashier (10%)	56 000		0	56 000
1.1.2.4 Administration Officer (10%)	128 000	4 000	4 000	124 000
			0	0
1.1.3 Auditing costs⁹	100 000		0	100 000
			0	0
Subtotal Human Resources	3 132 800	224 310	224 310	2 908 490
2. Travel⁶	0		0	0
			0	0
Subtotal Travel	0		0	0
			0	0
3. Equipment and supplies⁷				0
3.1 Four (4) Computers	200 000		0	200 000
3.2 Three (3) printers	45 000		0	45 000
3.3 Five (5) flash disks	10 000		0	10 000
3.4 Three (3) LCD	150 000		0	150 000
Subtotal Equipment and supplies	450 000	0	0	405 000
4. Local office			0	0
4.1 Consumables - office supplies	240 000	1 120	1 120	238 880

4.2 Other services (tel/fax, electricity/heating, maintenance)	160 000	8 950	8 950	151 050
Subtotal Local office	400 000	10 070	10 070	389 930
			0	
5. Other costs, services⁸			0	
5.1 Establish environmental clubs and train children to advocate to their parents the advantages of sustainable extraction	120 000		0	120 000
5.2 Establish government and local community coordination structures with representation at grass root level and enhance their representation and reporting to mainstream instruments e.g. District Environment Committee and District Development Committee etc.	60 000		0	60 000
5.3 Support existing businesses in Mida (Restaurant furnishing)	30 000		0	30 000
Support existing businesses in Tana Delta, Uzi (Purchase and install Motor-boat)	500 000		0	500 000
5.4 Support existing businesses in Sabaki (Visitor centre construction)	100 000		0	100 000
5.5 Convene workshops to write a management plan	90 000		0	90 000
5.6 Edit management plan ⁹	24 000		0	24 000
5.7 Print the management plan ⁹	45 000		0	45 000
5.8 Launch the management plan	90 000		0	90 000
5.9 Train local communities on technicalities of mangrove restoration and develop mangrove restoration taskforces within the existing SSGs at the target sites	270 000		0	270 000
5.10 Collect, pot and plant 200,000 mangrove propagules in degraded sites	100 000		0	100 000
5.11 Edit management plan ⁹	24 000		0	24 000
5.12 Print the management plans ⁹	45 000		0	45 000
5.13 Advocacy poster	80 000		0	80 000
5.14 Advocacy brochure	80 000		0	80 000
5.15 Produce materials for public education ⁹	150 000	15 000	15 000	135 000
5.16 Package a manual for school based environmental clubs that they will use to create parents' awareness on the dangers of unsustainable extraction of marine and coastal resources ⁹	150 000		0	135 000
5.17 Media articles and media facilitation	100 000		0	150 000

5.18 Kenya birding articles publishing (2 pages three times)	300 000	0	300 000	
5.19 Marketing display	90 000	0	90 000	
5.20 Avail to the SSGs bird-watching kit (Binoculars, guide books and uniforms)	510 000	0	510 000	
5.21 Beehives purchase and installation	1 100 000	0	1 100 000	
5.22 Honey harvesting gear	80 000	0	80 000	
5.23 Beekeeping & business development training-participants & facilitation (Mida)	210 000	0	210 000	
5.24 Beekeeping & business development training-participants & facilitation (Sabaki)	210 000	0	210 000	
5.25 Beekeeping & business development training-participants & facilitation (Tana)	210 000	0	210 000	
5.26 Ecotourism development training-participants & facilitation (Mida)	210 000	0	210 000	
5.27 Ecotourism development training-participants & facilitation (Sabaki)	210 000	0	210 000	
5.28 Ecotourism development training-participants & facilitation (Tana)	210 000	0	210 000	
5.29 Local transportation	1 250 000	0	210 000	
5.30 Six (6) GPSs for land mapping	150 000	0	150 000	
5.31 Stakeholder analysis and PRAs	360 000	0	360 000	
5.32 Policy and legislation review	100 000	0	100 000	
5.33 Value chain analysis for identified income generating activities Plus Business and marketing plans for identified businesses	630 000	0	630 000	
Subtotal Other costs, services Expenses	7 888 000	15 000	15 000	7 873 000
	Costs (nat. curr.)	Costs (nat. curr.)		
6. Other	0	0		
Subtotal Other	0	0		
7. Subtotal direct eligible costs of the Action (1-6)	11 825 800	249 380	249 380	11 576 420
8. Provision for contingency reserve (maximum 5% of 7, subtotal of direct eligible costs of the Action)	0		0	
9. Total direct eligible costs of the Action (7+ 8)	11 825 800	249 380	249 380	11 576 420
10. Administrative costs (maximum 7% of 9, total direct eligible costs of the Action)	827 806		0	827 806
11. Total eligible costs (9+10)	12 653 606	249 380	249 380	12 404 226

Module 3

Tools for assisting commercial activities

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INTRODUCTION TO MODULE 3

Grant can be used to support the development of commercial, income generating activities. However, project proposals are not always well prepared to enter into business.

1. Entrepreneurship is related to innovation and transfer of new technologies, equipments and management. A feasibility study is therefore an essential component of project design, asserting the feasibility of the activities proposed, socially, economically and technically. A business planning complement the feasibility, indicating proposed allocation of resources, expected results and profitability of the income generating project (*Technical Document 1*).
2. Business start up needs financing, whether it is a loan or a grant. In both cases, accounting is needed, to report on performance of capital. Bookkeeping is a key component of accounting, allowing for financial statements indicating profitability of the commercial activities (*Technical Document 2*).
3. A case study on aquaculture (sea cucumber) informs on the profitability of the activity. Scenario helps to understand conditions of success or failure of the activity. These conditions can be technical (for example, mortality rate) or economical (for example, fluctuations of market prices). Project management consists then in minimizing risks of failures and maximizing chances for success, using grant as a start-up capital (*Technical Document 3*).
4. Another case study, on community ecotourism, informs on innovative ways of conceiving and doing business. The management set-up, the allocation of resources, the importance of skills development and marketing indicate the necessity to adapt income generating activities to local context and markets. Case study informs also on the feasibility of economically viable community projects (*Technical Document 4*).

FOREWORD

The changeover from a subsistence activity to a commercial activity must be accompanied by a development in entrepreneurship capabilities. In order to become integrated into the business world, it is important to know the fundamentals of business management. Competition, risk and quality are concepts that the beneficiaries must know about and take into consideration. Disillusionment is often caused by limited skills in the production process. Knowing how to manufacture or produce is only one part of entrepreneurship. Knowledge of human and financial resources is also required, as well as how to calculate prices, position oneself on the market, etc.

This module consists of three parts:

- 1st part on the Strategies of Entrepreneurship: creating a business (or an income generating activity) is founded on a vision, an idea that will take shape after contract requirements have been studied and an evaluation of the technical, financial and organizational feasibility of the project has been done. A business plan will then be set up. When the business is created, its profitability must be followed up from day to day, it must be steered with a “dashboard” of its own.
- 2nd part on Sources of financing: the internal and personal resources of the entrepreneur are never sufficient. He must call upon outside resources, in the form of loans, contribution of capital and/or grants. These outside resources are subject to specific management because the loans must be repaid and grants are not indefinitely renewable.
- 3rd part on case studies: businesses that are directly dependent on natural conditions are subject to both the economic dynamic and the dynamic of natural resources. They are exposed to extreme natural phenomena and must preserve the part of nature that constitutes its substrate (the environment being exploited). The quality of water for mariculture, the quality of soil and water for agriculture and the quality of the environment in general for eco-tourism, are conditions for success in the sectors associated with the coastal zone.

These three parts do not claim to cover all aspects of entrepreneurship. In fact, many tools, like contract studies, quantitative analyses with new information and communication technologies, ethical approaches or branding through the quality approach, are used for optimum management of a business in the 21st century.

It should however be underscored that small farmers or artisans must take on the challenge of contracts drawn up in a globalized economy. A subsistence economy exposes him to chronic poverty, aggravated by demographic growth, and leads to extreme miseries like famine.

TECHNICAL DOCUMENT 1

ENTREPRENEURSHIP

A) Fundamentals

A business exists only if there is a client, a contract, and a consumer to buy its product. It must meet the needs of its clients by producing according to their requirements. In order to produce, there must be equipment, materials and manpower. All this costs money and requires financing. It is all managed with defined organization, by making decisions that are imposed at the proper time in the face of endogenous and exogenous events that affect the business. This system - which interrelates the production process, the support or logistics, and management - constitutes the value chain that must open out onto profit for the entrepreneur. The business cannot last without the perpetual renewal of this system in an approach of continuous improvement that will meet an evolving demand and stay ahead of the challenges of competition.

Figure 2 - Contract-Oriented Value Chain



Every step or process in the system produces an added value that gradually improves the final product so that it meets with the client's satisfaction. This is the case both for the production process and for the maintenance and management processes. If management cannot find the financing required to purchase indispensable materials and equipment, it will not bring its added value into the system. If the equipment does not function due to lack of maintenance, the maintenance process has not provided its added value. In the end there will be no losses or profits. There is no creation of wealth or value.

From a legal standpoint, an association will generally be focused on a company of persons rather than a company of capitals. This way the shareholders are persons who trust each other and who express a desire to put their means together (*affectio societatis*). This is what is called a Limited Liability Company. There are also cooperatives for artisans who wish to remain independent of the level of production and management, but who wish to confront the contract in a collective manner.

The sale circuit is often framed with purchase contracts, a collector or exporter, which constitutes a guarantee for the artisan or farmer. This solution is imposed in the sense where the valence (numerous small volumes scattered about in space and time) of the peasants' production is not adapted to the organization of the contract. Moreover, this management training allows the qualitative characteristics of the products to be defined.

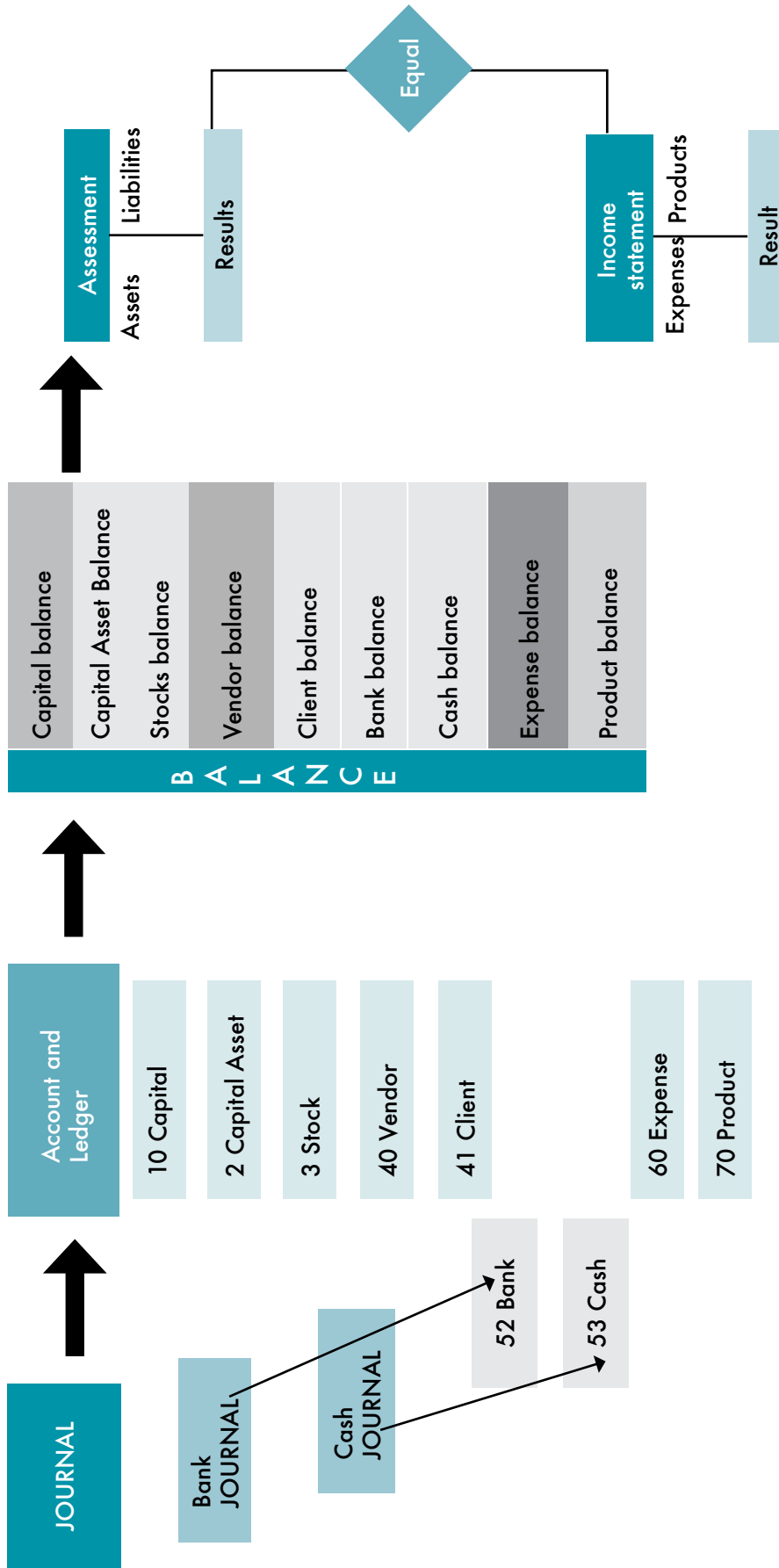
³Added Value here is not the accounting concept. It indicates a qualitative transformation that goes towards the compliance of the final product. The production process produces added value by transforming material into a finished product.

The entirely new fundamental questions for the associations and other groups of producers are the sharing of profits released by the activity, the business, and payment of taxes in the formal sector. To do this, it is indispensable that regular accounts be kept that reflect all the activities of the business so that governance is clear to the associates, the tax authorities and finally to the financial backers such as financial or micro-financing institutions for credit and advances of capital, in addition to donors for grants..

B) The business plan

The entrepreneur must prepare a Business Plan in which he expresses the primary goals of his management for at least the next five years. With this document, he will negotiate with the backers. This plan must, at a minimum, contain the following points:

- The business profile: targeted clients, the contract prospect, competitiveness of prices
- Vision and human resources: the description of his vision, knowledge, skills, staff work history and education
- Communication: list of, descriptions of and budget for communication tools
- Organization: the organization's format, professional advisors (lawyer, accountant, insurance agent...), necessary permits
- Insurance: the form of insurance coverage and associated costs
- Premises : amount of office space required, future needs, the location inspection list, the estimated cost of occupation, zoning and use approval, site analysis and demographic study if necessary
- Accounting and treasury
- Financing: sources of initial capital, treasury projection and statements of projected income in case of loan
- Electronic commerce (for activities that require it): the plan, budget and competition in electronic commerce
- Acquisitions: due diligence procedure for acquisitions
- Marketing: plans for communication, publicity and promotion, inspection of purchases and inventory, training policy, competition and its weaknesses
- Program of growth: description of growth, description of scenarios for facing primary problems



TECHNICAL DOCUMENT 2

BOOKKEEPING

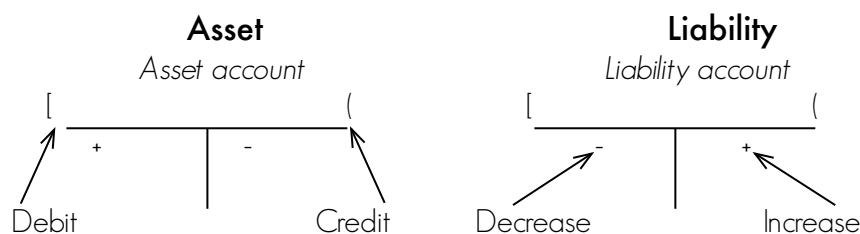
A) Journal

This is a book in which accounting records (or logs) are written. The origin and destination of income and expenses must be recorded. In the cash journal, expenses and income made in cash are recorded, and those made by check are recorded in the bank statement.

B) Account and ledger

The account is the basic element in accounting. This is represented schematically in the shape of a "T". The function of the various types of account can be summarized in the following way:

- Asset accounts involve recoverable resources that function first as a debit (recognition of the resource) then as a credit (recovery of the resource) these are accounts in class 2 capital assets, 3 stocks, 41 clients, 51 bank, 53 cash.
- Liability accounts involve restorable resources that function first as a credit (recognition of the procurement of the resource) then as a debit (restoration of the resource). These are accounts of class 1 capital, 40 vendors.
- Nominal accounts are non-recoverable resources that function solely as a debit. These accounts are class 6 expenditures.
- Product accounts are non-recoverable resources that function solely as a credit. These accounts are class 7 products.



It must be clearly understood that every transaction made gives rise to at least two movements at the level of two distinct accounts and that these movements always maintain the equilibrium between the total assets and total liabilities.

The ledger is a book that assembles all the accounts used as well as their balance. The balance is what is on the account.

C) Balance

The accounting balance is a statement for a certain period of time, established using the list of all the accounts and assembling all the totals (or masses) of debits and credits in these accounts and using their difference to get the debit and credit balances.

D) Assessment

The assessment describes the capital holdings of a business at a specific time. It is established at the beginning and the end of the year. It consists of two parts:

- Assets, which show what the business possesses: machines, stocks, accounts receivable, cash, etc.
- Liabilities, which presents, on the one hand, what the business owes (debts to their bankers, suppliers, etc. ...), and on the other hand its equity (capital base and accumulated profits)

The total of the factors at the business's disposal (assets) is equal to the amount of resources that permitted their acquisition (liabilities).

In the assessment, **PROFIT = SUM OF LIABILITIES – SUM OF ASSETS**

E) Income statement

The income statement describes all activities undertaken during the course of the year. It summarizes all products and expenses for the period and, by finding the difference, determines the enterprise's performance:

- Profit if products > expenses.
- Loss if expenses > products.

In the income statement, **PROFIT = SUM OF PRODUCTS – SUM OF EXPENSES**

F) Profit

Profit, also called benefit, is the positive result of an activity. If the result is negative, it is called a loss. It appears in the assessment and in the income statement.

RESULTS IN THE ASSESSMENT = RESULTS IN THE INCOME STATEMENT

TECHNICAL DOCUMENT 3

CASE STUDY: PROMOTION OF SEA CUCUMBER AQUACULTURE

A) Business models

High worldwide demand has caused the reduction in stocks of sea cucumbers. Production from Madagascar has passed from 1800 tons/year to 200 tons/year in recent decades in Madagascar. Captures are now made at depths exceeding the possibilities for snorkelling. Some fishermen use dive tanks, which is an illegal form of fishing.

The project consists of setting up a line for raising sea cucumbers in village communities. The production of juveniles for supplying farmers is handled by an industrial company which is also in charge of collection, processing and export after the sea fattening phase.

The production process consists of 4 main steps:

- Larval production in a laboratory
- Pre-fattening in a controlled basin
- Fattening in the sea in pens without supplying food, a phase which is handled by village farmers
- Preparation of the sea cucumbers transformed by cleaning and cooking.

Maintenance of the pens, the fight against predators and guard duties are the main activities carried out by farmers during the fattening process. This represents only 5 man-months per year per pen. The activity can be conducted in parallel with other economic activities, especially fishing.

Sea cucumbers will reach a size of 400 to 450 grams after 12 months, including 1 to 2 months in the laboratory, 2 to 3 months in the pre-fattening basin and 7 to 8 months in the fattening pens.

The operation presents risks of theft and embezzlement of production by the farmers themselves. Accompanying measures in the form of protection of the husbandry zones are necessary.

Financial statements, Assessments and Profit and Loss Accounts, as well as the financing chart, are shown below.

B) Hypotheses

- Juveniles are sold at a priced that is 75% subsidized (operating grant) during the first year, and
- The prices of juveniles are reimbursed by the peasants by deduction upon sale at the time of harvest.
- Pens are 100% subsidized for the first year.
- The rate of survival in the pens is 45%

C) Results
i) Opening assessment and at the end of the first year

Table 11 - Assessment of assets & liabilities

Descriptions	Asset		Descriptions	Liability	
	Opening as- essment	Assessment End of 1st year		Opening as- essment	Assess- ment End of 1st year
Long-term as- sets	231 500	144 500	Equipment grant	231 500	231 500
Cash on hand		897 987	Result		810 987
Total asset	231 500	1 042 487	Total liability		1 042 487

To promote community aquaculture of sea cucumbers, an equipment grant of 231,500 Ariary was provided at the start of the operation for the acquisition of equipment and materials required for husbandry (nets and stakes for the pens). During an operation cycle of 8 months, 650 juveniles were raised in the pens. At the end of each cycle, 45% of these juveniles survived and were sold at 3,000 Ariary per unit. During the first year of operation, a profit of 810,987 Ariary was realized. The 4 other years are forecasts. The loss and profits chart below illustrates these facts.

The financing chart summarizes the money flow. It shows the variations in the company's cash. The resource designates the manner in which the business's money is being used at the resource represents the origin of the funds. The balance of the first year in the treasury chart is normally negative, but in this community aquaculture project, they are positive because of the presence of operating grants. In other cases, financing could be contributed by mid-term credits.

ii) Projected accounting of Losses and Profits over 5 years

Table 12 - Projected accounting of losses and profits over 5 years of sea cucumber farming

Description	Year 1	Year 2	Year 3	Year 4	Year 5
DEBIT					
Initial stocks		835,027		931,000	
Purchases of juveniles	468 000	240,500	494,000	260 000	533 000
Purchases of materials, equipment and labour	414 400	432,600	460,800	489 000	521 200
Staff expenses	263 640	283,920	304,200	324 480	344 7600
Taxes and duties	19 500	52,000	32,500	78 000	45 5000
Depreciation on investments	87 000	96,000	105,000	120 500	129 500
Profits	810 987	737,730	501,944	662 908	491 163
TOTAL DEBIT	2 063 527	1,842,750	1,898,444	1 934 888	2 065 123
CREDIT					
Sales figure	877 500	1,842,750	967,444	1 934 888	1 015 816
Production in progress	835 027		931,000		1 049 307
Operating grant	351 000				
Losses					
TOTAL CREDIT	2 063 527	1 842 750	1 898 444	1 934 888	2 065 123

iii) Financing chart

Table 13 - Financing chart for sea cucumber farming

Description	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
RESOURCES						
Sales		877,500	1,842,750	967,444	1,934,888	1,015,816
Production in progress		835,027		931,000		1,049,307
Operating grant		351,000				
Equipment grant	231,500					
Subtotal	231,500	2,063,527	1,842,750	1,898,444	1,934,888	2,065,123
ALLOCATIONS						
Investment	231,500		50,500	65,500	89,000	83,500
Purchases of juveniles		468,000	240,500	494,000	260,000	533,000
Purchases of materials, equipment and labour		414,400	432,600	460,800	489,000	521,200
Staff expenses		263,640	283,920	304,200	324,480	344,760
Taxes and duties		19,500	52,000	32,500	78,000	45,500
Subtotal	231,500	1,165,540	1,059,520	1,357,000	1,240,480	1,527,960
Balance		897,987	7,863,230	541,444	694,408	537,163
Cumulative balance		897,987	1,681,217	2,222,660	2,917,068	3,454,231

D) Rate of internal profitability [RIP]

This rate expresses the interest generated by the investment. It is comparable to the placement rate of a sum of money in a savings account.

The rate of internal profitability of the project is not significant because of the grants. Without the grant, with the selected assumptions, the RIP would exceed 100%.

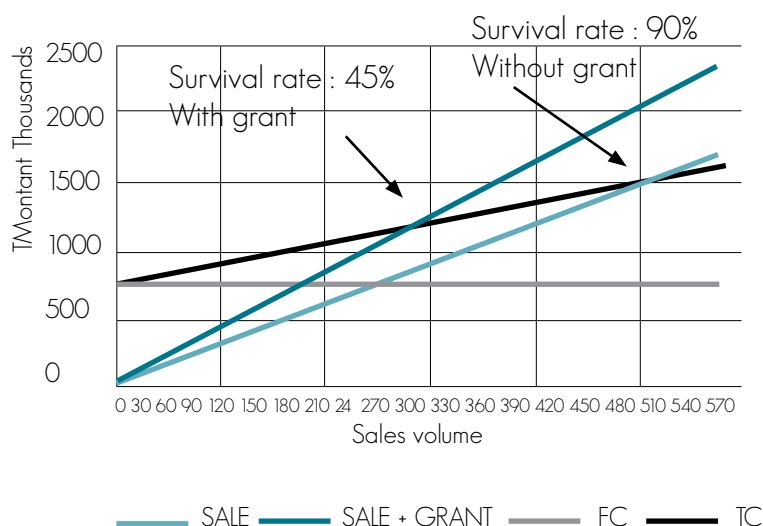
The model is highly sensitive to the rate of survival. With a survival rate of 30%, without grants for either operations or equipment, the model is not viable.

E) Profitability threshold

This is the level of sales for which the total cost is equal to the sales figure. There is neither loss nor profit.

Table 14 - Chart for calculation of the sales figure

Description	Year N
Fixed costs	784,540
Variable costs	468,000
Total costs	1,252,540
Quantities sold	293
Sales Figure	877,500



TECHNICAL DOCUMENT 4

CASE STUDY: PROMOTION OF COMMUNITY ECOTOURISM

A) The business model

Hidden Madagascar is reputed to be a sanctuary of nature. This wealth of biodiversity constitutes one of the primary motivating factors for the tourists who visit the country. It has been established that, due to the lack of infrastructure near tourist sites, eco-tourism is still not very highly developed. There is no contact with the local population, which thus does not benefit from economic fallout.

The project consists of generating local development by constructing a tourist complex that is managed by the local population and which meets the needs of tourists.

This tourist complex will consist of:

- 3 tourist sites consisting of a botanical garden, a demonstration area, and a tourism circuit
- 3 bungalows with a restaurant and lodging service

The local community is organized into cooperatives to manage each site and distribute the income generated by the complex.

Financial statements, Assessment and Loss and Profit Accounts, as well as the financing chart, shown below, are consolidated statements, and represent all of the cooperatives. Individual accounts for the economic agents concerned have not been prepared; these are:

- Lodging and restaurant operators
- Tour guides (other services)
- Managers of botanical parks.

B) Calculation of assumptions

- The development of sites and the construction of infrastructures are subsidized in their entirety for a total of 78,300,000 Ariary.
- A solar panel is used for the electrification of the bungalows
- Maintenance of the infrastructures is assured by local manpower paid with the income from the complex.
- The entry fee to the site is 2,000 Ariary per person, cost of lodging is 10,000 Ariary per night and meals are 15,000 Ariary per day. During the first year of operation, 2,000 tourists visit the complex, of which half spend two nights in the bungalows and take their meals on site.
- A profit of 7,650,000 Ariary is realized. The accounting of losses and profits below shows the forecasts for the first five years. The financing chart illustrates the monetary flow during the first years of operation.

According to these assumptions, which are conservative, the invested capital is recovered during the fifth year, which could correspond to a mid-term loan if the grant is not the solution adopted. The profits generated may support the financial expenses generated by these loans. Thus, the model is economically viable.

C) Results
i) Opening assessment and assessment at the end of the first business year

Table 15 - Assessment of the first business year for an community ecotourism project

Description	Asset		Description	Liability	
	Opening assessment	Assessment end of first year		Opening assessment	Assessment end of first year
Capital assets	78 300 000	71 590 000	Equipment grant	78 300 000	78 300 000
Cash		14 360 000	Result		7 650 000
Total asset	78 300 000	85 950 000	Total liability	78 300 000	85 950 000

ii) Income statement

Table 16 - Income statement for a community ecotourism project

Descriptions	Year 1	Year 2	Year 3	Year 4	Year 5
DEBIT					
Office supplies (tickets, accounting)	300 000	330 000	360 000	390 000	420 000
Small services	120 000	132 000	144 000	156 000	168 000
Restaurant expenses	7 500 000	8 250 000	9 000 000	9 750 000	10 500 000
Other services	2 400 000	2 640 000	2 880 000	3 120 000	3 360 000
Staff costs	4 320 000	4 320 000	4 752 000	4 752 000	5 184 000
Depreciation allowance	6 710 000	6 710 000	6 710 000	6 710 000	6 710 000
Profits	7 650 000	9 518 000	10 954 000	12 822 000	14 258 000
TOTAL DEBIT	29 000 000	31 900 000	34 800 000	37 700 000	40 600 000
CREDIT					
Entry fee to the sites	4 000 000	4 400 000	4 800 000	5 200 000	5 600 000
Lodging	10 000 000	11 000 000	12 000 000	13 000 000	14 000 000
Meals	15 000 000	16 500 000	18 000 000	19 500 000	21 000 000
Loss	-	-	-	-	-
TOTAL CREDIT	29 000 000	31 900 000	34 800 000	37 700 000	40 600 000

iii) **Financing chart**

Table 17 - Financing chart for a community ecotourism project

Description	Year 1	Year 2	Year 3	Year 4	Year 5
RESOURCES					
Entry fee to the site	4 000 000	4 400 000	4 800 000	5 200 000	5 600 000
Lodging	10 000 000	11 000 000	12 000 000	13 000 000	14 000 000
Meals	15 000 000	16 500 000	18 000 000	19 500 000	21 000 000
Equipment grant	78 300 000				
Total resources	107 300 000	31 900 000	34 800 000	37 700 000	40 600 000
Allocations					
Investment	78 300 000				
Office supplies	300 000	330,000	360,000	390,000	420,000
Small services	120 000	132,000	144,000	156,000	168,000
Meal costs	7 500 000	8 250,000	9,000,000	9 750,000	10,500,000
Other services	2 400 000	2 640,000	2 880,000	3 120,000	3 360,000
Staff expenses	4 320 000	4 320,000	4 752,000	4 752,000	5 184,000
Total sources	92 940 000	15 672,000	17 136,000	18 168,000	19 632,000
Balance	14 360 000	16 228,000	17 664,000	19 532,000	20 968,000
Cumulative balance	14 360 000	30 588,000	48 252,000	67 784,000	88 752,000

Module 4

Tools for developing infrastructures

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INTRODUCTION TO MODULE 4

Small scale infrastructure development is well supported by short term project and grants as they are focused in objectives, precise in activities and clear on results to achieve. But infrastructure development involves particular mobilization of resources, skills, materials and equipment as well as specialized supervision and monitoring of works. Communities have often difficulties to effect mobilization.

1. Infrastructure development should be prepared. It implies a study of the local context and problems to address, as well as feasibility of technical solution proposed. Stakeholders, private or public, are consulted and partners identified, as well as specialized skills involved, such as master building or engineering (Technical Document 1).
2. Implementation requires the mobilization of skills, engineer and architect able to follow procedures, control quality of works, monitor progress and supervise labour (Technical Document 2).
3. Community participation is critical for the successful implementation of small scale infrastructure projects. Two forms of participation are envisaged: in cash and/or labour. In both cases, participation should be well understood by communities and beneficiaries and well managed when implemented. Participation paves the way for maintenance of newly completed infrastructure, ownership by communities and contributes to capacity building within communities. Participation is also a value contribution to project implementation: cash contributed is budgeted for, as well as a reasonable cash estimate of labour inputs. In these two cases, cash or labour inputs, supportive documents are condition for eligibility (Technical Document 3).
4. A case study provides a comprehensive overview of all steps involved in small scale infrastructure projects and reveals the level of skills and participation needed as different stages : design, budget estimate, participation; feasibility of results, maintenance, quality controls and supervision-management (Technical Document 4).

TECHNICAL DOCUMENT 1

PREPARING A COASTAL INFRASTRUCTURE PROJECT

A) Context of an infrastructure project against coastal erosion

The pertinence of an infrastructure project will be determined by social, economic and environmental stakes. To prepare this type of project, it is advisable to become very well acquainted with the local context and evaluate the expected benefits from the infrastructure involved. It also involves demonstrating that the infrastructure project will fit well into the regional and national political lineage.

THE STAKES FOR PROTECTING THE CHINDINI AREA FROM COASTAL EROSION

The village of Chindini is located south of Grande Comore, 42km from Moroni and has recorded a population of 2600 inhabitants. Built at the level of the sea, this locality is greatly exposed to the effects of global warming such as tsunamis, storms, cyclones... The exposed dwellings have already suffered significant material damage in the past few years

The locality of Chindini is moreover packed with assets that the inhabitants are greatly interested in preserving, with especially:

- Tourist assets, especially its beach, which is very popular with the locals and tourists and its privileged location for observing marine mammals (whales, etc...)
- The point of transit for transport towards the neighbouring island of Moheli located 40km from the coasts of Ngazidja and two hours away by fishing boat.
- Economic assets by its population specialized in fishing activities (in the first row in production in Grande Comore).

As part of the development of the southern part of Grande Comore, the Government of the Union of Comoros has, in its road map for 2011, planned to construct a secondary fishing port there for inter-island connections in order to relieve the congestion on the port of Moroni. This project constitutes a major stake in terms of development for the population of the region.

It is these stakes that have led the community of Chindini to seek, through ReCoMaP-COI, financing for the renovation and extension of the coastal protection dike. The old dike, which was built in the 1970's, has already served as an effective rampart for protecting the village in periods of high tides. Its advanced dilapidated condition bears witness to the violence of inclement marine weather and justifies its renovation and extension today.

This project is among the millennium's goals for development (namely the OMD1 for the reduction of poverty in the world between now and 2015 and the OMD5 for environmental durability) as well as among ReCoMaP's goals, which aims at building an environment that is favourable to the development of coastal zones and guaranteeing a better quality of life to the riverside populations.

Nationally, the ReCoMaP-COI action forms a perfect framework for the priorities of the Government of the Union of the Comoros, expressed through the Strategy for Growth and the Reduction of Poverty (DSCRIP) document as well as the National Program for the Protection of Coastal and Submarine Zones.

B) Stakeholders involved

TARGET GROUPS AND DIRECT BENEFICIARIES

In Chindini, the planned developments will directly benefit almost 750 fishermen and 350 riverside dwellers. Added to this are tourists and persons in transit, on their way to Moheli, estimated to be 3,000 persons per year, as well as the rest of the population of the region which should profit from the positive fallout associated with the protection of the coastal area.

PROJECT LEADER / BENEFICIARY OF THE GRANT

In Chindini, the implementation of the project arises from a desire by the local populations, from which the project leaders originate. It is the community that has requested the grant. A municipal department is created to lead the project while the community provides resource persons who have extensive experience in project management.

Among the prior accomplishments of the Community, we can note:

- Water conveyance
- Construction of the mosque
- Construction of a health station and a classroom, financed by the Community Development Support Fund (CDSF).

As beneficiary of the grant, organizer of the conclusion of the contract and supervisor of the project, the commune is the primary manager of the infrastructure and will provide its long-term management and maintenance. It is its Beneficiary of the grant.

PARTNERS FROM THE BENEFICIARY GROUPS

During the implementation process, other stakeholders have been planned to be mobilized to support and reinforce the municipal department created to support the project. This is a major stake in demonstrating the real desire of the beneficiaries in accommodating the infrastructure and in managing it sustainably.

Some of the stakeholders involved are:

- The Ntsadjiva Association (cooperative of Chindini fishermen) with recognized skills in project management.
- The Mhonko association, which also has good experience in project management, acquired in particular:
 - Through the management of a local project for the paving of the village roads in partnership with the Diaspora
 - Through the co-management for the distribution of water paid for by households at the Commune level.
 - As part of the co-management of the project for "protection and observation of whales" in partnership with Megaptera Indian Ocean (NGO) which is involved with marine mammals and with nduju (whale) coordination
 - Through the success of a project to construct the health station at Chindini with the FADC
 - Through the development of two public plazas

With Chindini, the mobilization of stakeholders opens up to the creation of a Project Monitoring Committee that is representative of the diversity of the beneficiaries. This committee comprises:

- Four notable persons
- A representative of the religious authorities
- A representative of the youth community
- Two women
- Two professionals (including one manager and one project leader).

The remainder of the beneficiaries (fishermen, riverside dwellers, other...) are also sought out to participate in the construction of the infrastructure (participation in meetings, project follow-up, labour...).

MASTER BUILDER(S)

The master builder represents the business that will conclude the contract with the client for the execution of the work. It is identified using a Call for Bids (CB) procedure that is established by the beneficiary of the grant.

- For a conclusion of the contract, the master builder shall be the firm selected to carry out the work of constructing the infrastructure.
- In the case of auto-construction (manpower provided by the project), the master builder shall be a consultant responsible for the technical design, follow-up, supervision and inspection of the work. This option generally allows the work to be executed at a lower cost (specifically through beneficiary participation) and increase the positive fallback of the project.

C) Description of the action (objectives, results, activities)

i) Objectives and expected impacts

The specific objective of the proposed project is the restoration and extension of the protection dike. Successful completion of this objective will contribute to the overall objectives of reducing poverty and protecting the environment.

Environmental impacts are also anticipated:

- Prevent erosion of the coastal area and marine soils
- Protect the marine ecosystem, in particular corals

As well as **socio-economic impacts**:

- Strengthen social cohesion and capacities to solve local problems
- Provide security for maritime and tourist activities
- Provide security for fishermen and their assets (speedboats...)
- Assure the safety of persons in transit to Moheli.
- Improve the living and working conditions for fishermen and fishmongers,
- Protect the village from marine stresses, specifically dwellings and strategic infrastructures
- Increase living space for riverside dwellers and opportunities for developing the coast

ii) **Results and direct outputs of the project**

To reach these objectives, the following results are expected from the action:

- Setting up a local project management structure within the Municipality
- The municipal department created must acquire the necessary management capabilities
- The resources and technical skills required to construct the infrastructure are assembled (including community participation and identification of a Master builder)
- The infrastructure is completed (restoration and extension of a dike at Chindini)
- Mechanisms for maintenance of the infrastructure are put in place and operational (including specific mechanisms for taxation and collection of revenues)

iii) **Financial means allocated to the project**

The overall cost of the project is estimated to be 61.5 million KMF distributed as follows:

- ReCoMaP-COI financing: 48.5 million KMFs (about 80% of the total cost of the Project)
- Community participation of 12 million KMF (20% of the total cost of the Project) including 2.5 million in cash, 4.5 million in kind (materials and manpower) and 5 million from the Diaspora.

The payment of a sum granted by ReCoMaP-COI took place in two instalments, of which the first one (80%) paid when the work is started and a second (20%) upon completion of the work.

iv) **Activities programmed**

The municipal department is responsible for the execution and follow-up of the following activities:

- Reinforcement of the capacities of the department
- Development in terms of reference and call for applications for the recruitment of staff that is qualified for the execution of the project (including one consulting civil engineer, masons and labourers)
- Information on activities undertaken and mobilization of riverside dwellers and of the population
- Performance of the technical study of the work (by recruited, qualified personnel)
- Acquisition by Call for Bids (CB) of materials destined for the work site:
 - Development of the CB.
 - Release of the CB.
 - Evaluation of bids and awarding of the contract to the least expensive compliant Bid evaluated
 - Preparation and signature of contracts.
- Mobilization and organization of a Project Monitoring Committee
- Execution of project work:
 - Restoration of the existing dike
 - Extending the dike at both ends (East by 300 m, west by 200 m)
 - Reconstruction of the stairways
- Monitoring and inspection of project work.
- Acceptance of the project work
- Development of terms of reference associated with maintenance of the dike (including validation of ongoing mechanisms for financing)
- Awareness campaign for riverside dwellers and the entire population on sustainable management of the dike.
- Development of the sea coast (resupply of sand on the beach, with a bulldozer from the public works department)

TECHNICAL DOCUMENT 2

PRINCIPLES AND TOOLS FOR TECHNICAL IMPLEMENTATION

Relatively significant projects have been undertaken by organizations such as ReCoMaP-COI, PCD, CDSF, and other NGO's for protecting localities whose dwellings are exposed to the erosive action of waves. Some technical and procedural principles are described here to assist in the future implementation of these types of projects, which involve a high level of technical skills.

The preliminary study that defines the precise nature of the project generally consists of an analysis of the technical feasibility of the project (technical study), a pre-project phase (summary or final), a preliminary budget for projected improvements and finally a graphic project presentation. This involves the primary steps to be taken for the design process for infrastructure projects:

- The pre-project phase is the preparation of a first draft of the projected improvements
- The Preliminary Budget is the estimate of the work being considered in the planning phase.
- The graphic presentation is all the drawing files consisting of the summary pre-project, the final pre-project, and detailed drawings for the project execution
- The business consultation document is developed for the selection of the successful contract bidder. This is a plan for the project work that specifies the project scale and quantities of materials required for the construction on which will be used by the businesses when preparing their bids.

A) Mobilization of skills

Too often, especially in the Comoros, this type of project has been entrusted to technicians who do not have the required background for the design and development of projects for improvements and infrastructures. In most cases, this translates into failures, which are often associated with errors in design, hence the interest in the selection of a technician responsible for the design and/or monitoring of the project.

No matter what the conditions for implementation may be (conclusion of the contract or auto-construction), a consultant must be recruited by the client to conduct the preliminary technical study and then evaluate and monitor the project. To this end, a call for applications is strongly recommended, with precise reference terms that will better allow the person indicated for this type of task to be targeted. The consultant must be a civil engineer or an architect, preferably one having at least five years experience in the field subject of the consultation (this is essential to success!).

The construction work itself also requires the intervention of technicians (at the level of the engineer or architect) that has recognized experience in this type of projects. Their higher level of skills constitutes a gauge of success for the project. It is advisable therefore to mobilize competent technicians and workers (recruited by the client in the case of an auto-construction, or employees by the competent business selected by the client for the project).

Use of local materials and manpower is a priority for infrastructure projects, since this also results in better economic repercussions for the region. Moreover, these practices promote collective ownership of the infrastructure by the beneficiaries and may, in general, be promoted as part of the required participation in the project (see technical document n°3 of this module)

CHINDINI CASE

In the case of the auto-construction at Chindini, the design for the restoration of the old dike and its extension was done by an independent consultant. This latter defined and subdivided the project into 5 lots. He provided detailed and quantified descriptions (dimensions and quantities of materials required). This allows the client to plan out the work and develop reference terms for orders for materials (quantity and quality) and for the recruitment of technicians and workers (work to be performed and skills required):

The supply of materials was entrusted to businesses in the region that were selected by short-list consultations (see module 2 - technical document n°1) for on-site delivery, rubble, sand and broken gravel, etc... except for cement which was assigned to a company in Moroni.

Containers were warehoused on the worksite for the storage of materials (planks, stringers, cross-pieces, etc....) and hand tools (shovels, picks, jumper bars, etc....).

For the execution of the work, two categories of workers have been recruited locally (masons and unskilled labourers), of which one group was paid for by the project and one group consisted of volunteers (community participation).

B) Conception: principles of Civil Engineering recommended in the technical study

In most cases, the infrastructure identified for the protection of coastal locations is a gravity-wall type dike consisting of a base of reinforced or cyclopean concrete and a masonry wall of repointed rubble of varying height (depending on the height that separates the existing concrete cap from the structure at the bathymetric level of the foundation).

In the case of a restoration, a "shoe" of reinforced or cyclopean concrete is integrated into the base of the existing structure to curb the scouring phenomena caused by the undermining action of the waves in periods of rough seas.

At Chindini, the old structure, a gravity-wall type structure (trapezoidal cross-section) of rubble masonry and 280 m in length, was constructed in 1974. It was completely deteriorated at its top and was subjected to a scouring phenomenon at its base. A restoration that was both at the base of the structure (installation of a "shoe"), and at the top using a concrete cap was recommended to stop the continued deterioration that had been observed in recent years.

The village of Chindini has continued to develop in its east and west areas, so it has once again found itself exposed to the stresses of the sea. Extending the dike at both ends, namely the Chanazé side by 300 m, and the west coast by 200 m, in the area reserved for watercraft, was then identified as a priority for the village and an effective means of stopping erosion observed on this coastal area. Therefore extending the dike has been planned, with the same geometric characteristics as the existing structure.

Below are the 5 project lots identified and detailed by the consultant in the technical study :

1st lot: Restoration of the exiting dike

- Preparing the terrain and installation of stakes
- Wooden form and assembly of back plates, stringers, cross-pieces, etc...
- Rubble masonry (stone + mortar with high levels of cement)
- Rubble backfill, and
- Concrete cap on the top of the wall.

2st lot: Extending the dike towards the western area (speedboat area)

- Preparation of terrain and installation of stakes, stringers, cross-pieces, alignment of ropes
- Trench excavation (raised beds for the foundation) of reinforced concrete for consolidating the base of the wall against tsunamis.
- Rubble masonry (stone + mortar with high levels of cement)
- Concrete cap on the top of the wall.

3rd lot: Extending the East part of the dike (Chanazé)

- Preparation of terrain and installation of stakes, stringers, cross-pieces, alignment of ropes
- Trench excavations (raised beds for the foundation) of reinforced concrete for consolidating the base of the wall against tsunamis.
- Rubble masonry (stone + mortar with high levels of cement)
- concrete cap on the top of the wall

4th lot: Construction of four (4) stairways on the dike pathway:

- Preparation of terrain and installation of stringers, cross-pieces, A-frame racks, round timbers, etc...
- Rubble masonry (stone + mortar with high levels of cement)
- Concrete cap on the top of the wall.

5th lot: Development of the coastal area

- Preparation of terrain
- Moving sand and small pebbles using a bulldozer from public works towards the beach
- Mix the sand and small pebbles
- Levelling of sand and pebbles (natural level).

Planned work is subject to various technical specifications that are detailed in the preliminary study and which specify the expected conditions for completion:

- Profile dimensioning (gravity type, trapezoidal cross-section) adapted to the stresses caused by the thrust of the waves is being considered so as to reduce the impact of the backwash.
- The restoration of the old dike requires repointing of the cement mortar and a "shoe" at the base of the structure on the exposed parts of the dike.
- Concrete dosed with 300 kg of cement per m³, 0.10m thick minimum, provides better cohesion of the structure's cap.
- Sometimes, PVC barbicans must be provided to reduce hydrostatic pressure by evacuating the water that has accumulated behind the construction.
- Repointing of the facing exposed to the sea shall consist of a mortar rich in clinker-type cement or cement with similar properties.
- Embankments, behind the structure, shall consist of borrow material, originating from beds near the locality.

- Implementation of rock fills (50 to 500kg) for breaking the waves at the foot of the dike will assure better protection of the construction during periods of rough seas.

C) Procedures and quantitative estimate

When businesses are being consulted, the quality of the preliminary study is essential. Execution drawings with dimensions and evaluation of quantities of materials required must be very precise. They serve as a work base to the businesses when developing their quantified proposal. If this analysis is not clear, it will be more difficult and random to compare the businesses and select the bid that is really the most interesting. A great many difficulties and problems while the project is in progress may be anticipated thanks to a preliminary quality study.

QUANTITATIVE ESTIMATE

A quantitative estimate is a document that precisely indicates the quantities of materials or equipment that are to be used for the construction of infrastructure projects. This way, each infrastructure project presented by a village community will have its own quantitative estimate. This project evaluation will allow quantitative determination of the improvements to be undertaken and constitutes a major step in making a correct estimate for the project.

The quantitative estimate is used to evaluate the significance of the volume of work to be performed, which is recorded in a draft that is the subject of the request for financing by the community. It is an integral part of the contract. It is completed with a definition of the technical criteria techniques by item consisting of the limitations of execution below:

- The quantities specified in the quantitative estimate are estimated and preliminary quantities. They provide a common basis for the evaluation of bids and the awarding of the contract. The basis for payments is the actual quantities of work ordered and executed, such as those measured by the Entrepreneur and verified by the Master builder. These adjusted quantities will be invoiced (promoted) at the rates and prices specified in the detailed price list presented by the Entrepreneur in his bid. If this evaluation does not apply, or in any other case, payment is made at the rates and prices that the Master builder may set in the terms of the Contract.
- Unless there are specific provisions to the contrary in the Contract, the prices supplied by the Entrepreneur in the Detailed Price List included in his bid shall include all constraints of execution, notably construction installations, workforce, supervision, materials, assembly, maintenance, insurance, general expenses and profits, taxes, duties and fees, as well as coverage for general risks, bonds and other obligations explicitly or implicitly specified in the Contract.
- A price is indicated for each item in the bill of approximate quantities, whether the quantities are specified or not. The cost of items for which the Entrepreneur has not indicated a price is considered to be covered by other prices indicated in the bill of approximate quantities.
- The complete cost in accordance with the provisions of the Contract is included in the items specified in the Pricing List and the bill of approximate quantities. When an item is not specified, the corresponding cost is considered to be distributed among the prices mentioned for corresponding items in the project. (for example: the item "construction of a safety guardrail" that is priced by the linear meter may include the cost of concrete, concrete reinforcing bar, steel bars, planks, etc... required for its completion)

- The prices in the pricing list are nominal unit prices. They are assumed to be all-inclusive remuneration of the expenses required for the execution of the work indicated in the Contract, in compliance with the provisions of the technical specifications.
- Prices shall include work site installation fees for each lot, as well as transport of equipment and any transfers between islands that may occur. Therefore, they include acquisition costs or temporary occupation costs required for the terrain and indemnifications of any nature, preparation of surfaces, construction, outfitting of worksite sheds, workshops, warehouses, lodgings, offices and laboratories for the Entrepreneur, potable water supplies and electrical energy for the worksite and evacuation of sewage after degreasing and purification by septic tank, means of telephone connection, costs of maintenance, cleanup and site exploitation, work shops and warehouses, including security, transport of equipment and machinery required for the execution of the site work, earthmoving machinery, sanitation, roadways and transport, construction and maintenance of access routes to the work site, inspection and checking of drawings from the Call for Bids and preparation of execution drawings, removal of all equipment and excess materials after the work has been completed and site cleanup and restoration, and preparation of as-built drawings.
- Prices include the Entrepreneur's profit, possible fines, general fees and in general, all expenses resulting from the complete execution of the work, as defined in the Contract, including fees for installation and transport of camps, workshops, laboratories and other facilities required for the completion of the project.
- Prices shall take into account all prescriptions concerning environmental measures.
- Prices are supposed to be based on applicable economic conditions on the deadline date set on the first day of the month preceding the deadline for submittal of offers by bidders.

D) Project follow-up

Whether the work is carried out as part of an auto-construction or a conclusion of the contract, project follow-up is generally carried out by professionals recruited by the project leader to carry out the preliminary study.

All work shall be inspected in compliance with the provisions of the Initial Technical Document established for the construction and inspection of the project (installation, quality of products and materials used, implementation, laboratory inspection, etc...), and subsequent technical measures taken to optimize financial resources. The technicians will submit regular progress reports to the project managers and shall state any other information that they deem relevant during the project.

For Chindini, the work site was entrusted to local workers and supplied with materials such as: cement, sands, grit, stones, wood, water and other. The fishermen have actively participated in the implementation of the project in matters of human and financial resources (volunteer manpower, community contribution to the progress of the project). The commune, as a local authority, sees to it that the project work is respected.

The work will be followed, supervised and inspected by two buildings and civil engineers (of which one shall be a civil engineer) hired under the authority of the Municipality.

QUALITY CONTROL OF MATERIALS

The characteristics of the materials used and their compliance with the standards initially specified are to be inspected by the recruited technicians. The Monitoring Committee is responsible for advising the engineer before the tests are executed. No piece of equipment may be purchased, extracted or shipped before the Monitoring Committee has been informed about its acceptance (conclusive studies for compliance of characteristics). It is understood that acceptance of one sample does not signify acceptance of all materials originating from the same source. If, while the project is being executed, the quality of materials comes into doubt and does not appear to correspond to that of the accepted sample any longer, the engineer may suspend the use of these materials and request analysis of a new sample. If the result is unfavourable, these materials will be refused and the committee will have to obtain supplies elsewhere.

DIMENSIONS AND GEOMETRIC ACCEPTANCE

All operations for dimensioning the project shall be performed, established and certified by the technicians in charge of inspection. Geometric acceptance for different types of projects (earthworks, masonry, etc....) shall be performed during the execution and the accuracy of the edges of the natural terrain on the structure approved. The progress of the project and the results of all inspections performed shall be submitted to the Project Client in the monthly meeting minutes prepared by the technicians.

Preliminary acceptance of the structure as contractually provided for in the contract was pronounced on 10 June 2009, in the presence of the ReCoMaP-COI focal point, Government authorities and the Project Monitoring Committee. The End of Project report was drawn up and submitted to the ReCoMaP-COI by the Monitoring Committee.

Once acceptance has been granted for the project, a committee in charge of monitoring and maintaining the dike shall be set up for a primary evaluation. Subsequently, inspection of the condition of the structure shall take place every year and occasionally in cases of severely inclement weather and damage to identify and plan any possible repairs.

TECHNICAL DOCUMENT 3

COMMUNITY PARTICIPATION

A) Principle

Community participation constitutes an important constituent in the implementation of infrastructure projects. First, it is a gauge of the involvement and ownership of the project by the target populations to allow sustainable management of infrastructures to be predicted. It is also an opportunity to develop the local skills and strengthen the capabilities of the beneficiaries to effectively direct new projects in the future.

This is why community participation is generally a condition imposed by the backers on the applicant for the grant. Expected participation may take different forms.

B) Participation and eligibility

For a project to be eligible, the backer generally requires that 20 to 30% of the cost of the project be contributed in the form of community participation (as with CDSF). This way, this participation is represented by all the contributions that may be counted in cash but also in work time devoted to the project or in the value of local materials provided by the beneficiaries.

This participation may therefore take the form of a commitment to:

- Provide the workforce (unskilled labourers, plasterers, etc...) and construction materials other than cement and steels
- Financial participation (applicant)
- Provide land for the restoration and/or construction of the structure
- Finance the design process and development of construction drawings for the structures.
- Prepare the Call for Bids file.
- Issue the Call for Bids.
- Evaluate the bids
- Award the contract to the compliant Bid evaluated the least expensive
- Prepare and sign the contract.
- Follow, supervise and inspect the project.
- Proceed with the acceptance of the project work
- Provide maintenance for the structure.

The participation of target communities (manpower, land gift), the involvement of members of associations in committees and labour provided by agents of the Municipality in project management are also form of participation that may be accounted for and considered to be a form of co-financing contributed by the project leaders (see *Module 1, technical document 5*).

C) Expected impacts of participation

i) **Ownership and life expectancy of infrastructures**

Besides the contribution to the technical implementation of construction activities, community participation in the project should allow preparations for the long-term management of infrastructures. As many possibilities as possible must be handled for the beneficiaries and stakeholders to be able to react and intervene in all phases of project implementation.

Therefore it is important to identify, very early on (ideally during the development phase) the various stakeholders affected positively or negatively by the project and involve representatives from all these groups in its approach (see *Module 1, technical document 4*).

Participation in certain specific phases of infrastructure projects appears to be essential:\

- Participation in preparatory phases (cooperation, public meetings...) allows many pitfalls to be avoided in the design process of infrastructures and to take into account certain important expectations of the beneficiaries.
- Involvement of representatives from these groups in the structures of project management (such as consultative committees, commission calls for bids or the Project Monitoring Committee) allows project activities to be legitimated and options selected. It promotes transparency and confidence between the players.
- Their involvement in the execution and follow-up of the project allows a feeling of collective ownership to be established for the completed infrastructures, the first fruits for asset management. This can be done through the involvement of representatives from these groups in formal structures or by the invitation of the stakeholders during various important phases of the project (worksite visits, preliminary acceptances...).
- Their involvement in infrastructure management structures beyond the project (management and maintenance committee) allows legitimate and applicable management measures (duties, rules for use, fines...) to be defined and implemented.

ii) **Strengthening of local capacities**

Finally, the effective participation of the beneficiaries in the various phases of project implementation contributes to the reinforcement of their capacities. All skills developed at this time will contribute to increasing the effectiveness of the implementation of future projects or new activities (preparation of records, conclusion of the contract, mobilization of representative committee and project follow-up, technical skills developed by the local work force, collective action and process of cooperation...).

D) The Chindini case (Union of the Comoros)

In Chindini, community participation played a major role in the implementation and success of the project.

A communal department was created to assure project implementation and play the role off delegated client from the commune (principal client). This municipal department was charged with recruiting, calls for bid and short-list consultations for bringing together the personnel and materials necessary for execution of the infrastructure. Thematic training programs have been organized to reinforce the skills of the team in charge of the project.

Two local associations, recognized for their skills have been involved in facilitating awareness and mobilization of the population.

A representative committee of the various local groups was constituted to support the communal district in monitoring the project. This committee brought together:

- Four notable persons
- A representative of the religious authorities
- A representative of the youth community
- Two women
- Two professionals (including one manager and one project leader).

Awareness operations have been conducted through target groups throughout the period of the project and meetings that are open to the public took place regularly to inform the population about the progress of the project and the work.

Some of the workers were recruited from among inhabitants of the community. These latter benefited from technical training. Their role in the construction also reinforced the collective ownership of the infrastructure and allowed direct economic fallback to be generated. What is more, these workers now have technical skills that are valuable on the labour market.

Supply of local materials was promoted whenever possible in order to minimize costs and optimize economic fallout of the project for the region and its inhabitants.

At this time, a Project Monitoring and Maintenance Committee was set up. In order to effectively fulfil its role, it proceeded to open a special account with the MECK Foubouni.

Finally, with the goal of assuring the life expectancy of the infrastructure, a committee for follow-up and maintenance of the structure was set up. Various provisions were taken to make it self-financing:

- A community tax for maintenance of the dike.
- Collections taken during village festivals such as large weddings, etc...
- Gifts and contributions from the village
- Contributions from the Diaspora, etc...

TECHNICAL DOCUMENT 4

CASE STUDY

A) The design process

In June 2009, the study was assigned to the SECMO-OI agency in the Comoros, by the Community of Bandamadji, to define the technical and financial feasibility of a protection dike de protection at the edges of the village of Bandamadji-Itsandra.

The Engineering Design Department (EDD) will propose a path for the protective dike, taking into account the nature of the soil on which the structure's foundations rest. The path, which is 243.00 meters long, connects the very highest rocky areas, thus limiting the volume of masonry that constitutes the dike while improving the behaviour of the structure against the undermining force of the swell.

The primary concern of EDD was to establish a preliminary evaluation of the projected developments, starting with precise technical drawings, within the budget limits allocated for the project.

After the design has been approved by Bandamadji city hall, a short-list consultation with three companies (EGT, Abdallah Wadaane and EMA) was started up.

To this end, it was decided to initiate a negotiation with EGT Inc. which, it would appear, offered the best guarantees for executing the Project, due to its local establishment, its material methods, its references and its qualified personnel.

The bid from E.G.T. was for a total of 39,952,648 FC, for the execution of the entire project.

The lead time for execution of the project, initially estimated to be three (3) months was pushed back to six (6) months starting on the date the Contract is awarded.

The Contract for the construction of the dike was signed on 12 November 2009.

B) Estimate

Table 18 - Budget estimate for the construction of a protection dike for the village of Bandamadji in Grande Comore

Proposed construction of a protection dike for the village of Bandamadji in Grande Comore

Situation n° 2: work executed on 15 June 2010

(Length= 270.00 m)

N° Prix	Description of project	Units	Unit Price	Work planned		WORK EXECUTED	
				Quantities	Total	Quantities	Total
All projected developments							
1	Excavation in ordinary terrain	m3	3 000	21 000	63 000	21 000	63 000
2	Excavation in rocky terrain to the jumper bar	m3	7 500	45 000	337 500	45 000	337 500
3	Backfill for structure excavation	m3	4 500	166 000	747 000	166 000	747 000
4	Mason riprap	m3	20 000		0	0 000	0
5	Rubble masonry	m3	38 500	454 000	17 479 000	437 440	16 841 440
6	Repointing	m2	6 000		0	0 000	0
7	Blinding concrete	m3	90 000	17 000	1 530 000	17 000	1 530 000
8	Ordinary concrete dosed at 250 kg	m3	130 000	13 000	1 690 000	29 650	3 854 500
9	Foundation concrete	m3	150 000	83 000	12 450 000	63 830	9 574 500
10	Concrete dosed at 350 kg of cement	m3	175 000		0		0
11	High adherence steel	Kg	1 050	3 910 000	4 105 500	1 829 630	1 921 112
12	Barbicans	Ml	6 800	86 860	590 648	0 000	0
13	Rock fill	m3	30 000		0	0 000	0
14	Connected rock fill	m3	40 000		960 000	0 000	0
15	Embankments from borrow pits	m3	5 000	24 000	0	0 000	0
16	Transport for borrow pit embankments	m3/km	600		0	0 000	0
17	Sodding	m2	1 000		0	0 000	0
18	Plantings	Ml	2 000		0	0 000	0
Total project work					39 952 648	34 69 052	

C) Community participation

As part of the community's participation in the various actions led by the population and Bandamadji City Hall, we can note, among other things:

- Cutting down of coconut trees and other trees,
- The demolition of some houses damaged by the sea,
- The creation of trails to assist the transport of materials to the work site,
- Training of the technical team (unskilled labourers and masons),
- The reinforcement of the capabilities of the coordinator and manager,
- Recruitment from the short list of BET SECMO-OI and EGT Inc.

A Project Monitoring Committee for the dike, consisting of a coordinator and a manager, was set up to monitor technical activities. The Mayor and his team had to finalize the contracts, for the development of the design and the supervision of the work assigned to BET SECMO-OI, and the execution of the work assigned to EGT Inc. A ceremony for the laying of the first stone was organized before the actual start-up of the project.

The BET SECMO-OI will draft activity report for the Community of Bandamadji and for ReCoMaP-COI on a regular basis.

D) Results

The managers at City Hall and counsellors were trained in matters of:

- Design and development of projects,
- Mobilization of financial resources,
- Personnel management,
- Reliable accounting,
- Project management,
- Funds negotiation,
- Conflict management.

Bandamadji City Hall has sought and obtained other financing (for project co-development) for the development of a project for park space, pastimes and sale of artisan objects.

This tourist space project offers benefits the surrounding from a beach in addition to the one at Itsandra.

The structure contributes to the valuation and flow of products by artisans from the region and from the Comoros.

E) Maintenance

Sustainability of the Dike shall be assured by:

- Financial contributions from the Diaspora
- The presence of the structure, which will contribute to the creation of jobs.
- The mobilization of riverside dwellers who will experience an improvement in safety conditions thanks to the dike

Upon the official acceptance of the project, the Project Monitoring Committee will be replaced by a management committee charged with the maintenance of the structure, which will be self-financed using:

- The community maintenance tax for the dike.
- Collections taken during village festivities such as large weddings, etc...
- Gifts and contributions from the village
- Contributions from the Diaspora, etc...

F) Quality control

All tests planned will be performed by the National Laboratory of Public works and Buildings certified by the Commune of Bandamadji.

During the execution of the project, the Entrepreneur was responsible for notifying the Engineer, before carrying out his tests. The Entrepreneur took the necessary samples in the presence of the Engineer. No equipment could be purchased, extracted or shipped without the Entrepreneur having been informed about its acceptance.

It is understood that the acceptance of one sample does not signify the acceptance of all materials originating from the same source. If, during the course of the operations, the quality of materials were called into doubt and did not appear to correspond to that in the sample that was accepted, the Engineer may suspend the use of these materials and demand that a new sample be analyzed.

If the result is unfavourable, these materials are refused and the Entrepreneur must obtain his supplies elsewhere.

G) Follow-up and supervision

During the execution of the project, Bandamadji City Hall solicited a rectification of the outline, for the purpose of shifting the structure on the sea side, in order to increase the surface available on the beach. However, Mr. DUCRET, project manager, examined the technical impact and the financial consequences of this modification, which could put considerable strain on the cost of the operation.

After having examined the financial involvements of the modification desired by the Community, Bandamadji City Hall indicated that they could find additional financing and that it would be advisable to retain the new outline. This decision led to a search for a compromise that could meet the demands of the Community while remaining within the total credits allocated by ReCoMaP-COI.

In this perspective, one final modification was noted to bring the length of the structure to 270.00 meters.

The cap for the structure is located on the coast 5.00 relative to 0 bathymetric, to limit masonry volumes. This allowed the length of the dike to be increased, limited by the amount of funds allocated for the operation. According to the BET SECMO-OI, the level of the highest waters (spring tides) reaches the Comoros coast of +4.20 and leaves a relatively small margin (+0,80 m) accounting for the motion of the swells.

This data shows by all evidence that the structure remains submersible in periods when the waves overflow when they break against the dike, with an accumulation of water behind the wall.

The construction of a concreted peripheral road against the structure has been planned, 5.00 m wide, with a single incline directed towards the sea. This rear protection will noticeably reduce damage that could be caused by storms.

Cost-saving measures were taken during the construction process, especially for the rip-raps.

They largely make up for the expenses incurred by the masonry, resulting from the modifications made to the outlays at the initiative of the Village Community.

Moreover, project management suggested placing concrete plots in the shape of a pyramid above the cap, in order to combine the aesthetics of the structure with the safety conditions resulting from installing it on this fringe of the coast.

It should be noted that this addition to the improvement, which remains marginal, noticeably improves the dike's finish.

It was necessary to extend the lead time, resulting from the installation modifications desired by the Village Community and the difficulties encountered during the execution of the project. In fact, the work site has experienced enormous difficulties due essentially to:

- Heavy rains that disrupted the work site, start and completion of the project,
- Repeated absences of the S.E.C.M.O. engineer,
- Demolition of defective workmanship by the Engineer in charge of inspection.
- Delay due to the preliminary acceptance of the project due to the absence of the Engineer in charge of inspection.

The Contract concluded with EGT represents a total of 39,952,648 FC. Work executed totalled 39,773,271 FC.

However, additional financing should be sought out through the Diaspora, for the implementation of embankments adjoining the structure.

The interest in the dike lies in its coherence with the criteria defined in the ReCoMaP-COI program. In fact, the structure considerably improves the conditions of safety and hygiene of the waterfront and its proximity to Itsandra beach places it perfectly in a tourism and environmental context that contributes to the socio-economic development of the riverside dwellers.

H) Project management

A first discount, in the amount of 7,990,530 FC, was made on 14 November 2009. It corresponds to the start-up advance indicated in the Administrative Specifications of the Contract.

A second discount, in the amount of 19,388,368 FC, was made on 28 February 2010. It brings the total expenses incurred to 27,378,898 FC and largely corresponds to the total cost of the project undertaken according to the progress noted.

A third discount, in the amount of 7,489,974 FC, was made on 15 June 2010. It brings the total amount of expenses incurred to 34,868,872 FC.

SECMO took some detailed measurements of the as-built project, gradually as the project progressed. This service allowed appropriate management of expenses incurred and, as a function of these, determination of the substance of the improvements still to be made as part of the Contract concluded with EGT.

To this end, some deviations from the quantities presented by the Entrepreneur were observed.

The final measurements, which were established in the presence of all parties, allowed any ambiguity to be lifted regarding the precise total of the work to be paid to EGT Inc.

A final overall discount was established for this purpose in order to get the balance of all the improvements executed, which were subject to preliminary acceptance by Bandamadji City Hall.

Cost savings have been made during the execution, specifically for the rip-raps. They largely make up for the expenses incurred by the masonry, resulting from the modifications to the footprints made upon the initiative of the Village Community.

An extension of the lead time proved to be necessary, resulting from the installation modifications desired by the Village Community. To this end, the reader is reminded that the correction to the footprint was applied over only a short distance, after the Engineer's recommendations, accounting for the limitations of execution (foundations too close to bathymetric 0) and owing to the increase in the volume of masonry resulting from this modification.

Module 5

Tools for evaluating impacts of a project

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INTRODUCTION TO MODULE 5

A project without impact has no meaning; but what is an impact and how to study it?

1. Performance of a project is measured against objectives and changes in objectives finally reached. Impact relates also to long term effects of activities implemented and changes project have contributed to in terms of development indicators. Thus, impact is a measure of the situation before and after project implementation and changes might affect several aspects of local context: ownership, political support, appropriation of technologies, socio-cultural factors, gender relations, environment protection, institutional capabilities and economic and financial results (*Technical Document 1*).
2. Impact study consists in analyzing the effects of a project or activity on the progress of a specific situation (or context). A baseline is the key instrument for analysis. It allows the identification of the situation without project and the situation as affected by the implementation of the project. Comparing baseline results leads to the identification of qualitative and quantitative advantages or net benefits due to project implementation. Indicators are key components of the baseline(s); they should reflect cohesion of activities implemented with objectives of the project, effectiveness of implementation. Indicators definition reflects also cost of data collection and analysis. Questionnaires are support for data collection; they list indicators. Analysis of data collected relies on chosen methodologies (*Technical Document 2*).
3. A particular aspect of impact study is the analysis of economic impacts of a social and environmental project. Perspective is unique, as various values are considered. For example, biodiversity as a real value, as well as an indirect use value, an option value, a legacy value and an existence value. Thus, methodologies for evaluating these values vary (substitution contracts, hypothetical contract or indirect methods). Cases studies help to understand impact study: impacts of sanitation on public health; impact of technical change on productivity and impact of ecotourism (*Technical Document 3*).

TECHNICAL DOCUMENT 1

PERFORMANCE AND IMPACTS OF A PROJECT

A) What constitutes an impact?

An impact is a positive or negative change caused by the project, either directly or indirectly, planned or unplanned, to the overall objectives. They translate into modifications experienced by the company, the economy or the environment, resulting entirely or partly due to the decisions and activities of the project.

Thus, the evaluation of impacts is no longer concerned with results, products or methods used for the project. It concerns only the long-term effects on the final beneficiaries of the broadest objectives expressed by the development indicators such as those related to access to basic (social) services, satisfaction of nutritional needs (economy), the protection of biodiversity (environment) or even inter-generational and inter-populational equity (transverse). The international community has agreed on the overall objectives of development to be used as a reference, central questions. They are measured with precise indicators that are consolidated in the Human Development Index (HDI). This index is comparable to the worldwide level and accurately translates the planet's stake in development. For 2015, the targets to be reached are expressed in the Millennium Development Goals (MDG). For a great many sub-Saharan African countries, these goals have not been reached.

Thus, the impact of the project is measured by the variation - positive or negative - in these development indicators.

Millennium Development Goals (MDG)

Target 1: Reduce extreme poverty and hunger

Target 2: Assure primary education for all

Target 3: Promote equality and empowerment of women

Target 4: Reduce infant mortality

It has been said that impact is direct when the achievement of a specific project objective brings changes to the indicators of the domain directly associated with this objective. A project with a specific objective in the economic domain intending to increase income has direct impacts on the Target Objective 1 (reducing poverty) and may for example also have indirect impacts on the Target Objective 5 (maternal health) by offering access to prenatal care, access that is facilitated by the payment of travel expenses to reach a distant medical centre. It may be that these effects have not been defined by the project at the time of the design process. Only surveys and data analyses through the beneficiary populations of the project may bring these impacts to light.

⁵Represented by the United Nations.

B) When should impacts be evaluated?

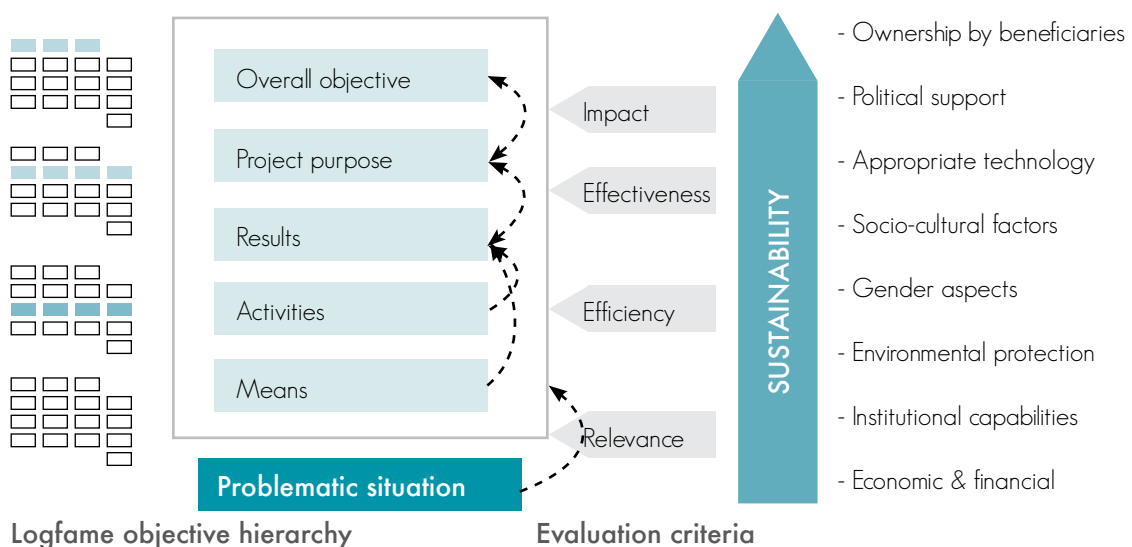
A project is a group of activities intended to achieve a specific objective by producing results within a given lead time. The limits are defined by time, field of intervention, and as a function of its resources.

As we just saw, the impacts of the project go beyond these limits. They represent long-term effects, beyond the deadline date of the project; they adopt a broader vision than the domain of the project by covering developmental objectives. They break through the constraints of resources because the capacities developed during the progress of the project can generate an infinite number of additional resources.

It is important, therefore, to differentiate between the evaluation of a project and the evaluation of its impacts:

- The evaluation of a project can take place before the project, during the project or at the end of and even after a certain amount of time has elapsed after the completion of the project. Factors applied to evaluate the project's performance are: the relevance and achievement of the objectives, efficiency in matters of development, effectiveness, impact and viability. This allows continuous improvement to be made by capitalizing on gains and retaining lessons learned, good practices drawn from experience. This approach arises from quality management.
- Evaluation of impacts does not occur until the end of or after the project. It comes from analysing the contribution of the achievement of the specific objective of the project to the general objectives. Given that the overall objectives refer to a broader framework that exceeds the influence of the project, this analysis requires the acquisition of outside data and the application of specific methodologies. The evaluation of the impacts is founded on a comparison between a situation without a project and a situation with a project, and requires data to be collected before the project is implemented, or at the very least, before it is begun.

Figure 5 - Factors and evaluation criteria (Source: Adapted from the Project Cycle Management Guidelines, European Commission, 2004)



⁶The terminology adopted by this guide is from the European Commission and the OCDE.

C) When is a project successful?

We can, therefore, analyse a project's performance at two complementary levels: evaluating the project's performance in reaching its specific objective in terms of the intervention (evaluation criteria) and evaluation of impact that translates the project's performance over the long term. Specific evaluation criteria correspond to each of these levels of performance.

The evaluation of the project's performance uses a series of indicators. Since the application of these indicators depends on each project and on the phase being evaluated, this exercise will be left to specialists.

Nevertheless, it is advisable to mention the fundamental project evaluation criteria for the project and their relationship to the impacts. Long-term impacts of a project may not be of consequence unless the project was successful during its implementation. Consequently, the evaluation of a project's impacts is pertinent only insofar as the evaluation of the success criteria of the project is carried out in detail:

- During the implementation, three (3) factors may be used to judge a project's performance in terms of successful completion. These factors are broken down into sixteen (16) criteria, which themselves are broken down into sixty-four (64) standards.
- Beyond the term of the project, these factors are related to the impacts and viability that will be applied to gauge performance

This way the "pertinence" factor is broken down into five criteria (which themselves are broken down into 18 standards):

- coherence with the agreement between the backer and the beneficiary country/ies
- in line with national trends
- ownership by beneficiaries identified as having the required capabilities
- all apparent and subjacent problems are identified
- lessons drawn from good practice are applied.

Expected impacts on this criterion area refer to related sustainable effects:

- the reinforcement of the irreversible capabilities of the authorities and direct beneficiaries such as life skills
- the final resolution of problems identified while the project was being designed.

The "effectiveness" factor is broken down to evaluate to what extent:

- the various results contribute to the successful achievement of the specific objective
- the impact of assumptions and prior conditions on the successful accomplishment of the project

From the impact point of view, the further one is from achieving the specific objective of the project (low level of achievement), the lower the effects of the overall objectives will be (low level of impact). Here we expect the impact evaluation to provide details of the long-term advantages of the target groups and the final beneficiaries. These advantages are given by development indicators. Impact evaluation will also have an effect on the management of the risks associated with the assumptions made while the project was being designed. Socio-political risks, availability of public infrastructures that are useful to the project, the development of the economic and commercial environment, and judicial and legal conditions, are determining factors in the achievement of the project's objectives, while they are outside of its influence.

The “efficiency” factor is expressed on the fact that the results were achieved at reasonable costs. It provides, notably, an assessment of:

- the costs and methods used in the execution of each activity
- the costs and methods used to obtain each result
- the quality of the results obtained

An impact evaluation following this factor will provide components on unit costs for producing a service or a product that is accessible over the long term and on variations in the quality of these products as a function of the resources committed.

Finally, the viability conditions - also known as quality - are also analysed in order to increase the chances for sustainability of the effects of the project.

Various viability factors are:

- Skills transfer: this involves the extent to which, after the project, technologies and know-how may be used at reasonable costs and under local conditions and capabilities of all users. The expected actions of the project will be assessed as a function of the training program, the withdrawal plan, and management of knowledge applied during the course of the project.
- Institutional capacities for management
- Ownership by the beneficiaries
- Respect for socio-cultural values
- The willingness of the public authorities to support the pursuit of the activities at the end of the project
- The last condition concerns the taking into account of environmental factors. This point is taken up again as part of project sustainability.

D) Evaluation of Impacts and Sustainable Development

Besides the life expectancy of the activities and the advantages provided by the project, the issue is knowing to what extent the project contributes to Sustainable Development. The concept of Sustainable Development covers three dimensions of the analysis: economic, social and ecological. These pillars are built upon two foundations: good governance and ethics.

Evaluation of these impacts is what will allow us to estimate the viability of the changes brought about by the project. It will provide information, including but not limited to:

- Economic impacts of the project on household income, effects on the state budget (taxation), and the hard currency balance of the country.
- Environmental impacts: ecosystems and natural factors in general,
- Social impacts: number of jobs, gender, respect for human rights (the right to an education, health)

Figure 6 - The pillars and foundations of Sustainable Development (translated from QEIM)



The methods used to evaluate the economic impacts of value-building products are easy to apply. On the other hand, the tools used to evaluate the economic impact of projects with products that are not value-building, such as environmental protection, call for more complex methods.

Environmental impacts are measured using specific scientific methods that sometimes call for important technical methods.

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TECHNICAL DOCUMENT 2

IMPACT STUDY

A) Definition

The impact study is a specific procedure that mobilizes various methods and skills to evaluate the consequences of a project or activity in a specific domain. Each type of impact study, therefore, corresponds to methodologies to analyse the effects of a project or activity on the progress of a specific situation.

B) The Baseline Principle

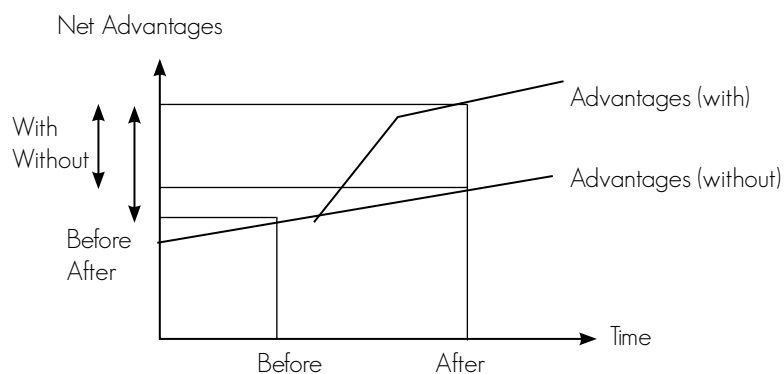
To evaluate this additional contribution from the project, which constitutes its impact, it is advisable to establish a reference situation known as the baseline. It involves defining how a particular situation would have progressed without the effects of the project. It does not, therefore, involve only a statistical analysis of the pre-project situation; rather, it involves a scenario that progresses over time.

The impacts are represented by the difference between the baseline (scenario without the project) and the situation as affected by the intervention of the project. It is therefore not through comparison of the situation before and after that allows the project's impacts to be determined, because the situation could have progressed, positively or negatively, independently of the latter's intervention.

These are the net advantages that are being considered in the impact evaluation. These advantages may be quantitative and/or take the form of a shortening of the lead time required for attaining the objective. For example, the baseline indicates that putting an end to gillnet fishing within 5 years by simple legal prohibition in order to double capture. If a project proposes immediate grants for the purchase of more selective fishing equipment, ending gillnet fishing may occur faster and production can double after three years. The impact of the project would be the difference in the biomass captured over 5 years which therefore takes into account both the increase in captures and the reduction in lead time for achieving the objectives set (elimination of gillnets).

The difficulty resides in the determination of the real impact of the project. We should restate here that the impact is a contribution, and therefore a partial one, of the project to the overall objectives.

Figure 7 - Graph of a project resulting in net advantages with time



⁷For this exercise, only projects having positive impacts will be considered

C) Selection of impact indicators

The selection of impact indicators must be guided by at least three criteria: cohesion with the overall objectives of the project - effectiveness in relation to the impact to be demonstrated- the cost of data collection.

i) *Cohesion with the overall objectives*

ReCoMaP's overall objective, following the example of the majority of development projects, is the "reduction of poverty" through the Integrated Management of Coastal zones. Poverty is measured using the Multidimensional Poverty Index - IPM, which is broken down into three dimensions: standard of living, health and education. Thus it involves demonstrating the contribution of an ICZM project using these three dimensions.

ii) *Effectiveness of indicators*

The indicators to be selected should enable the relationship between the impacts and these three dimensions to be established, by applying management criteria for the coastal zones.

Establishing the relationship between the standard of living and the construction of dikes is not a simple matter. In this example we could choose the land prices that reflect the economic loss that would occur if the dikes were not constructed. This price tends to decrease over time relative to other sites that are not threatened with coastal erosion. The indicator is an effective one because it manages to explain the standard of living of the household beneficiary in relation to the protection of his habitat.

In order to assess the standard of living of households, their estimated income is often used. Nevertheless, in a rural environment, there is a strong chance that this estimate will be biased due to multiple factors such as seasonality and the reticence of the interviewee. Other methods exist to get around this type of problem such as for example recourse to a "proxy". These intermediate indicators are intended here to represent the standard of living and may serve as an evaluation gauge for poverty. People are poor if they have no potable water, electricity, or toilets, have dirt floors, use wood or charcoal for cooking and who have no household amenities.

⁸Refers to approximation because the real variable cannot be reliably calculated.

Tableau 19 - Indice de pauvreté et GIZC

Field	Poverty index	Expected impacts of iczm
Standard of living	1 No potable water	Water resources managed - sewage management
	2 No electricity	Use of renewable energy
	3 No toilets	Sanitation/waste management
	4 Homes (dirt floor)	Land development/materials management
	5 Cooking energy (wood, charcoal)	Use of clean energy, biofuels, protection of coastal forests and mangroves
	6 No sustainable household amenities	Sources of additional supplemental income and/or alternatives and sustainable income - Reduction of ecological footprint - clean transport
Health	1 Malnutrition	Calorie intake, varied diet, protection of reefs, management of halieutic resources.
	2 Infant and child mortality	Sanitation,
Education	1 Primary school not completed	Reduction in child labour, ICZM strategies
	2 Child(ren) not in school	Development of ICZM capacities

For the health field, poverty indicators are the food situation of individuals and the rate of infant mortality. For education, indicators are the number of years of schooling and the number of school-age children who do not go to school.

iii) **Cost of data**

Data collection is the processing of data at the household level for measuring impacts can incur enormous expenses. A micro-project, like the ReCoMaP-COI call for proposals, cannot afford to allocate a significant budget for surveys. The solution then consists of collecting secondary data and analyses associated with the impacts of the project that may have been established by larger projects or by specialized institutions.

D) **How is data collected and analysed?**

Once the indicators are defined using the above criteria, the data is then collected (based on surveys and/or secondary data). Statistical knowledge must be used that may not be presented here. The description shall be limited to the process. The process is valid for surveys conducted before and after the project.

i) **Secondary data**

Before beginning an impact study, it is advisable to collect all data already available that is associated with the situation being studied. These secondary data will be used to:

- Establish a sampling plan for the surveys that will necessarily be based on basic demographic data: What is the total population? Its structure? Household size? Their geographic distribution? The profession of the heads of household? Etc. This is information that will help in setting the relevant size of the sample as well as protocols for collecting data.

⁹ "Secondary data" means information that has not been collected by the project. Information obtained by project survey is primary data.

- Target the data to be rounded out using surveys: missing data, data that we wish to collect, will serve as a basis for the development of questionnaires.

Table 20 - Example of secondary data

Type of projet	Data source	Data/analysis
Erosion	Municipality - Field service - real estate agency, environmental service, construction sector	Demographic data - Progression of real estate and land prices, erosion volume
Aquaculture	Fishing service - operators	Capture in volume by commercial species - Pricing structure
Resource management	Service Environment	Changes in land allocation and marine space
Ecotourism	Tourist service - operators	Number of tourists - tourist rates
Waste management	Municipality - health centre	Demography - Case of morbidity - Volume of waste - Budget

ii) Surveys

The **first step** in the survey phase consists of identifying the **populations** and in defining the units to be surveyed. Statistically, the population represents all the units that are surveyed.

Table 21 - Examples of a survey unit

Type of projet	Data source	Survey Unit
Erosion	Community victim of erosion	Households - Municipality
Aquaculture	Communities that are beneficiaries of the project	Households - economic operators (collector, exporter)
Resource management	Communities that are beneficiaries of the project	Households
Ecotourism	Communities that are beneficiaries of the project	Households - restaurateurs - transporters
Waste management	Communities that are beneficiaries of the project	Households

The size and the structure of the sample are decreed based on the secondary data of the study population. A random drawing is adopted within each population category to be surveyed. If fairly precise information is available, we can proceed with a stratified sampling.

The **second step** is assembling the **questionnaire**. In general, the questionnaire should enable two primary types of data to be gathered:

- Explanatory variables: this is socioeconomic data for distinguishing the statistical unit being surveyed. It is assumed that the behaviour of the unit is determined by its characteristics. Therefore questions are asked about the size of the household, the number of children, the profession of the parents... This part also covers questions on the position of the person being surveyed relative to the project: is he a beneficiary of it or not... This binary variable will be used to compare the situation of the direct beneficiaries of the project to those who are not beneficiaries of it.

- Variables to be explained: The questions here relate directly to the indicators selected before hand for evaluation of impact. Using the example of fishing grounds, questions will be asked about the volume of captures in different situations (season, weather, machines used, number of fishermen on board, boat fuels used, etc.). Certain variables may also explain other variables but care should be taken with the independence of variables.

The questionnaire should be subjected to a simulation on a small sample in order to validate its relevance and effectiveness.

The third step is the collection of data in the field. A protocol should be adopted that will be imposed upon the survey takers. For example, the itinerary that the survey taker is to follow must be specified, the manner in which he will introduce the survey, what to do in case participation is refused ...

The fourth step is data analysis, which is often done with specialised software. Before beginning the analysis, the data must be "cleaned up", i.e. questionnaires that exhibit discrepancies or flagrant errors. qui présentent des incohérences ou erreurs flagrantes.

E) What should you do if a pre-project survey has not been conducted?

Insofar as no pre-project survey data is available, the approach must be adapted so that the analysis remains pertinent. We can then take a broader sample in which units are included that did not benefit from the project. Using statistical analysis, observed changes are modelled, as well as the differences between the two types of unit.

TECHNICAL DOCUMENT 3

EVALUATION OF ECONOMIC IMPACTS

A) Principles

Evaluating the economic impact of projects on non-profit goods and services like social and environmental projects is a complex undertaking. This is due to what is called “contract deficiency”, i.e. it is difficult to assign economic values to stakes handled by the project and the products generated by it. As an illustrative example, it would seem difficult or even impossible to set a clear price on biodiversity or on human life. Uncertainties and deviations in appreciation of ethical values would make the evaluation very uncertain. Very often we are limited to measuring the performance these types of projects without establishing their impacts on economic development and reducing poverty.

Nevertheless, some methods allow this problem to be circumvented, and provide the components required to assess the value of this type of non-profit goods. Contrary to goods and services that are directly value-enhancing, the stake in this case is, rather, characterizing the dynamics of an ecosystem or a human society (using certain key indicators) and correlating it to the economic dynamic before evaluating the impact on these goods.

B) Method of evaluation

The economic value of an asset or a non-profit service may be evaluated by estimating and combining different types of non-profit values. For information, the tables below give different values of biodiversity and methods for evaluating them.

With regard to the fight against poverty, we can refer to table 7 of technical document n° 2 of this module. The method used to evaluate impact seeks to establish the relationship between activities and their impact on the reduction of poverty. This method, known as the “multiple linear regression” model, cannot be the subject of this technical document.

i) **Different types of values associated with biodiversity**

Table 22 - Composition of biodiversity values

Total economic value		
Total use value		Intrinsic value
Real use value	Potential use value	
Indirect use value	Option value	
	Legacy value	

- Real use value : this is the best known value because it consists of every use that is customarily made of nature: supply of food (roots, leaves, fruits), energy (wood, charcoal), tourist services (beach, forests), or medications (biotechnology, pharmacology). Monetary evaluation of these values is rather easy because the goods and services have a contract, a price.
- Indirect use value: these are services for which there is a daily profit without it always being obvious. The function of forests as water reservoirs, the role of water collection by watersheds, absorption of waste by the soil, protection of reefs against cyclones, the function of man groves as reproduction habitats. Biodiversity provides a role of balance in the biosphere.

- Option value (for itself): this is the price assigned to the preservation of a natural asset with a view to using it in the future. Biodiversity still has a great many virtues that remain unknown. In uncertainty, one refrains from destroying.
- Legacy value (for others): If the option value is a choice for itself, the legacy value is founded on the desire to save the asset for other generations or simply for other persons (concept of world heritage).
- Intrinsic (or existence) value: this falls under ethics. A value is assigned to a natural asset quite simply because no one wants it to disappear even if it is not of any use.

ii) **Methods of evaluation of different values**

Table 23 - Methods of evaluation

Monetary evaluation of damage/advantages				
Substitution contracts			Hypothetical contracts	Indirect method
Protection costs	Hedonic prices	Transport costs	Contingent evaluation	Monetization of physical damages

SUBSTITUTION CONTRACTS

The environment does not always have a spontaneous price, a clear price that the consumer is prepared to pay. In this case, substitution contracts are used to evaluate their value. Here are some examples:

- Protection costs are all the expenses that the community or individual is prepared to pay to protect a natural asset, or to protect himself against pollution. Case 3 gives the costs incurred by the state to protect protected areas. Outlays for individual protection equipment in polluted cities give an idea of the value that citizens give to the air and its quality.
- Hedonic prices: an asset, or the loss of a natural asset, is evaluated based on the environmental characteristics associated with an asset negotiated on a clear contract. A terrain or a dwelling on a site that is protected against erosion, or far from noise, is sold at higher prices. The land and real estate contract is a contract of substitution because it gives indications of the cost of pollution by noise or erosion.
- Costs of transport or travel: this method is used in case 3. A portion of the value of the protected areas is estimated using travel costs (transport, lodging, etc...) that tourists are ready to pay to visit them.

HYPOTHETICAL CONTRACT

- Contingent (hypothetical) evaluation is obtained through a survey by asking the interviewee to disclose a price on a non-profit asset that does not really exist, a hypothesis. How much are you prepared to pay for the beach to be kept clean? This way we get the price of the cleanliness of the beach environment.

INDIRECT METHODS

- Monetization of physical damages: This method is applied, for example, in the evaluation of post-catastrophe damages and losses. The number of houses destroyed, roads cut off, and infrastructures damaged is evaluated and a price assigned to them. The losses are constituted of losses of income due to damage and reductions of activities until everything is functioning normally again. We can then imagine to what extent such and such developments or infrastructures would limit the costs associated with this type of catastrophe.

C) Case studies

i) Case n° 1: Impacts of sanitation

The lack of toilets is one of the indicators of poverty in the field of standard of living.

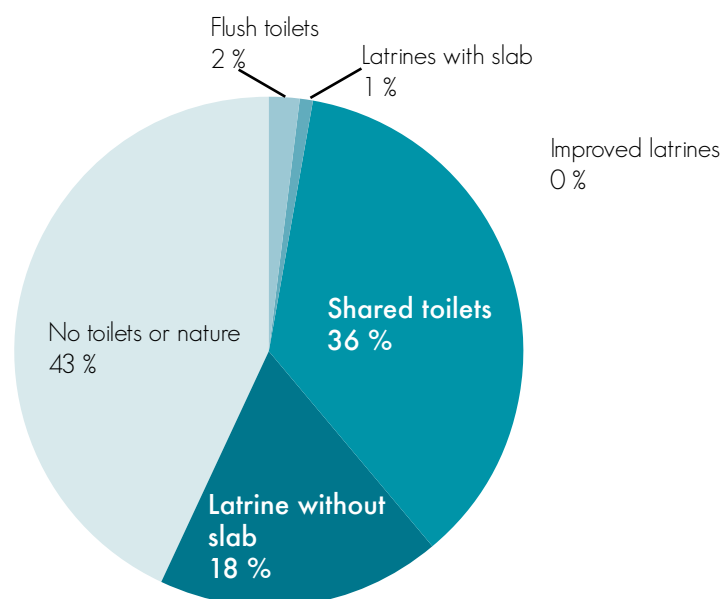
As part of two micro-projects, respectively Île aux Nattes Saint Marie and at Ramena Diego Suarez in Madagascar, about fifty dry latrines have been installed. Moreover, sanitary installations of the Basic Health Centre and the Public Primary School have been renovated. Toilet “deprivation” is the specific objective of these projects, which must contribute to the overall objectives of reducing poverty and reducing infant mortality.

Two types of impacts may be taken from these projects. Impact on public health and economic impacts for trained artisans.

1. Impact on public health

No surveys were conducted. The results presented are calculations based on secondary data (sources INSTAT and UNICEF).

Figure 3 - Breakdown of households by type of sanitary installation
(Source: EDSMD IV - INSTAT)



The infant and child mortality rate (children less than 5 years of age) is 72/1000 and 17% of mortalities can be explained by failings in the sanitary infrastructure. By extrapolation, almost 5000 lives per year are saved if the entire population of Madagascar is deprived of adapted sanitary infrastructures. Here the intrinsic value of a project associated with human lives saved through the improvement of hygiene conditions is well understood.

2. *Supplemental income*

Improvement in sanitary infrastructures depends both on the awareness of the population, which is expressed through a demand, and the bid for construction service for these infrastructures. Skills have been developed to allow the communities to construct the toilets themselves. Artisans trained in this way currently respond to a demand, sometimes supported by social projects, by offering services. The fee is 30 USD per toilet. This impact, which had not been identified at the time the projects were being designed, translates over the long term into an improvement in sources of income for some local players.

ii) *Case n°2: Impacts of technical change on productivity*

The method consists of demonstrating the financial impacts of changing wooden stakes in the “Off Bottom” technique for seaweed farming, for hot-galvanized metal pipes. The study was conducted through farmers in Nosy Ankaon in northeast Madagascar. It was based on direct observations in the field. A number of different development hypotheses were selected (life span of wooden stakes from 6 months to a year - number of metal stakes from 18 to 36 per field of 10 units) in order to account for a possible variability in operating conditions. Cases of different lengths of stakes are not considered here.

To facilitate comprehension of the study, we can compare the improvements made to the construction of irrigation canals of concrete pipe instead of being satisfied with tracing canals in the ground. Concrete canal fields benefit from an income (whereas earthen channels must be constantly maintained and re-dug).

Results have shown that:

- The farmer who works in fields equipped with metal piping enjoys an income that could reach as high as 14.54 USD per ton of algae collected. This income can be explained by a lower cost of development infrastructures and their maintenance in the fields. The only case in which he would be penalized as compared to a farmer who uses hard wood with a life span of at least one year, whereas he uses 36 metal stakes instead of 18.
- The productivity of the work of installing the stakes in the fields equipped with pipes is ten times higher than that for the fields with wooden stakes. This time savings can be used for other activities.
- In all, the farmer who works in fields with metal stakes may earn between 1.43 to 24.03 USD per ton of products collected more than farmers in fields with wooden stakes.

Other impacts could have been taken into account:

- Owing to the time and methods required by the impact studied, other advantages have not been calculated, such as the reduction in harvest time, which can be explained by better management of the fields facilitating dugout canoe traffic. We could also presume that the life expectancy and stability of the metal stake installations could lead to a decrease in conflicts associated with the development of the sites, and thus the costs and time devoted to resolving them.
- Moreover, here we are not accounting for financial costs associated with the initial investment, which is higher for metal pipes. The availability of the farmer's treasury constitutes a limiting factor to acquiring the stakes even if the advantages of them appear clear to him.

Ecologically, the advantages at the local level are undeniable. The volume of wood cut per year is from $\frac{1}{2}$ to 1 cubic meters year. If the farmers attack the mangroves or hard-wood species, the impacts on biodiversity are enormous. Internationally, it would be advisable for example to evaluate carbon emissions per metal stake to complete the comparison.

Accounting for these different reserves, it is clear that the question deserves more in-depth study. Observations on a larger number of farmers and over a longer period of time are necessary in order to obtain more substantial conclusions. However these advantages and drawbacks being considered but not calculated deserve to be mentioned as additional information.

Table 24 - Hypotheses in methods of operation

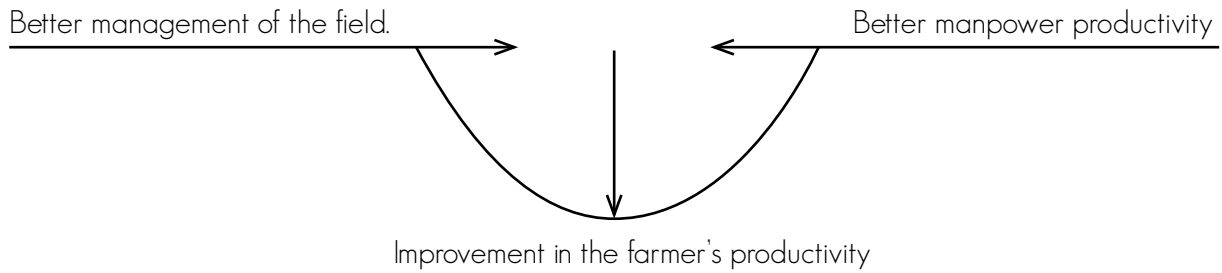
Nature of costs	Wooden stake		Hot-galvanized metal stakes	
Firm cost rendered of one stake (in Ariary)	322		6 147	
Operating model (life span)	A (1 year)	B (6 months)	C (4 years)	D (4 years)
Number of stakes per 10 units (1000m of roping)	200/ year	400/ year	18/4 years	36/4 years

We have assembled the product costs per work unit to compare the contribution of this cost component to the other factors that enter into the composition of the product differential.

Table 25 - Factory price for stakes per ton of alga (in Ariary)

Operating model	A	B	C	D
Cost of materials	20 635	41 270	12 191	24 382
Cost of manpower	10 000	20 000	1 000	2 000
Total factory price	30 635	61 270	13 191	26 382

Figure 4 - Modelling of productivity improvement

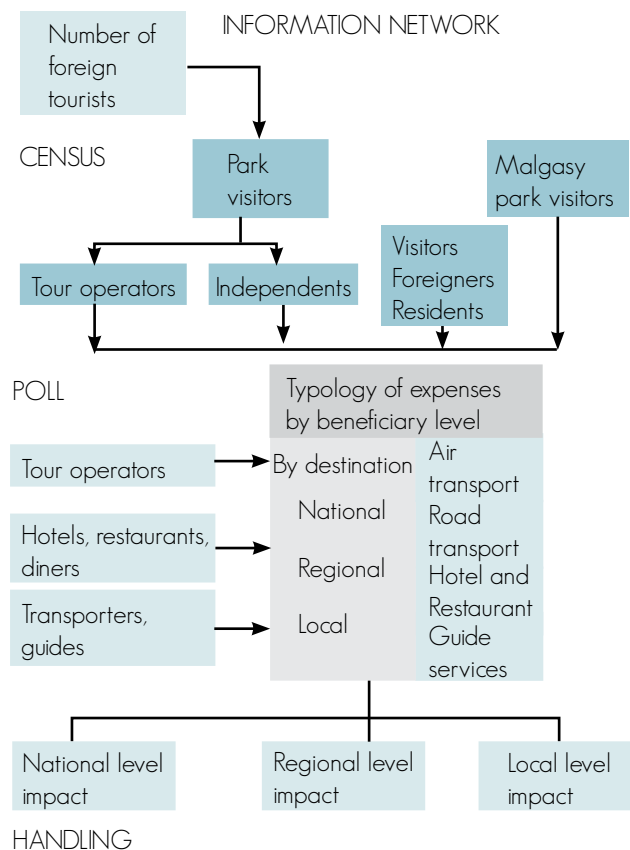


It is advisable to point out that experiments in productivity improvement are under way. Moreover, models based on the cost of materials and manpower, as well as environmental parameters, are likewise introduced progressively into the models. Surface temperature recording probes are being installed.

iii) Case n°3: Impacts of ecotourism

This study applies the method of transports or trips. It involves determining the added value generated by the various players all along the tourism line around the protected areas: travel agencies, airline companies, transporters, hoteliers, restaurateurs, tour guides. On the one hand, a survey using a sample of tour operators allowed the economic accounts of these players to be established. On the other hand, analysing the statistics for visits to protected areas enabled typologies for tourists and the structure of their spending to be established. Impacts have been calculated per agent, per geographic zone and at the macro-economic level.

Figure 5 - Methodology for calculation of economic impacts



¹⁰Evaluation of the economic impact of protected areas in Madagascar - Rakotomanjaka J. - Alliance WWF/Banque Mondiale - 2004

Table 26 - Breakdown of economic impact by source

	In %	Total in billion MGF
Direct added value	40 %	15.0
Indirect added value	47 %	17.6
Secondary added value	13 %	4.9
Total de valeur ajoutée	100 %	37.5

Summary of Added Value of ecotourism by type

The same study evaluated the expenses incurred in the institution in charge of managing protected areas (ANGAP). All these costs constitute protection costs. These costs can also be selected as comprising the total value of biodiversity.

Table 27 - Added value generated by conservation

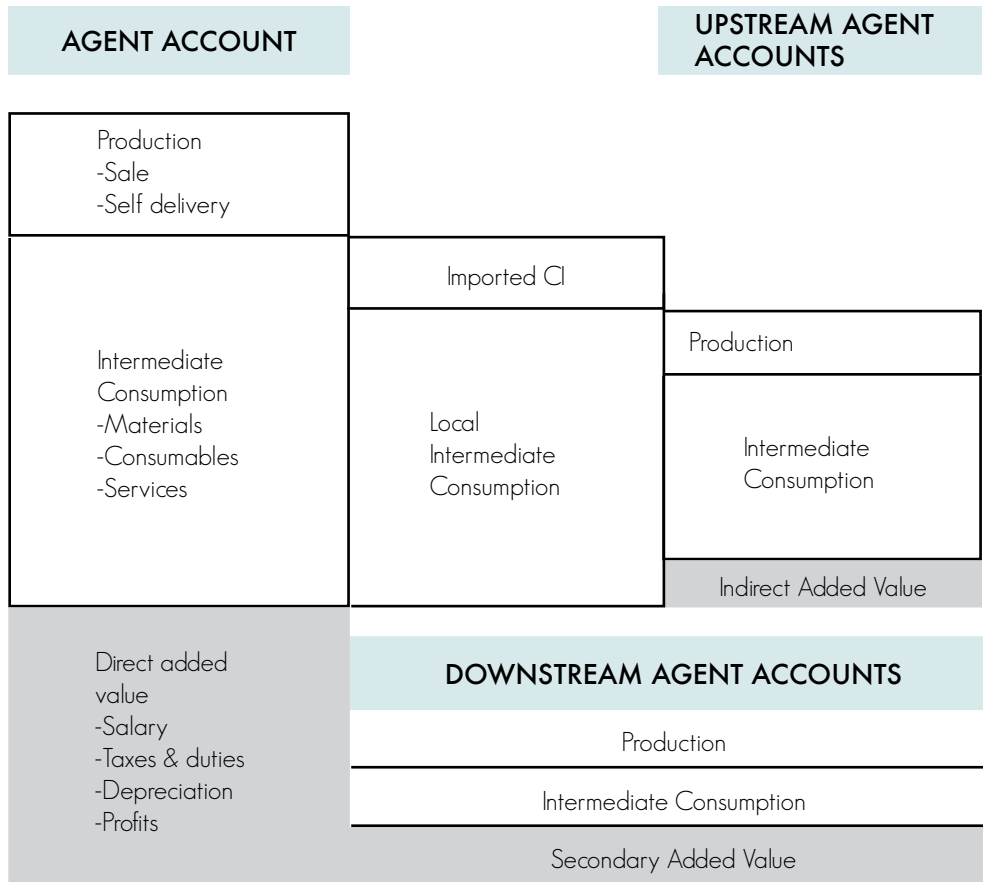
	Value added in billion MGF
Staff expenses	9.94
Taxes and duties	0.06
Other AV	1.2
Total	11.2

Added value, under the “production” option, consists of the difference between production (sale) of an economic agent and its intermediate consumption (raw materials, consumables, outside services).

It is called “direct” added value when it is generated by the economic agent of the line subject of the study. Indirect added value is value that is generated by its suppliers of materials and services that are located upstream from it.

Added value is called “secondary” added value when it is generated by the economic agents that are the beneficiaries of the value added by the agent under consideration. His staffs, who receive a salary, will incur expenses by consuming goods and services. The suppliers of these goods produce the added value.

Figure 6 - Breakdown of various types of added value



ANNEXES

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1. General principles

If the implementation of an Action requires procurement by the Beneficiary, the contract must be awarded to the most economically advantageous tender (i.e., the tender offering the best price-quality ratio), in accordance with the principles of transparency and fair competition for potential contractors and taking care to avoid any conflicts of interest.

To this end, the Beneficiary must comply with the rules set out in sections 2 to 7 below, subject to section 8.

In the event of failure to comply with the rules referred to above, expenditure on the operations in question is not eligible for Community financing.

The Commission will carry out ex post checks on Beneficiaries' compliance with the rules. The provisions of this Annex apply mutatis mutandis to contracts to be concluded by the Beneficiary's partners.

2. Eligibility for contracts

2.1. THE NATIONALITY RULE

Participation in tender procedures administered by the Beneficiary is open on equal terms to all natural and legal persons of the Member States and the States and territories of regions expressly covered and/or allowed by the Financial Regulation, the basic legislation or other instruments governing the aid programme under which the grant is being financed. Tenderers must state, in the tender, the country of which they are nationals by presenting the usual proof of nationality under their national legislation. This rule does not apply to the experts proposed by service providers taking part in tender procedures or service contracts financed by the grant.

2.2. THE RULE OF ORIGIN

If the basic act or the other instruments applicable to the programme under which the grant is financed contain rules of origin for supplies acquired by the Beneficiary in the context of the grant, the tenderer must state the origin of supplies. For the purpose of this annex, the term "origin" is defined in articles 23 and 24 of Council Regulation (EEC) No 2913/92 of 12 October 1992 establishing the Community Customs Code and other Community legislation governing non-preferential origin. Contractors must present proof of origin to the Beneficiary no later than when the first invoice is presented, for equipments and vehicles of a unit cost on purchase of more than € 5 000. The certificate of origin must be made out by the competent authorities of the country of origin of the supplies and must comply with the rules laid down by the relevant Community legislation.

Where the basic act or other instruments applicable to the programme under which the grant is financed do not contain rules of origin for supplies acquired by the Beneficiary in the context of the grant, the origin of those supplies is free and no certificate of origin is required.

2.3. EXCEPTIONS TO THE RULES ON NATIONALITY AND ORIGIN

Where an agreement on widening the market for procurement of goods or services applies, the procurement contracts must also be open to nationals of other countries under the conditions laid down in that agreement.

In addition, in duly substantiated exceptional cases, the Commission may allow nationals of countries other than those referred to in section 2.1 to tender for contracts (or supplies of goods originating in such countries) on the basis of the specific conditions laid down in the basic act or other instrument governing the programme under which the grant is financed.

2.4. GROUNDS FOR EXCLUSION FROM PARTICIPATION IN PROCUREMENT

Candidates or tenderers will be excluded from participation in a procurement procedure if:

- (1) they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- (2) they have been convicted of an offence concerning their professional conduct by a judgment which has the force of *res judicata*;
- (3) they have been guilty of grave professional misconduct proven by any means which the Beneficiary can justify;
- (4) they have not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the Beneficiary or those of the country where the contract is to be performed;
- (5) they have been the subject of a judgment which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests;
- (6) they are currently subject to an administrative penalty referred to in section 2.3.5 of the Practical Guide to contract procedures for EC external actions.

Candidates or tenderers must certify that they are not in one of the situations listed above.

2.5. EXCLUSION FROM AWARD OF CONTRACTS

Contracts may not be awarded to candidates or tenderers which, during the procurement procedure:

- (a) are subject to a conflict of interests;
- (b) are guilty of misrepresentation in supplying the information required by the Beneficiary as a condition of participation in the contract procedure or fail to supply this information.

3. Rules common to all tender procedures

The tender documents must be drafted in accordance with best international practice. If they do not have their own documents, Beneficiaries may use the models published on the European Commission's web site relating to external actions. The European Commission will not publish the tender documents established by the Beneficiary.

The time-limits for receipt of tenders and requests to participate must be long enough to allow interested parties a reasonable and appropriate period to prepare and submit their tenders. All requests to participate and tenders declared as satisfying the requirements must be evaluated and ranked by an evaluation committee on the basis of the exclusion, selection and award criteria announced in advance. This committee must have an odd number of members, at least three, with all the technical and administrative capacities necessary to give an informed opinion on the tenders.

4. Rules applicable to service contracts

4.1. CONTRACTS OF €200 000 OR MORE

Service contracts worth EUR 200 000 or more must be awarded by means of an international restricted tender procedure following publication of a procurement notice.

The procurement notice is to be published in all appropriate media, in particular on the Beneficiary's web site, in the international press and the national press of the country in which the Action is being carried out, or in other specialist periodicals. It must state the number of candidates which will be invited to submit tenders within a range of four to eight candidates, and must be sufficient to ensure genuine competition. All would-be service providers fulfilling the conditions referred to in section 2 may ask to participate but only candidates satisfying the published selection criteria and invited in writing by the Beneficiary may submit a tender.

4.2. CONTRACTS UNDER €200 000

Service contracts worth less than € 200 000 must be awarded by means of a negotiated procedure without publication, in which the Beneficiary consults at least three service providers of its choice and negotiates the terms of the contract with one or more of them.

For services of a value of € 5 000 (EDF)/€10 000 (Budget) or less, the Beneficiary may place orders on the basis of a single tender.

5. Rules applicable to supply contracts

5.1. CONTRACTS OF €150 000 OR MORE

Supply contracts worth € 150 000 or more must be awarded by means of an international open tender procedure following publication of a procurement notice.

The procurement notice is to be published in all appropriate media, in particular on the Beneficiary's web site, in the international press and the national press of the country in which the Action is being carried out, or in other specialist periodicals. Any would-be supplier which fulfils the conditions referred to in section 2 may submit a tender.

5.2. CONTRACTS BETWEEN €30 000 (EDF)/€60 000 (BUDGET) AND €150 000

Such contracts are awarded by means of an open tender procedure published locally: the procurement notice is published in all appropriate media but only in the country in which the Action is being carried out.

A local open tender procedure must provide other eligible suppliers with the same opportunities as local firms.

5.3. CONTRACTS UNDER €30 000 (EDF)/€60 000 (BUDGET)

Supply contracts worth less than €30 000 (EDF)/€60 000 (Budget) must be awarded by means of a negotiated procedure without publication, in which the Beneficiary consults at least three suppliers of its choice and negotiates the terms of the contract with one or more of them.

For supplies of a value of € 5 000 (EDF)/€10 000 (Budget) or less, the Beneficiary may place orders on the basis of a single tender.

6. Rules applicable to works contracts

6.1. CONTRACTS OF €5 000 000 OR MORE

Works contracts worth €5 000 000 or more must be awarded by means of an international open tender procedure following publication of a procurement notice.

The procurement notice is to be published in all appropriate media, in particular on the Beneficiary's web site, in the international press and the national press of the country in which the Action is being carried out, or in other specialist periodicals. Any contractor which fulfils the conditions referred to in section 2 may submit a tender.

6.2. CONTRACTS OF BETWEEN €300 000 AND €5 000 000

Such contracts are awarded by means of an open tender procedure published locally: the procurement notice is published in all appropriate media but only in the country in which the Action is being carried out.

A local open tender procedure must provide other eligible contractors with the same opportunities as local firms.

6.3. CONTRACTS UNDER €300 000

Works contracts worth less than € 300 000 must be awarded by means of a negotiated procedure without publication, in which the Beneficiary consults at least three contractors of its choice and negotiates the terms of the contract with one or more of them.

For works of a value of €5 000 (EDF)/€10 000 (Budget) or less, the Beneficiary may place orders on the basis of a single tender.

7. Use of the negotiated procedure

The Beneficiary may use the negotiated procedure on the basis of a single tender in the following cases:

- (a) where, for reasons of extreme urgency brought about by events which the Beneficiary could not have foreseen and which can in no way be attributed to him, the time-limit for the procedures referred to in sections 3 to 6 cannot be kept. The circumstances invoked to justify extreme urgency must in no way be attributable to the Beneficiary.

Actions carried out in crisis situations identified by the Commission are considered to satisfy the test of extreme urgency. The Commission will inform the Beneficiary if a crisis situation exists and when it comes to an end.

- (b) where the services are entrusted to public-sector bodies or to non-profit institutions or associations and relate to activities of an institutional nature or designed to provide assistance to peoples in the social field;
- (c) where contracts extend activities already under way which are not included in the main contract but which, because of unforeseen circumstances, have become necessary to perform the contract, or which consist of the repetition of similar services entrusted to the contractor providing services under the initial contract;
- (d) for additional deliveries by the original supplier intended either as a partial replacement of normal supplies or installations or as the extension of existing supplies or installations, where a change of supplier would oblige the Beneficiary to acquire equipment having different technical characteristics which would result in either incompatibility or disproportionate technical difficulties in operation and maintenance;
- (e) for additional works not included in the initial contract concluded which have, through unforeseen circumstances, become necessary for carrying out the works;
- (f) where the tender procedure has been unsuccessful, that is where no qualitatively and/or financially worthwhile tender has been received. In such cases, after cancelling the tender procedure, the Beneficiary may negotiate with one or more tenderers of its choice, from among those that took part in the tender procedure, provided that the initial terms of the tender procedure are not substantially altered;
- (g) where the contract concerned follows a contest and must, under the rules applying, be awarded to the winner of the contest or to one of the winners of the contest, in which case, all winners shall be invited to participate in the negotiations;
- (h) where, for technical reasons, or for reasons connected with the protection of exclusive rights, the contract can be awarded only to a particular service provider;
- (i) where warranted by the nature or particular characteristics of the supplies, for example, where performance of the contract is exclusively reserved for the holders of patents or licences to use patents;
- (j) where the orders are placed with a humanitarian central buying office, recognised as such by the relevant service of the European Commission;
- (k) for the issue of the expenditure verification report and the financial guarantee where they are required under the Contract;
- (l) for contracts declared to be secret, or for contracts whose performance must be accompanied by special security measures or when the protection of the essential interests of the European Union or the beneficiary country so requires;

- (m) for contracts in respect of supplies quoted and purchased on a commodity market;
- (n) for contracts in respect of purchases on particularly advantageous terms, either from a supplier which is definitively winding up its business activities, or from the receivers or liquidators of a bankruptcy, an arrangement with creditors, or a similar procedure under national law.

8. Special cases

8.1. CO-FINANCING

Where:

- the Action is co-financed by several donors and
- one of the other donors, whose contribution to the total cost of the Action is greater than that of the Commission, imposes procurement rules on the Beneficiary that differ from those set out in sections 3 to 7,

the Beneficiary may apply the rules imposed by the other donor. In all cases, the general principles and rules on nationality and origin set out in sections 1 and 2 still apply.

8.2. PUBLIC ADMINISTRATIONS OF THE MEMBER STATES

Where the Beneficiary or a partner is a contracting authority and/or a contracting entity within the meaning of the Community Directives applicable to procurement procedures, it must apply the relevant provisions of those texts, in preference to the rules set out in 3 to 7. In all cases, the general principles and rules on nationality and origin set out in 2 still apply.

8.3. INTERNATIONAL ORGANISATIONS

Where a partner is an international organisation, it applies its own procurement rules if they offer guarantees equivalent to internationally accepted standards. If they do not or in specific cases, the Commission and the Beneficiary agree on the use of other procurement procedures which offer such guarantees. In all cases the general principles and rules on nationality and origin set out in point 2 still apply.

8.4. CENTRAL BUYING OFFICES

Where the Beneficiary uses a central buying office as service provider, he selects it in conformity with the procedures set out above for service contracts.

A central buying office for the purpose of point 7 (i) is a non-profit making, autonomous and professional structure, specialised in the technical and commercial management of supplies.

This central buying office applies the rules imposed on the Beneficiary. Where it is a humanitarian central buying office recognised as such by the relevant service of the European Commission (see http://ec.europa.eu/echo/partners/procurement_en.htm), it applies the rules agreed upon at the time of its approval, subject to the rules on nationality and origin set out in point 2 above.

TENDER OPENING REPORT

Publication ref.: Mu/001

Contents: Timetable
Observers
Minutes
Conclusion
Signatures

Annexes: Summary of tenders received
List of tenderers' representatives
Declarations of Impartiality and Confidentiality

9. TIMETABLE

	Date	Time	Venue
Publication of procurement notice			
Deadline for submission of tenders			
Tender opening session			

10. OBSERVERS

Name	Representing
Gilbert Andrianantoanina	Indian Ocean Commission

11. MINUTES

The tender opening session was based on the register of tenders received, which was prepared using the information on the envelopes. Each tender envelope had been given a sequential number by the Contracting Authority upon receipt.

The Chairperson and Secretary completed the attached Summary of tenders received during the tender opening session. Only tenders contained in envelopes received by the deadline for submission of tenders were opened.

All members of the Evaluation Committee (and observers) signed Declarations of Impartiality and Confidentiality, which are attached to this report. The tender envelope number was marked on all copies of the tenders. The Chairperson and the Secretary initialled the front page of each original document and all the pages of the original financial offer.

For personal reasons due to unexpected family problems the Evaluator Mr. Jim Anderson is absent.

4. CONCLUSION

The following tenders were considered to be suitable for further evaluation:

Tender envelope number	Tenderer's name	Financial offer (€)	Discount conditions (as stated in item 4 of the tender submission form)

5. SIGNATURES

	Name	Signature
Chairperson	Lamberto Orilia	
Secretary	Yogesh Geerjanan	
Evaluators	James Anderson	Absent
	Yves Reynaud	
	Christine Houareau	

Contract title : Supply of Equipment University of Mauritius					Publication ref. : MU/001			
Tender envelope number	1	2	3	4	5	6	7	8
(Lead) ³ tenderer name								
When received ⁴								
Received by (Initials)								
Number of packages								
Within deadline? (Yes/No)								
Tender package(s) duly sealed?								
Tender submission form included?(Yes/No)								
Other consortium members ⁵								
Declaration(s) included? (Yes/No)								
Tender guarantee included?								
Overall decision (Accept / Reject)								

Chairperson's name :

Chairperson's signature :

Date :

³For tenders submitted by a consortium

⁴Time to be recorded only for tenders received on the last date for submissions

⁵Name(s) of person(s) receiving tenders:

ADMINISTRATIVE COMPLIANCE GRID

[To be tailored to the specific project]

Contract title :	Publication reference :							
Tender envelope number	1	2	3	4	5	6	7	8
Name of Tenderer								
Is tenderer (consortium) nationality eligible? (Y/N)								
Is documentation complete? (Y/N)								
Is language as required? (Y/N)								
Formulaire de remise de l'offre dûment complété? (Oui/Non)								
Is tender submission form complete? (Y/N)								
Autres prescriptions administratives du dossier d'appel d'offres? (Oui/Non/ Sans objet)								
Is tenderer's declaration signed (by all consortium members if a consortium)? (Yes/ No/ Not Applicable)								
Other administrative requirements of the tender dossier? (Yes/No/Not applicable)								
Overall decision? (Accept / Reject)								

Chairperson's name :

Chairperson's signature :

Date :

⁶If the tender has been submitted by a consortium, the nationalities of all the consortium members must be eligible

EVALUATION GRID

[To be tailored to the specific project. Must be completed by the Evaluation Committee, Annex II+III Technical Specification/Technical Offer should be annexed to this grid in the case its columns "Evaluation Committee's notes" have been completed.]

Contract title :		Publication reference :						
Tender envelope N°	1	2	3	4	5	6	7	8
Name of Tenderer								
Rules of origin respected? (Y/N)								
Economic & financial capacity? (OK/a/b/...)								
Professional capacity? (OK/a/b/...)								
Technical capacity? (OK/a/b/...)								
Compliance with technical specifications? (OK/a/b/...)								
Ancillary services as required? (OK/a/b/.../NA)								
Subcontracting statement in accordance with art 6 of the General Conditions? (Y/N)								
Other technical requirements in tender dossier? (Yes/No/Not applicable)								
Technically compliant? (Y/N)								
Notes:								

Evaluator's name & signature :

Evaluator's name & signature :

Evaluator's name & signature :

Date :

⁷The selection criteria, in the previous section of this form, have to be met before the technical requirements are assessed.

EVALUATION REPORT

Publication ref. : _____

Contents:	Timetable
	Observers
	Evaluation
	- Preparatory session
	- Tender opening session
	- Administrative compliance
	- Technical compliance
	- Financial evaluation
	Conclusion
	Signatures
Annexes:	Tender opening report and its annexes
	Administrative compliance grid
	Technical evaluation grids completed by the individual evaluators, [incl Annex III Technical Offer]
	Attendance records
	[Clarification correspondence with tenderers]

1. TIMETABLE

	Date	Time	Venue
Preparatory session			
Deadline for the submission of tenders			
Tender opening session			
< Meeting 1 >			
< Meeting 2 >			
Etc.			

2. OBSERVERS

Name	Representing

3. EVALUATION

Preparatory session

The Chairperson informed the Evaluation Committee of the scope of the proposed contract, identified the organisations responsible for preparing the tender dossier, and summarised the essential features of the tender procedure to date, including the evaluation grid published as part of the tender dossier.

Tender opening session

The Tender opening report is attached to this report. The Evaluation Committee only considered those tenders, which were found to be suitable for further evaluation following the tender opening session.

Administrative compliance

The Evaluation Committee used the administrative compliance grid included in the tender dossier to assess the compliance of each of the tenders with the administrative requirements of the tender dossier.

If clarifications were requested for the submissions from any tenderers:

With the agreement of the other Evaluation Committee members, the Chairperson wrote to the following tenderers whose tenders required clarification, offering them the possibility to respond by <within a reasonable time limit fixed by the evaluation committee> (all correspondence is attached in the Annex indicated):

Tender envelope No	Tenderer name	Lot number*	Summary of exchange of correspondence

The completed Administrative compliance grid is attached. On the basis of this, the Evaluation Committee decided that the following tenders were administratively non-compliant and should not be considered further:

Tender envelope No	Tenderer name	Lot number*	Reason

Technical compliance

Each evaluator on the Evaluation Committee used the Technical evaluation grid included in the tender dossier to assess the compliance of each of the tenders with the technical requirements of the tender dossier. The completed Technical evaluation grids are attached.

If clarifications were requested from any tenderers:

With the agreement of the other Evaluation Committee members, the Chairperson wrote to the following tenderers whose tenders required clarification, offering them the possibility to respond by <within a reasonable time limit fixed by the evaluation committee> (all correspondence is attached in the Annex indicated):

Tender envelope No	Tenderer name	Lot number*	Summary of exchange of correspondence

After discussing the individual conclusions of the Evaluators, the Evaluation Committee concluded that the following tenders were technically non-compliant and should not be considered further:

Tender envelope No	Tenderer name	Lot number*	Reason

Financial evaluation

The Evaluation Committee checked the technically compliant tenders for arithmetic errors.

[If any arithmetic errors were found:

As stated in the instructions to tenderers, arithmetic errors were corrected on the following basis:

- Where there was a discrepancy between amounts in figures and in words, the amount in words prevailed
- Except for lump-sum contracts, where there was a discrepancy between a unit price and the total amount derived from the multiplication of the unit price and the quantity, the unit price as quoted prevailed, except where the Evaluation Committee agreed that there was an obvious error in the unit price, in which case the total amount as quoted prevailed
- Where unconditional discounts applied to financial offers for individual lots, the discount was applied to the financial offer

The following arithmetic corrections were made:

Tender envelope No	Tenderer name	Lot number*	Stated financial offer (euro/national currency)	Arithmetically corrected financial offer (euro/national currency)

The arithmetically corrected financial offers were compared [for each lot] to identify the technically compliant tender with the lowest price [for that lot].

If a tender appears to have an abnormally low price in relation to the market for the supplies in question:

The tender submitted by <Tenderer name> appeared to have an abnormally low price in relation to the market for the supplies in question. Consequently, the Chairperson of the Evaluation Committee wrote to <Tenderer name> to obtain a detailed explanation for the low price proposed.

On the basis of the response of the tenderer, the Evaluation Committee decided to

EITHER accept the tender because [the tenderer used an economic production method / of the nature of the technical solution used/the financial offer reflected exceptionally favourable conditions available to the tenderer.

OR reject the tender as the abnormally low price could not be justified on objective grounds.

[For each lot] The ranking of the tenders which were not excluded during the evaluation was as follows, in order of the arithmetically corrected financial offers:

Tender envelope No	Tenderer name	Lot number*	Financial offer [after arithmetical correction] (euro/national currency)	Ranking

If any of the tenderers submitting the least expensive financial offer for any of the lots has submitted a variant solution and provided that variants were allowed in the tender dossier:

Technical and financial evaluations were carried out of any variant solution submitted by tenderers, which had submitted the technically compliant tenders with the least expensive financial offers for each lot. The arithmetically corrected financial offers of the technically compliant variant solutions were as follows:

Tender envelope No	Tenderer name	Lot number*	Stated variant financial offer (euro/national currency)	Arithmetically corrected variant financial offer (euro/national currency)	Arithmetically corrected original financial offer (euro/national currency)

If discounts are offered: Application of discounts:

[Lot number*]	Tender envelope No	Tenderer name	Financial offer [after arithmetical correction] (euro/national currency)	Discount applicable (euro/national currency)

* Delete column if there are no lots.

4. CONCLUSION

The evaluation committee has ensured that there is no detection of the recommended tenderer or members in their consortium in the early warning system (W5). (In decentralised management this has to be verified with the representative of the European Commission)

EDF only: If preferential rules are to be applied:

[Preferences: for supply contracts, irrespective of the value of the supplies, tenderers of the ACP states who offer supplies of at least 50% in contract value of ACP origin shall be accorded a 15% price preference where tenders of equivalent economic, technical and administrative quality are compared. Moreover, where two tenders are acknowledged to be equivalent, preference shall be given:

- (a) to the tenderer of an ACP State; or
- (b) if no such tender is forthcoming, to the tenderer who:
 - allows for the best possible use of the physical and human resources of the ACP States,
 - offers the greatest subcontracting possibilities to ACP companies, firms or natural persons, or
 - is a consortium of natural persons, companies and firms from ACP States and the European Union.

The application of these rules concluded the following results:

[Lot number*]	Tender envelope No	Tenderer name	Financial offer [after arithmetical correction] (euro/national currency)	Financial offer after applying preferential rules (euro/national currency)

Consequently, the Evaluation Committee recommends that the contract(s) is/are awarded as follows:

[Lot number*]	Tender envelope No	Tenderer name	Financial offer [after arithmetical correction] (euro/national currency)	[Spare parts and/or consumables] (euro/national currency)	Contract value (euro/national currency)

* Delete column if there are no lots.

5. SIGNATURES

	Name	Signature
Chairperson		
Secretary		
Evaluators		

Approved by the Contracting Authority:

Name & signature :

Date :

[Approved by the European Commission (only in the case of ex-ante control by the European Commission)]

Name:

Title:

Signature :


Date :

¹ Lorsque le Pouvoir adjudicateur n'est pas la Communauté européenne et que l'endossement est prévu par le Guide pratique. Supprimer si non applicable.

NEWSPAPER NOTICE

Mission 10/12/10

39
vendredi 10 décembre 2010
local



Supply of printed booklets
Ref. ReCoMaP/PE4/2010/001/S



ReCoMaP Programme intends to award a supply contract for printed booklets with financial assistance from the 9th European Development Fund. The tender dossier is available from the Regional Coordination Unit of ReCoMaP in Quatre Bornes – Mauritius – 112, Farquhar Street and on the Programme website at: <http://www.recomap-io.org/>


It will also be published on the EuropeAid and COI-IOC website:
<https://webgate.ec.europa.eu/europeaid/onlineservices/index.cfm?do=publi.welcome>
<http://www.coi-ioc.org/>

The deadline for submission of tenders is 13 January 2011, 14:00 hrs (Mauritius time).

Possible additional information or clarifications/questions shall be published on the above mentioned websites.

ReCoMaP Regional Coordinating Unit
112, Farquhar Avenue (corner of Sir Guy Forget), Quatre Bornes, Mauritius.
Phone: +230 427 2583; Fax: +230 427 2806; Email: recomap@coi-ioc.org





Le Matinal
VENDREDI 10 DECEMBRE 2010

Supply of printed booklets
Ref. ReCoMaP/PE4/2010/001/S



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It will also be published on the EuropeAid and COI-IOC website:
<https://webgate.ec.europa.eu/europeaid/onlineservices/index.cfm?do=publi.welcome>
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Phone: +230 427 2583; fax: +230 427 2806; Email: recomap@coi-ioc.org



Le Matinal 10/12/10

PRACTICAL GUIDE TO CONTRACT PROCEDURES FOR EC EXTERNAL ACTIONS

Please check the following website:

http://ec.europa.eu/europeaid/work/procedures/implementation/practical_guide/index_en.htm

