PHASE 3: PROJECTS

PROJECTS

OUTPUTS

- Indicators for each objective
- Outputs for each project with targets and locations
- Major activities with time frame and responsible agencies
- Cost estimates and budgets with sources of finance

PROCESS

Localised Strategic Guidelines	Revised Objectives/ Vision	Development Strategies	Identified Projects

Formation of Project Formulation Task Teams 3/1	Preliminary Budget Allocations per Project 3/2	Operational Expenditure Budget/ non-prioritised routine operations

Designing Project Proposals 3/3
(by Project Task Teams for technical decisions)

Public/Target group participation 3/4	Involvement of project partners 3/5

Project Outputs	Targets	Locations 3/6
Major Activities	Timing	Responsibility 3/7
Cost/Budget Estimates		Source of finance 3/8

Draft Project Proposals

INTRODUCTION

Drafting implementable project proposals….

Phase 3 is the **"nuts and bolts"** phase, during which the municipality has to make sure that concrete and sufficiently specified **project proposals** are designed, which can be used for implementation. It is the phase of technical and financial experts, the phase where municipal officers have to become involved in some desk work, but it is also the phase where affected groups of residents need to be involved again, to adjust project designs to their needs and to local conditions.

What **kind of information** does the management require from a good project proposal to check whether it is in line with principles, objectives and strategies; to ensure a smooth implementation of the project; and to communicate to the public what to expect during the following term of office of the municipal council?

… by becoming specific and consistent

- One needs to know how much can be achieved, to which degree the objectives can be fulfilled. The **objectives** have to be **specified by indicators** informing us about aspects like the envisaged number and type of beneficiaries, the precise nature of expected benefits, including time frame and geographical location **(Planning Activity 3/7).**

- One needs to know what and how much will be provided when and where through the project. In other words: The **project outputs** (deliverables) with **target** figures and **locations** have to be determined **(Planning Activity 3/8)**.

- One needs to know who has to do what and when, in order to make sure that the outputs can be provided in time. This information certainly does not have to be provided on a detailed day by day or month by month basis in a five year development plan, but rather on a year by year basis. In other words: The project proposal has to include **major activities** with a tentative **time schedule** and **responsible agencies (Planning Activity 3/9)**.

- One needs to know whether the project is affordable (taking the tentative budget allocation into consideration) and where the money is supposed to come from. Thus, the project proposal has to include **cost and budget estimates** with envisaged **sources of finance (Planning Activity 3/10)**.

… thereby contributing to an objectives and results orientated municipal management system

Planning Activity 3/3 provides an overview and a tabular **format for** formulation and presentation of **project proposals**. Compiling all information on a proposed project in one format will help in checking consistency and conclusiveness of project proposals. One can trace the link between financial resources, activities done with these resources, outputs provided and impact to be achieved. Such an overview format is an important tool for a result and objective orientated management system.

Arriving at such decisions is not a mere technical exercise, but requires a range of debates and decisions (we could call it "micro strategy issues") to be resolved.

The following **procedur e** would seem appropriate for this process:

... by delegating the task to small teams of specialists,

giving those in charge of implementation a key role

☆ **Project Task Teams** should be formed which should include the representatives of such agencies which are likely to be involved in project implementation. These Task Teams should be given clear Terms of Reference **(Planning Activity 3/1)**.

☆ Each identified project should get a **preliminary budget allocation** before the Project Task Teams go into project planning. This allocation has to be negotiated in relation to budget allocations for the operational expenditure budgets and for non-prioritised routine operations **(Planning Activity 3/2)**.

… by involving those directly affected by the project…

… and those who are expected to contribute.

☆ The Project Task Teams should, during their planning work, **consult** the **residents**, communities and stakeholders interested in or affected by the project **(Planning Activity 3/4)**, as well as the representatives of relevant **partner organisations** (provincial or national agencies, corporate service providers, private sector) who are not members of the Project Task Teams **(Planning Activity 3/5)**.

At the end of the process, the Task Teams will have to submit short draft project proposals which include the information outlined above under "results of Phase 3".

Incorporating other/existing plans and

on-going programmes

Sector Alignment in the Projects Phase

Sector alignment in the Projects Phase is directed towards two major **objectives** :

1. Providing technical detail and feasibility to the IDP projects, thereby ensuring compliance of project proposals with sector policies and sectoral planning requirements.

2. Ensuring that sector plans or programmes (as far as they are related to IDP Priority Issues and thus inter-linked with the IDP process) are in line with locally driven priorities, objectives and strategies.

If such mutual alignment will be achieved, the chance is high that sectoral funding will be available for IDP projects.

There are, in principle, **two ways of alignment (Planning Activity 3/6):**

(a) Involvement of professionals from relevant sectors in the drafting process of Project Task Teams either:

– as members of the Task Teams (which is more likely in case of sector agencies which are part of local government); or

– as partners to be consulted during the drafting process (which is more likely in case of provincial or national sector agencies).

(b) Sector departments take over leadership in drafting of legally required sector plans (which is only relevant for the three sectors' water, transport and waste management), while taking municipal priorities, objectives and strategies into account and submitting summary project proposals to the IDP Steering Committee. This option is only applicable in the case of sectoral projects.

With regard to the **phasing** of the IDP process and sector planning **three possibilities** have to be distinguished:

(a) In the ideal case the planning periods are harmonised and sector planning will be done during the same period the IDP is being prepared.

(b) Sector planning has been done already before the IDP process went into the project planning phase: In that case, the sector plans may have to be reconsidered with regard to IDP priorities, objectives and strategies and be adapted as far as this is in line with sectoral policies, strategies and requirements. Sectors, in that case, will submit summaries of their amended project proposals which will become part of the IDP.

(c) Sector planning cannot be finalised within the IDP time frame: In that case, the sector planning teams should provide tentative preliminary project proposals in line with the IDP strategies while doing the real detailed planning task at a later stage, but informed by the IDP strategies and objectives.

In line with these considerations, any existing plans, on-going projects or envisaged projects and programmes which were initiated outside the IDP process can be incorporated in the Integrated Development Plan.

PHASE 3: PROJECTS

PLANNING ACTIVITY: 3/1
FORMING "PROJECT TASK TEAMS"
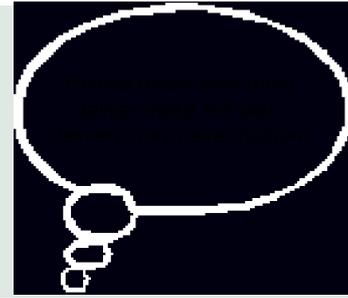
Purpose: **WHY?**	To ensure implementable IDPs and institutional preparedness for plan implementation by involving all those in charge of implementation and knowledgeable experts in the project-designing process.
Minimum Requirements: w/r to Output **WHAT?**	☆ "Project Task Teams" are formed, which are composed of technical officers in charge, and other actors involved in project implementation. ☆ "Project Task Teams" are given clear terms of reference which include localised strategy guidelines and objectives.
w/r to Process	☆ The "Project Task Teams" have to be approved by the IDP Representative Forum to make sure that all competent people are involved.
Hints for Structuring the Process **HOW?**	(1) IDP Steering Committee to propose teams for each identified project and the Terms of Reference. (2) IDP Representative Forum to discuss and approve the proposed composition of the team and the terms and to provide the "Project Task Teams" with a clear mandate.
Hints for Designing the Output	(1) The "Project Task Teams" should be small operational teams of 2 – 5 persons. (2) The Terms of Reference for each team should reflect the results of the strategy designing process.
Suggested Institutional Arrangements/ Responsibilities **WHO?**	• The composition of the "Project Task Teams" is subject to the nature of the project. Inter-sectoral projects need inter-sectoral teams. In case of sectoral projects it is sufficient to have sectoral teams. • In case of small municipalities with limited staff capacities, the teams may be composed of permanent and temporary members. Subject matter specialists on cross-cutting issues such as environment or HIV/AIDS should be included as temporary members if the project requires strong consideration of this aspect (e.g. tourism projects and environment, welfare projects and HIV/AIDS). • Technical officers in charge of implementation management should play a key role within the "Projects Task Teams".

Time Requirement (tentative) 2 weeks preparation (during same time as 3/2) including a 1 day workshop (together with 3/2)	**Note:** ☞ The formation of "Project Task Teams" is a cornerstone for getting a well-functioning planning/implementation link established. "Project Task Teams" may form the foundations for smooth coordination of the project implementation process.

PHASE 3: PROJECTS

PLANNING ACTIVITY: 3/2
ESTABLISHING PRELIMINARY BUDGET
ALLOCATIONS FOR EACH PROJECT
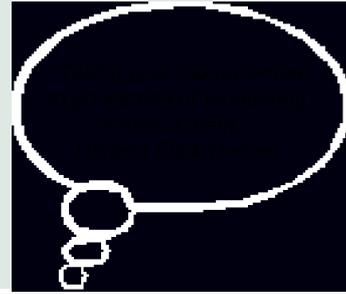
Purpose: **WHY?**	(1) To arrive at realistic, implementable project proposals considering the limited financial resources, thereby contributing to a close link between planning and budgeting. (2) To ensure a transparent and rational distribution of available resources between priority projects and routine expenditure.
Minimum Requirements: w/r to Output **WHAT?**	☆ Preliminary budget allocations per project. ☆ Preliminary budget allocation for operational budgets and for non-prioritised routine programmes.
w/r to Process	☆ Preliminary budget allocations have to be approved by the IDP Representative Forum to ensure a broad debate on priorities.
Hints for Structuring the Process **HOW?**	(1) IDP Steering Committee to propose budget allocations (including operational budget and routine expenditure which is not related to Priority Issues). (2) IDP Representative Forum to discuss and approve proposed budget allocations.
Hints for Designing the Output	(1) Budget allocations for projects to be done taking into consideration all expected sources of finance (in line with financial strategy see 2/4). (2) Budget allocation for operational budget to be done only for municipal budget. (3) Budget allocations for expected programmes of provincial and national departments, which are not related to municipal Priority Issues should be included.
Suggested Institutional Arrangements/ Responsibilities **WHO?**	• The preparation of preliminary budget allocations has to be done in consultation with provincial/national sector departments and other financing institutions. These consultations may include negotiations for possible re-allocation of their budget frameworks in line with the municipal Priority Issues. • The municipal treasurer must play a leading role in this process.

Time Requirement (tentative)

2 weeks preparation (during same time as 3/1) including a
1 day workshop (together with 3/1)

Note:

☞ While it is obvious that public expenditure within a municipal area cannot be fully allocated for a few Priority Issues only, strategic planning means that the share of resources devoted towards priority issues has to increase.

☞ Allocations for top Priority Issues of specific communities or stakeholder groups which are not covered by overall municipal Priority Issues (see Planning activity 1/7) have to be considered by allocation of funds for such location or target group specific projects.

PHASE 3: PROJECTS

PLANNING ACTIVITY: 3/3
DESIGNING PROJECT PROPOSALS
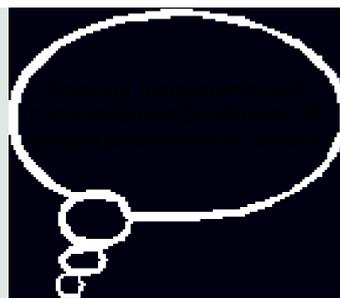
| Hints for Designing the Output	It is recommended to use the same standardised one-page format for all project proposals.

| Time Requirement (tentative)

5 weeks | **Note:**
☞ This project proposal format covers all sector-specific planning requirements with regard to project design. |
|---|---|

Objective(s)	Indicators for Achievement of Objectives (see 3/6)	
Project Outputs	**Targets/Target Groups (see 3/7)**	**Locations**
Major Activities	**Responsible Agencies (see 3/8)**	**Timing**
Costs	**Budget Estimates (see 3/9)**	**Sources of Finance**
Remarks		

PHASE 3: PROJECTS
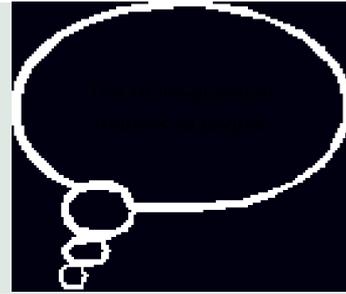
PLANNING ACTIVITY: 3/4
TARGET GROUP PARTICIP ATION IN PROJECT PLANNING

Purpose: **WHY?**	To ensure that project implementation (especially location and costs) is in line with the specific needs and capacities of the users and that it will as a result be supported and owned by them.
Minimum Requirements: w/r to Output **WHAT?**	✩ Project proposals reflect the specific needs and requirements of those communities/stakeholders who expressed the need and are agreed by them.
w/r to Process	✩ Inform the affected communities, stakeholders and residents on the envisaged project, invite them to meetings and consider their ideas and concerns.
Hints for Structuring the Process **HOW?**	The participation requirements differ for different types of projects. Designing localised community related infrastructure or services requires an intensive dialogue with the affected communities, in particular if there is a public community partnership. The same applies to projects which want to provide support to or involve the co-operation of specific stakeholders. For municipality wide projects public hearings or discussions in the IDP Representative Forum may be a more appropriate way. The "Project Task Teams" have to check carefully to which aspects of a project the addressees can make meaningful contributions in order to avoid bothering people with issues which are irrelevant to them.
Suggested Institutional Arrangements/ Responsibilities **WHO?**	The participatory approach of the "Project Task Teams" should be flexible. It does not need a pre-determined institutional framework.

Time Requirement (tentative)

Differs with the kind of projects. The time frame should not exceed 1 month as a rule. In case of conflicts which cannot be resolved by the "Project Task Teams" the IDP Coordinator must be involved to care for getting appropriate conflict resolving mechanisms in place.

Note:

☛ Any involvement or participation of communities or stakeholders has to be representative. It has to include all affected groups of people (by social category, gender, age group, location, etc.) to avoid biased decisions against certain groups.

☛ In projects which relate to land use or use of other natural resources in rural areas, the involvement of traditional authorities may be crucial (depending on the role traditional authorities do actually play in a certain region).

PROJECTS

PHASE 3: PROJECTS

PLANNING ACTIVITY: 3/5
INVOLVEMENT OF NATIONAL AND
PROVINCIAL SPHERES AND OTHER PARTNERS
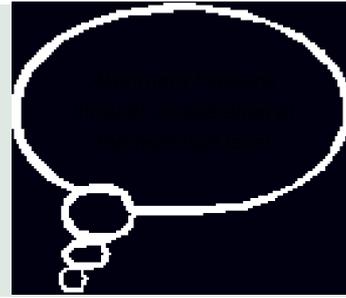
Purpose: **WHY?**	To ensure that the project proposals are aligned to sectoral strategies and procedures of the national and provincial spheres of government. This activity will also assist in establishing buy-in of key government, non-government and private sector role-players.

Minimum Requirements: w/r to Output **WHAT?**	☆ Project proposals should reflect and be informed by the legal requirements, policy guidelines, strategies, priorities, procedures and technical know-how of national and provincial sector departments and by non-governmental and private sector expertise. ☆ Project Task Team's ability to choose the most appropriate technical and organisational option when designing the project proposal.
w/r to Process	☆ Involvement of sector departments' officials, non-government organisations and private sector role-players who should and can make a contribution to the designing of project proposals to suit the technical demands of the project.
Hints for Structuring the Process **HOW?**	(1) When organising the Project Task Team consider which appropriate sector departments, non-governmental and private sector partners should be consulted in formulating the project proposals. (2) Prior to consulting them, inform them on the background of the Development Strategies and Objectives through which the project has been identified and financial resource framework within which to operate. Clarify the project formulation process to maximise the contribution of sector officials and partners. (3) The involvement should be organised in an informal manner according to actual need. In many cases written communication or phone calls may be more efficient than meetings.

| **Suggested Institutional Arrangements/ Responsibilities** **WHO?**	• Sector officials from other spheres of government, and partners from non-government organisations and the private sector as a rule should not be part of the Project Task Team but consulted as and when required. • Only if the sector officials from other spheres of government and partners from non-government organisations and the private sector are central to the designing of project proposals should they be part of the Project Task Team.

Time Requirement (tentative)

Sector officials from other spheres of government, and partners from non-government organisations and the private sector will be involved from time to time to suit the project during the **2 month** period for this phase.

Note:

☞ Bear in mind that complex and large scale projects will be further elaborated in a technical feasibility study. Consequently the level of information required from the Sector officials from other spheres of government, and partners from non-government organisations and the private sector should be focused on the output requirement of Designing Project Proposals (3/3) at this stage.

PHASE 3: PROJECTS

PLANNING ACTIVITY: 3/6
SETTING INDICATORS FOR OBJECTIVES
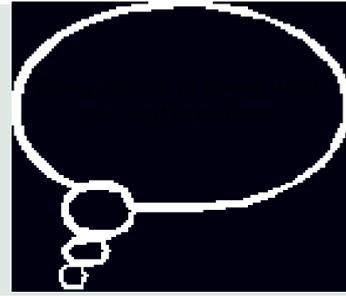
Purpose: WHY?	To provide a clear picture to the council, the management and the public of the expected impact and the benefits of the project, thereby providing a justification for the project and the basis for a monitoring and evaluation system.

Minimum Requirements: w/r to Output WHAT?	☆ The objectives of the project are specified by providing information on envisaged: – quantities – quality (e.g. service standards) – target groups/intended beneficiaries – locations – timing.
w/r to Process	☆ None

Hints for Structuring the Process HOW?	• Indicators for objectives have to be decided as part of an iterative process of project planning to become realistic. It is only possible to determine the magnitude of expected impacts, if the Project Task Team knows which output targets can be achieved with given resources.

Hints for Designing the Output

- An objective may be concretised by one indicator which comprehends all fixed dimensions or by a set of indicators or by presenting quantitative information in a tabular manner.
- Qualitative objectives (e.g. improved service orientation of municipal administration) may have to be specified by indirect indicators (such as increased % of clients satisfied with services or reduced time for queuing).

Examples:

– *"by 2005 the overall unemployment rate in township X is reduced from 40% to 30% (for women from 50% to 35%). All newly employed workers have stayed in employment for more than 12 months".*

– Tabular:

	Urban				Rural			
	2001	2002	2003	2004	2001	2002	2003	2004
Total unemployment rate (%)	40%	38%	35%	32%	50%	47%	44%	40%
Female unemployment rate (%)	50%	45%	40%	35%	50%	48%	46%	44%
Youth unemployment rate (%)	30%	28%	26%	24%	60%	55%	50%	45%

| **Suggested Institutional Arrangements/ Responsibilities** WHO?	• To be done by Project Task Teams.

Time Requirement (tentative) See 3/3	**Note:** ☞ Indicators are only useful for monitoring achievements if they can be assessed or measured without causing considerable costs in obtaining the information. ☞ In cases where it is difficult to measure the impact in quantitative terms, participatory assessments of the achievements with target groups and local resource persons may be envisaged.

PHASE 3: PROJECTS

PLANNING ACTIVITY: 3/7
PROJECT OUTPUTS/TARGETS/LOCATIONS
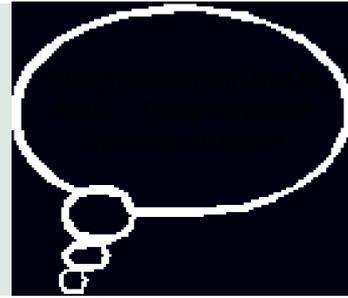
Purpose: WHY?	To provide the project management and the intended beneficiaries with a clear perspective on what has to be delivered, to whom, when and where. Thus, defining outputs is a tool: – for implementation management ("Management by Objectives"); and – for accountability.
Minimum Requirements: w/r to Output WHAT?	☆ Describing what and how much will be provided to whom, in which year, and at which place.
w/r to Process	☆ Close consultation with target groups and project partners.
Hints for Structuring the Process HOW?	(1) Outputs are a project's contribution to defined objectives. They should be defined as part of an iterative process during which the outputs and related target figures are mutually aligned with the objective indicators in such a way as to increase the probability that with given outputs the objectives can be achieved. (2) The decision on target groups, annual targets and locations implies a decision on priorities (who comes first?) and needs to be related to localised priorities of communities as identified in the community/stakeholder-level Analysis (see Planning Activity 1/2).
Hints for Designing the Output	• **Outputs** are deliverables; they indicate what will be provided by the project executing agency to the clients/target group. • **Targets** are quantifications of the outputs, which indicate how much to be delivered within a certain period of time. • **Locations** need to be specified only for project outputs which are not provided everywhere at the same time.
Suggested Institutional Arrangements/ Responsibilities WHO?	During the process of defining outputs, targets and locations, a range of technical and organisational *"micro strategy"* decisions have to be made (e.g. on construction materials, size and exact location of facilities) by the "Project Task Teams". These decisions require the involvement of beneficiaries and of all organisations which have to play a role in funding and implementing the project.
Time Requirement (tentative) See 3/3	**Note:** ☞ The way Project Outputs are defined is closely related to the issue of service standards and, thereby, to investment costs and running costs of service systems. While some of these decisions may have been predetermined as part of the macro-strategy decision-making process, other aspects may have to be decided case by case, at local level. Such decisions have to be made under careful consideration of their implications for sustainability (follow-up operational costs implied) and mass impact (affordability, number of beneficiaries at a given budget frame) of the service system.

PROJECTS

PHASE 3: PROJECTS
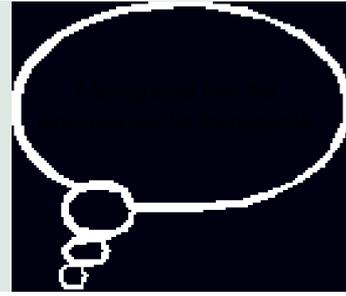
PLANNING ACTIVITY: 3/8
MAJOR ACTIVITIES/TIMING/RESPONSIBLE
AGENCIES

Purpose: **WHY?**	To ensure a smooth planning-implementation link by preparing a framework for detailed annual business planning.

Minimum Requirements: w/r to Output **WHAT?**	☆ A description of rough, tentative outlines, saying what has to be done, when, and by whom.
w/r to Process	☆ Full involvement of implementing agencies in this Planning Activity.

Hints for Structuring the Process **HOW?**	• Activity planning means matching output targets with given resources. Therefore, it should be oriented towards the envisaged output targets while having the resource frame in mind. As a result of activity planning outputs/targets may have to be adjusted, if resources are insufficient to get the necessary activities done.

Hints for Designing the Output	• Detailed planning of activities is neither possible nor necessary at this stage of planning. Only those major activities necessary to do a tentative calculation of costs and budget requirements should be determined. • Time schedules should cover the five year period. Timing of activities can be done on an annual basis.

| **Suggested Institutional Arrangements/ Responsibilities** **WHO?**	• In the process of activity planning all those who are expected to take over responsibilities for project implementation should be involved(compare Planning Activity 3/5).

Time Requirement (tentative) See 3/3	**Note:** N/A

PHASE 3: PROJECTS

PLANNING ACTIVITY: 3/9
COST/BUDGET ESTIMATES/SOURCES OF FINANCE
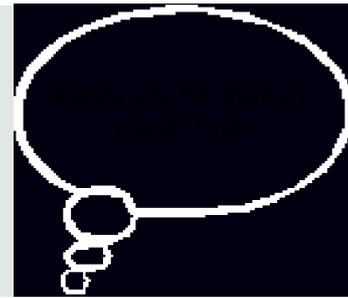
Purpose: WHY?	(1) To ensure a close planning-budgeting link by arriving at a realistic guess about financial requirements and by adjusting outputs and objectives to existing financial sources. To contribute to affordable and sustainable activities/services by arriving at a realistic estimate of operational costs resulting from the project.
Minimum Requirements: w/r to Output WHAT?	☆ An estimate of investment costs per unit. ☆ A budget for the project (capital expenditure), with sources of finance. ☆ An estimate of the annual operational costs, with sources of finance.
w/r to Process	☆ Close consultation with the treasurer and with financing institutions.
Hints for Structuring the Process HOW?	(1) Calculate cost estimates and a first preliminary budget estimate on the basis of envisaged outputs and major activities. (2) Compare with preliminary budget allocation and information on financial sources. (3) Align budget requirements and budget allocation by revising output targets and activities and/or by looking for additional financial sources (on the basis of the draft project proposal).
Suggested Institutional Arrangements/ Responsibilities WHO?	• In the process of cost estimates and budget planning all those should be involved: – who have access to relevant cost calculations based on previous experience; and – who are expected to contribute to financing the project.

🕐 **Time Requirement (tentative)** See 3/3	**Note:** ☞ All cost and budget figures at this stage of planning are rough tentative estimates.

PROJECTS