Elements of the CYCLE OF OPERATIONS and
Introduction to the Logical Framework approach

TAO – training workshop – "programming and implementation of the 11th EDF for OCTs

Unit DEVCO 06
<table>
<thead>
<tr>
<th>Session A (9:45– 11:15)</th>
<th>Introduction to the Cycle of operations</th>
</tr>
</thead>
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<td>Break (11:15 – 11:45)</td>
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<tr>
<td>Session B (11:45 – 13:15)</td>
<td>Introduction to Logical framework approach</td>
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<tr>
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<td>LFA</td>
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Link Cycle Operations - LFA

**CYCLE OF OPERATIONS**
Decision making process and implementation process defined by the organisation

**LFA**
Methodology and tools for project planning and management

Ongoing update to improve sensitive results and orientation
Session 1

CYCLE OF OPERATIONS
CYCLE of Operations

- Description
  - Methodological guidances "work in progress"
  - OCT
- Focus on programming
  - choice of a (the) sector
- Focus on identification
  - choice of objectives and aid modalities
The cycle of operations refers to

- a Sequence of
  - Management processes
  - Decision making processes

- Key documents
- Standard templates
- Quality control mechanisms
- Task and responsibilities sharing
Cycle of operations

1. Programming
2. Implementation
3. Formulation
4. Identification
5. Evaluation & Audit
Steps in the cycle of operations

- **Programming** – Analysing the situation and existing policies/strategies to identify big issues that international cooperation could address

- **Identification** – Identifying and screening ideas of project to further analyse them (not required for OCT)

- **Formulation** – Translating the concept of project into operational plans. Consultation of Member States (Committees)

- **Financing** – EC decision to finance the project and agreements on necessary arrangements with the partner country

- **Implementation** – Mobilising the budget & executing the project

- **Evaluation** – Assessing project results & drawing lessons for the future
Programming Landscape

Factors

- Objectives
- Scope
- Context
- Risks
- Evaluation criteria
- Aid effectiveness

EU POLICY FRAMEWORK
Key issues during the programming phase

Necessary to question the whole context:

- Sector, country...
- Current policies and operations, future ones...
- History in general (local, sector...), and history of cooperation
- Budget allocated in the past, future one to be allocated...

The environment of the operation is moving and evolving!
One has to analyse past and present dynamics...
OCT: from PROGRAMMING to Financing Decision

**PART A**  COOPERATION STRATEGY
- Situation
- EU OCT
- Response strategy

**PART B**  ACTION FICHE
- Rationale & country context
- **1 FOCAL SECTOR**
- Design and implementation issues

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TAO preparing proposal of a SPD
Consulting with

For EU: Commission shall adopt the financing decision

TAO provides further information, feasibility studies if required

OCT authorities and Commission jointly approve

Apraisal by Commission
Consulting with EIB

stakeholders

EU Member States  EU Commission
The decision-making process

Preparation of programming Document: Part A (Strategy) and Part B (Action fiche –after identification)

Interservice Consultation (ISC)

COMITOLEGY
• Member State Consultation

Cabinet Consultation

Commission Decision
Office Quality support group
oQSG

Internal **Consultation Process** within AIDCO: o-QSG
(Single Programming Document A-B with \( B = \text{Action Fiche} \))

**Objective**
- Support and assess the quality of proposed actions prior to their implementation
- Guarantee that the action is relevant and feasible

**Method**
- Standard models, checklists
  - Systematic and structured analysis

**When?**
- At the end of the Identification phase
- At the end of the Formulation phase
The ISC provides the grounds for EC services to express their ‘collegiality’

The internal regulation of the Commission (and its application modalities) stipulates the obligation of the services to cooperate closely to the preparation of the financing decisions
Comitology: two steps

**Translation** of Decision + Memoranda (EN, FR, DE, IT, PT, ES)  
15 – 20 working days

- In session, documents sent 15 working days in advance.  
  (if written procedure then 15 days normal or 5 or 10 days urgent)

- **Opinion of the MS Committee**  
  - in session  
  - by written procedure
EC financing decision

Single Programming Document

- Composed of a strategy (part A), and an action fiche (part B) and an executive summary
- Has to be approved by the European Commission = financing decision

Simplified decision making process for financing approval

The result of a financing decision is most of the time a financing agreement
After having defined the sector...some orientations related to the choices to be made at identification stage
A shift in EC practices

After 40 years of direct control of projects, with emphasis on control and tracking of EC resources....

Increasing importance of sector programme or policy-based approaches
Choosing the Implementing Modality

Paris principles
- Ownership
- Alignment
- Harmonisation
- Results
- Mutual accountability

Evaluation criteria
- Efficiency
- Effectiveness
- Impact
- Relevance
- Sustainability
Aid effectiveness to guide identification

Government led

Donors Joined-up

Predictability,
Transparency

Results,
Accountability

Aid effectiveness principles should support determining:
- The approach
- The financing mode
- The management mode
Which implementation modality?

2 basic modalities:
- **Budget support**
  - Presentation later today (GGDC, SBC, SRC)

- **Project modality**
  - Sector support programmes
  - Others – Cross sector, multi sector, operating in a fragile and/or conflict affected situation, regional cooperation, blending mechanisms
# Modalities

**Management Mode (responsibility for the action)**
- New Financial Regulations
- Direct – Shared – Indirect

**Financing Mode (financial relationship with the EC)**

<table>
<thead>
<tr>
<th>Management Mode</th>
<th>Main Financing Modes</th>
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</thead>
<tbody>
<tr>
<td>Direct</td>
<td>Budget Support</td>
</tr>
<tr>
<td></td>
<td>Procurement, grants, etc.</td>
</tr>
<tr>
<td>Shared</td>
<td>Operational programme (with another EU member State) <em>(probably not relevant for OCT)</em></td>
</tr>
<tr>
<td>Indirect</td>
<td><em>Partner Government</em>: grants, procurement, programme estimates.</td>
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<td></td>
<td><em>Public or private body</em>: Delegation agreement</td>
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<td></td>
<td><em>International Organisations</em>: Contribution Agreement</td>
</tr>
</tbody>
</table>
Eligibility
- (4 criteria) from the context assessment

Policy dialogue
- Intervention logic – induced outcomes

Risk analysis
- Choice as risk mitigation

 Capacity development
- From public policy assessment
- Trade off with efficiency?
**Project Modality**

**Sector Support Programme:**

Context analysis
- At country level
- At sector level
  - Public policy Analysis
  - Stakeholders Analysis *(special focus in session 2)*
  - Sustainable Development Analysis
- This will lead to a better definition of the objectives and implementing partners *(see LFA 2nd session)*

**Other Projects:** *(cross sectoral, initiatives)*

Context analysis + problem analysis (!)
En réserve
<table>
<thead>
<tr>
<th>Programming – Documents</th>
<th>Financing Decision – Documents</th>
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<tbody>
<tr>
<td>Territory strategy paper (part A of Programming document)</td>
<td>OQSG conclusions &amp; recommendations</td>
</tr>
<tr>
<td>Action Fiche (part B of the Programming document)*</td>
<td>Part A (Strategy) and Part B (Action Fiche) of Programming Document</td>
</tr>
<tr>
<td>Identification – Documents</td>
<td>Executive summary of the Programming Document</td>
</tr>
<tr>
<td>Pre-feasibility report (if applicable)</td>
<td>Financing Decision</td>
</tr>
<tr>
<td>Identification Fiche (IF)</td>
<td>Financing agreement</td>
</tr>
<tr>
<td>Formulation – Documents</td>
<td>Implementation – Documents</td>
</tr>
<tr>
<td>Feasibility report (if applicable)</td>
<td>Documents related to the call for tender</td>
</tr>
<tr>
<td>Draft Action Fiche (AF) &amp; Draft Technical and Administrative Provisions (TAPs)</td>
<td>Annual Action Plan</td>
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<td>Monitoring and review reports</td>
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<td>Implementation report</td>
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<td>Evaluation &amp; Audit – Documents</td>
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<td></td>
<td>Evaluation report</td>
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<td>Audit report</td>
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<tr>
<td>Programming – Tasks</td>
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<tr>
<td>Analysis of partner policies, priorities and capacities</td>
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<tr>
<td>Reviewing past and present projects/programmes (EC and other donors)</td>
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<tr>
<td>Strategic choice of a sector to support</td>
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<tr>
<td>Fixing the amount to be allocated and an indicative schedule of contributions</td>
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<td>Collecting and reviewing the relevant information to draft a project/project proposal, including the coherence with the priorities of national and sector policies</td>
</tr>
<tr>
<td>Deciding if the project drafted deserves deeper analysis and development (= pre-feasibility study)</td>
</tr>
<tr>
<td>If requested, preparing the ToR for a pre-feasibility study and the manage the study process</td>
</tr>
<tr>
<td>If the pre-feasibility study concludes positively on the project, preparing a Project Identification fiche, including ToR for formulation phase</td>
</tr>
<tr>
<td>Evaluation and selection of a set of appropriate aid delivery methods</td>
</tr>
<tr>
<td>Submit the Identification Fiche to the oQSG for analysis and comment</td>
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</tbody>
</table>
**Formulation – Tasks**
- Based on the approved Identification Fiche, identifying the issues to be clarified and described more precisely
- Preparing the ToR (as requested) to undertake the feasibility study and then manage the study process
- Monitoring the feasibility study, assessing the content/quality of the study reports and then deciding the next steps
- Preparing a draft of financing decision
- Submitting the draft Action fiche and draft TAP to oQSG for assessment

**Financing Decision – Tasks**
- Assessing the draft Action fiche (office Quality Support Group)
- Finalising the Action Fiche according to oQSG comments
- Launching the Inter-Service Consultation
- Consultation of EDF-OCT committee (representatives from Member States)
- Green light by the Cabinet and launching the approval process
- Adoption by the College
- Preparing and Signing of the Single Programming Document
- Preparing and Signing the Financing Agreement
### STEPS in a EDF cycle 3/3

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<th><strong>Implementation – Tasks</strong></th>
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<tr>
<td>Launching the call for tender and contracting the necessary consultancy/TA inputs</td>
</tr>
<tr>
<td>Reviewing/approving the Annual action plans and budgets</td>
</tr>
<tr>
<td>Taking part in steering committee of the project (as requested)</td>
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<tr>
<td>Conducting the continuous EC activities of monitoring, review and reporting.</td>
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<th><strong>Evaluation &amp; Audit – Tasks</strong></th>
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<tr>
<td>Preparing ToR for the evaluation or audit</td>
</tr>
<tr>
<td>Supervising/managing evaluation or audit</td>
</tr>
<tr>
<td>Going from evaluation/audit recommendations to decision making</td>
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Session 2
Logical Framework Analysis
Logical Framework Approach (LFA)-1

Methodological approach + Analytical tools

Key tool: Logical framework matrix

LFA can be useful at any stage of the cycle. It is a tool.

Supporting planning, management and evaluation & monitoring processes of operations
In a Sector Support Programme (SSP)
- the objectives are identified by the partner country and a LFA* - ideally - has already been elaborated by the partner C or T. the main point for the intervention is to identify the best support (best added value, complementarity).

Nevertheless the LFA from the partner should be assessed and if necessary improved (in a participative way)

For other Projects (outside sectors)
- the LFA should be elaborated.
What is a project?

A project is a series of activities aimed at achieving specified objectives within a defined time-period and budget.

A project should have clearly identified...

- stakeholders and beneficiaries
- problems to be addressed or opportunities materialised
- Implementation, monitoring and evaluation arrangements
- benefits which exceed expected costs and are likely to be sustainable
Main lessons from past experiences in development: Think in terms of **CAPACITY DEVELOPMENT**

**OECD Definitions and concepts**

**Capacity is:**
“The ability of people, organisations and society as a whole to manage their affairs successfully”

**Capacity Development is:**
“The process whereby people, organisations and society as a whole unleash, strengthen, create, adapt and maintain capacity over time”

**Capacity Development Support:**
Refers to what outside partners (domestic or foreign) can do to support, facilitate or catalyse country partners to develop their capacity(ies)

**EU Toolkit for capacity development**
http://ec.europa.eu/europeaid/infopoint/publications/europeaid/246a_en.htm
Make the most of NSA potentials

NSA are diverse and have valuable specificities:

- Are key to a lot of accountability mechanisms at country level
- Have an important role for the design and implementation of public policies
- Have a capacity to communicate and work with the many components of a society
- Have a proximity with field reality and final beneficiaries
Stakeholder analysis (I)

**Why** stakeholder analysis/participation?

- Helps setting objectives, choosing a strategy and targeting beneficiaries
- Allows key interest groups to be identified & involved
- Allows relevant information to be obtained
- Reveals how different stakeholders perceive reality
- Highlights different needs (i.e. gender, disability)
- Helps identify potential conflicts/risks (each stakeholder has his/her own strategy convergent, divergent, contradictory…)
- Supports appropriate objective setting, strategy selection and targeting of benefits

*When? throughout the project cycle*
Stakeholder analysis (II)

Who? Stakeholders are any individual, group of people, institution or company who might be concerned by the success or failure of a project (as implementers, facilitator, beneficiaries, opponents, victims...)

Examples:
- Institutions and governmental organisations
- Private sector and individual business
- Civil society organisations
- Members of grassroots communities

Engaging Non-State Actors in New Aid Modalities
See in particular Chap 4.2
Also on Capacity4Dev.eu "concept paper "Mappings and civil society assessments"
http://capacity4dev.ec.europa.eu/t-and-m-series/blog/concept-paper-nr-3-mappings-and-civil-society-assessments
Stakeholder analysis (III)

**Beneficiaries:**
general term to describe stakeholders who we expect to benefit from the project (on the short or long run).

Includes:
- Ultimate/final beneficiaries
- Target group
Stakeholder analysis (IV)

Main steps

1. Identify the general development problem
2. Identify related stakeholders
3. Investigate their respective roles, interests, motivations, incentives, relative power, capacities, strengths and weaknesses, ...
4. Interpret these findings and draw conclusions for project/programme design

Tools for stakeholder analysis:

- see PCM guidelines pp. 63-66
- See Context analysis and NSA mapping, NSA reference document, chap.4.2
Institutional capacity assessment

It is part of stakeholder analysis and helps to:

- Identify appropriate partners
- Design relevant and feasible support measures, including for capacity development
- Support assessment of good governance issues

To go further, see:
Institutional Assessment and Capacity Development
Also...
Analyzing and addressing governance in sector
Problem analysis (I)

Why?
The problem tree establishes cause and effect relationships to ensure that root problems are identified and then addressed.

Main steps:
1. Identifying one or two (initial) major problem(s) affecting the target group(s)
2. Identifying related problems/constraints
3. Analysing and identifying cause and effect relationships and create a draft problem tree
4. Checking the logic of causality
Problem analysis (I)

The problem tree helps to establish the cause/effect relation between problems.

Income of traditional fishermen in decline

- Depletion of the natural fish stock
  - Destruction of the natural habitats and mangroves
  - Illegal fishing practices
- Low selling prices obtained in the villages
  - Poor quality of the processed fish
  - Limited access to market
Convert the problems into positive achievements through establishing means/ends relationships.

Objective analysis (II)

Income of traditional fishermen increased

Depletion of the natural fish stock reduced

Selling price obtained in villages increased

Natural habitats and mangroves better protected

Illegal fishing practices significantly reduced

Processing of the catch improved

Improved access to market
Key Messages

- Taking enough time for a good analytical phase is a priority when using logframe approach (particularly for context, stakeholder and problem analysis)

- Stakeholders and their environment are dynamic. These aspects should not be underestimated in the analytical phase

- Even if the analytical phase relies a lot on stakeholder consultation/participation, the analysis should be evidence-based (observed or documented facts)

- The working process in analytical phase is highly iterative. Going back to a previous questioning or analysis step reveals necessary most of the time.

- The outputs of the analytical phase (trees and matrix) should be specific enough in the way they are stated. It will allow them for being real operational tools.
Strategy analysis (I)
Consists in:

- Analysing identified (potential) objectives in relation to a set of criteria: feasibility, policy priority criteria, cost-benefit, complementarity with other on-going programmes, budget...

- Choosing an appropriate strategy for project implementation

*Decision based on policy priorities, cost-benefit, complementarity with other on-going programmes, budget etc*
Strategy analysis (II)

**Out of the project**
- Depletion of the natural fish stock reduced
- Natural habitats and mangroves better protected
- Illegal fishing practices significantly reduced
- Depletion of the natural fish stock reduced
- Income of traditional fishermen increased
- Selling price obtained in villages increased
- Processing of the catch improved
- Improved access to market

**In the project**
- Income of traditional fishermen increased
- Selling price obtained in villages increased
- Processing of the catch improved
- Improved access to market

**Overall objective**

*These excluded statements should be considered in the analysis of assumptions/risks*
Exercise: Analysis phase

- **Step 1 – Stakeholder analysis**: Get familiar with the case study by reading the stakeholder matrix (individually)

- **Step 2 – Problem tree**: Place orange cards (each with one of the problem listed) into the incomplete problem tree (in group)

- **Step 3 – Objective tree**: Place green cards (each with one of the objective given or to be find), into the incomplete objective tree (in group)

- **Step 4 – Analysis of strategies**: on your objective tree, identify (delineate + name) all possible strategies & sub-strategies

If time allows
Logframe matrix and sequence of completion

<table>
<thead>
<tr>
<th>Impact/ (Overall objective)</th>
<th>Project description</th>
<th>Verifiable indicators</th>
<th>Sources of verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>9</td>
<td>10</td>
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<td>12</td>
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**Iterative process:** As each part of the matrix is formulated, the logic of other parts should be tested and refined/revised, as required.
Intervention logic: levels of project description

Impact (overall Objective)
- Relate to the wider objectives to which the project will contribute

Outcome
- The sustainable flow of benefits to the project’s target group(s)

Outputs
- The tangible goods and services delivered by the project

Activities
- What the project does to produce the results (work program/tasks)
Writing objective statements

- **Impact (OO)**
  To contribute to a reduction in infant and maternal mortality in districts X & Y

- **Outcome**
  Improved access to maternal and child health clinic services which meet minimum quality standards

- **Outputs**
  Op1. Clinic management and administration systems improved
  Op2. Health staff’s technical skills upgraded
  Op3. Existing clinic facilities upgraded
  Op4. New clinic facilities established

- **Activities**
  (example for Output 1 only)
  1.1 Conduct participatory systems audit
  1.2 Prepare cost-effective systems improvement plan based on local needs and capacity
  1.3 Implement identified improvements
  1.4 Monitor and review progress and performance
Outputs

- In the objective tree, under the project outcome
- Outputs are not each other cause (parallel scheme)
- Direct outputs coming from implementing activities
- Achieved status during or at the end of the project
- Combining outputs + assumptions = project outcome
Activities

- Not in the Objective tree
- Formulated as actions, not status
- Only activities related to the project
- Numbered according to the output they are contributing to
- Consequences of the activities = outputs
A break in the intervention logic

Objectives, outcome & outputs

- Come from the objective tree
- Status = « improved »... « increased »...
- = benefits
- Have indicators

Activities

- Do not come from the objective tree
- Actions = active verb (« prepare », « design », « build »...)
- = costs
- Do not have indicators
Interlocking or « nested » logframes

PROGRAMME

<table>
<thead>
<tr>
<th>Overall objectives</th>
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<tbody>
<tr>
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<td>Outputs</td>
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<td>Activities</td>
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PROJECT

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COMPONENT

<table>
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LFA during Identification and Formulation

**ANALYSIS PHASE**
- Stakeholder analysis
- Problem analysis
- Objective analysis
- Strategy analysis

**PLANNING PHASE**
- Developing Logical Framework matrix
- Activity scheduling
- Resource scheduling
LFA during implementation and at completion/evaluation

**IMPLEMENTATION PHASE**

- Indicators which provide management information (monitoring and reviews)
- Assumptions which support risk management
- Updated activity schedules linked to results
- Updated resource schedules and budgets linked to results

**COMPLETION/EVALUATION**

- A clear situation/problem analysis to help evaluate relevance
- Objective structure and indicators against which to evaluate effectiveness and impact
- Activity and resource schedules to assist in evaluating efficiency