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Logical Framework Approach

Project Planning

Preparing and Documenting a Project

2005

RAMBOLL

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List of Abbreviations



ARC	Agricultural Research Council
CBO	Community Based Organisation
Danida	Danish International Development Assistance
D:PF	Directorate: Participative Forestry
DST	Department of Science and Technology
DWAF	Department of Water Affairs and Forestry
IDP	Integrated Development Planning
LFA	Logical Framework Approach
M&E	Monitoring and Evaluation
NFA	National Forest Act (Act 84 of 1998)
NGO	Non-Governmental Organisation
PFM	Participatory Forest Management
PFMC	Participatory Forest Management Committee
PPM	Project Planning Matrix
PRA	Participatory Rural Appraisal
RRA	Rapid Rural Appraisal
SANParks	South African National Parks

Acknowledgements

This Guideline was developed using relevant information from:

- Project Planning for Development, Olive Publications, 1998.
- Parks & Communities - Preparing and Documenting a Project, South African National Parks, Danced, 2000.



1. Introduction

The Department of Water Affairs and Forestry (DWAF) has adopted Participatory Forest Management (PFM) as a general approach to all its activities. PFM seeks to ensure that there is a shared responsibility of forest management between key stakeholders and the state, and that there is a sustainable flow of benefits to key stakeholders. DWAF thus strives to consider local people's forest-based needs, their role in sustainable forest management and their involvement in decision-making processes.

It is clear that organisations managing state forests can no longer exclude people that are located near them or have an interest in them. State forests will survive in the new South Africa only if DWAF is to succeed in its vision:

Forests are managed for people, and we need to create an enabling environment for economic and social development through sustainable forestry, especially at the local level.

Co-operation with communities and local groupings commands multiple stakeholder involvement and funding from various sources rather than being the responsibility of a single body. Implementation will thus frequently take place as projects with inputs from many sources.

This Guideline introduces the process of preparing and documenting a project using the Logical Framework Approach (LFA). The LFA is an objectives-oriented project planning and project management tool that focuses on logical connections between the objectives, and the outputs and activities of a project.

This Guideline is part of the PFM Guidelines developed during the DWAF/Danida PFM Project (2001-2005). The PFM Guidelines aim to empower DWAF staff, the new custodians of state forests and partners at local level to implement the new DWAF Forestry Vision. The PFM Guidelines are thus meant to support community upliftment in accordance with the DWAF Criteria, Indicators and Standards for Sustainable Forest Management.

What is a Project?

A project is an intervention aimed at improving an existing situation. It has a defined lifespan, but when completed should leave behind resources, opportunities, capabilities and other tangible changes with which people can continue to work.

A project offers a particular kind of support to a defined target group in a specified geographical location within a set time frame.



2. About this Guideline

2.1 Aim and Objectives

Linking people and state forests is new in South Africa. Many people working with such projects have little experience in initiating and managing projects. This Guideline aims to support the development of skills for multiple stakeholder project planning, implementation and evaluation of community based initiatives of relevance to the state forests. Documenting a project is essential in both planning and managing a project. If properly planned and documented, good opportunities are available for finding financial or technical support for projects linking people and sustainable use of the forests.

This Guideline provides an understanding of the LFA and should enable readers to write project documents and project reports according to this format.

The objectives of this Guideline are to:

- Provide an understanding of the LFA.
- Provide guidance in preparing and documenting a project, which serves as a proposal, a planning tool and an instrument for monitoring progress and gaining project support.
- Support the development of attitudes, knowledge and skills that ensure active participation of local people in projects that achieve outcomes that meet both social development and conservation ideals.

2.2 Who is this Guideline for?

This Guideline is primarily designed for DWAF staff, other organisations responsible for forest management, NGOs, CBOs, local groupings and any other organisations that are establishing forestry projects and programmes for communities.

2.3 How to Use this Guideline

The chapters in this Guideline, which refer to the various stages of project planning and documentation:

Chapter 3 explains project planning and gives an overview of the LFA approach

Chapter 4 details principles and aspects of development of forestry projects.

Chapter 5 provides guidance on applying the LFA approach and developing project options.

Chapter 6 provides guidance on designing a project and includes the project-planning matrix.

Chapter 7 details financial management of a project and includes budgeting and developing financial procedures.

Chapter 8 provides the format for writing a Project Document.

Chapter 9 describes how to monitor a project and explains how reporting should be done.

Chapter 10 provides suggestions on where to find financial support for a project.

Annex 1 provides a detailed example of a Project Document.

Annex 2 provides a glossary that explaining key terms used in the text.

Annex 3 gives an overview of the PFM Guidelines produced by DWAF.

This Guideline serves as a practical resource document as well as for training purposes. Sections of the Guideline can be easily copied for discussions, presentations and other training and development purposes. Participatory project planning will often require assistance of an experienced facilitator, preferably a consultant with good local knowledge to motivate planning inputs from stakeholders.

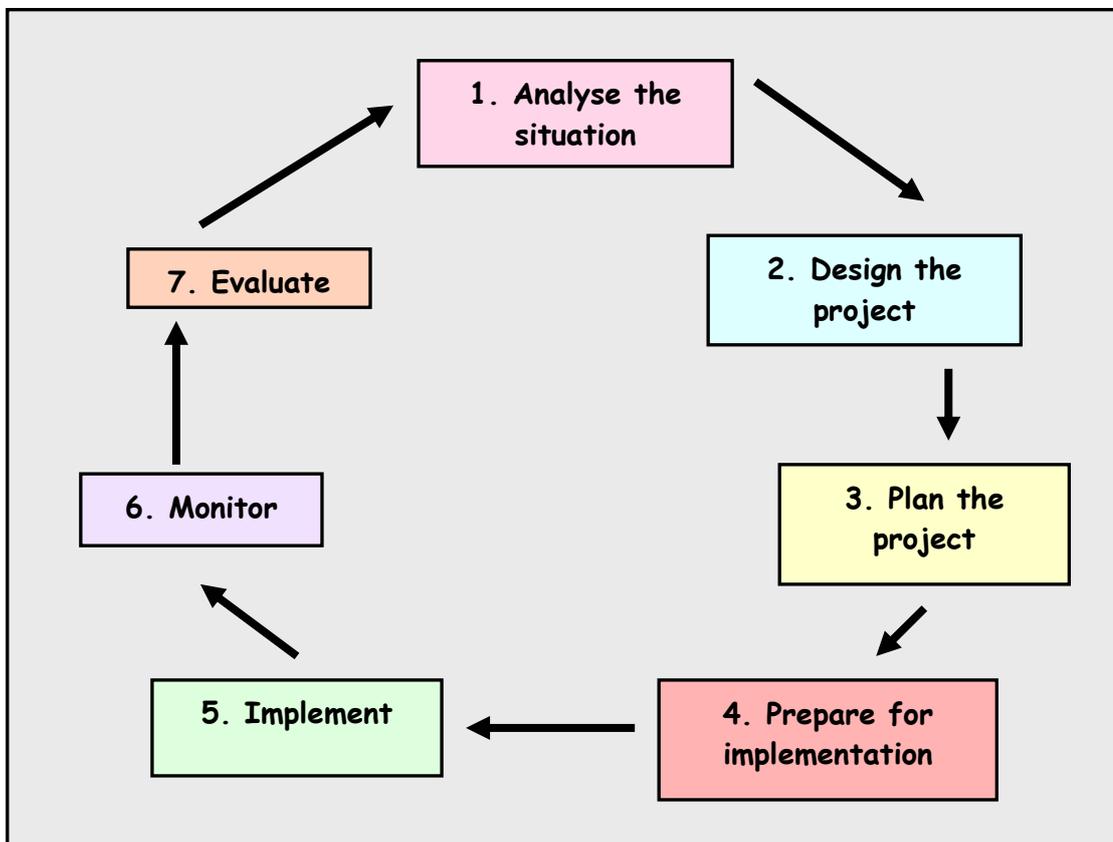


3. Project Planning for Development

3.1 The Project Cycle

This Guideline covers the steps of the project cycle illustrated in Figure 1.

Figure 1: Steps in the Project Cycle



The steps in the project cycle:

1. **Analyse the situation:** this helps to clarify needs and stakeholders and generate project ideas.
2. **Design an appropriate project:** this involves looking at the various options and choosing the best one considering the objectives and the resources available.

- 
3. **Planning the project:** this requires documenting the project and consists of describing the objectives, outputs, activities, inputs, etc.
 4. **Prepare for implementation:** this involves mobilising the target group and resources and ensuring everything is in place to start.
 5. **Implementation:** this is the actual 'doing' of the project and requires management to ensure performance of the project.
 6. **Monitoring:** this involves collecting and analysing information about the project's performance. Monitoring alerts project staff to any changes that should be made.
 7. **Evaluation:** this assesses the project and its impact, usually at the end of the project, although mid-term reviews are also common. Evaluations can be an important means of summarising lessons learnt during the implementation of a project and can feed back into the project or generate new project ideas.

Completion is the end of the project's life cycle. If the project has been designed and implemented in a sustainable manner, it should not mean the end of project benefits. All projects should be designed to end or be phased out in an appropriate manner that will either ensure the continuance of the project activities or encourage the continuance of benefits obtained from the project.

Not all stakeholders will be involved in every step of the project cycle. However, communication is vital as informed stakeholders will be able to contribute.

What is a Development Project?

A development project is an intervention that addresses problems by offering particular forms of support

- To a defined target group;
- In a specified geographic location;
- Within a set timeframe;
- With the aim of bringing about an ongoing improvement in the living conditions of the people.

3.2 Overview of the Logical Framework Approach (LFA)

This *Guideline* focuses on how to prepare and write up a project by thinking through project development in a clear and logical manner. The *Guideline* focuses on planning and documenting projects using LFA. LFA is a way of planning that ensures a holistic approach, and that facilitates the development of outputs and activities that are in line with the overall and specific objectives of the project.

Planning is a process of clarification and understanding between individuals, who wish to work together to change something.

Plans are designs for something to be done in the future, which specify what inputs are required to reach the desired goal.

The LFA concentrates on logical connections between what the activities are trying to achieve (objectives) and how they attempt to do it (outputs and activities). It also builds in ways of monitoring and evaluating a project according to its objectives. There are two phases to the LFA planning:

- The Analytical Phase
- The Design Phase

In the Analytical Phase there are four steps:

1. **Participant Analysis** - an analysis of participants;
2. **Problem Analysis** - a problem tree;
3. **Objectives Analysis** - an objectives tree;
4. **Alternatives Analysis** - an analysis of & selection of alternatives.

The Design Phase consists of three steps:

1. **Defining the project elements:**
 - Development objective;
 - Immediate objective;
 - Outputs;
 - Activities;
 - Inputs.
2. **Assessment of critical assumptions:**

Assumptions or risk factors are assessed in terms of probability and importance.
3. **Developing indicators:**

Indicators for the development objective, immediate objective and outputs are developed as a basis for monitoring and evaluation.

The various support/donor agencies have different preferences for the structure of project proposals. However, using the LFA to plan and structure the project will be acceptable to most of them. Using the LFA to develop and document a project will:

- Assist facilitators and stakeholders to think through all aspects of a proposed project in a clear, logical manner.
- Help facilitators and stakeholders document their project ideas in a way that is understandable and acceptable to potential support agencies.
- Provide a useful basis for monitoring and evaluating a project. LFA is a valuable project management tool and a way to document lessons learnt.

What Does the LFA Offer?

The LFA provides procedures and tools that:

- Define realistic and definite objectives;
- Plan and implement project activities;
- Improve communication between stakeholders;
- Document projects in a logical fashion;
- Provide indicators as a basis for monitoring and evaluation;
- Record lessons learnt during the implementation of a project.

3.3 The PFM Approach

Forestry projects should seek to maintain or improve the biological diversity of indigenous forests, while simultaneously improving the quality of life of people whose livelihoods depend on these resources. Development and conservation are inextricably linked - failure of one will result in failure of both.

In focus are local people's forest-based needs, their role in sustainable forest management and their involvement in decision-making processes.

What is PFM?

PFM is an approach to forest management, regulation and development for all forest resources in South Africa under the jurisdiction of the National Forest Act.

PFM Policy

The White Paper on Sustainable Forest Management and the National Forestry Action Programme set out the Department's forest policies. In accordance with these, DWAF has adopted PFM to promote forest conservation within the context of sustainable development.

To effectively and efficiently implement PFM DWAF will, as mandated by its PFM Policy and Strategy Framework (2004), strive to:

- Develop and implement incentives that support the conservation of biological diversity and sustainable use of forests.
- Promote equitable access to natural forest resources to improve quality of life, culture and traditional values, and restore the dignity of all.
- Encourage and facilitate economic opportunities that are compatible with and which compliment the conservation and use of state forests through Community Public Private Partnerships.
- Enhance capacity of communities through appropriate training and education that embraces indigenous knowledge and skills.
- Promote innovative ways of maximising benefits from forests through the sustainable use of forest resources.



4. Development Projects

Development is a structured process of transition from a current situation considered unsatisfactory to a future situation considered an improvement.

An intended development must be based on the actual needs of the people affected, on their own prioritisation of these needs, and on the scope for action open to them.

4.1 Community-Based Forest Projects

Projects agreeable to all stakeholders and in accordance with DWAF's PFM Policy and Strategy Framework will ensure:

- **People Centred Approach**
Forests form part of rural people's livelihoods. Sustainable forest management must be congruent with people's livelihood strategies, and support and develop these.
- **Participatory and Holistic Approach**
Participatory management will encourage involvement of local people in forest management wherever possible.
- **Sustainability**
Forest management will be implemented in an economically, socially, politically and environmentally sustainable manner.
- **Transparency**
Forest management will be based on transparency and honesty and implemented with a common vision amongst stakeholders.

- **Equity**
Forest management will promote a balanced, fair and gender-sensitive approach.
- **Benefits**
Forest management will strive to ensure tangible short and long-term benefits to local stakeholders through, for example, the development of sustainable harvesting practices for forest produce.
- **Conflict Management**
Forest management will ensure that mechanisms are in place to address conflicts.
- **Capacity Building**
The process of indigenous forest management will promote local empowerment by building capacity and utilising appropriate indigenous knowledge.
- **Cultural and Traditional Values**
Forest management will be based within the current legal and policy framework of South Africa whilst acknowledging cultural and traditional authority, indigenous knowledge and local values.
- **Partnerships**
An integrated approach to forest management will be encouraged through partnerships with various stakeholders.
- **Dynamic Approach**
Managers of the forests should maintain a pattern of continuous consultation and feedback amongst stakeholders, ensuring that the lessons learned can be applied to modify the process if necessary.

4.2 Sustainability

Sustainability means more than just development activities that are environmentally sensitive. Sustainability also implies that the projects lead to improvements that will persist and spread beyond the project boundary and time span, and not create dependency.



Interventions should create structures and solutions that will remain institutionally, economically, socially, and environmentally viable when the project ends. Project benefits are said to be sustainable when a project can create changes that deliver an appropriate level of benefits for an extended period after the project has ended.

In practice, some of the greatest influences on project sustainability are determined during planning of the project:

- **Links between the project and national or regional activities (networking)**
If a project is related to regional activities or priorities, then it is more likely that stakeholders will encourage the continuance of project activities or benefits once external assistance has ended.
- **Links between the project and key stakeholder priorities**
The changes that a project causes will not be sustainable unless they address real needs of people. A project that does not address needs considered important by the local people may be successful when pressure exists from 'outsiders' to conduct activities. However, once external inputs end, it is unlikely that local participants will continue to focus on the issue.
- **The financial and economic conditions of the project itself**
A project that creates benefits that depend on external inputs or funding does not lead to long-term change. Large amounts of money being put into a project do not necessarily mean that the project will work, and can sometimes do more harm than good. Projects should help people to help themselves. Does it help to build the long-term capacity of beneficiaries? If not, then it may not be realistic to expect benefits to last beyond the life of the project. 'Handouts' are not sustainable.
- **The choice of technology for the project**
What technology will the project rely on? For example, if a project is working with crafts people to increase their income, will new tools and methods of craft making be introduced? If a project introduces new technologies to the target group, or relies heavily on a particular technology to work (for example, on advertising and booking tours through the Internet) then the technology introduced should be appropriate for the costs and the culture of the participants to which it will be introduced.

- **Participation and local ownership**
If a project is owned by 'outsiders' (DWAF, donors or support agencies) and not seen to be something owned and managed by the local people, then there is little impetus for local participants to continue activities once the outside influence or assistance has ceased. Participation thus aims at the empowerment of those who participate to exert greater control over their resources and their lives.

Project Participation

"A process through which stakeholders influence and share control over development initiatives and the decisions and resources that affects them".

In other words, stakeholders develop ownership of the project. For a project to be participatory, it should involve stakeholders during all phases (i.e. identification, design, implementation, monitoring and evaluation).

4.3 Collaboration

Effective collaboration assumes:

- Forest management staffs are an equal stakeholder placed within the local social setting.
- Forest management staff and other stakeholders, including local people, could play all or any of the following roles: facilitator, learner, resource person or partners with specific knowledge and experience to offer. The aim is to create a joint learning process where knowledge and experience are shared among all parties involved.
- Forest management staff can assist by creating an enabling environment, linking initiatives to municipal Integrated Development Plans (IDPs) and securing funding.
- Ideally, project ideas should originate with the local people involved and thus be demand driven.

Local people are active partners and not passive recipients. Temptation to focus on short-term gains and benefits to generate legitimacy for forest use and for a project is no substitute for the time-consuming process of working with stakeholders in project design and implementation. Achieving a balance between short and long-term goals complements balancing social development with conservation ideals.

4.4 Choosing a Project

The mandate of DWAF is sustainable forest management while at the same time creating an enabling environment for economic and social development, particularly at the local level. Criteria for projects¹ will assist in identifying a suitable project.

Aims of Forest and People Projects

- Maintain or improve the conservation of the natural and cultural resources in and around state forests;
- Work towards empowering disadvantaged people around these forests;
- Work towards changing society and not just help individuals;
- Be sustainable, i.e. introduce changes that will last;
- Use resources efficiently;
- Be environmentally friendly.

4.5 What Information is needed?

4.5.1 Collecting Information

Socio-economic and natural resources information can come from published and unpublished sources, as well as from other projects and informants in the area.

¹ Criteria discussed in section 5.2.4

A basic understanding of the local conditions and main constraints will improve the ability to identify target group needs and the potential options for projects. If written information is scarce, knowledge from stakeholders may be used. An 'information gathering' stage can also be included in the project.

Sources of information about People and the Local Area

Documents:

- Socio-economic surveys (if they have been done for the region);
- The national census;
- Project documentation from other social or environment development programmes;
- Published or unpublished histories of the area;
- Records of DWAF's dealings with local stakeholders;
- Reports from consultants;
- Maps from the Surveyor General's Office.

Institutions and individuals:

- Local teachers;
- Regional universities, technikons and other institutions of learning;
- Local and regional museums and libraries;
- Business owners;
- Provincial and local authorities;
- DWAF staff with long service in the area;
- Community activists;
- Community elders;
- Traditional authorities
- Non-governmental Organisations (NGOs);
- Community-based Organisations (CBOs).

4.6 Who should be Part of Participatory Project Planning?

Ideally, everyone who will be affected by a project ought to have a voice in project planning. This will determine whether a project will be successful and sustainable over the long term.

Who will be affected by a Project?

People who will be affected by a partnership project can be divided into three main groups:

Stakeholders: any individual, group or institution that may be affected positively or negatively, directly or indirectly, by a particular project.

Examples: DWAF;
Local businesses that will supply project needs;
The 'target group' and beneficiaries.

The target groups: are the groups of people that the project mainly works with in order to achieve the project objective.

Examples: Teachers to increase the teaching of local culture;
Local bark harvesters to ensure bark resources are harvested sustainably.

Beneficiaries: the group of people who will ultimately benefit from the project.

Examples: Bark harvesters that gain access to resources and training on sustainable harvesting techniques;
DWAF who will benefit from improved relations with the community.



5. Applying the Logical Framework Approach

5.1 Stakeholder Analysis

When initiating a project, a stakeholder analysis will identify those who have an interest in the project, as well as how best they can be made a part of the project. A comprehensive understanding will emerge from interest groups, individuals and institutions that will be affected by the project².

1. The first step in a stakeholder analysis is to brainstorm and list all possible participants and stakeholders. From the initial investigations and discussions with the local people, there should be a good idea of potential stakeholders and participants. A list should be compiled comprising all organisations, groups or people (positively, negatively, directly or indirectly) who are likely to be affected by a project in the area. Where a PFM Committee(s) or a Forum(s) exists it will be necessary to include it in the participative stakeholder analysis.
2. The next step is to prioritise the list and to select those stakeholders who are most important. These groups will be analysed in more detail.
3. The questions below to be asked for each stakeholder selected:
 - a. What issues affect the stakeholders and what would be the broad impacts of a forest project(s) on them?
 - b. What could be the main needs, interests and motives of the stakeholder for being involved in a forest project?

² Refer to DWAF/Danida PFM Guideline: Formation of PFM Forums and Committees (2005)

- c. What is the potential contribution and capacity of the stakeholder towards the effective functioning of the project?
- d. What consequences will their participation have on the project?
- e. What is the relationship between the different stakeholders, including the existing or potential conflicts of interest and expectations?

4. Answering these questions may require some investigation. Recording them in a table may be useful for assessing and comparing them.

Table 1 covers two stakeholders in a bark-harvesting project and summarises a stakeholder analysis.

Table 1: Summary Stakeholder Analysis

Participant/ Stakeholder	Problems and Impacts Existing issues and impact of forest project?	Interests Why would they be interested in being involved in the project?	Potential What might they contribute to the project?	Linkages Are there any points of conflict/co- operation?
Local bark harvesters	<ul style="list-style-type: none"> • Alternative livelihood options limited • No authorised access to indigenous forest • Limited knowledge of sustainable harvesting techniques • Training and capacitation by project 	<ul style="list-style-type: none"> • Access to traditional medicinal markets • Make money • Legalise business • Increased access to protected natural resources • Obtain grants • Keep traditions /cultural heritage 	<ul style="list-style-type: none"> • Potential for co-operation and organisation • Knowledge of traditional plants and natural resources • Increased tourism potential through exposure of local culture • Traditional conservation systems 	<ul style="list-style-type: none"> • Build on their own knowledge • Ensure unique regional characteristics are kept • Balance between individual and communal interests

<p>DWAF</p>	<ul style="list-style-type: none"> • Poor relations with community • Threat from unregulated natural resource use • Training provided by project and understanding of stakeholders and their needs 	<ul style="list-style-type: none"> • Link to government and provincial funds • Access to inter-national donors and support agencies • Facilitation of project preparation and implementation 	<ul style="list-style-type: none"> • Improved relationship with community • Increased conservation awareness • Partnerships developed • Development of working model for sustainable bark harvesting 	<ul style="list-style-type: none"> • Co-operation between national, provincial and local governments • Co-operation with NGO's • Possible conflict with provincial conservation department
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Once completed, the stakeholder analysis can give a clear idea about:

- *Who* should be involved in the project;
- *What* they need from the project;
- *How* they can contribute to it.

The chances of the project's success and sustainability will increase, if these stakeholders are involved in further planning and implementation.

5.1.1 Making Sure Everyone Has a Voice

Participation means active involvement by all, not simply the most vocal people, or those subgroups in the area with the most status. No community is entirely homogeneous, and various subgroups with different interests and needs exist. These groups often have different access to resources and information and may even have information that is vital to the success of the project.

Key stakeholder questions are:

- At meetings, who speaks most often?
- Is it women or men?
- Young people or old?
- Those people who have had a formal education or not?
- What are the seating arrangements?
- Do men sit with women, or do they sit separately?

The way in which people choose to sit can often show power or status. Participatory planning aims to ensure that all groups have a voice.

5.2 Generating Project Ideas

5.2.1 Identifying Problems

A development project is aimed at improving the existing state for a particular area, community or group. It is thus important to understand what the existing state is, if there are any problems, and how they can be improved. The problem identification stage can, however, also lead to establishing unrealistic project expectations by stakeholders involved.

Forest management organisations are not development agencies, and some local people's most pressing needs will relate to issues outside the scope of DWAF and other forest managers. A good way to focus discussions is to seek issues that promote both the stakeholders and sustainable forest management.

Most methods for identifying problems are best applied by a facilitator who has experience in liaising with stakeholders. Assessing all stakeholders' issues (including the management organisation) is intended to encourage participants to think systematically about their problems and possible solutions. These issues will also help the forest managers to understand the region's conditions and circumstances, and to analyse problems and present options to address them.

Exploring the problems that stakeholders encounter can be done in several ways.

Depending on the participants involved and the experience of the facilitator, these may include semi-structured interviews, workshops, certain Rapid Rural Appraisal (RRA) or Participatory Rural Appraisal (PRA) tools³, or the development of 'problem trees' and 'objective trees' as advocated by the LFA and detailed in the following sections.

Before a workshop or discussion, local stakeholder representatives can first be briefed on the importance of conserving indigenous forests. Also, discussions around the participants' perceptions of DWAF/the forest management organisation and indigenous forests can identify issues causing tensions and suggest how the tensions can be reduced or even eliminated.

A listing and discussion of resources or assets (human, natural and cultural) should identify the 'raw materials' on which a project could be based. From these, ideas for projects can be generated and briefly explored, discussed and prioritised.

5.2.2 Problem Analysis: Building a Problem Tree

Participants in the process of identifying potential projects should be asked to write down about 10 problem statements. These statements are then formulated by the participants or the facilitator as a phrase that describes an existing negative state. These statements should not focus on specific problems but should look at the broader issues and in that way provide an opportunity for realistic solutions. For example:

Low level of income for Umzimkulu bark harvesters.

Rather than,

No modern tools available for tree felling.

³ Refer to DWAF/Danida PFM Guideline: Stakeholder Participation (2005)

Problem Statements

- State each problem separately;
- Do not write "No ..." unless this is really true;
- Do not write statements that refer to the lack of a solution;
- Write the problem in a negative form;
- Be specific and as accurate as possible;
- The problem should be real, not imagined or a possible future occurrence.

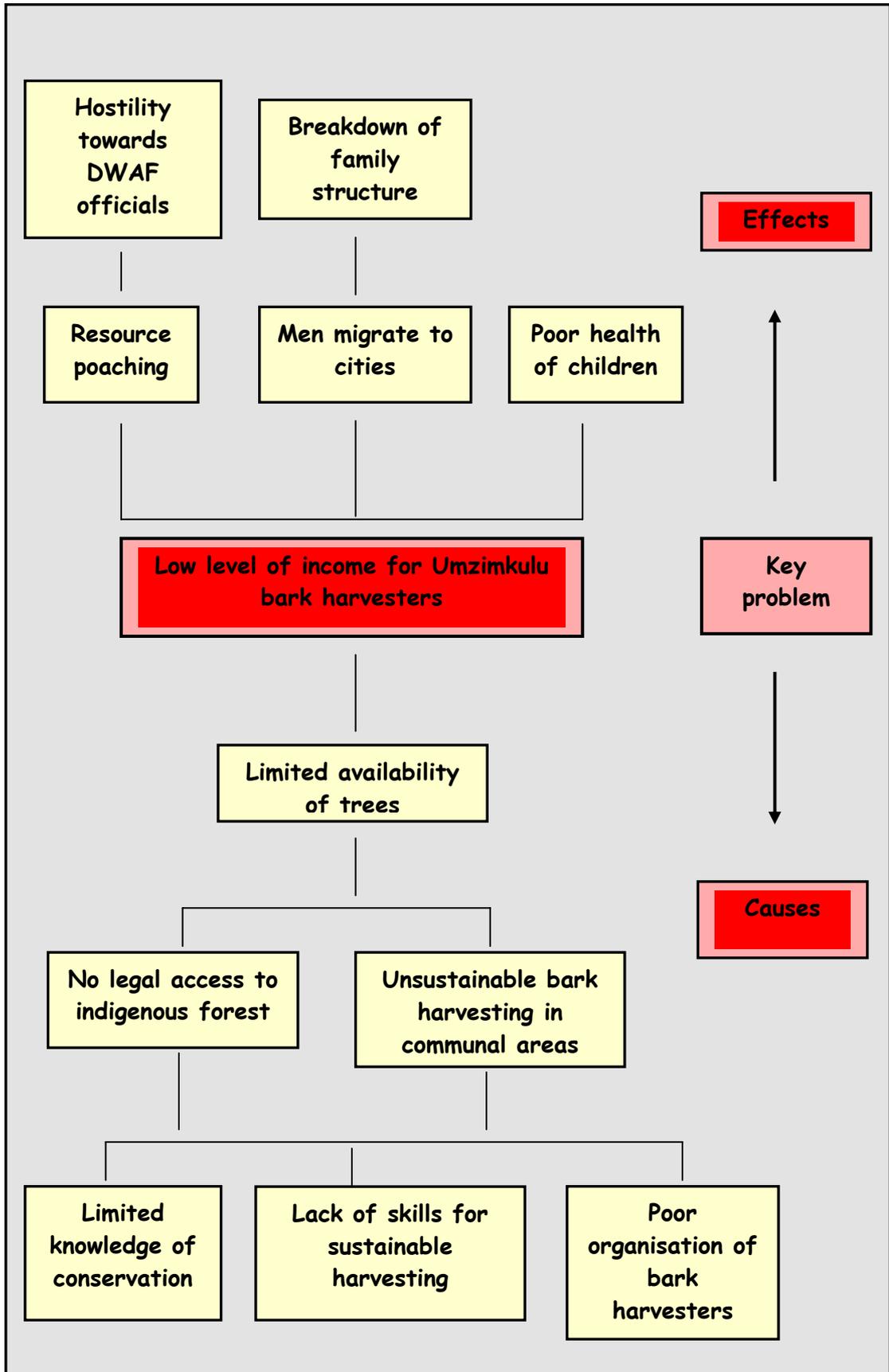
The group should then select one focal/key problem out of the 10 that describes the state in which people find themselves. This statement is what people agree to as a starting point for building a problem tree, though it might later turn out not to be the key problem. Once a key problem is selected, the other problems are arranged into cause and effect relationships around the key problem, i.e. what causes the key problem and what are the effects of the problem. Once the cause and effect relationship is structured in a logical sequence, lines are drawn linking the sequence as shown in the example in Figure 2.

A problem tree forces a planning team to answer the question 'why is the situation like this?' The cause and effect logic of the problem tree helps to ask the question 'are these the only causes of the key problem?'

If more causes to the problem arise, add them to the problem tree.

A problem tree works best with literate people, as it revolves around written descriptions of problems and their causes. However, information about problems gathered from stakeholders by also interviews and meetings can be used to draw up a problem tree, if this is needed for clarity during project preparation.

Figure 2: Problem Tree



5.2.3 Objectives Analysis: Building an Objectives Tree

Once the problem tree has been completed, solutions need to be considered. One way of doing this is to transform the problems listed in the problem tree to possible project objectives for improving the situation. The negatively worded 'problems' in the problem tree are converted into positively worded 'objectives' in an objectives tree as illustrated in Table 2.

Table 2: Problems and Objectives

Problem in problem tree	Matching objective
No legal access to indigenous forest	Access permitted to indigenous forest
Unsustainable bark harvesting in communal areas	Bark harvesting is sustainable in communal areas
Lack of skills for sustainable harvesting	Bark harvesters have skills to harvest sustainably
Poor organisation of bark harvesters	Bark harvesters organised into an effective association

Objectives are worded in a way that describes the state, which an improvement to the situation will bring about.

When drawing up an objectives tree, unlike a problem tree, the order in which problems are transformed into objectives has no particular relevance and thus one can start at any point. It is important however, that the objectives are realistic, achievable and desirable.

In the following example, while the objective may be desirable, it is not realistically achievable.

Problem	Objective
Lack of rainfall	Enough rainfall

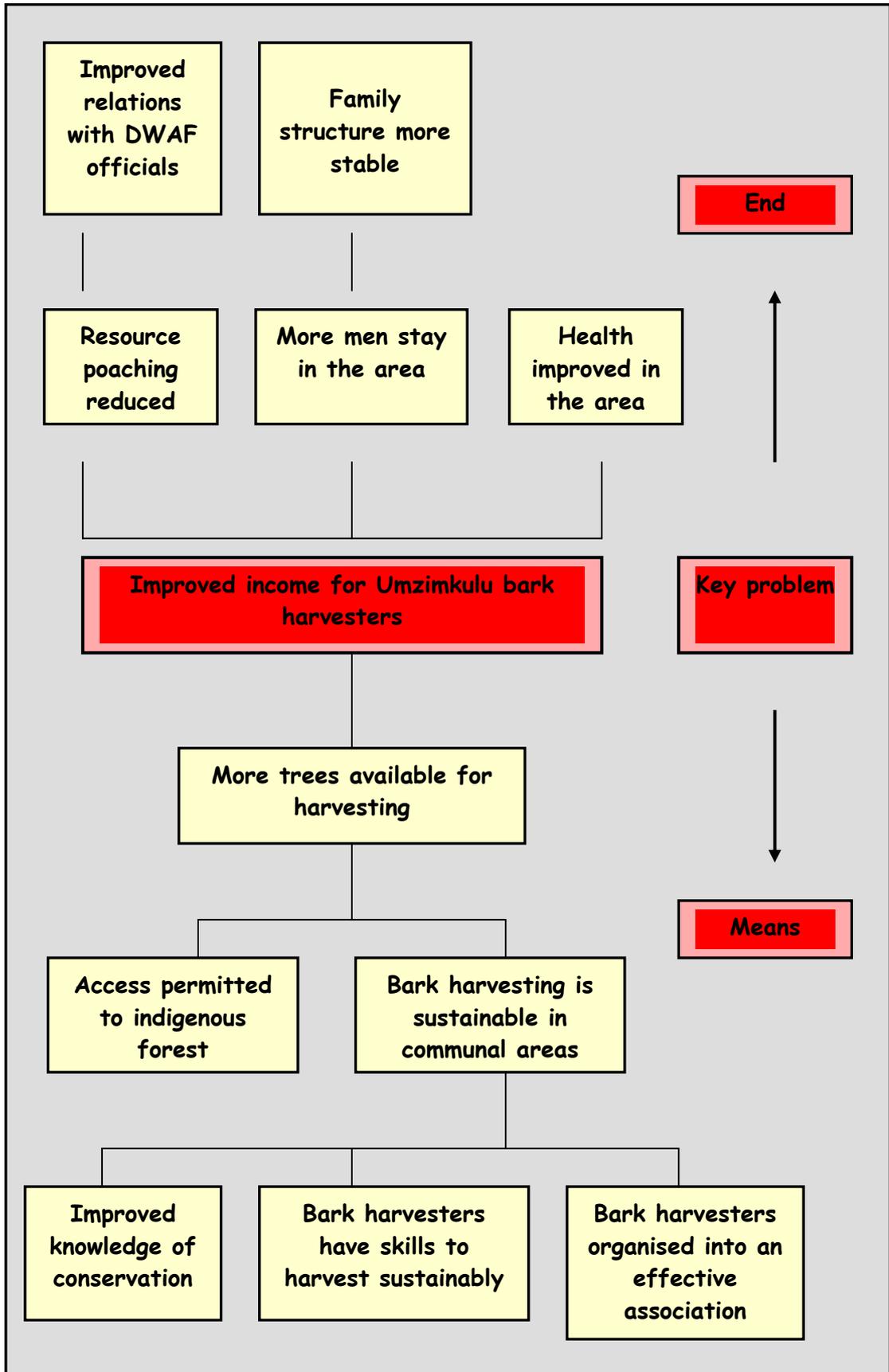
A more realistic objective would be:

Problem	Objective
Lack of rainfall	Irrigation system installed



The cause and effect logic in the problem tree is transformed into a means-end relationship in the objectives tree. This is done by first turning the key problem into an objective. Then the rest of the objectives can be structured, so that the lower level objectives will result in those above them being met - as many objectives as needed can be added to achieve the 'end' objectives. An example of an objectives tree is given in Figure 3.

Figure 3: Objectives Tree



5.2.4 Alternatives Analysis: Identifying Options for Possible Projects

Options are the different means-end branches in the objectives tree, leading up to the key objective. To identify them clearly, lines can be drawn between the different options. For example, in the objectives tree used in Figure 3, at least two major options or branches were present:

- Access to indigenous forests.
- Sustainable harvesting in communal areas.

Having a clear idea of what options are available can help to prioritise which projects and objectives to choose. There are seldom enough resources to do everything, and resources that do exist should thus be invested in areas where they will have the most benefit.

Choosing between Options

Initially, those ideas that are not related to the forest should be discarded or kept by the local stakeholders to link up with other organisations, or to form a local socio-economic development plan.

Certain general criteria should be applied to those project ideas that remain, in order to decide which is the most beneficial and acceptable within PFM and other policies of sustainable forest management:

- **Feasibility**
Is the project practical and realistic? Some needs, although pressing, cannot be addressed by forest management organisation, or the project conceived may be too large.
- **Total costs**
Can the money needed to implement the project be found within the local area, forest management organisation or from external support agencies? Will the money be spent on promoting self-help and building capacity, or encouraging dependency?
- **Benefits**
Who will benefit from the project? Do these people or institutions fall within the priority groups (poor rural people)?

Are benefits mutual for both the forest management organisation and the local people involved? Will the project help to build relationships between people and management for implementing sustainable forest management?

- **Probability of achieving objectives**

Is the project likely to work or is it based on wishful thinking? It makes sense to invest time, effort and other resources in a project that is likely to succeed.

- **Social risks**

Is the project appropriate to the local people and to the area in which it will be situated? Issues of appropriateness include cultural sensitivity, environmental effects, selection of technology, financial and economic matters, gender issues, and effects on local institutions and social structures.

Furthermore, local people may have their own criteria for supporting a project. Only if a project meets both forest managements' and local peoples' criteria can it be seen as truly mutually beneficial. Local peoples' criteria might include:

- Generating income;
- Creating employment;
- Developing skills;
- Funding is available;
- Raw materials/inputs are available and accessible;
- Utilisation of local strengths;
- Support/training is available;
- Fits in with seasonal nature of demand for labour;
- Likely to be sustainable.

Listing options in a table and scoring them according to the chosen criteria can assist in choosing between options, as shown in Table 3 below:

Table 3: Different Options Rated According to Criteria

Criteria	Option 1	Option 2	Option 3
Feasibility			
Total cost			
Benefits for ...			
Social risks			
Etc.			

5.2.5 Capturing Project Ideas

When an option or idea for a project has been identified, a document should be prepared that contains the:

- Problem situation;
- Objectives analysis;
- Possible options;
- Chosen option and the criteria used.

This should be done before detailed planning of the chosen project takes place. Table 4 presents a sample format for capturing project options. Note that while some detail has been included here, it serves only to indicate ideas and thoughts. During the next phase (project design), detailed objectives, outputs, activities, etc will be developed.

Table 4: A Sample Form for Capturing Project Ideas

	Description	Comments
Project Name, Implementing Unit, Contact Person	Umzimkulu Bark Harvesting Project DWAF - District level District Manager	



Project Description	Access will be granted to bark harvesters to resources, including felled trees after training provided on sustainable harvesting techniques.	The ultimate aim of this project is the economic empowerment of the community groups involved, and achieving sustainable forest utilisation.
Immediate Objectives (Project Objectives)	<ul style="list-style-type: none"> • To develop an adaptive management approach to PFM. • Achieve sustainable forest utilisation. • To train harvesters and staff in sustainable harvesting techniques. • To develop a representative body with community stakeholders. 	Through a monitoring system the project can develop a model for establishing a sustainable resource harvesting initiative.
Stakeholders	<ul style="list-style-type: none"> • Local bark harvesters • PFM Forum • DWAF • Danida 	
Beneficiaries	<ul style="list-style-type: none"> • Local bark harvesters • PFM Forum • DWAF staff 	
Main Outputs and Methodology	<ul style="list-style-type: none"> • Community organised in a representative body through PFM Forum. • Establish a workable harvesting plan. 	Other needs may arise with broader consultation.
Main Activities	<ul style="list-style-type: none"> • Training of harvesters and DWAF staff. • Developing a PFM Committee. 	Other activities will arise with broader consultation/planning.

<p>Inputs Required</p>	<ul style="list-style-type: none"> • Establishing PFM Committee - R20 000. • Equipment for bark harvesting and tree felling - R35 000. 	<p>Amounts can be estimated by considering factors such as transport, facilities such as venues, running costs, etc.</p> <p>These inputs and cost estimates can be identified during detailed planning</p>
<p>Present Status</p>	<ul style="list-style-type: none"> • Initiating communication with community stakeholders. • Conducting an inventory of resources, including dying stinkwood trees. 	
<p>Timeframe</p>	<ul style="list-style-type: none"> • PFM Committee - December 2002 • Training - February 2003 	<p>Much attention will be paid to establishing the PFM Forum.</p>
<p>Risks and Critical Assumptions</p>	<p>Sufficient sustainable bark resources are available to make the venture viable. Community stakeholders are willing to participate with DWAF</p>	<p>Project success might draw in other interested parties. This will limit the resources available per user for the project to provide meaningful benefit.</p>





6. Project Design

6.1 The Project Planning and Implementation Logic

Clear and detailed planning can save time, money and tempers during project implementation. Planning is a consultative process - without the joint inputs from all stakeholders, important issues may be missed or overlooked.

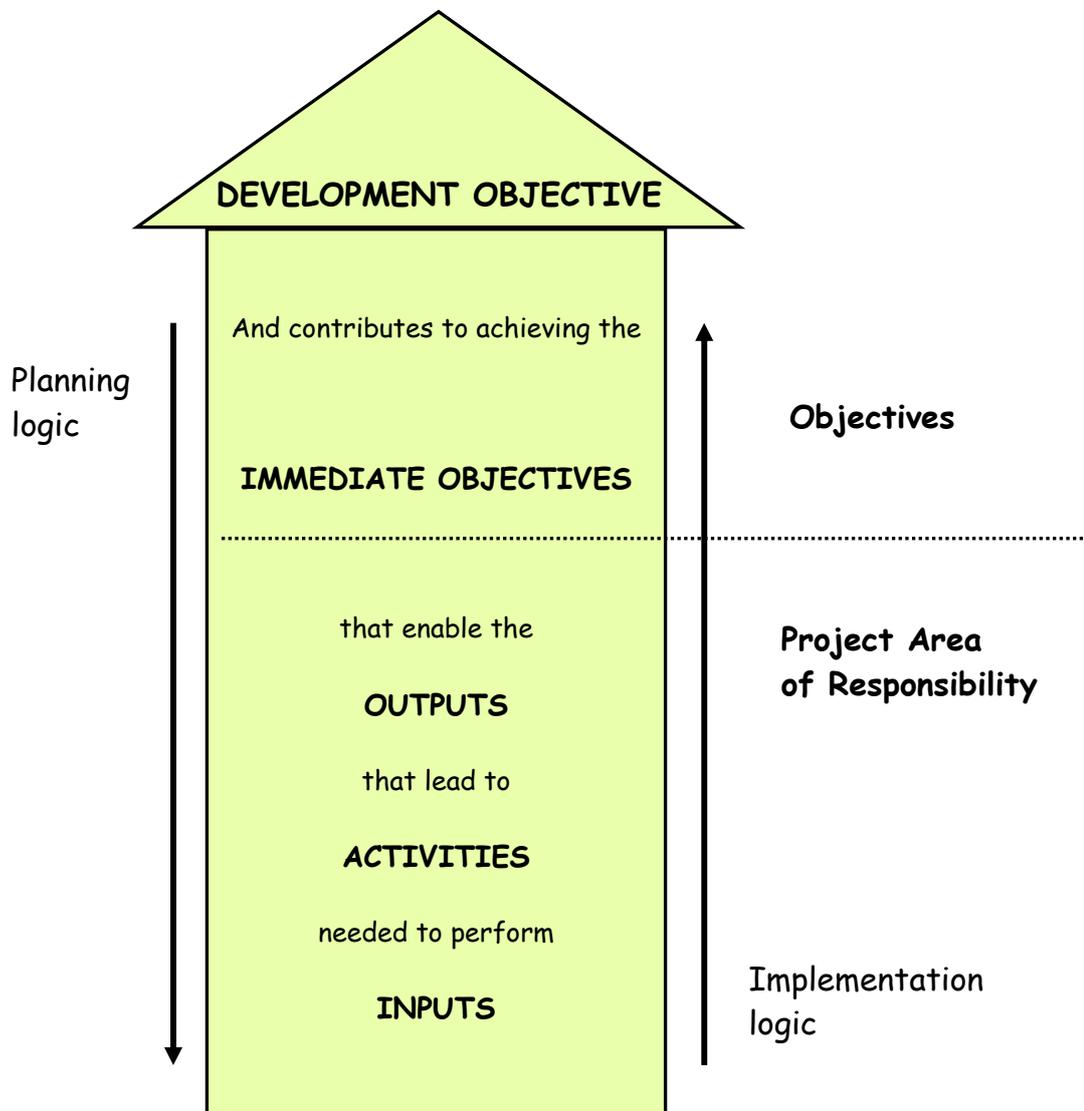
To plan a development project properly, the following questions emerge:

- If the objectives identified in the objectives tree were achieved, what would the changed situation be?
- Who should benefit from the project (i.e. who will be the beneficiaries)?
- Who should change their behaviour in order for the beneficiaries to benefit?
- How will the target group be enabled to change their behaviour/adopt new practices?
- When should the project start?

The project elements need to be considered during planning and implementation of a project. Figure 4 lists these elements and the relationship between them.

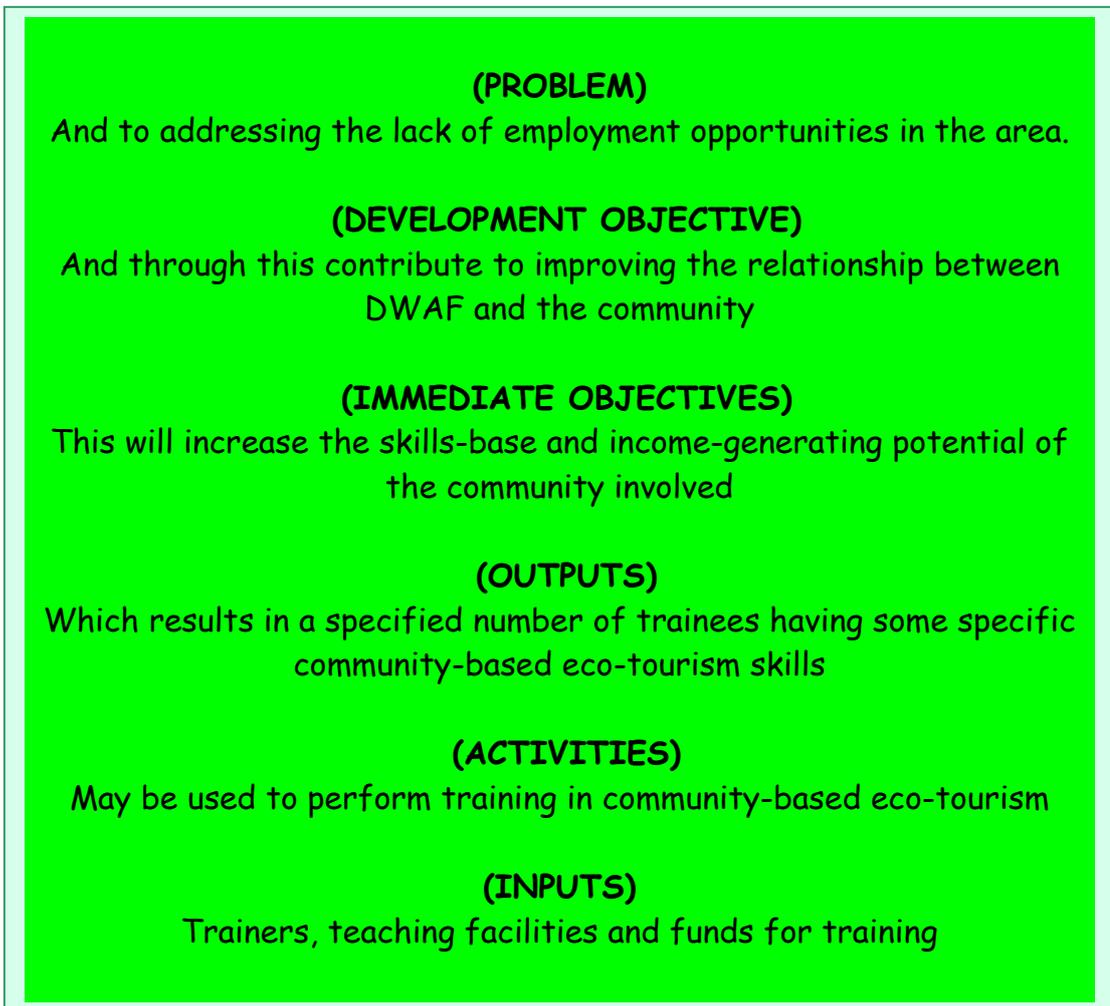
The text in the diagram below reads from bottom (Inputs) to top (Development Objective).

Figure 4: Project Planning and Implementation



An example of how this functions in practice (read from bottom to top):

This should be read from bottom to top:



Following are brief explanations of the project elements. Details of the development of each of these elements are presented in the rest of the chapter.

The Project Elements

Development objective

This is the main objective that the project is meant to contribute to in the long run. This objective will usually describe what the beneficiaries will obtain from the project, and is related to the problem or need the project is seeking to address.

Immediate objectives (project purposes or goals)

The immediate objectives normally describe a change in the target group's behaviour due to the project intervention. This is the immediate reason for a project, describing the effects that the project is expected to achieve, if it is completed successfully.

Outputs

Outputs are the goods/services/products that the project makes available to the target group. Project management must be able to achieve the outputs listed for the project, provided the requested inputs are available.

Activities

Activities are all the steps that the project takes to provide the various goods, services and products listed as outputs. Care should be taken to ensure that the specified activities will realistically lead to the specified output.

Inputs

Inputs are the raw materials of a project and include funds, equipment, supplies, personnel, premises, etc. Inputs should be specified for each activity, and should be sufficient to allow the activities to be carried out.

Verifiable indicators

Indicators are verifiable measures of the progress and success of a project. Indicators of output are usually simple (for example, the number of units of a product produced; the number of persons trained) but indicators may be more difficult to determine for development and immediate objectives.

Means of verification

Means of verification describes the way in which indicators can be verified (for example in reports).

Critical assumptions/risk factors

No project exists in a vacuum. Risk factors will always influence the performance of a project. In documenting a project, these factors should be listed and assessed as assumptions. Assumptions are conditions outside the immediate control or influence of the project that are necessary for achieving project objectives or outputs.

Project Elements Are:**• Stated as outcomes**

Write the project elements as if they have already been achieved, this helps to identify what is needed for the objective/output/activity to be achieved.

• Specific and describe what will be found when the particular element is achieved

- Quantity - what numbers of people, services, products, etc. will be involved?
- Quality - to what standard will this be done?
- Time - by when will this occur, how frequently will it happen, and will it end at some point?
- Location - where will this be taking place?

• Realistic, desirable and achievable

The elements of the project should be achievable, do not develop a framework that is likely to fail - do not be over-ambitious.

6.1.1 Defining the Project Objectives

Project design is based on an analysis of the existing situation. This analysis focuses on the identification of problems and their causes and effects, and **objectives** based on these problems. Usually, this analysis would have been carried out during the generating of project ideas⁴.

In order to choose the development objective, consider the Objectives Tree in Figure 4 and decide which objective expresses the benefits people will experience.

Example: *Improved income for Umzimkulu bark harvesters*

This becomes the **development objective**.

In order to choose the immediate objective, identify an objective on the Objectives Tree in the next level down which expresses how a particular target group should act to bring about the development objective.

Example: *Bark harvesters (target group) of Umzimkulu have access to bark resources in the indigenous forest by sustainable harvesting techniques*

This becomes the **immediate objectives**.

6.1.2 Defining the Project Outputs

Outputs are derived from objectives, i.e. the project will have to produce several outputs, or results, to achieve the desired immediate objective. These outputs should be clearly specified, and like all project elements should be specific, achievable and realistic. Outputs that meet these three criteria will enable the assessment of how successfully the objectives are being achieved. These outputs also make it easier to monitor and to evaluate the project.

Outputs are not sequential; each output is the consequence of several activities. To formulate an output, view the immediate objective and ask: *What must the project deliver for it to be possible to achieve this immediate objective?*

⁴ Refer to section 5.2

If all the outputs of the project are successfully achieved, the immediate objectives should have been reached. Outputs are the results that can be provided by the project due to its activities. Thus, the project outputs must be achievable, provided the requested inputs are available.

An example of outputs for a bark harvesting project could include:

- Output 1. *A PFM Committee represents forest user groups accessing The Forest.*
- Output 2. *A sustainable bark-harvesting plan is operational.*

Project Outputs

- All essential outputs necessary for achieving the immediate objective have been listed;
- Only those outputs that can be provided by the project are included;
- Each output is directly linked to achieving the immediate objective;
- All outputs are feasible within the resources available or requested by the project;
- The outputs are precisely defined and measurable.

6.1.3 Defining the Project Activities

The next step is to decide and specify what project **activities** are necessary to achieve the outputs. An activity is an action that is necessary to transform given inputs into planned outputs within a specified time.

Activities are described as actions that will be undertaken, rather than as results that will be achieved. They should be directly related to one of the outputs, and, as they are often sequential (build upon each other to achieve an output), they are numbered and listed according to the order in which they will be undertaken.

The following activities might generate the outputs mentioned above:

Output 1: A PFM Committee represents forest user groups accessing the forest

- **Activity 1.1:** Informal meetings held between DWAF and various local stakeholder groups.
- **Activity 1.2:** DWAF staff host an internal workshop to clarify the PFM framework for the region.
- **Activity 1.3:** A socio-economic survey of the Umzimkulu community is compiled.
- **Activity 1.4:** A broad workshop is held with local people to discuss PFM and identify appropriate stakeholders.
- **Activity 1.5:** A meeting is held with identified stakeholders to establish an official PFM Committee.
- **Activity 1.6:** Bark harvesters are identified and registered with ID numbers through the PFM Committee.

Project Activities

- All activities essential to produce the outputs to be included;
- All activities contribute directly to the output they are described under;
- Only activities that will be performed by the project are included;
- Activities are described as actions being undertaken rather than completed outputs;
- The time available for each activity is realistic;
- The activities are appropriate to the context in which the project will operate.

6.1.4 Defining the Project Inputs

The **inputs** (human resources, services, finances and materials) are the 'raw materials' of a project necessary to produce the outputs. From the inputs that the project requires, a budget can be developed⁵.

The inputs indicate all the resources that will be used by the activities to achieve the project outputs. They include inputs from the implementing agents (communities, DWAF, other stakeholders), those required from the donor, and those provided by other partners. The inputs should realistically reflect what would be necessary to produce the outputs.

Inputs should be described clearly, but not in detail. Financial inputs will be broken down and presented in more detail in the project budget.

The inputs will be:

- A venue is obtained for the workshop;
- Transport for people to and from the meeting;
- Catering for workshop participants;
- Funds for a facilitator, including report writing.

⁵ Refer to Chapter 7 and DWAF/Danida PFM Guideline: Financial Management of Projects (2005)

Project Inputs

- Are related directly to project activities;
- Are necessary and sufficient to undertake the planned activities;
- Are precisely and verifiably defined;
- Are appropriate for the situation.

6.1.5 Examining the Critical Assumptions or Risk Factors

Critical assumptions or risk factors are situations, events, conditions or decisions that are necessary for project success, but are largely or completely beyond the control of the project.

Some examples of these risk factors are the actions of other organisations, the political and economic climate, and weather conditions. Identifying these early in the project design process enables one to:

- Judge the risks or likelihood of success of the project;
- Avoid serious risks by either redesigning the project or abandoning it;
- Specify the area of responsibility for the project;
- Include alternatives and options in the project plan to make the project less vulnerable to unfavourable events or situations.

Assumptions are stated in the same way as project objectives, that is, as a desirable positive condition. For example:

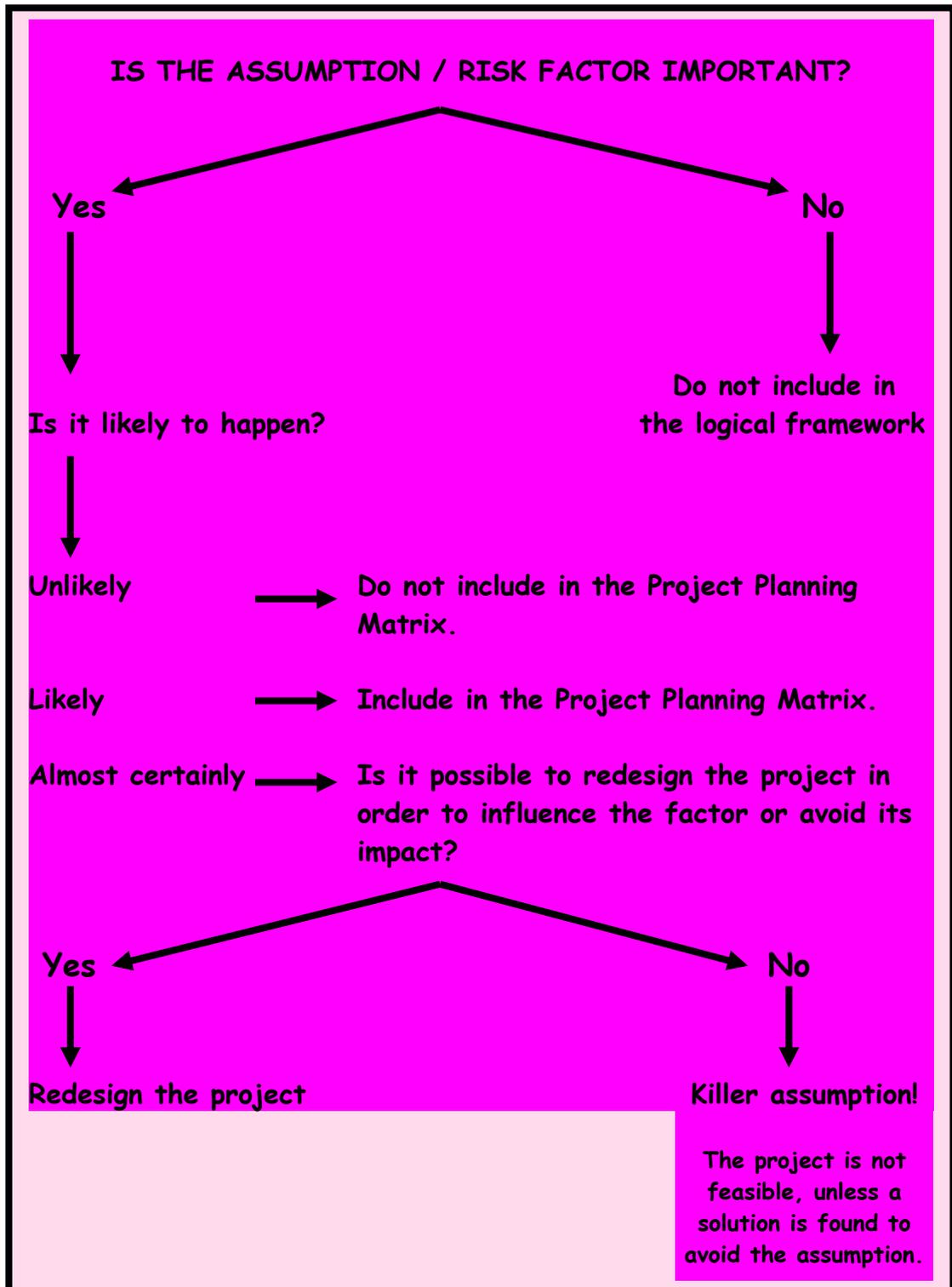
Community access to resource harvesting in the indigenous forest is guaranteed by DWAF.

Once the critical assumptions have been identified, they are assessed according to the process illustrated in Figure 5. This process will help to clarify how important the assumption is, and how it should be addressed in the Project Document⁶.

⁶ Refer to Chapter 8

Good project monitoring⁷ provides early warning in changes in the risk factors, and lead to necessary adjustments in the project.

Figure 5: Assessment of Critical Assumptions/Risk Factors



⁷ Refer to Chapter 9

6.2 Building Accountability into the Project

Setting project indicators and developing means of verifying (or proving) is an essential part of building accountability into the project. It is also necessary for planning project monitoring and evaluation. To tell whether a project is successful or on the right track, signs or markers (i.e. indicators) must be established that will show whether the desired results are being achieved.

6.2.1 Indicators

Indicators are based upon things that are essential to the accomplishment of an objective, output or activity and the question should be asked: *What indicator and verifiable evidence will prove that the objective/output has been achieved?*

Quantitative indicators

Indicators are often measurable in numbers such as:

- Total number involved (for example: *12 bark harvesters trained in best practice harvesting techniques.*)
- A percentage (for example: *bark collection increased by a minimum of 20%.*)

These kinds of indicators are quantitative.

Qualitative indicators

Not all indicators are measurable in terms of numbers. Qualitative indicators express how things are, opinions or perceptions. For example:

- *The relationship between bark harvesters and DWAF staff is better since the inception of the project.*

Qualitative indicators:

- Show changes in situations, behaviour, feelings and attitudes;
- Indicate processes;
- Interpret situations.

6.2.2 Means of verification

Means of verification are reports and the methods to collect the information/data will serve to verify the indicator(s).

Means of verification should be accessible, easy to gather and reliable. Some important questions to consider when specifying means of verification for the indicators are:

- Are the means of verification available from normal sources (statistics, observations, reports)?
- How reliable are the sources?
- Is special data gathering required? If so, what will it cost in terms of time and money.

If a means of verification cannot be found, the indicator must be changed. Means of verification for the examples discussed above could be:

Indicator: 12 bark harvesters trained in best practice harvesting techniques.

Means of verification:

- Workshop proceedings report;
- Interviews with trainees;
- Examination of financial records.

Indicator: Bark collection increases by a minimum of 20%.

Means of verification:

- DWAF monitoring data of bark harvesting.

Although qualitative indicators are often expressed as opinions or perceptions, they also need to be provable or verifiable. This may require doing a qualitative analysis or survey and then expressing the results in quantitative terms. For example, the qualitative indicator given in section 6.2.1:

The relationship between bark harvesters and DWAF staff is better since the inception of the project.

Can be expressed in the following quantitative manner:

90% of bark harvesters have agreed to work with DWAF and apply for bark harvesting licences.

6.3 Developing a Project Planning Matrix

Once objectives, outputs, activities, inputs and critical assumptions have been defined, these are recorded in a project-planning matrix - sometimes known as a *logical framework* or *log frame*. Recording them in this form helps one to check that outputs and activities are linked to objectives, which activities are linked to outputs, and that inputs are linked to activities. The project-planning matrix also provides a clear plan of what needs to be done - the activities of the planning matrix can be detailed in an implementation plan. The planning matrix can also be used to monitor the progress of the project and make sure that it is on track.

The project-planning matrix makes use of a 'zigzag' logic. For example:

- Activities + assumptions/risks = outputs
- Outputs + assumptions/risks = immediate objective
- Immediate objective + assumptions/risks = development objective

This is indicated in Table 5.

Table 5: Logic of a Project Planning Matrix

PROJECT DESCRIPTION	VERIFIABLE INDICATORS	MEANS OF VERIFICATION	CRITICAL ASSUMPTIONS
Development objective			
Immediate objective			<i>(Risks at Immediate Objective level)</i>
Output 1			<i>(Risks at Output level)</i>
Activity 1			<i>(Risks at Activities level)</i>
Activity 2			
Etc.			
Output 2			
Activity 1			
Activity 2			
Etc.			
Inputs			

Table 6 presents a working example of a project-planning matrix.

Table 6: Project Planning Matrix for a Bark Harvesting Project

Project Elements	Indicators	Means of Verification	Risk Factors
<p>Development objective:</p> <p>The livelihood of people in area A is improved through increased access and sustainable use of the indigenous state forest.</p>	80% of people in area A accessing natural resources through the PFM programme have a better income than before.	Informal interviews. Structured surveys.	Market for bark resources remains constant.
<p>Immediate objective:</p> <p>Bark harvesters of area A have access to bark resources in the forest by using sustainable harvesting techniques.</p>	Indigenous trees are not diminishing in the forest.	Scientific Services evaluation reports.	Community access to resource harvesting in the indigenous forest is guaranteed by DWAF.
<p>Outputs:</p> <ol style="list-style-type: none"> 1. A PFM Committee represents forest user groups accessing the forest. 2. A sustainable bark-harvesting plan is operational. 3. A long-term monitoring system guides the bark harvesting operation. 	<p>75% of local people are satisfied with the functioning of the PFM Committee.</p> <p>Local harvesters gather bark under DWAF supervision.</p> <p>Regular feedback from Scientific Services to harvesting operations.</p>	<p>Informal interviews or surveys. PFM Committee actively functioning.</p> <p>Observations and interviews with DWAF staff and harvesters.</p> <p>Monitoring and Evaluation Reports.</p>	<p>Individual community members buy into PFM.</p> <p>Sufficient bark resources are available for sustainable harvesting.</p>

Continued ...

Activities	Timeframe	Person Responsible	Cost/Inputs
Output 1:			
1.1 Informal meetings held between DWAF and various local stakeholder groups.	8 weeks (Weeks 1-8)	Forest Manager	Transport and venues arranged at DWAF expense.
1.2 DWAF staff host an internal workshop to clarify the PFM framework for the region.	2 days (Week 2)	DWAF Area Manager	Transport, venues and catering arranged at DWAF expense.
1.3 A socio-economic survey of the community is compiled.	4 weeks (Weeks 1-4)	Consultants	Consultancy costs: R22,000.00
1.4 A broad workshop is held with local people to discuss PFM.	2 days (Week 9)	Consultants with DWAF staff.	Venue, transport, catering and facilitation: R7,550.00
1.5 A meeting is held with identified stakeholders to establish an official PFM Committee.	1 day (Week 11)	Consultants with DWAF staff	Venue, transport, catering and facilitation: R6,270.00
1.6 Bark harvesters identified and registered with ID numbers through the PFM Forum.	2 weeks (Weeks 11-12)	PFM Committee Chair	Identification cards: R750.00

Output 2:			
2.1 Resource survey undertaken.	1-2 weeks (Weeks 1-2)	Forest Manager	Staff input.
2.2 Harvesting Plan and Rehabilitation Plan compiled.	4 Weeks (Weeks 3-7)	Scientific Services	Staff and community input reports produced: R2,000.00
2.3 Dying stinkwood trees marked for felling and bark according to harvesting plan.	2 Weeks (Week 9-10)	Forest Manager with Scientific Services.	Staff input.
2.4 DWAF staff and harvesters trained on best practice harvesting techniques.	1 Week (week 13)	Training Consultant	Training and transport: R10,000.00
2.5 Identified stinkwood trees felled over the first two years using ecologically sensitive techniques under the supervision of forest guards.	2 Years	Forest Manager	DWAF input, equipment, transport: R35,000.00
Output 3:			
3.1 DWAF staff in the field capacitated to monitor resource harvesting.	2 separate weeks (Week 12 & 48)	Scientific Services	DWAF input, report production: R650.00
3.2 Harvesting data collected by forest guards and analysed.	On-going	Forest Manager	DWAF input, documentation.

3.3 Harvesting Plan, Monitoring Plan and Rehabilitation Plan updated as data becomes available.	On-going	Scientific Services	DWAF input, report production: R700.00
	Total Time: 2 Years		Total Inputs: R 84,920.00

A broad overview of the timeframes in a project is also based on the project-planning matrix. This can be updated and revised during implementation of the project. Table 7 depicts a year plan for establishing the bark-harvesting project.

Table 7: Year Plan for Establishing a Bark Harvesting Project

Activities	Month											
	1	2	3	4	5	6	7	8	9	10	11	12
Resource survey undertaken.												
Harvesting Plan and Rehabilitation Plan compiled.												
DWAF staff in the field capacitated to monitor resource harvesting.												
Dying stinkwood trees marked for felling and bark harvesting.												
Training on best practice harvesting techniques.												
Identified stinkwood trees felled.												
Harvesting data collected by forest guards and analysed.												
Harvesting Plan updated as data becomes available.												



7. Financial Management

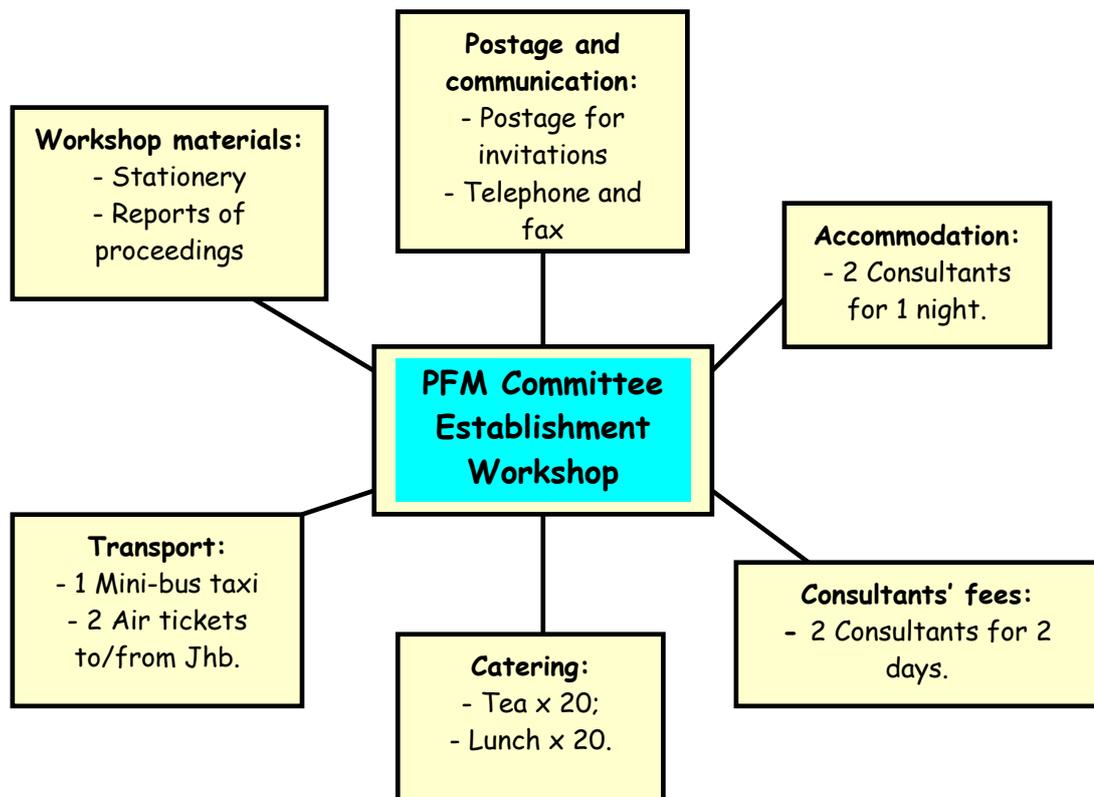
7.1 Budgeting

A budget is a plan of expected expenditures and incomes over a certain time, usually a year or the full duration of project implementation. A budget translates project plans into money. It should include all costs that the project will incur. The budget is based on the activities and inputs that are planned and listed. Compiling a budget is an essential part of project preparation⁸. No external funding can be obtained until a realistic project budget estimate exists. The financial accountability of the project will also be monitored according to the budget that has been compiled.

The budget must be compiled with great care and worked out in detail as costs can easily be overlooked. Budgeting must also be flexible enough to accommodate unforeseen expenses. A concept map, as depicted in Figure 6, can help plan the budget for each of the project activities. This will also assist in double-checking whether all the inputs required by the activity have been listed.

⁸ For more information on budgeting refer to DWAF/Danida PFM Guideline: Financial Management of Projects (2005)

Figure 6: Concept Map



Examine all the inputs that will be required. Which of them can be provided by the forest management organisation? The time forest management staff spends working on a project is an input. Consider then those inputs that cannot be covered by forest management. These funds will probably have to be sourced from donor/funding agencies⁹.

Once the funding requirements for all the activities have been determined, the basis of the budget is in place. Added to this are any running costs that will be incurred without being associated with any particular activity. These could include items such as stationery, communication costs, fees for consultants, or taxes. As the time taken from planning until implementation can be drawn out, inflation should also be included.

A budget is usually arranged in lines, according to what the money requested will be spent on. An example of a format for a budget line is given in Table 8.

⁹ Refer to DWAF/Danida PFM Guideline: Fund Raising for Projects (2005)

Table 8: Examples of a Budget Line

Budget line	Item	Description	Cost per unit	No. of units	Total
PFM establishment workshop.	Accommodation	2 People for 1 night	R 200	1	R 200
	Catering for 20	Tea	R5	20	R100
		Lunch	R15	20	R300
	Consultants fees	2 x 2 days	R 300 per day	4	R1200
	Transport	1 x Mini-bus taxi	R 750	1	R750
		Air tickets to/from Jhb.	R 1000	2	R2,000
	Postage and communication	Invitations, telephone and fax.			R400
	Workshop materials	Stationary			R250
		Reports of proceedings.			R500
	Contingencies @10%				R570
	TOTAL				R6,270

Usually there is more than one budget line in a project budget as projects normally have more than one activity or output.

A project budget can therefore be presented in the format illustrated in Table 9.

Table 9: Project Budget

Budget Line	Item	Description	Cost per unit	Number of units	Total
Budget line 1 Administration	1.1 Administrator				
	1.2 Audit				
	1.3 Stationery				
	Subtotal				
Budget line 2 Implementation	2.1 Transport				
	2.2 Food				
	2.3 Equipment				
	Subtotal				
Budget line ...	1				
	2				
	...				
	Subtotal				
Total					
Grand total					

7.2 Financial Management Systems

A financial management system should be put in place during the development of the project and should be compiled in a participatory manner to ensure buy-in and understanding of the document.

Financial Management Systems¹⁰

- In the day-to-day management of finances, many systems of financial control and recording can be implemented. It is thus essential to use a system that can accurately account for all income and expenses of your particular project.
- In order to apply for funding for a forest project - be it a grant, loan or joint venture agreement - the ability to manage the project's financial affairs in a transparent and professional way will need to be demonstrated.
- The financial management system should enable the easy production of financial reports¹¹.
- A sound financial management system is important in preventing disputes either between stakeholders or with the fund donor/loan agent. A structured and efficient set of rules on financial management and transparent reporting helps to ensure that conflict over financial decisions becomes institutionalised and well managed.
- Planning for sound financial management before a project is implemented, is essential. This should form part of the project preparation.
- A financial management system should keep all stakeholders informed and satisfied with the project's functioning.

A basic bookkeeping system in which expenditures are recorded against incoming funds will indicate the balance available for each budget line, and will simplify the compilation of financial reports. Records and receipts should be retained safely for at least a year after the life of the project because documentation may be required during auditing procedures or project evaluations.

¹⁰ From DWAF/Danida PFM Guideline: Financial Management of Projects (2005)

¹¹ Refer to Chapter 9

If any major unforeseen expenses arise beyond the budget, this should be discussed with stakeholders and support agencies and their approval obtained before payment is arranged.

7.3 Financial Procedures¹²

Financial procedures, should be put in place for handling money. With many stakeholders, all with differing opinions and expectations, the potential for dispute is great. These financial procedures should clearly describe the specific procedures and responsibilities of the various individuals managing the project.

Financial Procedures

- Procedures and rules for handling money;
- Clear responsibilities of the various individuals involved in the financial management and assigned specific jobs/positions - e.g. the treasurer, the chairperson, the financial officer;
- Compliance issues such as procedures, communication and reporting lines, and how non-compliance should be dealt with;
- An understanding by all participants of the financial procedures, roles and reporting lines as well as the role of the forest manager with regard to the financial issues of the project.

In a project, a *treasurer* usually deals with all financial issues. However, in a larger business venture, a financial officer may be appointed to assist the treasurer, and/or an accountant may be employed to develop and implement the accounting system and assist with recording income and expenditure. The treasurer or individual(s) within the project have to be assigned the following financial tasks:

¹² From DWAF/Danida PFM Guideline: Financial Management of Projects (2005)

- 
- Receive money and issue receipts and invoices;
 - Bank money;
 - Authorise cheque payments and keep cheques;
 - Record payments and receipts;
 - Control petty cash and associated records;
 - Finalise draft annual budgets;
 - Prepare annual financial statements;
 - Prepare funding proposals;
 - Check financial records;
 - Control stock items such as stationery and office equipment;
 - Approve changes to budgets;
 - Report to stakeholders in appropriate format (language, etc.).

The person(s) who ultimately signs, and takes responsibility for the project funds plays a major role in the project. Financial procedures should be transparent.



8. Writing a Project Document

A Project Document is a project description in an LFA format. It is a summary and record of project planning. The Project Document constitutes Terms of Reference (TOR) for a project. The Project Document thus guides project implementation. A clear and accurate Project Document is useful because it is:

- A project management tool, particularly in terms of project monitoring and evaluation.
- A useful way to communicate to stakeholders and others the precise objectives, contents and scope of the project.
- Usually required by support (donor/funding) agencies as a precondition for project support.

8.1 Putting the Project Document Together

A detailed Project Document for beekeeping projects is presented in Annex 1.

The following page presents a list of contents for a Project Document.

What does a Project Document Contain?

1. **Context:** a brief summary of the context within which the project is proposed.
2. **Project description:** a brief description of the project idea, with comments.
3. **Primary stakeholders:** a description of the main stakeholders including the beneficiaries.
4. **Secondary stakeholders:** a description of stakeholders who are not directly involved in the project planning, but may be affected by the project.
5. **Development objective:** explained and justified.
6. **Immediate objectives:** explained and justified.
7. **Outputs:** a description of outputs.
8. **Activities:** a description of main activities.
9. **Inputs:** a description of inputs from all sources.
10. **Assumptions:** a description of assumptions/risk factors.
11. **Sustainability:** an overview of how the project will sustain itself.
12. **The implementation plan:** refers to the schedule of activities in the matrix.
13. **Organisation and administration:** responsibilities, i.e. who will do what. Financial procedures should also be summarised here.
14. **Monitoring and evaluation:** a description of the system you will use.
15. **The project-planning matrix:** as an appendix.
16. **The project budget.**



9. Project Monitoring and Reporting

Monitoring is the regular gathering, analysing and reporting of information that is needed for evaluation and/or effective project management.

9.1 What is Monitoring and Evaluation?

Monitoring and Evaluation (M&E) will assist in making improvements in present or future projects. If there is no response to what is learnt through monitoring and evaluation, then time, energy and money that are wasted. Monitoring systems should enable feedback to project management from implementation of a project.

Evaluation is a selective and periodic exercise that attempts to objectively assess the overall progress and value of a project. It uses the information gathered through monitoring and surveys and is carried out at particular points in the project cycle. Although evaluation is an important means of determining a project's impact, this Guideline will deal mainly with monitoring. Project management is concerned with the regular monitoring of activities.

A structured monitoring approach makes information available to support project implementation. This helps to enhance project sustainability. Monitoring can help to strengthen project implementation and encourage useful partnerships with key stakeholders.

Organising monitoring means deciding which stakeholders will be involved and clarifying and assigning roles to all stakeholders, including project management and any partner organisations. Stakeholders may have to be trained in the different aspects of monitoring.

9.2 Why Monitor a Project?

The main purpose of monitoring is to ensure that all activities and related outputs are accomplished. Key issues are:

- What type of information is required by project management, DWAF, donor agents and other stakeholders?
- To what extent should local communities and other stakeholders participate in the M&E procedure?

Proper M&E will: ¹³

- Ensure informed decision-making;
- Enhance organisational and development learning;
- Assist in policy development and improvement;
- Provide mechanisms for accountability;
- Promote partnerships with, and knowledge transfer to key stakeholders;
- Build capacity in monitoring tools and techniques.

Monitoring Outcomes

Monitoring should make it possible to assess:

- **Relevance** - Does the project/activity attend to its broader development objective?
- **Effectiveness** - Have the impacts, objectives, outputs and activities of the project been achieved?
- **Efficiency** - Did the process that was followed make optimum use of the resources and time available to achieve the desired outputs?
- **Impact** - To what extent has the project contributed towards longer term goals such as job creation, poverty alleviation, or a reduction of dependency on forest resources?
- **Sustainability** - What is the likelihood that efforts will be continued by other agencies at the end of the project?

¹³ From DWAF/Danida PFM Guideline: Project Monitoring and Evaluation (2005)

Monitoring provides information and facts that, when analysed, understood and accepted, become knowledge that can be used to improve project management. In addition to learning about the progress and achievements of the project, monitoring will inform about why partnership strategy, project design and implementation were successful or unsuccessful. This knowledge should be fed back into ongoing and future projects, policies and strategies.

Project evaluations can help to bring development partners together.

The ultimate purpose of monitoring and evaluation is the implementation of change for the better!

9.3 Internal versus External Monitoring

Internal monitoring is built into the design of a project or activity and is usually undertaken by the project management team so that the project meets deadlines, stays within the budget and achieves its objectives, activities, outputs and impacts. A project that does not monitor its implementation is not a well-managed project.

Findings, recommendations, etc. of internal monitoring are captured in project progress reports and technical reports.

External monitoring is carried out by an outside team, which is not directly responsible for the management or implementation of the project. All projects can benefit from external monitoring, which is often the responsibility of donor agencies or government organisations. Findings and recommendations of external monitoring are sometimes documented in a review or evaluation report¹⁴.

Only internal monitoring is dealt with in this Guideline.

¹⁴ External monitoring is detailed in DWAF/Danida PFM Guideline: Project Monitoring and Evaluation (2005)

9.4 Monitoring Levels

Traditionally, project monitoring focuses on assessing the inputs and activities of a project. Today the focus is increasingly on measuring the outputs and impacts of a project to achieve a development objective or goal.

Project inputs, activities and assumptions/risks should not be forgotten. For example, if the budget (an input) is cut by 50%, this will obviously affect the outputs of a project and will have to be taken into account when conducting monitoring.

Below are the different monitoring levels for each element of a project:

Input monitoring

Input monitoring refers to the resources that are put into the project. These include finance, staff, skills, materials, etc. Information on this type of monitoring comes mainly from project progress reports and accounting.

For example, ways of measuring this can be the number of days a consultant is employed, or the amount of funds spent on training and equipment.

Activity monitoring

Activity monitoring monitors what happens during the implementation of the project and whether those activities that were planned, were carried out. This information can be obtained from the project progress reports.

Output monitoring

Output monitoring assesses projects outputs made possible from project inputs and activities. The measurements used for output monitoring will be those which show the immediate physical outputs and services from the project.

Impact monitoring

Impact monitoring relates to the objectives of the project. The aim of impact monitoring is to determine whether the development objective of a project has been met. Such monitoring should highlight changes that are fundamental and sustainable without continued project support.

Assumptions/risk monitoring

Assumption/risk monitoring entails monitoring of external factors (those factors outside the control of the project), defined by the assumptions and risks related to these assumptions not being realized.

An example can be that local consultants with the necessary expertise are not available; or that there are changes in policies and legislation affecting project outputs.

9.5 Indicators and Means of Verification

Indicators are measurements that can be used to assess the performance of the project¹⁵. Indicators must be able to be verified (or proven).

The means of verification are Project Progress Reports and other activity reports (for example proceedings reports from training) and technical reports.

9.6 Gather and Organise Data

Primary data or secondary data may be needed. Primary data is new data that comes from an original source and have not been edited or amended in any way. Secondary data is data that exists in the form of reports, documents, maps, diagrams, etc. Methods of collecting data include:

- Document reviews;
- Interviews;
- Surveys and questionnaires;
- Field visits and transect walks;
- Expert opinion.

Decide on an appropriate means to capture and store the data collected. Organise the collected data so that it is understandable and cannot be misinterpreted. Information collected can relate to any of the different project levels - Table 10 is an example of a table for capturing project activities.

¹⁵ Indicators are discussed in section 6.2

Table 10: Project Activity Table

Activities			Analysis	Reasons for deviation	Recommendations
Planned	Actual	Deviation			

In some cases, additional meetings may provide more feedback. Experts in the field can also be consulted to ensure the information has been accurately analysed. It may also be valuable to compare relevant aspects of other similar projects - in this way the experiences and lessons learnt during other projects can be shared.

9.7 Progress Reports and Technical Reports

Project Progress Reports and technical reports are key monitoring tools. Project Progress Reports are often semi-annual, or they can be prepared monthly.

Project Progress Reports (activity reports) are used to monitor overall project progress, while technical reports detail specific outputs. Project Progress Reports should not repeat information contained in the Project Document (TOR for the whole project) or in previous Project Progress Reports. They should point out unexpected problems that have occurred in the reporting period or which might occur in the future. The Project Progress Reports should propose solutions to these problems and adjustments to the project that will make implementation more effective. A format for a Project Progress Report is provided below.

Progress Report Content

- 1. Executive summary**
- 2. Project context**
A review of project assumptions in the light of any new problems or opportunities.
- 3. Project outputs**
A review of project outputs and indicators achieved and/or due during the reporting period.
- 4. Project activities**
A review of the implementation of activities according to the project planning matrix or implementation plan.
- 5. Project inputs**
A review of inputs delivered and used during the reporting period.
- 6. Project implementation status**
Problems and opportunities encountered during the reporting period and not covered elsewhere in the report. These might include:
 - a) Analysis of possible unintended impacts, proposed solutions and suggestions for action;
 - b) Review of likelihood of achieving project objectives;
 - c) Review of overall project strategy;
 - d) Analysis of project sustainability.

9.8 Financial Reporting

Financial reporting is a means of monitoring the project inputs. Financial reports should make clear what has been spent, and how this relates to the project budget. Projects must back up any expenses with receipts. If careful financial records have been kept, it should be easy to prepare a financial report.

If expenditure differs from the project budget, the reasons for the variances should be explained. When the variances are large, adjusting the budget in agreement with the donor/funding agent may be necessary. Table 11 presents a format for a financial summary report.

Table 11: Financial Summary Report

Budget Line	Description	Budgeted Amount	Expenditure in current period	Balance remaining
Budget line 1	1.1 Administrator			
Administration				
	1.2 Audit			
	1.3 Stationery			
	Subtotal			
Budget line 2	2.1 Transport			
Implementation	2.2 Food			
	2.3 Equipment			
	Subtotal			
Budget line ...	1			
	2			
	...			
	Subtotal			
Total				
Grand total				

A financial report should follow the same structure as the project budget. For every budget line there should be a list of numbers that refer to numbered original receipts to be attached to the financial report.

9.9 Disseminate Findings and Recommendations

Project Progress Reports and technical reports from the project, or summaries of these reports, should be widely distributed and presented to decision-makers and key stakeholders.



The interests and concerns of different audiences will vary and as a result project reports should be written to accommodate most audiences. Reports should communicate different levels of details according to the audience being addressed. For example, donor agencies and DWAF national office may require reviews of the project at a general and strategic level. Project management may require more detail at an operational level in order to improve the day-to-day implementation of this and/or future projects.

Well-planned distribution of reports/information and well-planned meetings will ensure maximum participation by all stakeholders.

Besides reports and meetings, there are many other ways to communicate the findings, lessons learnt and recommendations to the broader stakeholder group.

Some information dissemination channels include¹⁶:

- Bulletin boards/ community notice boards;
- Existing newsletters and free publications;
- Broadcast announcements/ advertisement;
- Press releases or newspaper inserts;
- Brief presentations/ announcements at other municipal meetings;
- Project newsletter.

¹⁶ From DWAF/Danida PFM Guideline: Stakeholder Participation (2005)



10. Finding Support for the Project

Projects are about helping people to help themselves, and should not build dependencies. A project is not a success, if the changes it brings about require continuous or long-term external financial or technical support. In some cases, however, some external funding or support is often required to initiate changes for the better.

Before applying for funding a Project Document, as outlined in chapter 8, should be in place with relevant and realistic objectives, outputs, detailed activities and budgets.

10.1 Possible Sources of Project Funding

In South Africa there are several sources of funds for environmental and development work. These include¹⁷:

- Individuals;
- Local businesses, companies and corporations;
- Special government funds such as the Poverty Relief Fund;
- Local trusts and foundations;
- Local NGOs and CBOs;
- Local parastatal organisations, e.g. Agricultural Research Council;
- Local government, i.e. municipalities and district councils;
- Foreign governments;
- Foreign NGOs;
- Foreign trusts and foundations;
- The government's Reconstruction and Development Programme (RDP);
- Banks for loans (as opposed to funding) such as the Land Bank, DBSA and the Women's Development Bank;
- Foreign embassies.

¹⁷ Detailed in DWAF/Danida PFM Guideline: Fund Raising for Projects (2005)

Before requesting support from an organisation the following should be investigated:

- The name of the donor including the address, telephone and fax numbers and the name of the person you should write to;
- Reasons why the organisation supports environment and social development work - take note of the organisation's mission statement;
- Whether groups and/or individuals are supported;
- The geographical areas or development sectors that are prioritised;
- The selection criteria applied;
- The size of the grants it usually gives;
- Whether the donor prefers to fund projects or programmes or contribute to an overall budget;
- What the donor does not fund, both in terms of the types of work and particular budget items;
- The donor's decision-making process and the likely time-frame;
- The dates when proposals are considered, and the dates for submission of proposals for consideration;
- What the delay is likely to be in receiving the funds, if a positive response is received;
- The financial period covered by donor grants;
- The reporting requirements of the donor;
- Whether the donor's project application format should be used.

Certain organisations have their own application forms with their own format for extracting information about the applicant's project. Although it can be inconvenient to reword the funding proposal or Project Document into the format required by the donor, their form should be completed. A well-prepared funding proposal will receive preference to another application that is poorly prepared or incomplete¹⁸.

¹⁸ Refer to DWAF/Danida PFM Guideline: Fund Raising for Projects (2005)



Annex 1: Example of a Project Document

Beekeeping Development with Forest User Groups

1. Context

Forest user groups and communities living near forests do not have the capacity to become involved in the complexities of forest management at present. They are, however, willing to embark on new ventures or forest-related enterprises that would empower them and give them a new resource base.

Several case studies underline the success of beekeeping projects in South Africa. There is a high demand for honey and honey products in South Africa, but currently the local production and supply is limited. Beekeeping projects have proven to be viable thus far and have benefited several communities nationwide. Indigenous forests are an ideal ecosystem for beekeeping, thus providing a good opportunity to establish projects.

The Agricultural Research Council (ARC) has invested much in research, training and implementation of beekeeping projects on a national scale. To date, there are some 35 successful projects operating in South Africa. PFMC members from the Ntendeka Wilderness area are already benefiting from the ARC's beekeeping projects. Through the DWAF/Danida Community Forestry Project, the Bushbuckridge Beekeepers Association has also proved successful.

This programme will empower the beneficiaries to establish new beekeeping businesses throughout South Africa. This will increase the existing organised beekeeping industry by 50%, while redressing historical inequity in this industry (ARC Beekeeping Development Plan, 2003).

2. Project Description

The PFM Committees (PFMCs) beekeeping user groups will be linked up with the ARC programme. The Danida PFM Project will contribute towards co-funding three associations. DWAF has already established local structures and interest groups in the areas proposed for intervention.

Current beekeeping development initiatives by the ARC have among others been supported by the Department of Science and Technology (DST). DST has indicated that they are willing to allow their funds to support the mentorship of new projects in the regions to enhance the existing projects and expand the scope of the Beekeeping for Poverty Relief Programme (BPRP). DST will support two beekeeping projects in state forest areas described in the next section.

The ARC will work with DWAF in the selected regions to identify appropriate participants from the communities. Once the full implications of the beekeeping programme are explained and participants are committed to the beekeeping programme, the participants (beneficiaries) from an area will be assisted to form an association with the option of registering as a legal entity in the form of a bee-keeper association.

Each association will have their own constitution and operate independently. They will take ownership of the necessary equipment and monitor their hives, and collect and bottle their honey. New beekeeping associations will have access to extractors for processing and bottling the honey through existing ARC beekeeping projects. However, in new project areas, such as Limpopo (former Venda area), extractors will be required.

The current Project Document has been negotiated with DWAF (including the regions) for a period of eight months.

3. Beneficiaries

Community Beekeepers

From proposals received and observations during field visits, numerous areas were earmarked for the DWAF/ARC Beekeeping Development Programme. Danida will include the budget to also train three associations in beekeeping (each association consists of a maximum of 15 members).

Most communities have already identified participants for beekeeping training. Once the project commences, DWAF staff and the ARC will intervene to ensure selected participants are committed to beekeeping, including:

- People with an interest and knowledge of beekeeping;
- The poorest of people in the area with potential to practise beekeeping;
- Participation by women;
- Beneficiaries proving their long-term commitment to live in the area, and not those likely to leave for urban areas in search of better opportunities;
- Commitment to work in an association in accordance with the constitution;
- Willingness to promote sustainable forest management.

The following regions have been identified:

- Limpopo Two Associations
- KZN Two Associations
- Eastern Cape Two Associations

The Danida will fund three associations, the DST will fund two and the ARC will fund the other one association in close proximity to the Danida funded associations. Due to the limit of funds available, Mpumalanga will be excluded because beekeeping has been established by previous Danida funded projects, i.e. Bushbuckridge Beekeepers Association.

The following sites have been selected for beekeeping projects:

Limpopo: Gaba-Tshaulu (Danida funded) and Thathe Vondo (DST funded)

KZN: Mfulamhle (Danida funded) and Sokhulu (ARC funded)

Eastern Cape: Machibi (Danida funded) and Ndakana PFMC (DST funded)

The sites in the Eastern Cape and KwaZulu Natal were determined according to the proposer's interest and priority in beekeeping above other potential forest enterprises. Of the four sites proposed in Limpopo, the two selected were identified by the ARC and agreed to by DWAF as having the greatest potential for honey production.

DWAF and the State Forests

As part of DWAF's mission for the economic, social and spiritual upliftment of South Africa's people, increased value will be attributed to indigenous forests as more neighbouring people benefit from beekeeping. Many of the PFMCs initiated by DWAF have members wanting to participate in beekeeping. The beekeeping project will serve to rapidly implement a PFM initiative, thus instilling a positive attitude towards future engagements concerning sustainable forest management.

Biodiversity conservation of indigenous forests (also part of DWAF's mission) will benefit through the positive ecological processes brought about by bees. Plant propagation of both indigenous and farm lands are improved through the presence of bees as plant pollinators.

Furthermore, managed beekeeping will reduce the risk of fires in forests caused by honey hunters.

4. Stakeholders

Agricultural Research Council

The success of the ARC Beekeeping for Poverty Relief Programme has been excellent - this programme won the prestigious Impumelelo Award. The ARC will play a leading role as facilitators in the beekeeping project by training and mentoring community participants. The ARC Sustainable Rural Livelihoods Programme will contribute by assisting the development of another beekeeping group in the proximity of a beekeeping group funded by the Danida.

Department of Science and Technology

The ARC's principle funder has been the Department of Science and Technology (DST). Their continued support of the project is important to ensure the Beekeeping for Poverty Relief Programme continues in order to mentor new beekeeping initiatives such as this DWAF/Danida initiative. DST has decided to commit a further R1 million towards sustaining their current projects. Funding from the DST will be allocated to supporting two PFMCs in beekeeping.

DWAF in the Regions

Access to and utilisation of indigenous state forests is essential for beekeeping and PFM. DWAF staff responsible for PFM in the regions will play an important role through assisting the ARC in identifying beekeeping user groups. DWAF will ensure that sustainable forest management is adopted by the project. Community participants will be required to cooperate with DWAF to ensure that forests are utilised in a sustainable manner. Forest management issues such as fire control, licences to place beehives, reporting of illegal activities in the forest, and other issues of mutual cooperation, will have to be adopted by project participants.

Danida/DWAF Project Team

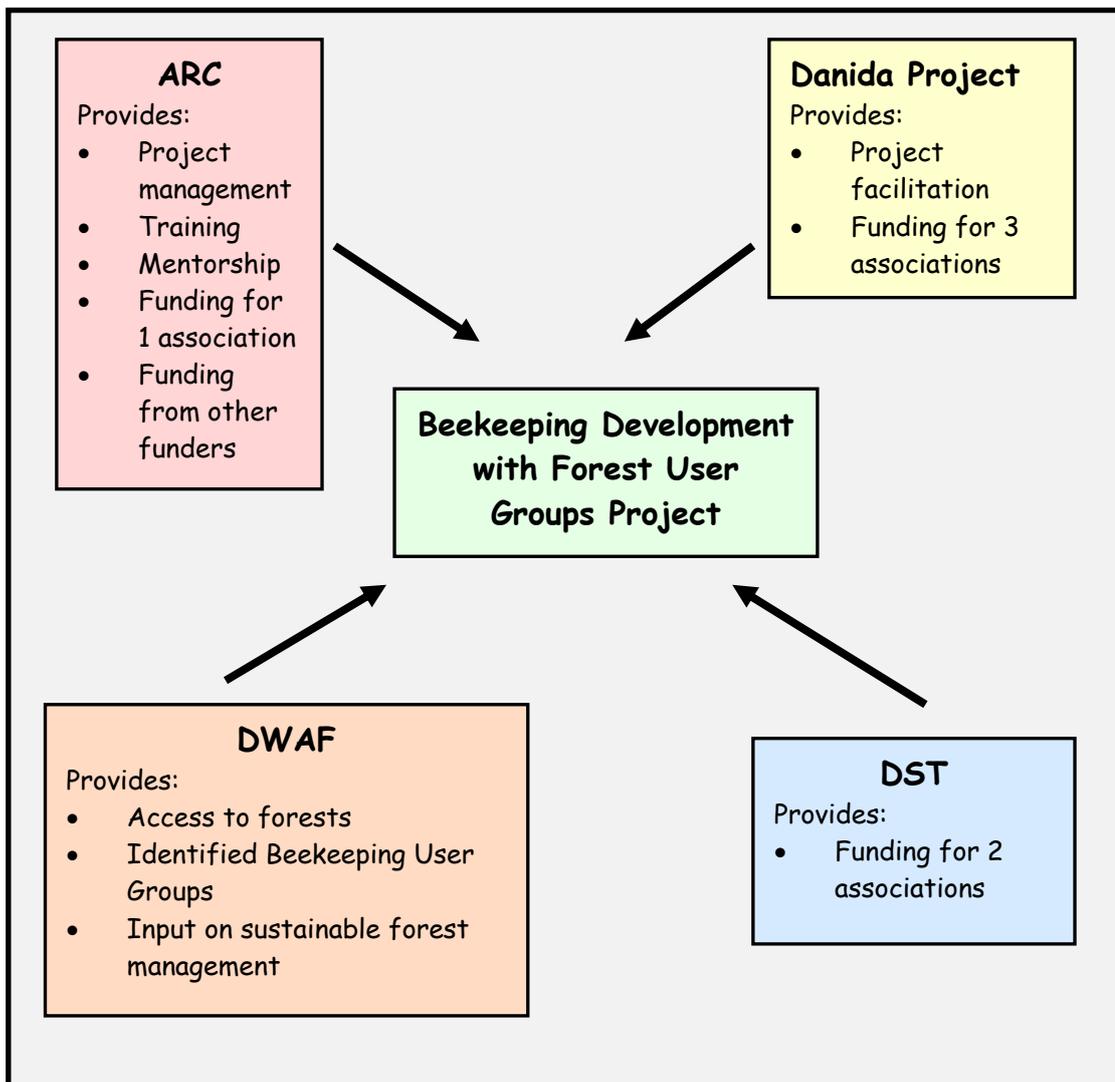
DWAF staff at head office will be influential in the design of the beekeeping programme. Danida staff will assist in project planning, the procurement of funding, monitor financial reporting and implementation.

Development Bank of South Africa

The Development Bank of South Africa (DBSA) has also stated that they want to fund beekeeping projects. Their interest in supporting projects in Engcobo-Msintsana area overlaps with certain state forest areas. With other funders supporting initiatives in proximity to DWAF areas, the ARC's transport costs will be reduced.

Figure A depicts the primary stakeholders contributing to the beekeeping project.

Figure A: Primary Stakeholders Contributing to the Project



5. Development Objective

The Development Objective (the overall goal) for this project is in line with DWAF's PFM policy, i.e.:

"Contribution towards poverty eradication means through economic empowerment of local people, sustainable management of indigenous state forests, promotion of sustainable resource use and environmental education."

6. Immediate Objective

The Immediate Objective (the project objective) is:

"A self-sustaining community-based beekeeping initiative, that will yield a commercially viable outlet for bee products, is established."

7. Major Outputs

1. Project sites identified for beekeeping;
2. Six associations formed and constituted;
3. Association members trained in beekeeping;
4. Associations equipped with beekeeping apparel;
5. Market and support strategy established;
6. Monitoring procedures established.

8. Major Activities

Output 1: Project sites identified for beekeeping

Project locations are prioritised according to proposals submitted and identified by DWAF regional staff and agreed with ARC team. A technical appraisal is undertaken of potential apiaries. The ARC team together with DWAF regional staff undertake PRAs with identified communities and PFM Committees to assess their receptiveness to beekeeping.

A final selection of project sites is determined in consultation with DWAF. DWAF will take responsibility for issuing licences to associations for placing their hives in state forests.

ARC will undertake:

- PRAs with identified communities to assess their receptiveness to beekeeping.
- Technical appraisal of potential apiary sites.
- Final selection of project sites with DWAF staff.

DWAF will undertake:

- Issuing of licences for hives.

Output 2: Six associations formed and constituted

The community and/or PFM Committee at each project site will nominate people to be trained in beekeeping, according to criteria listed under the section on beneficiaries. These selected people from each area form an association with a constitution to guide the functioning of their beekeeping project, guided by the ARC. Experiences and the constitution from the Danida funded Bushbuckridge Beekeepers Association and the DWAF/Danida PFM Guideline: Formation of PFM Forums and Committees will feed into this process (the association size should not exceed 15 members). This association will take ownership of hives and the necessary beekeeping equipment. The association will be mentored by the ARC staff over a 20 month period to ensure they function efficiently as a business.

ARC will ensure:

- A constitution for each association is written to guide its operation.

Output 3: Association members trained in beekeeping

All elected community participants from the associations attend an intensive five-day beekeeping training course. Daily tests and final examinations (oral for functionally illiterate members) are an important element of the course. Each member attending is given a bound copy of the training material. Wherever possible, CBOs are contracted to supply the venue, undertake catering arrangements, and if necessary, provide accommodation for the training course. In this way, the broader community also derives the maximum benefit from project funding.

The beekeeping associations are provided with basic financial training to ensure their operation is profit orientated.

Should the DWAF regions see the need, appropriate foresters can participate in the beekeeping training provided to the community participants.

ARC will undertake that:

- All association members attend an intensive five-day beekeeping training course.
- Training is applied in the field to initiate beekeeping activities.

Output 4: Associations equipped with beekeeping apparel

At the end of the week training course, equipment such as protective clothing, hives and reference material are supplied to each association. At an appropriate time (i.e. before harvesting), honey packaging materials (bottles, labels, straws) are supplied to the associations along with extraction equipment. The associations will retain ownership of the equipment, which is sourced and purchased for them by the ARC.

The ARC will make an agreement with each association stating that beekeeping support and training is offered on condition of commitment and performance by community participants. If problems arise with an association causing the viability of the project to be compromised, the ARC can withdraw support and equipment given to that association. The funders can then decide what to do with the assets and money held by the ARC for that specific project as identified in this Project Document

ARC will ensure:

- Equipment such as protective clothing, hives and reference material is supplied to each association.
- Honey packaging materials (bottles, labels) supplied along with extraction equipment.

Output 5: Market and support strategy established

Participants are mentored by a team of ARC and DWAF officials during monthly visits. These visits provide mentoring and practical guidance to each association through the 20 months following the initial training. The mentoring phase is intended to take each association through two major periods of peak honey production. This ensures that expertise is developed in all aspects of practical beekeeping and in the handling and marketing of hive products before the project terminates.

When the hives are ready for harvesting, training in bottling and selling honey is provided. The beekeepers are encouraged to sell locally to maximize profits, however, the ARC can also market the bee products to distant markets if necessary. The community associations own everything they produce (honey, wax, etc.) and are free to sell their products to whomever they choose.

Where different associations operate within close proximity to one another, a shared location for extracting honey is accessed thereby reducing capital layout for bottling honey. Once the mentoring phase of the project has ended, all members of the association who have demonstrated satisfactory performance are awarded certificates of competence. The performance of associations is evaluated through a technical report compiled at the end of the 20-month project intervention phase.

ARC will ensure:

- Participants are mentored by a team of ARC and DWAF officials during monthly visits, providing practical guidance.
- Training is provided in bottling and selling honey when hives are ready for harvesting.
- Associations have access to a shared location for extracting honey.
- Additional training is provided in the production of bee products, such as wax and propolis.
- Certificates of competence are awarded at the end of the mentoring phase.

Output 6: Monitoring procedures established

The ARC will attend three PFM Coordination Team meetings to present their work on the project. DWAF staff will also monitor the beekeeping project and how progress unfolds according to the implementation plan. The appropriate DWAF regional representatives will present progress reports at the bi-monthly PFM Coordination Team meetings. Danida staff will monitor progress and disseminate reports as approved by DWAF D:PF.

ARC will report:

- Progress and findings at three PFM Coordination Team Meetings.

DWAF will present:

- Progress reports at the bi-monthly PFM Coordination Team meetings.

Danida will monitor:

- Progress and disseminate reports.

9. Inputs

Figure A in this annex depicts what the various stakeholders are contributing to the beekeeping development project. The management expertise provided by the Project Manager at the ARC will ensure sustainability. The ARC will oversee the Beekeeping Development with Forest User Groups Project, ensuring associations are formed, training and mentorship are provided and equipment is distributed according to the budget. Inputs from DWAF's regional staff and DST support of other beekeeping projects are also important. Danida has made funds available for the training of beekeepers and the purchase of essential equipment to kick-start three apiary businesses. ARC will fund the development of another apiary business in proximity to one of the DWAF supported projects. The ARC has also secured funds from the DST to support two other apiary businesses (associations).

Appendix B shows the budget for the project, describing costs for the different activities within each output.

10. Critical Assumptions

Key assumptions for the project include:

- DWAF continues to implement and prioritise its PFM policy, permitting access to the forests for beekeeping;
- The political situation in the region continues to be stable with favourable government policies being sustained;
- Hives are not vandalised in the forest areas;
- High quality honey is produced and packaged;
- Market demand for honey and bee products continues;
- Participants remain committed to beekeeping and function as an association.

11. Sustainability

Capacity development

Besides the initial one-week training course provided to beekeepers, the 20-month mentoring phase provides association members with practical guidance through all stages of beekeeping. This mentorship will also provide sufficient time to ensure that the association functions as a business, assisting the beekeepers through problem areas that may arise.

Beekeeping associations must be formed because all equipment donated as part of the project should belong to a body with greater permanence than individuals, who might lose interest or move away. Beekeeping does not require additional input after every 'harvesting season' and the equipment should last at least fifteen years. Provided beekeepers can sell their honey (packaged or not) and have access to forests, their businesses will be viable.

Financial sustainability

The ARC provides basic training on financial management to ensure that participants are aware of profit making issues and that income is fairly dispersed among the association members. The PFM Guideline 'Financial Management of Projects' will also be made available to capacitate participants on financial issues.

Initial capital outlay for training and equipment is provided by the project. Real operating expenses are only labels, bottles and dedicating time for beekeeping. There is a large market for honey in South Africa as the current shortfall of over 600 tonnes is imported.

Furthermore, beekeepers can also earn income from bees' wax and pollination services. Making decorative candles for ornaments adds value to the wax, and thus greater profit.

12. Implementation Plan

A detailed implementation plan can be derived from the project planning matrix attached in Appendix A. The matrix will form the core implementation plan that will be adhered to. Deviations will have to be adequately explained. For project implementation the ARC will appoint a project coordinator responsible to DWAF and Danida.

13. Project Reporting, Monitoring and Evaluation

The ARC will manage the project implementation, consulting closely with the appropriate regional DWAF staff. The ARC will be required to provide an Activity Report to the Danida project 6 months and 12 months after project inception. Danida staff will, after approval by the Deputy Director: PFM in D:PF, distribute these reports to the regions.

The Project Matrix (see Appendix A) describes the activities, time frames and responsibilities. During project implementation, DWAF regional staff will also participate in the monitoring of these activities. The ARC coordinator will attend three PFM Coordination Team meetings to report on the progress of the project. At these meetings DWAF will also provide feedback on monitoring in their Progress Reports. Danida staff will also monitor the project through quarterly meetings with the DWAF regions.

The evaluation process will concentrate on measuring impact and sustainability of the project. The project completion report, produced at the end of the project intervention, will provide an evaluation of the project's performance.

Reporting involves technical and financial feedback. For technical reporting, DWAF staff in the regions will work closely with the ARC project staff to ensure project activities are undertaken as stated in this Project Document.

The ARC Project Manager will be accountable to Danida for financial reporting. Funds provided by Danida for the purposes of initiating the project will be accounted for, and original receipts will be provided upon completion. The ARC is also audited by the Auditor General.

At the end of the project intervention stage, a full financial report will be forwarded to the DWAF/Danida project office.

Appendix A: Project Planning Matrix

Project description	Verifiable indicators	Means of verification	Critical assumptions
Development objective (Goal)			
Contribution towards poverty eradication means through economic empowerment of local people, sustainable management of indigenous state forests, promotion of sustainable resource use and environmental education.	<ul style="list-style-type: none"> Beekeeping functioning effectively, resulting in improved income for local communities by June 2005. 	<ul style="list-style-type: none"> Financial records Internal impact assessments ARC reports Improved salaries 	<ul style="list-style-type: none"> DWAF continues to support PFM. Continued support, guidance and partnership with DWAF, ARC and DST.
Immediate objective (Purpose)			
A self-sustaining community-based beekeeping initiative that will yield a commercially viable outlet for bee products is established.	<ul style="list-style-type: none"> Local people actively managing the project with decreased external technical and financial support and viable sales by June 2005. 	<ul style="list-style-type: none"> Decreased input from supporting agencies and institutions. Financial record 	<ul style="list-style-type: none"> Market for honey remains good. Local people actively participate and contribute indigenous knowledge to project. High quality honey produced. Hives are not vandalised.
Outputs (Results or outcomes)			
1. Project sites identified for beekeeping.	<ul style="list-style-type: none"> Sites identified from assessment visits and consultations. 	<ul style="list-style-type: none"> Minutes of meetings available. List of participating communities. Assessment report. 	<ul style="list-style-type: none"> Suitable sites available for apiaries. Local political climate remains stable.

2. Six associations formed and constituted.	<ul style="list-style-type: none"> Six associations constituted. 	<ul style="list-style-type: none"> List of associations. Constitutions for each association. 	<ul style="list-style-type: none"> People cooperate on beekeeping. Local political climate remains stable.
3. Association members trained in beekeeping.	<ul style="list-style-type: none"> Approx. 60 to 90 participants trained in beekeeping. 	<ul style="list-style-type: none"> Interviews with trainees. Personnel acquired certificates. 	<ul style="list-style-type: none"> Participants are willing and committed to learning.
4. Associations equipped with beekeeping apparel	<ul style="list-style-type: none"> Equipment supplied to associations. 	<ul style="list-style-type: none"> Equipment visible. Invoices. 	<ul style="list-style-type: none"> Equipment is available.
5. Market and support strategy established.	<ul style="list-style-type: none"> Associations producing bee derived products. 	<ul style="list-style-type: none"> Honey and other bee products available on the market. 	<ul style="list-style-type: none"> Market demand for honey and bee products continues
6. Monitoring procedures established.	<ul style="list-style-type: none"> Activity and Completion reports compiled, presentations given. 	<ul style="list-style-type: none"> Reports documented, presentations in PFM Coordination meetings. 	<ul style="list-style-type: none"> Target groups participate in meetings and read reports.

Activities	Timeframe	Responsible agents
1. Project sites identified for beekeeping		
Project locations are prioritised according to proposals submitted and identified by DWAF regional staff and agreed with ARC team.	Oct 2003	DWAF Regions
PRA with identified communities to assess their receptiveness to beekeeping.	Oct - Nov 2003	ARC/DWAF Regional staff
Technical appraisal of potential apiary sites.	Oct 2003	ARC
Final selection of project sites with DWAF staff.	Oct 2003	ARC/DWAF regions
Licences are issued by DWAF to associations for placing their hives in state forests.	Nov - Dec 2003	DWAF

2. Six associations formed and constituted		
Community or PFM Committee at each project site nominates people to be trained in beekeeping according to listed criteria.	Oct - Nov 2003	Community Development Committee or PFM Committee
Selected people from each area form an association.	Nov - Dec 2003	Selected committee participants
A constitution for each association is written to guide its operation.	Nov '03 - Feb '04	Association members, with ARC/DWAF guidance
3. Association members trained in beekeeping		
All association members attend an intensive five-day beekeeping training course.	Nov - Dec 2003	ARC
Training is applied in the field to initiate beekeeping activities.	Nov '03 - Jan '04	ARC
4. Associations equipped with beekeeping apparel		
Equipment such as protective clothing, hives and reference material supplied to associations		
5. Market and support strategy established	Dec 2003 - Jun 2005	ARC and DWAF Regions
Participants are mentored by a team of ARC and DWAF officials during monthly visits, providing practical guidance.	Before first extraction	ARC
Training provided in bottling and selling honey when hives are ready for harvesting.	During harvesting	ARC
Associations access a shared location for extracting honey.	Dec 2003 - Jun 2005	ARC
Additional training in the production of bee products such as wax and pollination is provided.	Jun 2005 (end of project intervention)	ARC with DWAF Regions present
Certificates of competence awarded at the end of the mentoring phase.		
6. Monitoring procedures established	Dec 2003, project mid-term and closure	ARC
ARC presents progress and findings at three PFM Coordination Team Meeting.	Bi-monthly	DWAF staff representing regions
Regional DWAF staff present progress reports at PFM Coordination Team Meetings.		

Appendix B: Budget

This budget represents funding for three associations as provided by Danida.

	Item	Description	Cost per Unit (Rand)	No of Groups	Total (Rand)
Budget line 1: Project sites identified for beekeeping					
	Initial visit to area and meeting with the people.	Includes transport, personnel cost, S&T for ARC personnel.	10,000.00	3	30,000.00
Subtotal					30 000.00
Budget line 2: Six associations formed and constituted					
	Community meeting.	Determining beekeepers.	Community input		
	Associations constituted.	ARC coordinates, costs included above.			
Subtotal					No costs
Budget line 3: Associations members trained in beekeeping					
	5-day beekeeping training course.	15 people per group at R1000 each.	15,000.00	3	45,000.00
		Catering for 5 day course.	3,000.00	3	9,000.00
Subtotal					54,000.00
Budget line 4: Associations equipped with beekeeping apparel					
	Personal equipment for 15 people in a group.	Protective clothing, hive tool, uncapping fork, smoker @ R750 each.	11,250.00	3	33,750.00
	50 hives per group.	Includes 3 supers hives @ R300.00 each.	15,000.00	3	45,000.00
Extraction Equipment					
	Extracting machine	Electric operated	11,000.00	3	33,000.00
	Generator	(if necessary)	6,000.00	3	18,000.00
	Sieve		239.00	3	717.00
	Heating element	2 per group	150.00	3	450.00
	Settling tank	2x 500kg tank	9,200.00	3	27,600.00
Marketing Equipment					
	Honey jars (glass)	2500 per group	5,000.00	3	15,000.00
	35kg Buckets	20 per group @R25	500.00	3	1,500.00

	Labels	20 000 per group	12,000.00	3	36,000.00
	Business cards		1,000.00	3	3,000.00
	Honey straw making	Machine and 20000 straws	2,000.00	3	6,000.00
	Subtotal				220,017.00
Budget line 5: Market and support strategy established					
	Mentoring: Follow-up assistance for 20 months.	Includes transport, subsistence, accommodation, personal time = R5,500 per visit.	110,000.00	3	330,000.00
	Subtotal				330,000.00
Budget line 6: Monitoring procedures established					
	3 ARC Presentations at PFM Coordination Team meetings.	Includes flights, accommodation, subsistence and personal time.	5,000.00		15,000.00
	Subtotal				15,000.00
	Grand Total				649,017.00



Annex 2: Glossary

Activities

Action taken or work performed within a project to transform inputs (e.g. funds, materials, time) into outputs (e.g. skills, income, structures).

Apiary

A place where bees are kept.

Assumptions

Belief in an existing state, present or future attitudes or happenings, upon which the project depends (e.g. 'the community is willing to participate in the project').

Beneficiaries

Those people who will benefit directly from the project (also referred to as the 'target group') and those people who benefit indirectly from the project (e.g. local shopkeepers may benefit from additional trade due to the project; local authorities may benefit from increased payment of rent, water and electricity due to an increase in community income).

Cause and effect logic/relationship

The idea that an action or situation (cause) will have result in a change (effect) on other actions, situations or people.

Collaboration

To work with others in a joint project.

Development objective

The main overall objective that the project is meant to contribute to in the long run. For DWAFF-facilitated projects, this will usually be *'...through participation in the sustainable management of forest resources where these resources contribute to local economic development. To ensure that the constitutional rights of all South Africans to use and benefit from natural resources are protected, and the livelihoods of poor and previously disadvantaged groups improved'*. Other lower level development objectives can be used when an objective that defines the direct benefits accruing to the target group is necessary.

Effectiveness

A measure of the extent to which a project or programme is successful in achieving its objectives. This can also refer to the extent to which the target group is adopting the new behaviour.

Efficiency

A measure of the productivity of the implementation process, i.e. how economically inputs are converted into outputs. Were the resources used wisely?

Evaluation

A selective and periodic exercise that attempts to objectively assess the overall progress and worth of a project as well as the achievement of project outputs and impacts. It uses the information gathered through monitoring and other research activities and is carried out at particular points in the project cycle. Evaluations can be conducted internally by people within the project, or externally by independent evaluators. Evaluations should summarise the results of the project and clearly indicate lessons learned, in a format that will enable other projects to benefit from them.

External factor

Event, condition or decision that is necessary for the project's success, but is largely beyond the control of the project (e.g. South Africa remains a popular tourist destination; DWAF supporting infrastructure remains intact and effective).

Immediate objective

The immediate reason for a project. This is also sometimes referred to as the project purpose. The effect that the project is expected to achieve if it is completed successfully. The immediate objective should describe the changed active situation in which the target group is using project goods and services.

Indicator

A state or product that must be achieved to meet project objectives. They are measurements that will show the extent to which an objective has been achieved. Both qualitative and quantitative indicators should be applied.

**Impact**

The positive or negative changes or effect observed in the target group, produced as a result of the project intervention.

Implementation plan

Schedule of activities, which are reflected in the project-planning matrix.

Inputs

The funds, personnel, materials, etc. necessary to produce the intended outputs of development activities.

Logical Framework Approach (LFA)

A tool that helps with planning, managing, monitoring and evaluating projects.

Means-end relationship

The idea that an action/input/situation (means) will be carried out in order to achieve a certain goal or result (end).

Means of verification

The means of verification indicates where the evidence is that objectives or outputs have been met, or in other words, where data will be found to prove or verify the indicator.

Monitoring

The ongoing assessment of the performance of a project, which seeks to provide management and other key stakeholders with early indications of progress, or lack thereof, in the achievement of key milestones and outputs. It involves the systematic collection of information, and regular reporting on significant trends and variations.

Non-Governmental Organisation (NGO)

General term for private and volunteer organisations outside the government agencies.

Outputs

The results that a project guarantees as a consequence of its activities. Goods, services or deliverables that a project must provide during and after implementation.

Overall objective:
See **Development Objective**.

Participation

A process through which stakeholders influence and share control over development initiatives and the decisions and resources that affects them.

Project

A planned undertaking or intervention designed to achieve specified objectives within a given budget by a specified time.

Project Document

A project management tool in an LFA format that summarises the project context, objectives, outputs, inputs, project organisation, assumptions and sustainability, project implementation plan and contains a project matrix as annex. A Project Document constitutes the TOR for a Project.

Project planning matrix

A summary of the project design that identifies key elements, external factors and expected consequences of completing a project successfully.

Project proposal

A summary and description of a project, including a budget that is used when approaching donors for funding.

Purpose

See **immediate objective**.

Stakeholders

A person, group, organisation or other body who has a "stake" in the area or field where interventions and assistance are directed. Target groups are always stakeholders, whereas other stakeholders are not necessarily target groups.

Sustainability

The extent to which a state resulting from the completion of the project can be expected to continue to provide benefits to project beneficiaries.



Target group

A group of people who will benefit directly in a measurable way from interventions and assistance.

Terms Of Reference (TOR)

Description of an intervention which provides the reason and motivation for a task to be carried out and identifies broad considerations, roles and responsibilities, objectives, outputs, activities and organisation for the process.



Annex 3: The PFM Guidelines

The eight PFM Guidelines were prepared as part of the DWAF/ Danida PFM Project (2001-2005). The PFM Guidelines aim to empower DWAF staff, the new custodians of the state forests and partners at local level to implement the new DWAF Forestry Vision. The PFM Guidelines are meant to support community upliftment in accordance with the DWAF Criteria, Indicators and Standards for Sustainable Forest Management.

Some Guidelines target local groupings, where limited capacity prevails.

The Guidelines are available from the Directorate: Participative Forestry in DWAF, Pretoria.

Guideline	Description/ Justification	Main Target Groups
Stakeholder Participation	How to mobilise stakeholders at local level and form partnerships and agreements with local user groups/communities	DWAF and the new custodians of state forests as well as other departments/ organisations pursuing participation in natural resource management
Legal Options for Community Partnerships with DWAF Forestry	Legal mechanisms/entities available for local groups to co-operate and form Community Forest Agreements (CFAs) with DWAF and thus obtain licences to use forests and their products	DWAF and the new custodians of state forests as well as local groupings (PFM Committees, CBOs, NGOs, clubs, small enterprises etc)
Logical Framework Approach Project Planning	Planning and documenting a project and explaining what a project is, including the major projects funded by donors	DWAF and the new custodians of state forests and local groupings (NGOs, CBOs, Forest User Groups, etc)

Sustainable Harvesting	Multiple stakeholder use of indigenous forests through the development of sustainable harvesting systems	DWAF and the new custodians of state forests and local groupings (NGOs, CBOs, PFM Committees, Forest User Groups, etc)
Project Monitoring and Evaluation	A tool for monitoring and evaluating projects in line with DWAF's new monitoring and regulatory role	DWAF and the new custodians of state forests
Fund Raising for Projects	How to compile a funding proposal and where community structures and other local groupings can apply for funding for forest related and natural resource management projects - complements the PFM Guideline: LFA Project Planning	Local groupings (NGOs, CBOs, Forest User Groups, etc)
Formation of PFM Forums and Committees	Aspects and procedures of developing local PFM structures and compiling a constitution in order that DWAF can liaise and form partnerships with communities through local structures - supplements the PFM Guideline: Stakeholder Participation	DWAF and the new custodians of state forests and local groupings (NGOs, CBOs, Forest User Groups, etc)
Financial Management of Projects	Simple aspects and processes of sound financial management of projects - many local groupings have limited capacity in this regard and can thus not apply for project funding	Local groupings (NGOs, CBOs, Forest User Groups, etc)