Guidelines

for the Application of LFA in Project Cycle Management

March 1996

Contents

A. Background

Sida has decided to use, and to encourage recipients to use, the Logical Framework Approach (LFA) method as an instrument to improve project planning and project reviews in programmes of development cooperation. The systematic application of the method, with good judgement and sound common sense, will help to improve the quality, efficiency and sustainability of development assistance.

The purpose of these guidelines and directions is to provide simple guidance on how one can start to use the method without complicated procedures and arrangements.

Sida's attitude in respect of the application of LFA assumes that the owner of the project and the donor of development assistance are clear about their respective roles and that the project owner shall be responsible for the planning, implementation and follow-up of the project within the programme of development cooperation. The owner of the project can be the recipient organisation which receives support from Sida or the target group which the project is intended to benefit.

LFA is based on an understanding by the user of the advantages of the method and on the user taking responsibility for the planning process. LFA has the aim of improving the quality of project operations and can only achieve this if the user has a good grasp of the method and uses it throughout the entire project. Therefore it is better to start with a simple form of LFA in the dialogue between the parties concerned, than to engage an LFA expert who holds a workshop for the user at an advanced level.

If a consultant is used to assist the project owner in the planning process, the project owner should draw up terms of reference for the project, and monitor and remain in control of its implementation. The recipient organisation shall preferably be responsible for contracting its consultants, preferably from its own country or region.

These guidelines and directions contain *a descriptive section, pages 2-7,* which summarises approaches and principles (policy), roles and the LFA method, and includes a battery of questions, pages 8-11, which Sida personnel should use in the *practical application of LFA* in the dialogue with the recipient. Finally there is a summary of the different follow-up instruments which are needed to check that objectives have been fulfilled and that the project has achieved the expected effects.

B. Policy for the application of the Logical Framework Approach

Sida's principles for the application of LFA are based on the assumption of responsibility for the planning and implementation of projects[1] by the recipients of Swedish assistance. Sida's attitude in programmes of development cooperation should be characterised by respect for the priorities, efforts and possibilities available to the recipient. Sida stands for flexibility and clarity.

1. Objectives

Sida shall encourage recipients of Swedish development assistance to use LFA as an analytical tool in the various sectors of society and in particular in those areas in which they seek Swedish assistance. LFA is used to:

- identify problems and needs in a certain sector of society
- facilitate selecting and setting priorities between development projects
- plan and implement development projects effectively
- follow-up and evaluate development projects.

2. Approach

LFA is a logical, analytical instrument which facilitates the task of identifying problems and formulating objectives. The LFA method demonstrates the connection between objectives, means and results and is a well tried and tested instrument for structuring planning and reporting results and costs.

LFA is also an instrument which can be used to assess, prepare and follow-up projects and to analyse results. The method creates the opportunity for an objective and structured dialogue between the recipient and Sida and increases the prospects of the parties reaching a common understanding on the project.

LFA is not a control instrument and thus does not replace different control systems.

3. Principles

LFA work is mainly the responsibility of the recipient. The method should be applied flexibly and with a level of ambition which, in each situation, is ultimately determined by the recipient after consultation with Sida. If LFA is based on reality and applied with sound common sense, the assistance given will be used more efficiently and will be of greater benefit.

The target group of the project should, whenever possible, participate in the planning and implementation of the project.

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[1] To simplify matters, the term project is used here to designate any kind of activity for which a country or organisation requests support, where the mode of cooperation implies that Sida follows up the objectives, results and costs.

The activities which receive Swedish assistance in the various recipient countries are of very different character. The LFA method should be adapted to each specific activity on the basis of the particular conditions and needs of each activity. Sida does not therefore seek to force fixed models for the use of LFA on recipients.

The recipients' own planning and reporting systems shall be respected. However, one requirement which will be set by Sida is that recipients use systems which enable an assessment to be made of objectives as well as the reporting and analysis of results to be done.

The application of LFA and the development of skills in its application should take place by degrees over a period of several years with greater requirements gradually being set in respect of quality. Process thinking - and not the quantitative spreading of the method - shall be given priority.

4. Sida's methods

The selection of development projects which Sweden is prepared to support in a particular country is based on the country strategy and sector analyses. Thereafter LFA shall be used as an analytical method for the assessment of project proposals.

Sida shall encourage recipient countries to use LFA in their analysis and studies of project proposals. This should be reflected in project requests and project documents.

On the Swedish side it is, in the first place, the embassies which should carry on an active dialogue with recipients on their use of LFA in the projects which are expected receive Swedish support. This dialogue facilitates a common attitude towards problems, objectives and contents.

Embassies and sector divisions shall document their work with LFA to enable experience and concrete examples to be collected and used for further methods development and for the development of appropriate skills in the subject.

Embassies and sector divisions are responsible for ensuring that their staff receive requisite training in the LFA method and its practical application. Sida shall support training in LFA for the recipient country staff concerned.

5. Responsibility

The recipients are responsible for adapting LFA and using it in the planning and implementation of projects which receive Swedish support. In this work the recipients can obtain assistance from Sida. Every programme officer at Sida who comes into contact with staff responsible for the planning and implementation of projects in recipient countries should become qualified to provide such assistance.

There shall be an officer responsible for LFA in each embassy and in each sector department who can give his/her colleagues advice and support.

Ultimately it is the responsibility of Sida's management to ensure that all staff acquire the necessary skills.

6. Coordination

Sida shall actively encourage other donors to be flexible in respect of the methods for planning and follow-up used in each recipient country.

7. Sida's internal operations

Sida will gradually introduce LFA thinking and approaches into its own planning and operations.

C. Roles and responsibilities

The figure on the following pages 5 and 6 contains an outline of the division of tasks and responsibilities between a recipient country and Sida during the preparation and planning of a proposed development project which the recipient country would like Sida to support. The division of roles and responsibilities can vary due to the character of the project and the availability of highly skilled officers, but the main principle is that the recipient country shall be responsible for both planning and implementation.

The figure tries partly to structure the division of working tasks between the parties involved, and partly to show the necessity for a dialogue between the recipient and the donor during the project planning phase.

"Recipient"		Dialogue	"Donor"	
Sector ministry	**Aid coordinator**		**Embassy**	**Sida**
idea ---------------------->	rejects or approves the idea			
works on the idea and prepares a project outline accordning to LFA ---------------------->	decides to include the project in the development budget and wether it shall be finansed locally or with aid funds			
	decides to approach Sweden and Sida ------------------>	informal discussions on the project outline using the LFA battery of questions	assesses the projectidea or outline with the aid of LFA taking into consideration the country strategy and sector policy	
			consults on the project outline accordning to sector policy and country strategy	
			indicates to rec. country wether Sida has a positive or negative attitude to the idea <------------------	
Develops the project outline according to LFA				
	submits a request to Sida with the project outline drawn up in accordance with LFA structure ------------------>		makes an assessment based on sector policy, country strategy and LFA and express an opinion on the project outline	
works on the project outline accordning to LFA		Informal dialogue on the project outline		reg. dept: -assesses request in the light of sector policy, country strategy and LFA - instructs the embassy or sector dept to prepare a proposal
			starts preparation in light of country strategy, sector policy and LFA and informs the rec. country in its project planning <---	

"Recipient"		Dialogue	"Donor"	
Sector ministry	Aid coordinator		Embassy	Sida
		workshop on the project accordning to LFA		
		Informal dialogue on the project outline	assesses the project outline accordning to LFA and writes an idea memorandum	
				reg. dept. examines the idea memo, decides on project preparation and gives the mandate to the sector dept. or embassy
			informs rec. country of decision and, on the basis of the idea memo and the mandate, gives recommendations for further project studies <-----------------------	
the project plan takes shape		workhop on the project accordning to LFA	regularly assesses project studies in the light of sector policy and LFA	
prepares the final project document with a plan of operations and an LFA matrix---------->	submits project document to the embassy ------------------------->		assesses the project document in the light of sector policy and LFA and passes it on to the sector dept.	
				sector dept. makes an assignment in the ligth of sector policy and LFA
			embassy or sector dept. consult on assessment of the project and a division prepares an assessment memo	
				project committee examines the project document, assessment memorandum and draft agreement and recommend the D-G to make a decision
		negotiations on project agreement		

D. LFA (Logical Framework Approach)

LFA as a method is sometimes felt to be difficult and complicated, and even the abbreviation itself can lead people to hesitate to learn and use the method. When support is given to the introduction of LFA, by the use of the method, LFA should therefore be presented as:

A way of working; a working method
A planning instrument
A facilitator of brainstorming; mind mapping
A suitable format for project documents

LFA is an instrument that can be used to advantage in all phases of a project:

* assessment of project ideas
* project planning and definition of objectives
* assessment of project proposals
* follow-up
* reporting
* reporting results against stipulated objectives
* evaluation

Advantages of LFA

+ creates the opportunity for a dialogue between the implementing agency and the financing agency

+ offers a working instrument for the identification of problems, needs, interested parties, opportunities, risks

+ helps to structure the consideration of a project or an activity

+ helps to clarify and make concrete the objectives as well as the activities necessary for the objectives to be achieved

+ clarifies the connection between objectives, means and results

+ creates a common approach to the project

+ facilitates follow-up, reporting and evaluation

E. LFA - a method for step-by-step analysis in project planning and project review

The LFA method follows a logically organised structure and is an instrument for the analytical review of projects. Below there is a summary of the areas which should be considered in the project planning and project review. This is followed by a number of questions which should be asked on each area in the analysis.

1. Participant analysis
2. Problem analysis
3. Objective analysis
4. Risk analysis and analysis of alternative strategies
5. Plan for the implementation of the project
6. Preconditions for sustainable and economically sound development

LFA: Definitions and terminology

In the LFA analysis the project is broken down into a hierarchical structure of objectives. The elements of the project are listed in a logical order from activity level to development objectives. Each level is linked to the next as shown in the figure below.

PLANNED: ACCOMPLISHED:
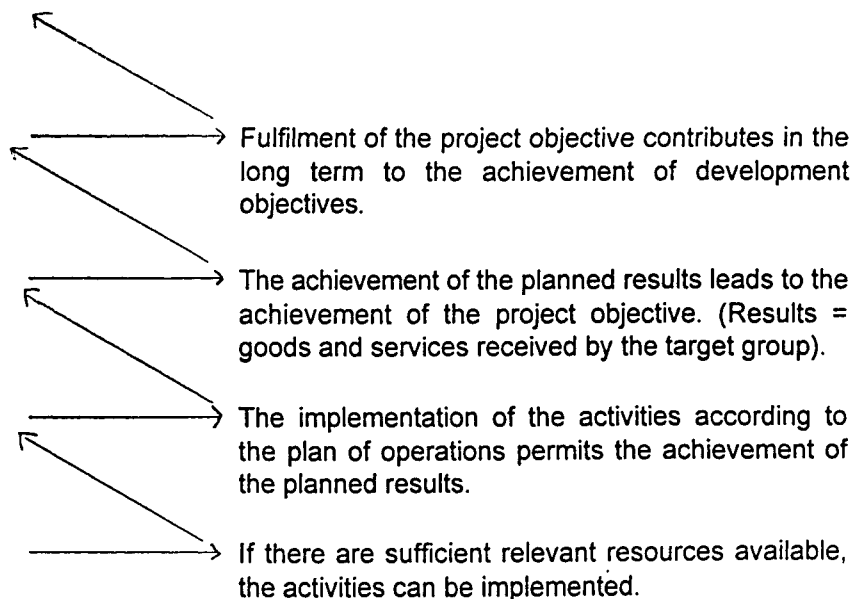
Development objectives

Project objective ————————→ Fulfilment of the project objective contributes in the long term to the achievement of development objectives.

Results ————————→ The achievement of the planned results leads to the achievement of the project objective. (Results = goods and services received by the target group).

Activities ————————→ The implementation of the activities according to the plan of operations permits the achievement of the planned results.

Inputs ————————→ If there are sufficient relevant resources available, the activities can be implemented.

F. Use of a question list in the LFA-dialogue

The listof questions below should be regarded as an instrument for the simple application of LFA together with new users. It is a simplified summary of Sida's Guidelines for Project Support, expressed in LFA terms. The questions can be used to stimulate a dialogue with recipients, but always with a project idea or project outline/document as the basis of the dialogue. It is intended that the battery of questions shall be used a number of times during Sida's review, as many times as is necessary to obtain a satisfactory answer to all questions relevant to the activity. As long as there are still answers missing in the project outline/document, the conclusion must be drawn that the project has not been fully prepared or planned.

The battery of questions can be advantageously used as an agenda at a meeting or as a programme for a workshop on project planning. A run-through of the question list should be repeated a number of times as a way of obtaining a clear and analytical picture of the project and its feasibility. The information about the project should be compiled by the recipient in the form of a project proposal.

Programme officers at Sida can use the same process to obtain basic data for their preparation of an assessment memorandum on the project.

This first version of the questions is based on the step-by-step analysis used in the LFA method. The questions do not cover all aspects in all types of projects and will be revised in the light of experience gained in the field and by Sida's sector departments in their practical application of the method.

LOGICAL QUESTION LIST

A project outline or project description which has been elaborated by the recipient should be available as the subject of the following questions. The use of the question list should not be regarded as a formal exercise, but as a way to inspire logical analysis. The questions - or those which are relevant to the issue - should be applied flexibly and with common sense.

0. BACKGROUND: COUNTRY AND SECTOR

0.1 What are the country's basic development problems? (cf. the country's development policy, Sida's country analysis and country strategy). Is the proposed project relevant in this context?

0.2 What are the problems in the particular sector? (cf the country's sector policy, any available sector analyses, results reports and results analyses)

1. ANALYSIS OF PARTICIPANTS

1.1 What agencies, organisations, groups and people will influence/be influenced by the project, directly or indirectly? Define their roles in relation to each other.

1.2 Describe the target group (sex, age, income, work situation, etc) and analyse effects on different parts of the target group.

1.3 In what way does the target group participate in the planning, implementation and follow-up of the project? To what extent does the project group own the project?

1.4 How will the effects of the project help/hinder weak/poor people or groups?

1.5 How are men and women each affected by the project?

1.6 Can any groups be affected negatively?

2. PROBLEM ANALYSIS[2]

2.1 What does the problem (or problems) in question consist of? (It is necessary to reach a common definition of the main problem together with the participants in the discussion.) The problem or problems should be defined with regard to the project's proposed target group and not only defined at the macro level.

2.2 What are the causes and the effects of the problem?

2.3 Why is it not possible for the country/target group to solve the problem itself? Why is development assistance necessary?

2.4 Are there any background studies which have analysed the problem area?

3. ANALYSIS OF OBJECTIVES[3]

(Stipulate in concrete terms the objectives at different levels: development objectives or sector objectives, project objectives, results, activities). The objectives should be specific, attainable, relevant, limited in time, and preferably measurable.

3.1 What are the development goals in the sector which this project should help to achieve?

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[2]) Experienced Log Frame users can apply a technique to the problem analysis, known as "the Problem Tree".

[3]) If a problem Tree has been developed, it can be used as the starting point for the Analysis of Objectives.

3.2 What are the project's objectives in concrete, realistic and - if possible - measurable terms? (The objective of the project shall be to remove the causes of the problem which has been identified.)

3.3 What effects is the project expected to give rise to in relation to its development objectives? Why is the planned project important for the target group, the region, the country?

3.4 What is the project's relationship with other development efforts being made in the sector?

3.5 What resources are available to implement the planned activities?

3.6 What concrete results should the activities lead to? What goods or services is the project expected to supply to the target group?

3.7 Does the sum of the outputs of the project lead to the fulfilment of the project objective?

4. RISKS AND EXTERNAL FACTORS

4.1 What factors or conflicts of interest - both internal and external - can prevent, make difficult, or delay the implementation of the project?

4.2 Assess the external risks (conflicts or other disruptive factors) and the extent to which they are likely to affect the project. What can be done about them?

4.3 Is there any decisive factor which is a precondition for the success of the project? What are the plans of the recipient country to deal with any such factors?

4.4 What negative side-effects can the project bring about?

4.4 Have alternative strategies been considered to reach the planned project objective?

5. PROJECT ORGANISATION AND IMPLEMENTATION

5.1 What resources (human, financial and material) have been allocated at activity level to guarantee that the project can be implemented?

5.2 What is the situation in respect of organisational, institutional and administrative skills and capacity?

5.3 Has the division of roles and responsibilities between the parties been clearly defined?

5.4 Will the target group be trained in the operation and management of the project activities?

5.5 What other projects are being implemented by the government, non-governmental organisations and other donors in the same sector? Is there any danger of duplication or conflict?

TIME SCHEDULE

5.6 Have specific dates been determined for the planned start and completion of each activity?

5.7 Is there a specific date and a plan for the phasing-out of the project?

BUDGET AND FINANCING

5.8 Is the detailed budget for the project and its activities realistic and comprehensive?

5.9 How is the recipient country participating in the financing of the project? Are there other donors in the same project?

5.10 What measures have been planned to finance operation and maintenance costs locally when development assistance has been phased out?

6. ANALYSIS OF PRECONDITIONS FOR ECONOMICALLY SOUND AND SUSTAINABLE DEVELOPMENT

6.1 Is there a policy and legislation to back up the project?

6.2 Is there sufficient management and institutional capacity, as well as financial resources, to keep the activity running in the long-term?

6.3 Is the level of technology adapted to the conditions prevailing in the country?

6.4 Has an environmental impact assessment been made?

7. LFA MATRIX

Summarise the components of the project in a hierarchy of objectives and complete a matrix. An example of a matrix is given in Appendix 1.

G. Follow-up and Reporting

The organisation of follow-up and reporting must be clear before the project is started, as well as a plan for the phasing-out of the project. The agreement and the plan of operations shall state clearly how and how often follow-ups shall take place and when an evaluation shall be made of goal fulfilment and effectiveness.

The follow-up shall, as far as possible, be adjusted to the systems, routines and rules for reporting used by the recipient country, and to the different conditions and needs of each activity.

The Department for Evaluations and Internal Audit is at present carrying out a survey of routines for Sida's present requirements in respect of reports. The conclusions of the survey will be used to draw up uniform and concrete directions for report structure. This will contribute to making the report instrument an appropriate and usable tool in the learning process and in the current and future management of development assistance projects.

Summary of follow-up instruments

Reporting
Information flows between the recipient country and Sida by means of mutual reports. The recipient reports annually (sometimes even quarterly) on the implementation of the project. Sida provides information on disbursements, procurements and recruitments. Disbursements are often conditional on agreed reports. This means that no disbursements can be made if the reports are not received. Assessment of goal fulfilment in the project is facilitated if reports are made in accordance with the LFA logical structure.

Quarterly reviews
Regular follow-ups usually take place in the recipient country in the form of quarterly meetings between the Sida programme officer and the recipient, during which reviews are made of financial reports and the progress of the project in relation to the plan of operations. During these reviews the LFA instrument can be used, starting at the activity level in the hierarchy of objectives.

Annual reviews
Annual reviews are the most important opportunity for a dialogue between the parties for an exchange of experience on the progress of the project. The recipient country's report constitutes the basis of the reviews. In addition to a technical and financial review of the activities an overall assessment shall be made based on the analysis of the problems and the objectives. The battery of questions above can be used to advantage to compare actual results against the expected results and objectives determined at the start of the project.

Completion and final report

The completion of a project requires almost the same planning and control as its preparation. Support to projects can easily become routine-like if the parties, during the annual reviews, do not closely ensure that results are reconciled against the predetermined objectives. The final report shall present goal fulfilment in relation to expected results and project objectives and contain an analysis of the difficulties and successes which occurred during the course of the project. The LFA instrument provides good guidance as far as the structure of the final report is concerned.

Evaluation

An evaluation is a deeper and broader analysis of the project. The purpose here is to assess whether the project has achieved its objectives, how efficiently this has occurred, whether the planned effects were achieved or if the project had other effects than those intended. The LFA is a well tried and tested and very usable instrument for evaluation purposes. The conclusions which can be drawn from this type of analysis should govern the future organisation and emphasis of the activity if the project is extended, and will provide experience and lessons which can guide future programmes of development assistance.

Example of an LFA matrix

	Intervention logic	Objectively measurable and verifiable indicators	Sources of verifications	Important assumptions
Development objectives	Target groups' health shall improve	20% fewer cases of diarrhoea, scabies, eye infections, malaria, blood parasites (bilharzia) and malnutrition	Reports from health clinics in the project area	
Project objective	Consumption of clean water shall increase from x to y and the use of latrines from a to b	xx water points erected and xx latrines constructed and their use recorded	Project half-yearly reports	Water sources remain unpolluted Primary health care and education are still provided
Results	1. 50% of the target group supplied with sufficient quantities of clear water --- 2. 50% of existing water points in the target area repaired --- 3. Maintenance and repair organisation commences operations --- 4. 20% of households in the target area supplied with latrines --- 5. Hygienic habits of the target group improved	Water points taken into operation; water quality tested --- 50% of existing water points in working order --- All water points included in the maintenance programme --- Latrines built and used correctly --- Target groups' habits more hygienic	Project personnel who visit all construction sites when the installations are complete Project half-yearly reports Reports from the District Development Fund Reports from the District Council --- Half-yearly reports from the Min of Health --- Examinations of the target group which is given training in health matters	Maintenance system will continue to function Action to be taken: budget for current costs to be established at the health authority --- Target group is willing to adopt new habits in respect of water and sanitation Action to be taken: methods used for the active participation of the taget group

Activities	1.1 Train xx personnel
	1.2 Designate xx places for water points
	1.3 Procure materials
	1.4 Drill and construct xx wells
	--- 	
	2.1 Train xx "water groups"
	2.2 Acquire materials
	2.3 Repair xx old water points
	--- 	
	3.1 Form maintenance organisation
	3.2 Establish a cost-coverage mechanism
	--- 	
	4.1 Acquire materials
	4.2 Train xx builders
	4.3 Identify target group
	4.4 Build xx latrines
	--- 	
	5.1 Survey present habits of hygiene
	5.2 Train in hygiene
		Project and costs
		
		Swedish financing
		Capital goods---
		Operating costs---
		Infrastructure---
		Technical assistance (4 technicians)
		       SEK
		Total cost District 1 20.685.000
		Total cost District 2 22.015.000
		
		Total Swedish cost **42.700.000**
		
		Local financing
		Personnel (unit at local health authority)
		Infrastructure
		Maintenance
		Operating costs
		    Local currency
		Total cost District 1 15.500.000
		Total cost District 2 19.800.000
		
		Total local cost in local currency 35.300.000
		Total local cost in SEK **22.062.500**
		
		Total cost for Sweden and Rec. Country in SEK **64.762.500**
				Necessary capital goods, materials and personnel are available
				
				Action to be taken: study to be made
				--- 	
				Target group will cooperate
				
				Action to be taken: target group participates in planning, implementaion and follow-up
				--- 	
				Implementing organisation fulfils its obligations
				
				Action to be taken: health authorities sign an agreement

Inputs			**Conditions**	1. Adequate supply of ground water of good quality 2. Government continues to support the project