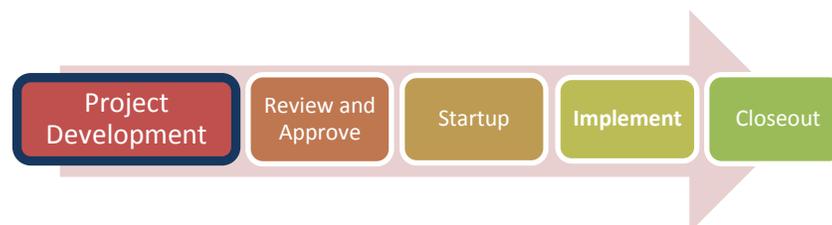


Project Development

Objectives

- The Partner will understand their core responsibilities for project development
- The Partner will have an improved knowledge of the analysis required for project development



Course Content

1. What is Project Development?

Project Development refers to the pre-grant period after the application has been received. During project development the Partner works with the Grantee to further develop the project plan and analyze the proposed project.

2. What are Project Development Responsibilities?

A. Grantee: The grantee is responsible for defining the primary focus of the grant and working with all stakeholders to determine the project plan including the activities needed to achieve the project goal, when each activity will be carried out, the items and services that will need to be included in the budget to complete those activities, and how they will measure if their project is being successful. The grantee is also responsible for providing information and cooperating with the Partner to ensure that issues of project sustainability and design are analyzed.

B. Partner: The partner is responsible for:

- facilitating the project design process that the grantee is undertaking
- analyzing the project in conjunction with the grantee to make sure that the project plan is comprehensive, realistic, sustainable, and brings the maximum benefit to ADF's target populations

- collecting and reviewing supplemental compliance information
- developing project summary documentation

C. Field Office Staff: The Country Program Coordinator (CPC) is responsible for sharing the preliminary site visit findings with the partner and advising them on potential opportunities and problems to account for in the project. In some cases, the Regional Program Director (RPD) may also ask the CPC to conduct the Financial Assessment.

D. ADFW Staff: ADF staff in the U.S. are responsible for reviewing the project plan for soundness and potential impact, advising the partner on the project analysis, assisting the partner to strengthen the project analysis and documentation, reviewing for compliance with ADF rules and regulations, creating the final grant documentation, and awarding the final grant.

3. What is the Process for Project Development?

I. After the project has been approved for development by the RPD, the Partner meets with the CPC to learn about the group and the findings from the preliminary site visit. The CPC will give the Partner copies of the Preliminary Site Visit Report and the Original Application.

II. The Partner meets with the grantee to introduce themselves, explain the project

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development process and requirements, and begin gathering information for the project design and analysis.

- III. The grantee organizes meetings with major stakeholders (board members, managers, members, employees, etc.) to explain the grant opportunity and to discuss priorities for project activities, purchases, trainings, and impacts. The partner will facilitate this process encouraging all stakeholders to be engaged in the planning process.
- IV. The partner works with the grantee to further develop the details of the project by assisting the grantee to obtain and analyze additional information needed for decision making (such as market rates, pro forma quotes for desired purchases, available trainings, etc.) and to advise them on ADF policies and lessons learned. The partner also uses the information provided by the grantee to complete the project analysis required by ADFW.
- V. A draft Environmental Screening Report (ESR) should be submitted to ADFW as soon as the major project components have been decided. The ADFW environmental review officer will provide feedback on any environmental issues that need to be accounted for in the project.
- VI. The Financial Assessment should be completed as soon as possible and can be submitted to ADFW early so that any findings can be accounted for in the project design.
- VII. The project packet should be submitted to the RPD as soon as the drafts are complete for the majority of required documents (at minimum: the revised application and budget narrative). The RPD and Program Analyst (PA) will review the packets, suggest modifications, and ask for follow-up with the grantee. At this point, ADF staff will notify the U.S. Ambassador in country that ADF intends to fund this project.

VIII. When the RPD has received a complete and updated packet, it will be submitted for review by three compliance officers at ADFW. The project is reviewed for compliance with laws, regulations, and policies in the areas of:

- financial capacity of the group to account for ADF funds
 - environmental impact of the project
 - legality of ownership, land rights, etc.
- IX. If the compliance reviewers identify problems with the project, the RPD will discuss with the Partner how any issues can be resolved. Any revisions will be reviewed and approved by the relevant compliance officer.
 - X. Once the project has passed compliance review, it is submitted to ADF's President to award the grant.
 - XI. The grant is emailed to the partner and CPC for them to initiate grant startup. The CPC is responsible for explaining the grant to the grantee and having the documents signed and returned to ADFW.

1. What Documents are Required for a complete Project Packet?

A complete project packet will include some or all of these items depending on the type of grant:

- 1) Original Application
- 2) Preliminary Site Visit Report
- 3) Final Application
- 4) Market Analysis
- 5) Technology Assessment
- 6) Budget
- 7) Budget Narrative
- 8) Financial Analysis
- 9) Environmental Screening Report
- 10) Financial Assessment
- 11) Appendix A
- 12) Activity and Performance Summary
- 13) Due Diligence

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2. More Details on Project Packet Components

1) Environmental Screening Report (ESR)- The

Partner will complete the ESR cover page and part one of the form. The Partner needs to provide information on the environment where the project is taking place and any potential environmental impacts of the activities. The Partner should also work with the grantee to come up with remediation plans for any environmental problems that are identified in the ESR. Be sure to list how any waste products are dealt with; the scientific names of any fungicides, pesticides, herbicides, or other chemicals used; any environmental assessments that have been done; etc. The Partner should update the ESR before turning in the final project packet to include solutions to any issues raised by the environmental officer identified from the submission of the draft ESR.

2) **Due Diligence-** Due diligence includes any supplemental materials gathered to confirm their legal or financial standing of the grantee as appropriate for receiving the grant or carrying out the planned project activities. The CPC will collect initial due diligence documents including the reference checks and registration documents and pass them on to the Partner. The Partner is responsible for making sure that all due diligence documents required by the RPD are submitted with the final project packet. The list of typical due diligence requirements is included on the preliminary site visit report.

3) **Activity and Performance Summary-** This document is prepared by the Partner to summarize the project implementation and performance measures. Much of the performance information should come from the Financial Analysis and the activity summary should complement the

Application with a more detailed list of activity schedule. The Activity and Performance Summary is used to prepare the Appendix A and the grantee's quarterly report.

For more information on other packet components, see the  relevant course notes.

3. How Do I Start?

- 1) Start at the source- the grantee. Begin by understanding their problems and opportunities and how they propose to respond to them. Offer them additional information on ADF policies and grant limitations and provide guidance based on lessons learned from ADF's long history of giving grants to grassroots groups.
- 2) All stages of the grant should be carried out using the participatory method. The project development process sets the tone for how the grantee will approach the rest of the grant. Throughout the whole process of project development, the Partner should expect to work closely with the grantee to help them make sound decisions based on the needs of all stakeholders, analysis, and reliable information. But building the grantees' ownership and capacity necessitates that project activities and budget choices should not be dictated to the Grantee.
- 3) All of the project packet components interrelate, so they need to be done simultaneously rather than one by one.
 - Example: In order to decide what equipment to buy, you must consider your needs, research your options, and then decide whether that price of equipment is worth the price given the other potential uses for the money. Consequently the Technology Analysis, Final Application, and Budget need to be drafted and refined together.
 - Example: The grantee may decide they want to sell to a new international

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market, but upon doing the market analysis you find that the European market is low for the varieties that they grow or the cost of certifications is prohibitive. Thus, the Market Analysis, Activity & Performance Summary, and Budget are related and must be combined to inform decision making.

4. How Long Does Project Development Take?

- A. ADF aims to have projects developed within 120 days of when the application is handed over to the Partner. However, the timeframe for development will depend on the project and can take anywhere from 1 month to more than 4 months to complete. (This includes review by the RPD/PA and time to make revisions based on their feedback.)
- B. The compliance review process takes 5 days. If the project does not pass compliance review then resolution of issues coming out of the review can take longer.
- C. Grant documents are finalized and the grant is signed within 3 days.
- D. The Business Operations Unit assists with preparing official grant documentation and circulating the projects for review and signatures, this may take an additional 2-5 days.

5. Next Steps

- A. **Grant Signing:** The grant is not fully valid until it has been signed by the grantee and returned to ADFW. The CPC should meet with the grantee right away to explain the terms of the grant, have them sign the required pages, and email the signed copy to ADFW.

- B. **Grant Startup:** The Partner should schedule to meet with the grantee and begin grant startup activities as soon as possible after the grant is signed by ADF's President.

For more information see: *Grant Startup Course Notes* 

6. Advice from the Experts

- The projects are grantee initiated and implemented, so they should be at the center of all decision making. The project will not succeed in the long term if it is not built on their needs and with their experience and insight.
- Do not repeat information in various project packet documents. The documents are all read together, so repetition isn't needed. Repetition duplicates effort in writing, reviewing, and in making corrections as it can lead to inconsistencies. (i.e. don't copy the budget into the application, don't repeat market info in the application, don't provide a summary section, etc.)
- Do not combine any of the written packet documents. ADFW staff are required to submit each component separately so that reviewers have the information relevant to their review area (i.e. Financial, Environmental, and Legal).
- Financial information can be included in a single excel file so that data can be linked. This should include the budget and budget narrative. It may also include financial analysis and CRG repayment schedule.
- Project Development progress updates should be provided to ADF regularly. Any potential issues that impact project design or are likely to cause delays should be reported to AFW right away so that ADFW can plan and advise accordingly.

Handouts

Project Packet Requirements by Grant Type
Environmental Screening Report