

## FAO Project Cycle and Strategic Framework: Basic principles and guidelines

### Background

This document sets out the basic principles and guidelines for the first four main steps of the project cycle: i) project identification (the project proposal); ii) development of a concept note; iii) project document formulation; and iv) project document appraisal and approval.

The basic principles and guidelines follow as closely as possible the principles and procedures established in a series of corporate policy documents: Guidelines for the implementation of the new Strategic Framework; Delivery Mechanisms; Guidelines for the Implementation of Regional Initiatives; and Technical Cooperation Programme (TCP) Roles, Responsibilities and Relationships.

These guidelines apply to all projects regardless of the funding source (unilateral, bilateral and multilateral donors and TCP) and geographic scope. They will form the basis for preparing the Guide to the Project Cycle containing a single set of basic guidelines on the main steps in the project cycle process. The specific requirements of particular funding sources will be covered in separate annexes, particularly for: Global Environment Facility (GEF), Unilateral Trust Funds (UTF), South-South Cooperation (SSC), and the FAO Technical Cooperation Programme (TCP).

A project is a time bound set of actions needed to create a unique set of products, services and results. Project preparation is an instrument for budget allocation decisions; for this reason it must be recognized as a central element of programming within the FAO integrated budget.

### Basic Principles

The project cycle should adhere to the following ten basic principles:

1. Project proposals must be proposed by an FAO Representative, Subregional Coordinator, Regional Representative, Head of headquarters technical unit, or Strategic Objective Coordinator, who will be the Project Formulator. The idea leading to a project proposal may originate from various sources (e.g. internal to FAO, from dialogue with and/or request from a government or a resource partner, or from agreements made by the Director-General with government authorities).
2. Projects must be aligned with the conceptual framework and principles of the Strategic Framework. Alignment requires that projects are designed in such a way that they form an integral part of the Strategic Framework result chain. This means that they should support or contribute to the achievement of corporate results of one or more of the five Strategic Objectives (SOs) and Objective 6, at outcome and output levels.
3. Projects supporting country-results should address priorities defined in the Country Programming Framework (CPF), and/or regional priorities, and should support the priorities and political processes of the country.
4. Regional projects should support implementation of actions addressing regional priorities and/or initiatives as expressed in Regional Conferences, regional technical commissions, and other relevant political processes and agreements.
5. Projects should support and be embedded in the implementation of corporate priority programmes and, only exceptionally, be designed as a free-standing ad hoc set of actions that contribute to the achievement of corporate results.

6. The process of preparation and approval of projects must draw on the knowledge and capacities of the Organization available both in decentralized locations and at headquarters. Individuals and units involved at each stage of the process are accountable for their actions and, in particular, for assessing the pertinence (including “political soundness” and risks) and the alignment of the proposed project with the Organization’s Strategic Framework and priorities.
7. The decentralization and subsidiarity principles apply, with leadership entrusted to Project Formulators and Lead Technical Officers who operate within the agreed priority framework and established technical quality control capacities and processes. The working philosophy of the Organization is that Decentralized Offices (FAORs/SROs/ROs) lead action in the field with the help and support from headquarters.
8. Project Formulators are responsible and accountable for adhering to Principles 2 to 5 above in proposing their Project Proposals. The Project Formulator and Project Task Force (PTF) take full responsibility and are accountable for the soundness, completeness, operational and technical quality of the Project Document.
9. Participating partners (government, donor, and implementing partner) are actively involved in all phases of project formulation, review and approval, in the true spirit of partnership.
10. The process must include quality control and accountability mechanisms. These mechanisms should be as simple and non-bureaucratic as possible. To make the controls light yet effective, it is necessary that for each step in the project cycle process: i) clear and simple quality standards are designed and applied for guiding and holding to account Project Formulators and Project Task Forces; ii) standard formats are used to facilitate review; and iii) time limits are established and enforced.

**Main steps in the project cycle process (from identification to approval – see Appendix 1 Work Flow)**

All project proposals must follow the full cycle from project proposal to PPRC appraisal (Steps I to IV below), with three exceptions:

- a) Project proposals with a budget of less than USD 100 000 only go through Step I (Project identification); in this case, the Project Formulator assumes full responsibility for preparing the Project Document.
- b) Project proposals with a budget of less than USD 500 000 only go through Step I (Project identification), Step II (Concept Note) and Step III (Project document), without going through Step IV (PPRC).
- c) Emergency response projects (SO5-OO4) follow a fast track clearance process led by SO5 teams at subregional, regional, or global levels. They require the designation of a Project Formulator and a Lead Technical Officer but not the establishment of a Project Task Force and PPRC review.

## **I. Project Identification (Step 1) – Formulation of a short project proposal**

1. A short project proposal (up to two pages) is developed by the Project Formulator or by delegation to a selected staff. The Project Formulator is responsible and accountable for formulating proposals that are sound, technically and operationally feasible, addressing priorities/gaps (in line with Principles 2 to 5), and making a judgment on eventual corporate risks. All project proposals will be entered in and reviewed in a corporate database (FPMIS).
2. The Project Formulators, depending on location, submit their project proposal to a specific managerial level for pre-screening regarding alignment with the Strategic Framework and priorities and assessment of corporate risks as follows:
  - FAORs submit their project proposal to the relevant Subregional Coordinator (SRC) for clearance on alignment to subregional and regional priorities and Strategic Framework with copy to Regional Representative for clearance against political sensitivity risks.
  - Subregional Coordinators (SRC) take responsibility for alignment of their project proposal with regional priorities and the Strategic Framework and submit their project proposal to the regional representative for clearance against political sensitivity risks.
  - Regional Representatives take responsibility for alignment of their project proposal with regional priorities and the Strategic Framework and for analysis against political sensitivity risks.
  - Heads of headquarters technical units submit their project proposal to the relevant Strategic Objective Coordinator (SOC) or Objective 6 outcome leader (e.g. statistics, governance, gender) for review of alignment to the Strategic Framework and political sensitivity. In case of doubt on potential political sensitivity, the SOC or Objective 6 leader consults with DDO.
  - Strategic Objective Coordinators (SOCs) or Objective 6 outcome leaders take responsibility for alignment of their project proposal with the Strategic Framework and analysis against political sensitivity risks. In case of doubt on potential political sensitivity, they consult with DDO. The SOC or Objective 6 leader consults appropriately with FAORs and Regional Representatives regarding country/regional dimensions of their project proposal.
3. The Project Formulator, when submitting the project proposal should inform on alignment of the proposal with the SO result chains and relevant delivery mechanisms (CPF, RI, MAW), and ensure that the proposal addresses a real demand and need within FAO's agreed priority framework (i.e. a CPF priority/gap, a regional initiative priority/gap etc.).
4. When the project proposal has the "green light", the Project Formulator proposes the lead SOC (or Objective 6 leader), keeping the Director of OSP informed. In case of doubt on selection of appropriate SOC, the Director of OSP is consulted.

## **II. Development of a Concept Note (Step 2)**

1. The Project Formulator in agreement with the lead SOC (and/or designated regional SOC focal point) and in consultation with the head of the unit to which the potential Lead Technical Officer (LTO) belongs, selects an LTO to assist in the formulation of a Concept Note.
2. The Project Formulator and the LTO in conjunction with the lead SO Core Team, sets up a Project Task Force (PTF) integrating the necessary technical qualifications from relevant units at headquarters and in decentralized locations and also including a Funding Liaison Officer (FLO) from the relevant Funding Liaison Unit (FLU) (i.e. TCI, TCE, or TCS) or a TCP officer, as

appropriate. Heads of relevant units are consulted in reference to their selected staff. The headquarters technical unit to which the LTO directly relates from a technical perspective, designates a headquarters officer in the PTF who will provide usual lead backstopping to the LTO.

3. The PTF chaired by the Project Formulator, with the LTO as alternate chair, develops the Concept Note. The Project Formulator and members of the PTF are accountable for the substance of the concept note.
4. The Project Formulator consults with the counterpart country (countries), identified partners, regional organizations and resource partners as appropriate.
5. Potential resource partners are identified and consulted through the established procedures. In many situations this consultation may already take place at project identification stage.
6. The Concept Note is formally communicated by the Chair of the PTF to the lead SOC and/or the SOC's designated representative in the region or at headquarters for clearance, and recorded in corporate systems for accountability (FPMIS).
7. The lead SOC and/or designated SOC representative in the region review the **relevance** of the concept note (including alignment and strategic fit), its **feasibility** (including risk assessment) and **sustainability** (including adherence to UN standards and FAO policies).
8. In case of un-earmarked or lightly-earmarked resources, the Concept Note is communicated to the CPMB Working Group on Resource Mobilization, which ensures that projects are selected according to priorities.

### **III. Project document formulation (Step 3)**

1. Once the project Concept Note is cleared by the relevant SOC, the PTF may be strengthened according to needs. The PTF chaired by the Project Formulator with the support of the LTO develops the Concept Note into a full Project Document and all other necessary accompanying documents according to anticipated funding source format, criteria and requirements. The Project Formulator is responsible for ensuring that an inclusive and transparent process of project document formulation is followed.
2. With regards to FAO's operational, administrative, budgetary, financial and legal responsibilities and liabilities, the clearance will be obtained following the established procedures, coordinated by the FLU as PTF member.

### **IV. Project and Programme Review Committee (PPRC) Appraisal and Endorsement (Step 4)**

For projects of more than USD 500 000, the Project and Programme Review Committee (PPRC) established in the Regional Office or at headquarters, provides final quality assurance review and clearance of the Project Document from a relevance and sustainability lens ensuring that necessary cross-sectoral guidance, as per established guidelines (such as for gender, or social and environmental concerns), has been followed and that corporate fiduciary standards have been met.

**Project Cycle – Overview of the workflow for identification, formulation, appraisal and approval**

