Developing a Project Concept Note

Practical Manual

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1. Introduction

The EU funding Programme "Support to Ukraine's regional development policy" aims to support the creation of a more effective Regional Development Policy environment to better promote the development of rayons and oblasts in Ukraine. The European Union will provide funding to eligible Ukrainian structures through a grants facility. In order to receive funding an eligible organisation must meet the requirements of a Call for Proposals and follow procedures. The restricted Call for Proposals means that potential applicants must submit a project idea in two steps: first, submitting a Concept Note that briefly describes the project idea or concept; next, submit the full application form after initial evaluation. These concept notes will be evaluated, and the eligibility of the submitting organisations will be checked. Assuming the submitting organisation is eligible, the best concept notes will be selected and the successful submitting organisations will be asked to submit the full Application Form. Ensuring the quality of the Concept Note is vital. This manual is meant to help you to prepare a good Concept Note.

First, you must remember that the two steps of a restricted call for proposal reflect two consecutive stages of project preparation: Analysis stage and Planning stage.

The results of the Analysis Stage will be a Concept Note and the result (if you are selected to submit an application) of the Planning Stage will be a completed Application Form. In the Concept Note you will submit an analysis of current situation and a chosen strategy, leaving the more detailed project development information for later (which will be developed in the Planning Stage, after you have been selected to submit a full application). Your project idea, however, should be well thought through before you start completing the Concept Note. This is very important. Most successful grant recipients state that having a solidly prepared project idea or concept is critical to a winning application. So take the time to develop the project idea as well as you can.

In the first step (the submission of the Concept Note) you will:
 – Present the problem your project will focus on;
 – Describe your project objectives;
 – Describe all groups that will benefit from your project;
 – Discuss your project results (or what you expect to accomplish throughout your project);
 – Describe the type of activities that are planned within the project;
 – State the amount of funding requested from the grants programme.

Later, in the Application Form (if your Concept Note has been selected and you meet the eligibility requirements), you will present detailed data about the activities, their realization, schedule and detailed budget. You must take into consideration that the Concept Note is the only place where you must: provide the detailed analysis of the problem; project objectives; target group(s); and, beneficiaries. It means that your project idea should be well thought out before you start writing your Concept Note. Remember that the Concept Note and Application Form should be complementary to one another to create a consolidated application, although the description of the problem and project objectives should be presented only once – in your Concept Note.

2. A Project - what is it?

Everywhere around you, you may notice problems and difficulties. If you have a real desire to solve a concrete problem, it's an opportunity for you to start working on a project.

The key to developing a solution to your problem and potentially receiving funding is the understanding of what a project is. 'A project is a series of activities aimed at bringing about a set of clearly specified objectives within a defined time-period and with a defined budget'.[1] It is a concrete way of presenting your idea and your solution to the problem you are facing or trying to address. It is a way of planning, making the solution to the problem / your idea real and bringing it to life. Taking a closer look at the structure of a project we may say that:

Project:

A project is a self-contained operation with a coherent set of activities aimed on achieving clearly defined objectives, solving problems of identified target groups, with planned tangible results and limited timeframe, which needs to use defined means and resources within the prescribed budget.

From a donor's point of view, one of the most important things is that the project must solve a concrete problem in a concrete area. If there is no problem, there is no project. Also, it is important that the concrete problem is solvable in the context of your project. And this is why you should begin the development of your concept and project by identifying and defining the problem.

3. How to identify and define the problem?

A precise definition of a problem is the key to project planning and realization. If you define the problem incorrectly and then try to adjust it to the solution you are proposing, you will probably face difficulties with setting project objectives. These project objectives, which will be discussed later, are extremely important for a donor of financing. This is why you should devote sufficient time to identifying and defining the problem.

Firstly, analyse the situation, think of what problems need solutions and choose a key problem that you really want to solve. Check the statistical data, look through projects that have been implemented in your area a similar area (donor, NGO or government), either now or in the past, and see if they were effective. Analyse available studies and publications. Ask yourself:

- Whom or What does the problem concern?
- What is the scope of the problem? How big is the problem and how can it be solved?
- How do we know what the problem is?

When identifying your project idea, think about local/regional development problems remember that a donor will have specific parameters or a specific intention for the financial resources that it is providing. Understanding these specific intentions or parameters is very important because a donor can only finance projects that fit these specific intentions / parameters. Therefore, read the applicants' pack carefully, paying special attention to objectives of the programme, expected results and priority issues. Take advantage of your own experience and knowledge of the situation. If there are a lot of problems all around you, you can start with identifying the problems that are within the scope of the programme and choose one the most important for your region/area. Be careful when defining your problem – it must be clear and concrete and most importantly – solveable (it can be solved with the funding that is available in the context of your project).

Example:
Incorrect: The main regional problem is our river

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[1] Aid Delivery methods, Volume 1: Project Cycle Management, European Commission, EuropeAid Office, Brussels 2004, p.8

Correct: High contamination of the river X

The problem must be defined as an existing negative situation, not as a lack of desired situation. It is necessary to remember that the definition of a problem is always a negative statement. It defines the negative situation, process or tendency, as well as shortage, limitation or unsatisfied need.

E.g. "lack of employees meeting the needs of labour market" does not reflect the deeper problem (employees lack necessary qualifications) and directs the intervention into an in-correct and ineffective solution (increasing number of workers), while the proper solution might be a series of training for employees of an improvement in management or the development of a specific set of skills. You must be careful when using the expression "lack of something".

Example:
Incorrect: Lack of employees meeting the needs of labour market
Correct: Employees' qualifications do not meet the needs of labour market

4. Who is interested in the project? Who will benefit from the project?

Next, you must understand that the correct definition of your project idea will properly direct the project, enable you to define the problem in details, specify the objectives and best choose appropriate activities. Negative situations defined as problem affects specific sectors, entities, organisations, local population or social groups. Overcoming or the mitigation of this problem in future will certainly benefit specific sector, entities organisations, the local population, social groups or individuals. They are your potential allies and it is up to you how to include these stakeholders in the definition of your problems. It is important to carefully list who will be interested in your project and who will benefit from the project. This is your preliminary stakeholder analysis. These people and structures will be important in helping you, or they may potentially represent a block to your project, nonetheless it is important to consider all the people and organisations who will play a role.

This is why you should analyse project stakeholders' immediately after defining the problem. Stakeholders are all the people and institutions interested in the problem, and will be affected by its solution.

Stakeholders:

Individuals or institutions that may – directly or indirectly, positively or negatively – affect or be affected by a project[2]

Therefore, simply speaking, stakeholders are all the people or institutions that have an interest in your project's success or failure or may impact your project in any way. They are either your allies or, sometimes, the people or institutions who may block the successful implementation of your project (if they are not effectively engaged). You should remember about them while planning, as they may play an important role in the project. Stakeholders must be identified; some of them may need being taken care of through special activities aimed at them. You must remember about stakeholders that might oppose your project realization additionally while identifying its risks and assumptions (discussed later in this manual).

The preparation of the List of Stakeholders will help you in keeping all these groups in mind and to decide how to involve these stakeholders or deal with them in an effective manner. It will help you determine the importance of the person or institution, to best decide how you will engage or involve (or over-come a potential future blockage) to choose the most effective approach. The analysis table below will help you to determine the importance of the stakeholder.

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[2] Aid Delivery methods, Volume 1: Project Cycle Management, European Commission, EuropeAid Office, Brussels 2004, p.62

Table 1: Preliminary Stakeholder analysis matrix

		Importance of stakeholder			
		Unknown	Little / No importance	Some importance	Significant importance
Influence of stakeholder	Significant influence	*Name of stakeholder*			
	Somehow influential				
	Little / no influence				
	Unknown				

Based on: 'Guidance note on how to do stakeholder analysis of aid projects and programmes', UK Department for International Development, London 1993

Institutions/people listed in rose, blue and white boxes are the key stakeholders for your project.

- Rose boxes show stakeholders that are extremely important, it means that you should establish very good relationship with them and/or invite them to the common project implementation.

- Blue boxes show stakeholders that require a special attention, actions protecting their interests and monitoring.

- White boxes show those who can affect the achievement of project outcomes; it means they have to be monitored during the whole project implementation process.

- Green boxes present those stakeholder requiring limited monitoring/evaluation.

Prepare the list of your stakeholders based on the above table. Rank them according to their influence on the project and starting with the ones in rose boxes, then in blue and white boxes and finally those in green boxes.

Keep this list for further steps of the project preparation linked with the stakeholders' analysis.

Example of stakeholders:

- Donors and potential donors;
- National and regional authorities, including key officials responsible for the sector, regulatory agencies etc;
- Employees / civil servants in the affected sector;
- Civil society groups, such as trade unions, NGOs with interest in the sector, Agencies for Regional Development, Business Support Agencies, media representatives etc.;
- Related public institutions - e.g. road administration (in case of project aimed on region's accessibility), management of sewage system, etc.;
- Representatives of private sector, including private sector associations, related business in the sector etc.;
- Potential private / public sector investors;
- Others (depending on project scope, sector, area).

Once you rank the stakeholders, you should analyse their interest, capacity and motivation. Think of what activities aiming at them may be undertaken to ensure smooth project realisation. You may use the following table:

Table 2. Stakeholders analysis

Stakeholder and basic characteristics	Interests and how affected by the problem(s)	Capacity and motivation to bring about change	Possible actions to address stakeholder interests

Source: Aid Delivery Methods, Volume 1: Project Cycle Management, European Commission, EuropeAid Office, Brussels 2004

Keep this list for further steps of the project preparation linked with the stakeholders analysis. It is very important to check at each of the following stages whether new stakeholder appears.

5. How to analyse the problem?

Once your problem is defined, you should next think of who is directly affected by the problem, who would the project be aimed at, define the project's target group and final beneficiaries. Beneficiaries are those who benefit in whatever way from the implementation of the project. A distinction may be made between Target group(s) and Final Beneficiaries.

Target Group:

The group or entity who will be directly positively affected by the project.[3]

Final Beneficiaries:

Those who benefit from the project in the long term at the level of the society or sector at large, e.g. "children" due to increased spending on health and education, "consumers" due to improved agricultural production and marketing[4]

When describing your target group(s) try to be as thorough as possible. The more detailed the description, the more the donor will see that you have analysed the group of recipients, learnt about their problems and needs, and that your solution will be welcomed by them and will meet their needs. If there is more than one target group, you should separately analyse and describe each of them. The definition should clearly differentiate the target group from the whole population. In case of your project, the differentiation criteria may be, for example: age group (young people 20 – 25 years old) or occupation (drivers, teachers, farmers etc.).

The following questions may be useful in identifying the target group:

- Who will your project be aimed at?
- Who will benefit from the project and to what degree will they be affected?
- Do the recipients know about your planned project? What is their opinion about your project?
- Who is affected by your project, whose need are you taken into account when you think about the project?

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[3] Aid Delivery Methods, Volume 1: Project Cycle Management, European Commission, EuropeAid Office, Brussels 2004, p.62
[4] As above

Sometimes in analysing the problem you will understand that a wider group of people is affected by the problem defined and that more than one target groups can be chosen. In such a case you should carefully analyse each of the chosen target groups.

Then you should define the problem in details, set its scale and importance for regional development. It is extremely useful to contact the stakeholders defined, learn what their opinion is, what they find to be the cause of the problem and what may be the results of leaving the problem unsolved.

To sum up, a problem analysis should consist of:
- Confirmation of the problem;
- Identification of any additional problems directly linked to the main problem in the concrete area;
- Determining problems important for the beneficiaries, existing at the moment of your project planning ; and,
- Sorting the problems to create a structure of cause-effect relations, called a 'Problem Tree'. This problem tree concept will be discussed below.

Based on the recommendations of the European Union (which will assess your project ideas / concepts) we would like to recommend you to use the specific tools called 'Problem Tree' and 'Objective Tree' in further project development – it is one of the easiest ways for analysis of problems and objectives.
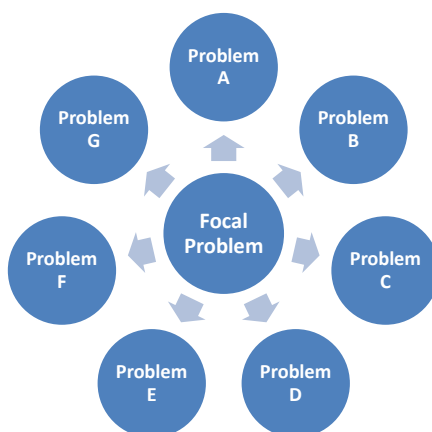
Problem Tree:

Visualisation of the problems in form of a diagram (….) to help analyse and clarify cause-effect relationship[5]

The Problem Tree as the final result of your problem analysis is a comprehensive summary of existing negative situation relating to your focal problem. Focal problem is the main problem that was generated earlier in the process and the main problem that your project will target.

When creating the Problem Tree,[6] you start with the focal problem, defined as a negative statement. You then identify all other problems associated with it, e.g. if you identify the main problem as unemployment among young inhabitants of the region, you may find connected problems such as: helplessness, frustration, youth's lack of self-confidence, gap between professional qualifications and current labour market needs, lack of work experience, lack of job seeking skills, escalation of social conflicts, etc.

Problems associated with Focal Problem

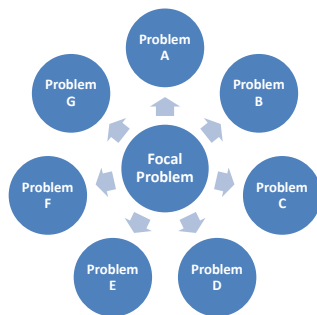

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[5] Aid Delivery Methods, Volume 1: Project Cycle Management, European Commission, EuropeAid Office, Brussels 2004, p.67
[6] The methodology of the Problem Tree preparation can be found in Annex 1 to this manual
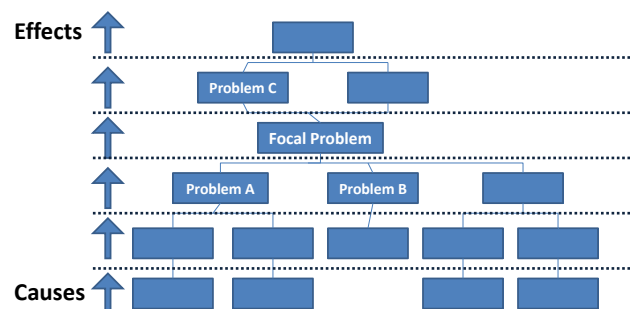
Once you define all problems associated with the focal problem, you should carefully analyse each of them and determine the cause-effect relationship between them. You should then present them in a way where the problem-cause is shown a level below its problem-effect. Problems not being in direct cause-effect relation are shown on the same level.

For example, consider four problems: the Focal Problem (unemployment among young inhabitants of the region), Problem A (gap between professional qualifications and current labour market needs), Problem B (lack of job seeking skills) and Problem C (escalation of social conflicts). Problem A and B are causes for the Focal Problem, hence they should be positioned below it. They are not interconnected, so they should be positioned at the same level. Problem C is as effect of the Focal Problem (and, indirectly, of Problem A and B), so it should be positioned above it.

Please note the focal problem must not contain its solution and the Problem Tree is not a hierarchical structure (their position at the Problem Tree does not show their importance). Remember to involve the project stakeholders in the Project Tree preparation. As it should be a group process, try to involve as many experts/stakeholders as you can.

See the example of the Problem Tree with marked the cause-effect relationships in Figure 5 presented below:
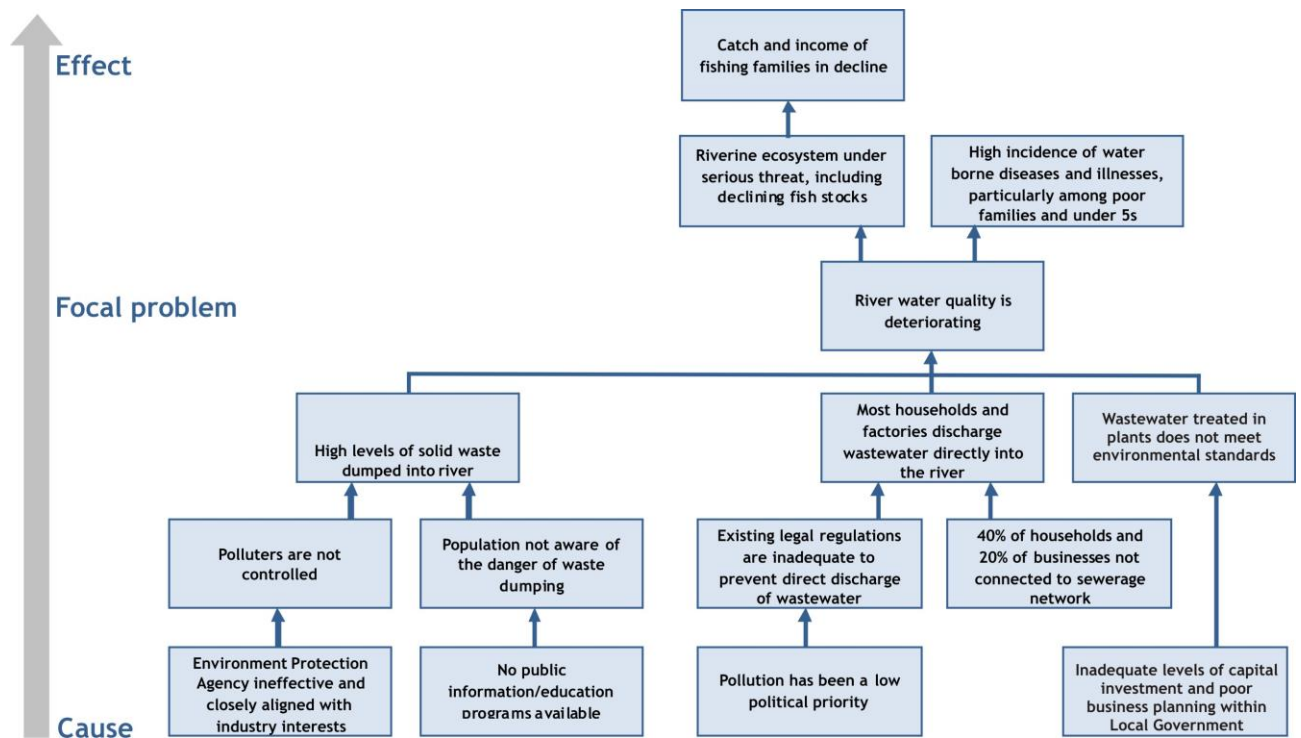
Figure 1. Example of a Problem Tree
Source: Aid Delivery Methods, Volume 1: Project Cycle Management, European Commission, EuropeAid Office, Brussels 2004, p.68

Please note the focal problem should not be at the top of your Problem Tree. If you defined your problem on the highest level, you need to check whether your problem could be fully solved thanks to the project realization. If not, if you are only somehow partially contributing to the solution of the problem, you should redefine it. Your solution should fully address your focal problem. If your problem tree was defined correctly you should only go one step down on your problem tree and put the main problem on the level of Overall objective - the problems you can solve during the project realization will become your Specific project objectives.

Sometimes people are defining problem on the highest level. Therefore you need to check whether your problem could be fully solved thanks to the project realization. If not, if you are only somehow partially contributing to the solution of the problem, you should redefine it. Your solution should fully address your problem. If your problem tree was defined correctly you should only go one step down on your problem tree and put the main problem on the level of Overall objective - the problems you can solve during the project realization will become your Specific project objectives.

Sometimes, when constructing a 'Problem Tree' for development project, you may notice that separate problems are linked directly to concrete beneficiaries. If your project has a very broad focus and it affects different target groups, then your 'Problem Tree' should reflect it through a set of separate 'branches' for particular kinds of beneficiaries. E.g. in a project focused on improving tourist sector, the cause-problems for the identified problem 'Economic activities do not correspond with the tourists demand' will create a separate 'branch' of the 'Problem Tree' as it reflects the situation of local entrepreneurs (craftsmen, SME's, etc.) while the next 'branch' can be linked to the employees of the tourist sector ('Human resources not qualified') and another with low level of promotion, etc. When building a 'Problem Tree' you should carefully analyse each problem linking them with the separate group of people/entities and make sure each 'branch' is linked to one concrete group of beneficiaries.

When your Problem Tree is finalised, you can check your stakeholders list once again, and clarify whether any new stakeholder was noticed. All new stakeholders identified should be included into your stakeholders' list.

Remember that the problem tree is an open logical structure linked to the stakeholder analysis matrix. Both problem tree and stakeholder analysis matrix allow further development, transformations and adjustments. They have to be checked and revised at every further phase of the project development process. It can be used as basis for development of several projects.

In summarising problem analysis please note the following rules:
− each card or box in the problem tree shall include only one problem, not more than this;
− the problems must be real, not hypothetical;
− avoid, as much as possible, defining the problem in the form of negation of the solution (ex: there is no info centre);
− make sure of the sequence of causes and effects, i.e. problems-effects stems from problems-causes;
− the problem tree is not designed in one session; you must get back to the experts, co-applicants and/or affiliated entities and key stakeholders to obtain the information that will help you complete the tree;
− problem analysis is very important as it justifies the entire project plan, including the objectives and results; therefore, the outcome shall be clear and accurate.

Done properly the problem tree provides obvious benefits to project developers, helping them to avoid typical mistakes:

Negative practice	Good practice
Too broad and unspecific definitions	Focused and specific definitions
No correspondence to stakeholders	Problems correspond to stakeholders
Stress on activities and readymade solutions	Stress on the problems' resolution

Example *of finally designed specific focal problem for: Target group – young people 25 – 30 years old with higher education*
Incorrect: There is a very high unemployment rate in our region
Correct: Unemployment rate for young people with higher education (25 – 30 years old) in region 'N' increased to 21% in February 2013 from 18% in February 2011

6. How to define objectives?

Once the problem tree is constructed you can start to think how the situation could be positively changed in the future.

Imagine the desired outcome to each problem when the negative situation, process or tendency will have been overcome or mitigated; when a shortage or limitation will have been eliminated and the specific need will have been satisfied. All these desired achievements in future can be interpreted as objectives. Conversion of these negative statements from the problem tree to positive ones will lead to robust definitions of objectives. When defining objectives, remember that they must be measurable and achievable.
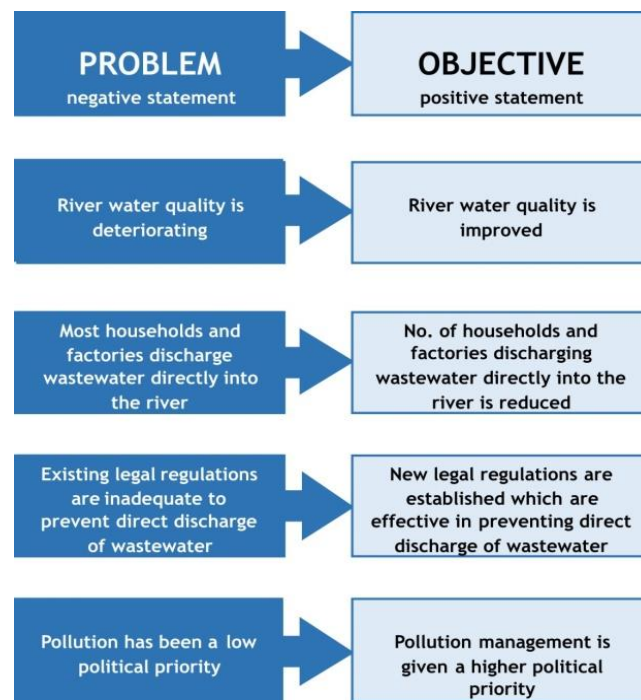
Figure 2: Converting problems to objectives
Source: Own chart, based on Aid Delivery methods, Volume 1: Project Cycle Management, European Commission, EuropeAid Office, Brussels 2004

The 'Objective Tree' is built through reformulating your problems into aims, developing the means-ends relationship and then choosing one or a few specific objective(s).

To create an Objective Tree, establish your 'positive' statement based on your Problem Tree, using the levels you had created for the Problem Tree. This way an 'Objective Tree' will be created in the basis of 'Problem Tree'. The focal problem level will turn into the specific objective, levels above it – into overall objectives and below - results.
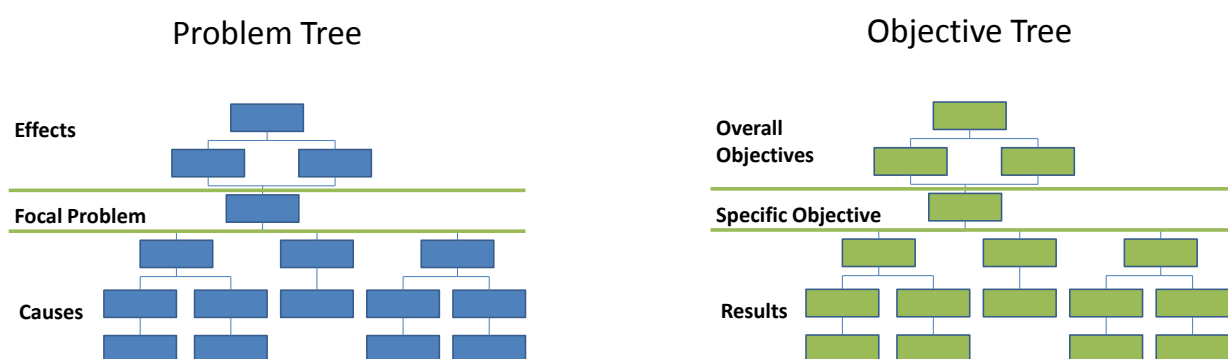
Its aim is to present the interactions between objectives through creation of a tree-like structure. It also enables identification of additional objectives, which may have been previously unnoticed.

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Objective Tree

Objective tree is visualisation of the problems in form of a diagram (….) to help analyse and clarify cause-effect relationship[7]

While developing of the 'Objective Tree', check whether the positive statements are properly defined, concrete and clear. Carefully check links and relations between objectives. Cause-effect relations between problems now are substituted by means-ends linkages. This means that achievement of positive effect in the bottom is the basic condition for the improvement of the situation in the next level. Final result of this operation is an objective tree where problems converted to objectives and cause-effect relations to means-ends linkages. This means that achievement of objectives at the lower level of the Objective Tree became the basis and source for achievement of the objectives at the upper level.

Take a further look at the Objective Tree outlined below, and see whether it is properly constructed and whether some of the boxes should be moved. It may happen that only while creating the Objective Tree will you notice that it is necessary to change a cause-effect relation (what was not noticeable in the creation of Problem Tree). Remember that once you change a position of a box in the Objective Tree, you must change the position of the related problem in the Problem Tree. It is necessary to remember that objective tree and problem tree are two interdependent logical structures directly linked to each other. If any change or adjustment is applied to one of them, an appropriate change or adjustment is required to another one.

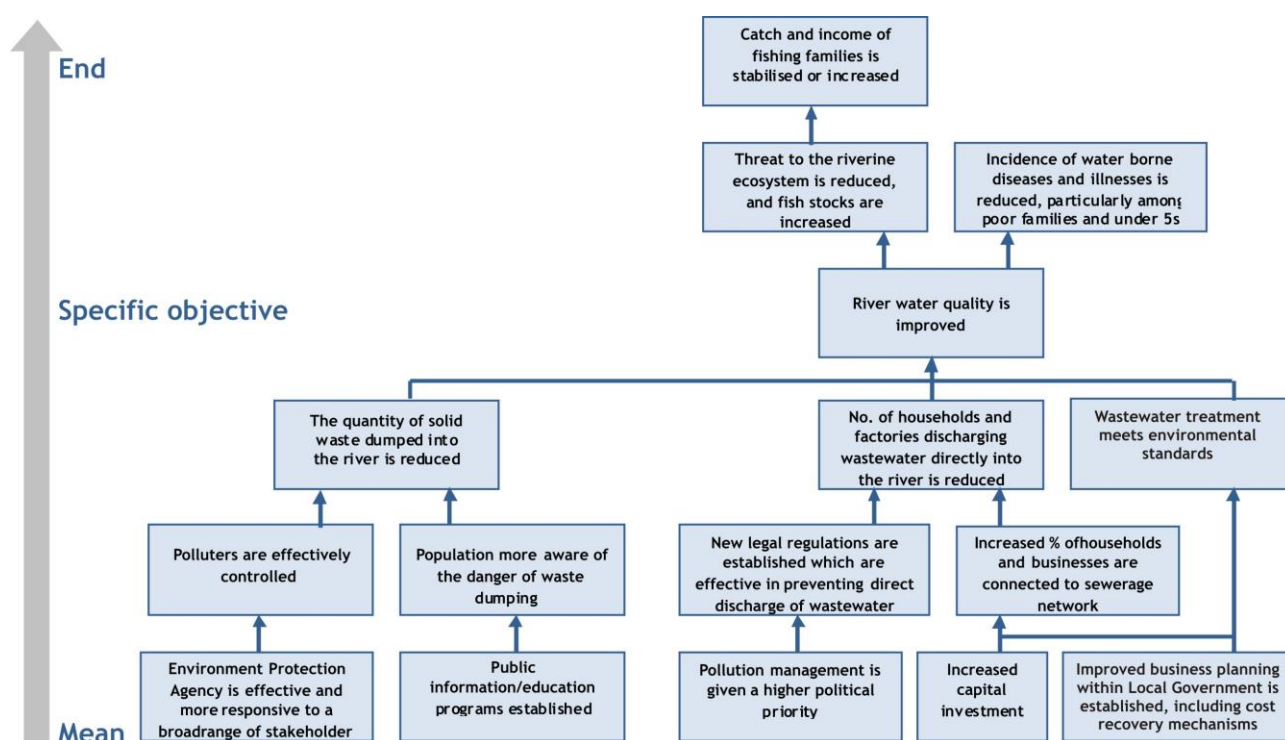The objective tree is a basis for your whole future project.

Figure 3. Objective Tree
Source: Aid Delivery Methods, Volume 1: Project Cycle Management, European Commission, EuropeAid Office, Brussels 2004, p.70

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[7] Aid Delivery Methods, Volume 1: Project Cycle Management, European Commission, EuropeAid Office, Brussels 2004 p.73

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6. What to choose? How to define the project strategy?

A complete Objective Tree consists of a number of 'branches', what means separate, consistent units, each representing an alternative strategy (group of objectives connected by a cause-effect relationship). Each 'branch' may be a basis for a separate project. Each represents an alternative strategy.

Once the Objective Tree has been created and verified, you can begin to define your project strategy.

Project Strategy

Project strategy is a direction in a project that contributes to success and survival of the project in its environment[8]

In order to ensure the success of your project realisation, you must thoroughly analyse all separate alternative strategies (all separate 'branches' of the Objective Tree) and choose the strategy key to your project. This is one of the most difficult steps in the project development process, because the strategy determines your project (and will be assessed as the main part of your Concept Note).

Decision should be made based on such criteria as policy priorities, budget, human resources, urgency, social acceptance, etc.

When analysing the possible strategies, decide which of them:
- best complies to the national policy for regional development,
- complies to the requirements of the Call for Proposals,
- consists only of realistic, achievable objectives,
- meets the needs of project beneficiaries,
- is highly effective (ensures achievement of objectives with low financial requirements)
- is based on available human and financial resources,
- ensures sustainable results.

The simplest way to choose your strategy is deleting the 'branches' of your Objective Tree that do not comply with the criteria presented above. It means that to make a choice on the project strategy, you should take another look at each branch of the Objective Tree and answer the following questions:
- Is the project field within our competences? (E.g. local authorities have no influence over border infrastructure, although it is located in their territory);
- Is the concrete sector/theme (e.g. energy, transport, water supply etc.) within the usual thematic scope of your organisation work? E.g. an institution usually dealing only with water management issues probably has a little experience in health care, Does your institution have appropriate experience and expertise in chosen field?
- Does your institution have enough capacity to implement this specific project: personnel, material and technical resources available?
- Is there a real possibility to achieve the objectives of the project within time frames set for this Call for Proposals (minimum of 18 and maximum of 30 months)?
- Are your project objectives relevant to those set out in the SURDP Programme and this Call for Proposals?
- Does your project correspond to the donor policies such as environmental issues and interests of vulnerable social groups?

It is important at this stage, that you have arrived at a 'yes' answer to all of these questions.

When analysing alternative strategies in order to answer the questions, you have to think who else may get involved in the project implementation and check the list of stakeholders prepared in order to invite the organisations having strong interest in your project realisation and a strong possible influence on its success

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[8] Artto K., Kujala J., Dietrich P., Martinsuo M. (2007). What is project strategy?, European Academy of Management (EURAM) 2007, 7th Annual Conference, May 16-19, Paris, France

(if they can provide the resources, competences or experience necessary to support you in realising a separate 'branch').

If the answer to at least one question regarding a branch is 'not' delete it, as shown in a figure below.

Objective Tree   Strategy Analysis
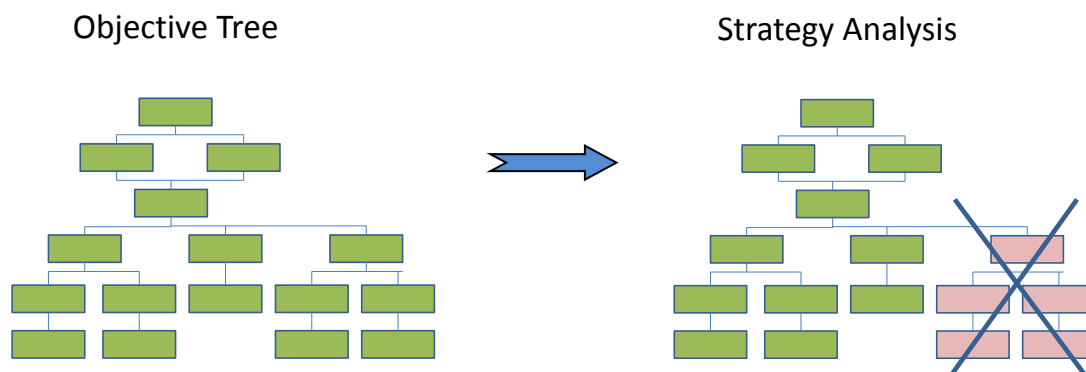
This way, your Objective Tree will consist only of branches that you are able to realise within your project and that meet the donor's criteria. Deletion of the branches (elimination of the alternative strategies) is a way to choose your project strategy. The branches left become the strategy of your project - the strategy to solve the problem you identified.

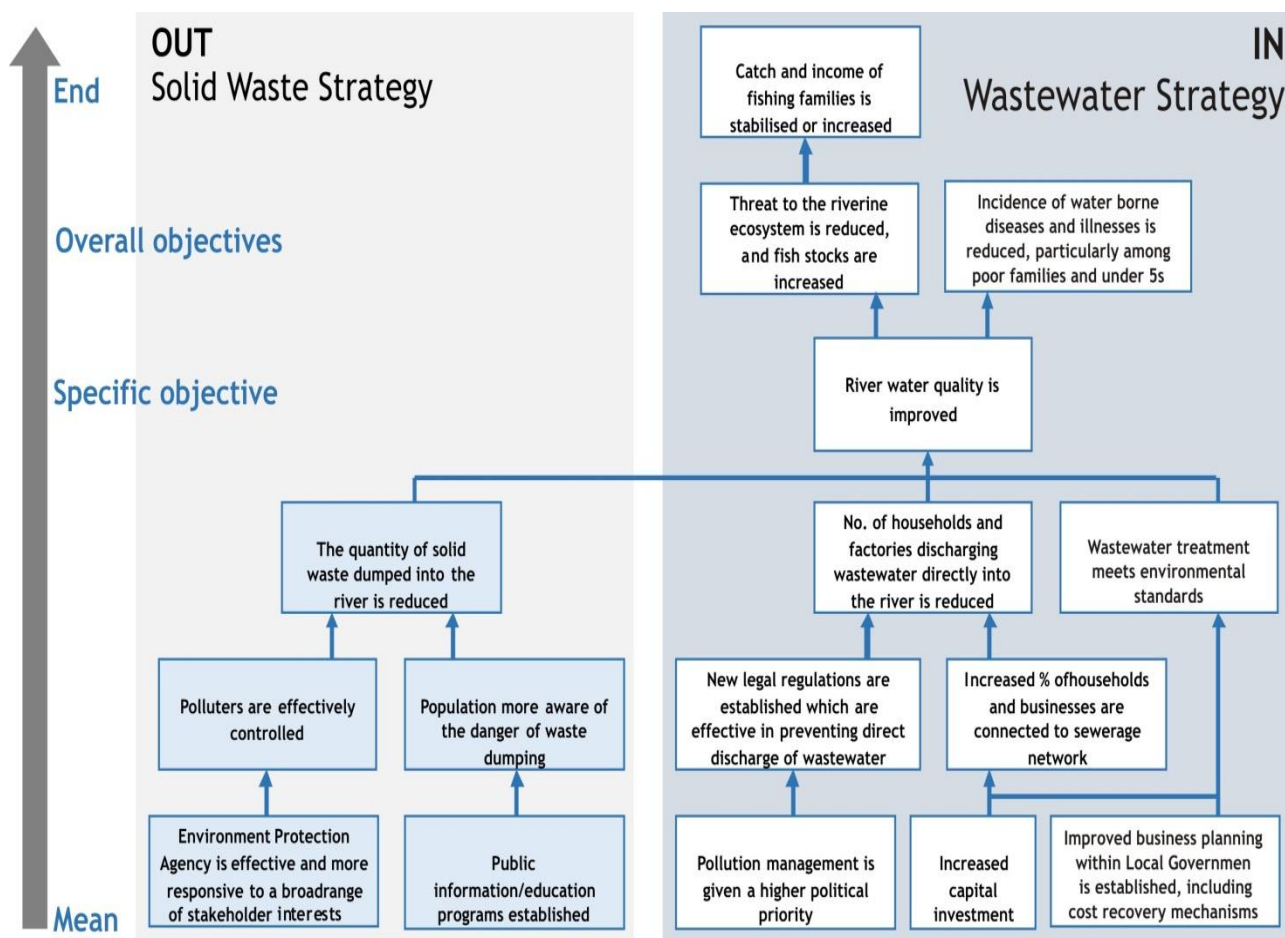The figure below shows choosing the strategy for the Problem Tree shown before:

Figure 4. Strategy selection
Source: Own chart, based on Aid Delivery Methods, Volume 1: Project Cycle Management, European Commission, EuropeAid Office, Brussels 2004

At the end of this stage you should have the main elements of the project defined: Problem, Overall objective(s), Specific objective(s) and results.

Strategy analysis allows project developers to avoid some typical mistakes:

Negative practice	Good practice
Unclear and inconsistent strategy	Clear and consistent strategy
No clear relevance to the programme	Relevance to the programme is obvious and easily justified
Multiple and poorly structured objectives	Logically subordinated and well structured objectives
No correspondence between objectives and results	Correspondence between objectives and results

Finally, the strategy analysis will give you answers to the following questions:
– What problems / objectives will be addressed?
– What combination of expected results has higher probability of achievement and leads to sustainable benefits?
– What variant is more efficient and economically effective?
– How does the project build over other past and current actions in this area?
– Are added value and/or synergy possible?

Once you choose the strategy, you should finalise stakeholder analysis: you should insert information on each stakeholder into the table and carefully analyse their attitudes towards the action. Think whether any activities to address stakeholders' interests should be taken into account to ensure smooth implementation of your project and keep accurate records of the stakeholders analysis for further project planning.

All alternative strategies identified but not chosen should be kept for further development of the project, during the planning stage.

8. What is needed to achieve the project objectives?

Creation of Problem Tree and Objective Tree, and following analysis of alternative strategies enable you to choose your project strategy. Taking a look at your final Objective Tree you can see that you have identified the scope of your project and defined the scope of your project and drafted its aims and results.

Objective Tree

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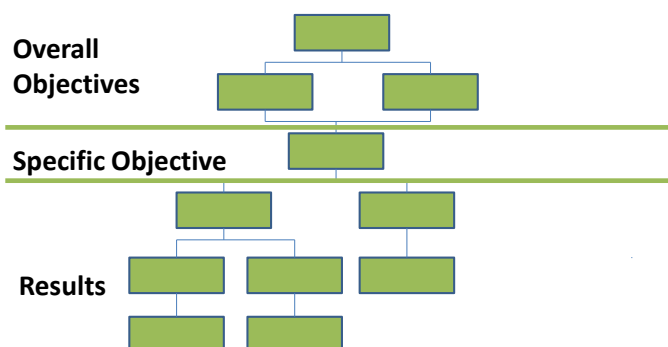
Now you can finally define these elements of your project.

Analyse the Overall Objective, taking into account the definition of the overall objective:

Overall objective:

The broad development impact to which the project contributes – at a national or sectoral level (provides the link to the policy and/or sector programme context)[9].

Overall objective is a broader objective to which the project will contribute. It will normally be achieved some time AFTER the end of the project. It shows why the project is important for the society, from the point of view of long-term benefits. It indicates how your project corresponds with the programme and priorities of the regional development. Usually the overall objective cannot be achieved as the result of only one project and may require the implementation of many other projects/programmes.

After you have elaborated your Overall Objective, you will now need to define your specific objective(s).

Specific objective(s):

The development outcome at the end of the project – more specifically the expected benefits to the target group(s)[10]

The specific objective(s) need to be achieved by the end of the project. They reflect the main project problem, consisting of long-terms benefits and advantages for beneficiaries and target groups. It is directly related to the problems or needs of the target group and final beneficiaries

Achieving the specific objectives should promote the achievement of a projects overall objectives

Specific objectives do not correspond to the rendered services (results), but to the usage of these services by beneficiaries and show how the target groups/final beneficiaries are using the products of your project, usually showing changes in behaviour or understanding(e.g. raised awareness, obtaining new habits, practical skills etc.)

Results:

The direct/tangible results (good and services) that the project delivers, and which are largely under project management's control

The results of the project must be well though. All project results you declare must be achieved by the last day of the project implementation.

Achievement of the project specific objective(s) and provision of reasonable input to the achievement of the overall objectives require implementing a series of activities resulting in outputs, outcomes and impacts. Outputs and outcomes are the needs satisfied and barriers on the way of regional development process eliminated within the scope of the project specific objective, by means of implemented project activities, using resources available (money, personnel, equipment and etc.).

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[9] *Aid Delivery Methods, Volume 1: Project Cycle Management, European Commission, EuropeAid Office, Brussels 2004, p.73*
[10] as above

Outcomes	What changes or benefits result from the project	e.g. increased skills/ knowledge/ confidence, leading in longer-term to promotion, new job, etc.
Outputs	What is produced through these activities?	e.g. number of booklet produced, workshops held, people trained
Activities	What activities the project undertakes?	e.g. development of materials, training programs
Means	What resources go into the project?	e.g. money, staff, equipment

Table 3. Project components
Project results consist of project outputs and outcomes.

Outputs:

Outputs are direct/tangible results (good and services) that the project delivers, and which are largely under project management's control[11]

Outputs are usually defined as products or services produced by the project. Some examples of project deliverables: trainings delivered, assessments, feasibility studies, agreements, reports, events (e.g. workshops), manuals, guidelines, technical designs, infrastructure built / renovated and etc.

Outputs are usually the immediate and concrete consequences of the implemented activities and resources used.

Think about the less tangible results you will develop in your project, and how this can be expressed in a tangible form.

Outcomes:

Outcomes are the effects that follows from products or services delivered during the project implementation; the consequence of project outputs

Outcomes are quite distinct from the deliverables you will create. Think of what people will be able to do better, faster, or more efficiently, or what they could never do before. Project outcomes are achievements at the level of final the Target Group.

Outcomes show the changes made thanks to products and services (outputs) provided by your project. Some examples of outcomes related to concrete outputs are:
  − 'delivery of training' (project output) cause 'raised professional skills' or 'implementation of positive habits'(outcomes),
  − 'construction of 20 km road between village X and town Y' (output) causes 'shortening of travel time to a health centre by 1 hour' (outcome)

Activities:

The tasks (in the work programme) that need to be carried out to deliver the planned results[12].

To obtain the results of your project you need to realise a number of activities. It is up to you to decide what kind / type of activities will ensure the way to obtain the project result. It can be an activity focused

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[11] *Aid Delivery Methods, Volume 1: Project Cycle Management, European Commission, EuropeAid Office, Brussels 2004* p.73
[12] *Aid Delivery Methods, Volume 1: Project Cycle Management, European Commission, EuropeAid Office, Brussels 2004* p.73

directly on the target group(s) and realised with their participation (delivery of trainings, consultations etc.) or without their active participation but focused on them (e.g. new tourists routes development, publications, infrastructural activities (construction of new bridge and etc.)).

9. How to build and check intervention logic?

Intervention logic

Intervention logic shows a logical relationship between the project objectives and planned activities, and is used to check whether planned activities will ensure the achievement of planned objectives.

Once all the listed (in previous sections), main components of the project (overall and specific objectives, results (outputs and outcomes) and activities) are defined, it is the right time to summarise and check if your project is logical - if its intervention logic is strong. It is necessary to check whether all project components are really consistent and necessary for your project or maybe something is missed. Organise all these components in the following order:

− overall objective(s)
− specific objective(s)
− results necessary to achieve specific objective(s)
− activities necessary to deliver each result

Check if the elements of your project are properly defined. Try to use standard expressions. Remember that:

− Overall Objective to be expressed as 'To contribute to...'
− Specific objectives to be expressed in terms of benefits to the target group being 'To increase/improve/etc.'
− Results to be expressed in terms of a tangible result 'delivered/produced/conducted/etc.'
− Activities to be expressed in the present tense starting with an active verb, such as 'Prepare/design/construct/research/etc.'

Table 3. Example of properly defined elements of the project

Objective hierarchy	Example of how to write statements
Overall objective	To contribute to improved family health, particularly of under 5s, and the general health of the river eco-system
Specific objective	1. To improve river water quality
Results	1.1. Reduced volume of waste-water directly discharged into the river system by households and factories 1.2 Waste-water treatment standards established and effectively enforced
Activities	1.1.1 Conduct baseline survey of households and businesses 1.1.2 Complete engineering specifications for expanded sewerage network 1.1.3 Prepare tender documents, tender and select contractor 1.1.4 Identify appropriate incentives for factories to use clean technologies 1.2.1 etc

Based on: Aid Delivery Methods, Volume 1: Project Cycle Management, European Commission, EuropeAid Office, Brussels 2004

You can organize all project components in the form of box diagram where boxes of activities are placed at the bottom and objectives corresponding to them at the top (please see Figure 5). Clear numbering ensures avoidance of any confusion and helps in checking the logic of your project.
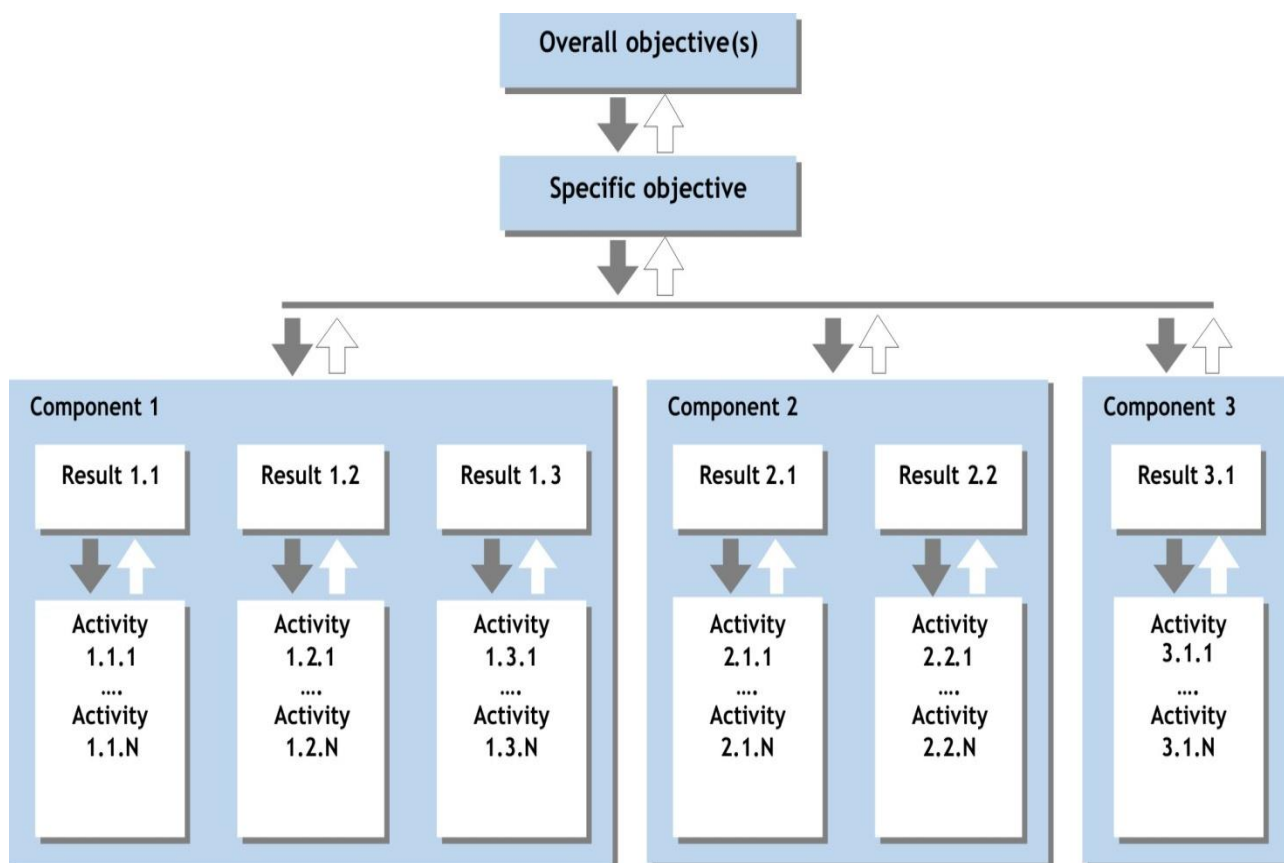
Figure 5. Checking the Logic of Intervention
Source: Based on Aid Delivery Methods, Volume 1: Project Cycle Management, European Commission, EuropeAid Office, Brussels 2004

Imagine the project implementation process. Using the diagram will answer the following questions:
- Will sets of activities of this specific type lead to the corresponding outcomes and outputs/impacts?
- Are all activities of each specific type sufficient and necessary to achieve each result?
- Will all outcomes and outputs ensure achievement of the project specific objective(s)?
- Will all outcomes and outputs answer expectations and needs of the project target groups and final beneficiaries?
- Will all outcomes and outputs be sustainable and will project target groups and final beneficiaries use them after the project completion in the reasonable time perspective?
- Are all these results sufficient and necessary to achieve the project specific objective(s)?
- Will the achievement of the project objective solve /mitigate /eliminate existing regional development problem(s)?
- Will the achieved project specific objective(s) provide reasonable input in achievement of the project overall objective(s) and respectively objectives of the Grants Programme?

If the answer to all these questions is "yes" this means that logic of your project is sufficiently strong and understandable.

10. How to assess the project budget?

In the Concept Note you are asked to present the amount of funding you are applying for and the percentage of the whole project budget that this funding you are applying for represents in the overall budget. The funding you set in the Concept Note might change in the final project budget (which will be completed in the project application), but only up to 20%.

It means you will have to provide only two figures in the table "Summary of the action", namely:
- EU financing requested (amount in Euro) and
- EU financing requested as a percentage of total budget of the Action (indicative in %).

It means you must estimate your project budget, then set amount of EU financing and calculate what percentage of the overall budget amount the EU financing amounts to.

Defining these figures you should take into consideration the following requirements[13]:
- Amount of EU financing cannot be lower than the minimum and higher than the maximum amounts set in the Guidelines for Applicants)the requested EU financing as the percentage of the overall project budget cannot be lower than the minimum and higher than the maximum amount set in the Guidelines for Applicants
- total project budget must include only eligible costs[14];

The fact that the deviation of the EU contribution in the final application is possible but not more than by 20% require you to be precise in defining the project budget at the Concept Note stage. You may have to mobilise all experience and the best expertise you have in your and your partners[15] organisations to make a reliable enough broad estimation. Your previous experience can give you a clue on what financial input will be required.

For those not so experienced in broad estimation of financial resources necessary for achievement of the project results on the basis of planned activities it is recommended to consider opportunity for more detailed activity-planning and budgeting at this stage.

While estimating project budget you have to keep in mind that it should be realistic, cost-effective and include costs:
- incurred by only during implementation of the project (only invoices issued after the contract is signed and invoices issued and paid by the project completion may be included in the budget; all costs of project development (e.g. translation to English, support of external experts in project development, additional analysis or technical documentation) cannot be included into the project budget)
- necessary for project implementation;
- they comply with the requirements of applicable tax and social legislation;
- are reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency.

Guidelines for Applicants enumerates so-called 'ineligible costs' what means costs you cannot include in the budget, e.g.:
- debts and debt service charges (interest);
- provisions for losses or potential future liabilities;
- costs declared by the Beneficiary(ies) and financed by another action or work programme receiving an EU (including through EDF) grant;
- purchases of land or buildings, except where necessary for the direct implementation of the action, in which case ownership must be transferred to the final beneficiaries and/or local Beneficiary(ies), at the latest at the end of the action[16];
- currency exchange losses;
- credit to third parties;
- in-kind contribution (the market value of goods or services provided to the project free of charge by a third party is not an eligible cost.

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[13] For more details please see section "Eligible costs: costs can be included" in the "Guidelines for Grant Applicants".
[14] The eligibility of costs is described in Guidelines for Applicants, page 10
[15] co-applicants and/or afilliated entities- the terms are explained in GUidelines for Applicants for this Call for Proposals

While developing project budget:
1. Estimate the project costs based on the planned activities;
2. All costs incurred by project partners should be estimated by them;
3. Get an overview of total project costs, including the expected EU contribution as well as your co-financing (e.g. staff from your organisation working on the project and not paid by the grant) or other sources of funding (e.g. national/regional co-financing).

11. Is your project sustainable?

Sustainability:

Sustainability is the likelihood of a continuation in the stream of benefits produced by the project after the period of external support has ended.

Therefore, a sustainable project will continue to benefit the project's Target Groups and Final Beneficiaries also after its completion, a project likely to have a tangible impact on its target groups and to have so-called multiplier effects (it means it can be easily replicated, extended, etc.. The issue of sustainability is very important from the donor's point of view, hence you should analyse it thoroughly and present in your Concept Note.

When analysing sustainability, you should take four basic elements into consideration:
− financial (showing how will the activities be financed after the funding ends);
− institutional (presenting how the structures allowing the activities will continue to exist at the end of the action and whether the results of the action will be considered local, owned by the beneficiaries);
− at policy level (where applicable);
− environmental (where applicable).

Financial sustainability concerns future financing of activities and results of the project. You should think of (and present in the Concept Note) how the products or services provided by the projects will be affordable for the intended beneficiaries during the project implementation and remain so after the funding ends, whether project activities will be financed after the project funding ends (e.g. who will provide funding for future trainings, for maintenance of structures established by the project (e.g. information centre), etc.).

Institutional sustainability concerns the way in which you will provide future ownership of the project results by beneficiaries (e.g. will beneficiaries be able to use health services provided by a hospital renovated and equipped within the project), if the technology, knowledge, process or service provided fits in with existing needs, culture, traditions, skills or knowledge and whether the beneficiaries will be able to adapt to and maintain the technology acquired without further assistance (e.g. whether enough people were trained to use the machinery or further maintenance will be provided without the project's monitoring).

Sustainability at policy level (where applicable) concerns the structural impact of the action — e.g. will it lead to improved legislation, codes of conduct, methods, etc (e.g. whether recommendations elaborated thanks to assessments and studies realized within the project will be implemented, who will benefit from them, etc.).

Environmental sustainability concerns the project's influence on the natural environment (e.g. if you realise infrastructural activities, you should show how it will impact the natural environment and prove it will not harm the environment in any way, but will be beneficial).

High quality projects should provide sustainability of their results and impact for the final beneficiaries of the project.

12. Final tips on writing the Concept Note

When your project is well thought thought, you can start to work on a Concept Note. Although there is no exact template provided, the particular requirements have been defined, and you need to give full, detailed information requested. To prepare a good draft, keep in mind the following suggestions:

- Precisely follow the instruction given in 'Grant Application Form' and in 'Instruction for filling Concept Note';
- Use the required paper size and recommended fonts;
- Keep the exact number of pages as required;
- Keep the required order;
- Give exhaustive information for each question posed, keeping the same order;
- Present all information in a clear way;
- Use the appropriate project management terminology and do not hesitate to use the same terminology, expressions or even phrases as in Guidelines;
- Use simple, easily understandable language;
- Try to raise the interest of the assessor;
- Be precise and concrete, and avoid jargon and technical speech;
- Use simple terminology, understandable for everyone, not only for specialists of the specific branch or scientists;
- Your Concept Note needs to be prepared in English – ensure high quality of translation.

References:

Aid Delivery methods, Volume 1: Project Cycle Management, European Commission, EuropeAid Office, Brussels 2004

'Guidance note on how to do stakeholder analysis of aid projects and programmes', UK Department for International Development, London 1993

Guidelines for grant applicants, Budget line: 19.080103, Reference: EuropeAid/134171/L/ACT/UA, Deadline for submission of Concept note: 1 July 2013

Artto K., Kujala J., Dietrich P., Martinsuo M. (2007). What is project strategy?, European Academy of Management (EURAM) 2007, 7th Annual Conference, May 16-19, Paris, France

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Annex 1. Methodology of Problem Tree building

The development of an effective problem tree is a critical aspect of developing a winning project idea or concept. While many different methodologies for developing an effective problem tree exist, one of the most effective methodologies is through using a group of stakeholders or interested people who will be critical in the development and implementation of your project.

Please note that effective group work requires a limited number of participants. We would like to suggest a group of not less than 6 and not more than 12 participants. If you have a large number of stakeholders, it may be useful to conduct several group sessions.

For the purpose of the Project Tree development you must prepare for each session a set of blank cards (each problem should be written down on a separate card) and a space (preferably wall) to display the cards.

Choose the group Leader (usually the most experienced person) who will moderate and direct team work. If you feel that you need external support you can invite an external expert to be the Leader.

The role of the leader is to facilitate constructive discussion. That means the Leader should not allow anybody to dominate the discussion, should ensure that all participants have an equal opportunity to share their opinions, and try to stimulating participation of those who are less active and limiting the participation (if participation becomes too one sided) of those who are very active.

If the problem has already been defined, the   Leader explains why this problem has been chosen as the focal one and why it is important for the regional development.

If the focal problem has not been chosen yet, your group should discuss major regional/local problems and choose one. A key starting problem can be identified on the basis of regional development needs assessments that had already been done (e.g. for regional planning) and can be found in the relevant strategies, programmes or development plans. When considering the choice of problems, it is important to take into consideration the requirements set by the donor. Check whether the chosen focal problem complies with the grant programme aims and priorities described in Guidelines for Applicants. Remember that an identified problem does not exist on its own. It always affects specific sectors, entities, organisations, local population or social groups. Identify who is affected by each problem.

When the focal problem is chosen and formulated, write it down on a separate card, together with the affected people/sectors etc. and display for everyone to see.

Then each member of the group writes down as many problems associated with the focal problem as possible.

Each problem must be written down on a separate card. As this is an individual task, participants should not discuss their ideas with each other at this stage. Each definition must be as short / clear / specific as possible. In defining the problem it is necessary to remember that, (as it was already described in relation to the focal problem) the definition of each problem is always a negative statement. It defines negative situation, process or tendency, shortage, limitation or unsatisfied need.

When the group finishes the generation of the problems, the Leader collects all cards and puts them together. This is a necessary operation allowing separation a person from their opinion. Its role is to minimise the influence of personal relations and attitudes or official subordination on the discussion.

Then the group discusses each problem identified by them. The Leader shows each card and helps the participants find the mutual understanding and opinion on the statement:
- Whether this statement is a problem
  - If the group decides the problem does not exist they put the card aside

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- If it does, the Leader asks next question
- Whether this problem is directly associated with the key problem (initially identified as subject focus of the problem analysis)
  - If the group decides that it is not – they put the card aside
  - If it is Leader asks next question
- Whether this problem is a cause or effect of the focal problem and any problem already put in the tree

Problem-cause is to be placed below corresponding problem-effect. Problem-effect is to be placed above corresponding problem-cause. Remember each problem may have several causes and several effects.

If a problem discussed cannot be classified as a cause or effect of any other problem already placed on the wall, try to compare it with others, identifying appropriate level in the problems' hierarchy and place it beside.

If the formulation of the problem is similar to those already placed in the 'Tree" the Team should decide:
- Which definition is better: shorter, more comprehensive, clearer and more specific? Is it possible to combine these statements and make a new, better one?

If, during discussion and looking at the growing problem tree the participants come to additional ideas they can write them on cards and pass to the Leader.

After all the cards are discussed, your 'Problem Tree' is ready. Check if the problems have been properly defined and the relations between them marked.

Connect the problems with cause-effect arrows clearly showing key links. Check definitions for correctness, comprehensiveness, clarity and specificity. Review the diagram and verify its validity and completeness. Ask yourself/the group – 'are there any important problems that have not been mentioned yet?' If so, specify the problems and include them in an appropriate place in the diagram.

In summarising problem analysis please note the following rules:
- each card or box in the problem tree shall include only one problem, not more than this;
- the problems must be real, not hypothetical;
- avoid, as much as possible, defining the problem in the form of negation of the solution (e.g. there is no info centre);
- make sure of the sequence of causes and effects, i.e. problems-effects stems from problems-causes;
- the problem tree is not designed in one session; you must get back to the experts, co-applicants and/or affiliated entities and key stakeholders to obtain the information that will help you complete the tree;
- problem analysis is very important as it justifies the entire project plan, including the objectives and results; therefore, the outcome shall be clear and accurate.