



Project Identification, Preparation and Budgeting

A well-prepared project is essential to attract financing from technical and financial partners (TFPs) and to ensure the chances of success of the project. This seminar reviews the entire set of activities undertaken to take a project from conceptualisation to actual implementation, in the context of multilateral development banks. To achieve a well-built project, it is essential that an effective, project-oriented budget is design to allow for speedy intervention and timely decision making. Through such a performance-based framework, managers will be more effective in allocating, monitoring and controlling their financial resources, thus greatly contributing to a project's success.

TARGET AUDIENCE:

- Permanent Secretaries
- Ministries Managers
- Sectoral Managers
- Directors
- Project Preparation Unit Officials

DURATION: 2 weeks

PRACTICAL OBJECTIVES

- ✓ **Gain** a thorough knowledge of the path of activities to prepare a project or program in the multilateral aid system.
- ✓ **Understand** how a performance-based framework contributes to improvements in budgeting.
- ✓ **Provide** participants with the necessary skills to plan budgets and disbursement schedules for programmes and projects.
- ✓ **Assist** participants in the development of appropriate performance and control reports.
- ✓ **Avoid** the design of unsuccessful project and delays in disbursements.

- **Multilateral Funded Project Cycle:** Missions and documents associated with the project preparation mechanism. Project Preparation Facility (PPF). Roles of the various stakeholders, from project conceptualisation to the negotiation of the financing agreement.
- **From Identification to Concept Design:** Policies, strategies, programs, projects. Sustainable development goals. Needs Identification. Lessons learned from previous projects or phases. Preliminary assessment of options. Stakeholder analysis. Risk analysis and management plan. Results chain, results framework, performance indicators.
- **From Concept to Project Appraisal:** Preparation of terms of reference for preparatory studies, recruitment of consultants, analysis and approval of studies' reports: technical, economic, environmental and social, institutional arrangements, risk assessment. Communication with stakeholders.
- **Budgetary Management:** Affinity with goals, strategies and institutional capabilities. Budgets as motivators. Work plans, performance indicators and forecasting. Pros and cons of different budgetary approaches.
- **Project Cost Planning:** Limiting the budget envelop to assure financial viability (NPV, IRR). Top-down estimating, rough bottom-up estimating. Cross-referenced cost accounts. Resource planning. Procurement and committed costs. Activity-based costing. Detailed budgets, disbursement and cash flow forecasting. Contingencies. Budget simulations. The project baseline.
- **Monitoring and Control of Project Costs:** Managing cash flows. Budget control reporting. Budgetary and performance control tables. Budget updates. Balanced scorecard performance system. Development of tools and reports for sector/service ministries. Multi-project information systems. Estimate at completion and revised project plan.

