

Local Project Appraisal Committee (LPAC)

Terms of Reference for the assessment of IF Window II Projects¹

Mandate:

The IF Steering Committee (IFSC) has delegated the authority to approve Window II projects at the country level to a Local Project Appraisal Committee (LPAC) that is constituted in line with the Window II terms of reference. The LPAC is the body vested with the quality control of all Window II projects. In exercising this authority, the LPAC will be guided, to the extent possible, by the UNDP Resident Representative or his/her designated official and will seek the guidance of the IF Facilitator when required. Any divergence between the recommendations of the LPAC and the decision of any one member of the LPAC should be recorded on file. The LPAC has the obligation to expeditiously write and circulate to all stakeholders the report of every meeting. The Report shall give clear indications on what has been decided.

Composition:

Membership of the LPAC will vary from country to country but will include as a minimum a quorum comprised of the following members: the Ministry of Finance or Planning, the Ministry of Commerce, UNDP Resident Representative or delegate (trustee of the IF Trust fund and sponsor), the Lead Donor Facilitator (donor representative), the World Bank Resident Representative or delegate (DTIS interface) and the private sector. The Ministry of Trade will chair the LPAC meeting on all projects for which it will not be the direct beneficiary. For those projects which will benefit the Ministry of Trade directly, an alternate Chair will be appointed.

The composition of the LPAC can vary depending on the situation in the partner country or the subject being considered. Participation of IF stakeholders should be expanded to include representatives from the government and the national institutions involved in the project, representatives of other donors, civil society, and other target groups.

Tasks & Procedures:

Appraisal is the critical analytical review of the design and formulation of the project that leads to its approval or rejection. During appraisal, IF stakeholders at the country level ensure that the project has been designed in a sound and results-oriented way and complies with terms of reference of Window II.

All Window II projects funded by the IF-Trust Fund must be appraised before approval. The appraisal consists of the review of the draft PROJECT DOCUMENT, as well as the log-frame matrix that outlines the project activities, expected outputs, inputs and budget. Such a log-frame can be prepared during the formulation process. Persons who were not directly involved in formulation must participate in the appraisal. The approval of a project document constitutes a commitment to implement that project, and is formalized through the signing of the document by representatives from the Government, UNDP, and the designated institution.

Procedures

¹ These Terms of Reference are to be read in conjunction with the document entitled "Steps to ensure quick implementation of Window II projects".

1. A formal meeting of the LPAC is convened at the request of the host government or IF Focal Point.
2. Through the minutes of the meeting, the LPAC advises the UNDP Resident Representative on the soundness of the design of the project and the decisions made (*either approval, rejection or need for further revisions taking into account comments from the LPAC*). Signed copy of the minutes of LPAC meetings must be maintained on file for later review by audits, country review and evaluation teams, etc.
3. It is recommended that a country also hold one or more internal pre-LPAC meetings to assist in ensuring the best possible formulation process.
4. The maximum period of implementation covered by a project document is three years. In case support for a longer period is needed, a new phase with a new document must be prepared and another approval process, including review in a new LPAC, will take place.

Project Appraisal Guidelines:

LPAC can refer to the standard checklist to ensure that the project proposal submitted complies with the established Window II terms of reference.

- The project submission checklist helps to check whether the project meets the minimum conditions and requirements for funding under the Window II of the IF Trust Fund [*refer to the attached Checklist to be completed prior to proposal submission to the LPAC*].

In reviewing project proposals submitted for approval, the LPAC will be guided by the following questions to ensure the soundness, relevance and usefulness of project:

Goals & objectives:

- Usefulness of the project goals and objectives to global integration and trade mainstreaming into the national development plans including the poverty reduction strategy or PRSP?
- Does the project proposal come from the Action Matrix? If not, how was it identified and prioritized? Does project proposal have the endorsement of the IF National Steering Committee?

Strategy and relevance:

- Does the strategy help to explain why the project is considered a priority on operationalizing the trade-related capacity building activities?
- Is there a clear project strategy that is consistent with proposed project activities and budget?
- Is there a capacity building strategy in the proposal? What measures are envisaged to transfer knowledge and expertise to host cadres?
- Where recruitment of long-term experts or consultants is envisaged, are there clear terms of references attached?

Linkages with other initiatives

- Whether project has linkages with other ongoing donor funded activities, and whether there are no duplications with other initiatives?
- Whether there are lessons from previous technical assistance experiences in this area to share.

Ownership & management:

- How is the project going to be implemented? Who is the responsible and accountable entity for the project? Is this choice supportive of national ownership?
- Is there adequate capacity to implement the project?
- Are there roles envisaged for other national stakeholders in the implementation of the project?

Budget & finance:

- Is the proposed budget supportive of project activities? What is the preferred modality for disbursing project funds and how consistent it is with government financial rules and guidelines?
- Who will be responsible for project financial reporting and accountability?

Partnership strategy:

- Is there a partnership strategy? With whom does the project focal intend to cooperate with in implementing the project?

Monitoring & evaluation:

- Where will the project be based? Who will be responsible to preparing and submitting project progress report(s)? What is the preferred frequency of reporting?
- When will the project start and what is the preferred frequency for progress reporting?

Approval/rejection criteria

In making its final decision on the project proposal, the LPAC shall discuss and make a decision on the project proposal meets one of the following criteria:

- a. Project proposal is approved for IFTF funding,
Or
- b. Project proposal is approved for funding subject to incorporation of comments proposed by the LPAC,
Or
- c. Project proposal needs further formulation before it can be re-considered by the LPAC;
Or
- d. Project proposal is declined for IFTF funding. [LPAC can provide reasons for declining funding for the project]

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Annexes:

1. Window II terms of references
2. Window II project submission checklist (sample).