1. What do you mean by project appraisal technique? Discuss different project appraisal techniques with suitable examples.

Ans: A project appraisal allows a company or an organization to analyze a project and ensure that it provides an effective plan to devise a solution to a business problem. This process helps the company establish the financial viability and the effectiveness of a project.

Project appraisal is an ongoing and consistent endeavor through which a project is assessed, and its results determine whether a project is canceled or approved. Project appraisal serves as the first step in the preplanning phase of a project. It features multiple stages, including concept analysis, concept brief, project organization and project approval. The first stage involves developing the concept of a project, identifying the problem and determining viable solutions.

Some of the methods of project appraisal are as follows:

1. Economic Analysis:
   Under economic analysis, the project aspects highlighted include requirements for raw material, level of capacity utilization, anticipated sales, anticipated expenses and the probable profits. It is said that a business should have always a volume of profit clearly in view which will govern other economic variables like sales, purchases, expenses and alike.

2. Financial Analysis:
   Finance is one of the most important pre-requisites to establish an enterprise. It is finance only that facilitates an entrepreneur to bring together the labour of one, machine of another and raw material of yet another to combine them to produce goods.

3. Market Analysis:
   Before the production actually starts, the entrepreneur needs to anticipate the possible market for the product. He/she has to anticipate who will be the possible customers for his product and where and when his product will be sold. There is a trite saying in this regard: “The manufacturer of an iron nails must know who will buy his iron nails.”

4. Technical Feasibility:
   While making project appraisal, the technical feasibility of the project also needs to be taken into consideration. In the simplest sense, technical feasibility implies to mean the adequacy of the proposed plant and equipment to produce the product within the prescribed norms. As regards know-how, it denotes the availability or otherwise of a fund of knowledge to run the proposed plants and machinery.

5. Management Competence:
   Management ability or competence plays an important role in making an enterprise a success or otherwise. Strictly speaking, in the absence of managerial competence, the projects which are otherwise feasible may fail.

2. Discuss different types of monitoring and evaluation.

Ans: Monitoring is the systematic and routine collection of data during project implementation for the purpose of establishing whether an intervention is moving towards the set objectives or project goals. In this case, data is collected throughout the life cycle of the project. The data collection tools are usually embedded into the project activities in order to ensure that the process is seamless. There are several types of monitoring in M&E and they include process monitoring, technical monitoring, assumption monitoring, financial monitoring and impact monitoring.

**Process monitoring/physical progress monitoring**

In process monitoring, routine data is collected and analyzed in order to establish whether the project tasks and activities are leading towards the intended project results. It authenticates the progress of the project towards the intended results. This kind of monitoring measures the inputs, activities and outputs. In other words, process monitoring answers the questions “what has been done so far, where, when and how has it been done?” Most of the data collected during project implementation usually serves this kind of monitoring.

**Technical monitoring**

Technical monitoring involves assessing the strategy that is being used in project implementation to establish whether it is achieving the required results. It involves the technical aspects of the project such as the activities to be conducted. In a safe water project for example, physical progress monitoring may show that there is little or no uptake of chlorination as a water treatment strategy. Technical monitoring may establish that this could be a result of installing chlorine dispensers at the water source and women are too time constrained that they have no time to line up to get chlorine from the dispensers. This may prompt a change of strategy where the project might opt for household distribution of bottled chlorine.

**Assumption monitoring**

Any project has its working assumptions which have to be clearly outlined in the project log frame. These assumptions are those factors which might determine project success or failure, but which the project has no control over. Assumption monitoring involves measuring these factors which are external to the project. It is important to carry out assumption monitoring as it may help to explain success or failure of a project. For example, a project that was promoting the use of contraceptives may realize that uptake of use of contraceptives has dropped. The drop in use of the contraceptive could however, be attributed to increased taxation on the importation of contraceptives in the country which makes them more expensive, rather than on project failure.

**Financial Monitoring**