Re-ordering the Patchwork of Elements

PROJECT DESIGN FOR PSD:

SESSION 3, TUESDAY 17 JANUARY 2012

DCED Seminar on Trends and Results in PSD: Setting up PSD Programmes for Results, Bangkok, Jim Tomecko
OUTLINE

1. Digging Deeper: the need to improve “design”
2. Using Results Chains in design
3. Preconditions for a design phase
4. 2 Design Cases (Nepal and Kenya)
   1. Components of the design phase
   2. Intervention Results Chains
   3. Assembling the log-frame
   4. What the numbers looked like
5. Conclusions
In a typical project...

- The log-frame is either:
  - An inflexible “contract for implementation”, or
  - A means to secure funding, or
  - A starting point for project implementation

- M&E, or IA’s role at this point is to “validate” results
- Consultants are hired to give credibility to the numbers and the achievements
- The results are often disappointing
USING RESULTS CHAINS...

As a compliment to log-frames...

- Because they are a more flexible “means-ends” instrument with as many levels as make sense
- You can have many in a project, even with only one log-frame
- They permit greater detail (digging deeper) for more specific impact logics
- Because they are more specific, the possibility of predicting impact is greater
KEY ASSUMPTIONS FOR DESIGN PHASES:

- Time and the resources are available
- The given log-frame is rudimentary and changeable
- Budget parameters are known
- Possible stakeholders are known
- Implementation follows quickly after design
TWO CASES OF DESIGN PHASES (NEPAL AND KENYA)

- Both for DFID
- Both Value Chain oriented with some BEE
- Using the market development approach
- Both with budgets of £13 million for 5 years
- Design Phases of about 5 months
- Design Phase costs of about 2.5% of budget
KEY COMPONENTS OF THE DESIGN PHASE

- Training of project staff or local consultants in
  + Sector analysis
  + Identification of systemic constraints
  + Intervention idea identification
  + Construction of results chains (according to the standard) for each intervention
- Selection of sectors or project areas (4-6)
- Identification of valid intervention concepts in those sectors (8-12)

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KEY COMPONENTS OF THE DESIGN PHASE

- Identifying **specific** target groups
- Reaching agreement with market intermediaries on likely intervention strategies
- Estimating average net attributable income changes
- Identifying pathways to scale and estimating outreach

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KEY COMPONENTS OF THE DESIGN PHASE

- Adjusting this for optimism bias
- Estimating intervention costs for 8-12 interventions of about 3 years each

All the essentials needed in working towards compliance with the RM Standard!
RC or Intervention Process Flow

Design

Scale up

Testing
RC or Intervention Process Flow

Design

No Go

Strategy Reviewed & Intervention Areas Chosen

Go

Raw intervention Idea Formulated

Intervention Concept Note

No Go

Intervention Assessment Review Meeting

Go

MoUs/Agreements made with Subcontractors, Partners, Intermediaries

Intervention Plan

Validate Assumptions

No Go

Intervention Assessment Meeting

Go

Intervention Implementation

Assess the output delivery of the Intermediary

Assess the behavior change of the target group

Assess the improved capacity and willingness of the intermediary

1st Intervention Report

No Go

1st Intervention Assessment Meeting

Go

Updated Intervention Implementation plan

Validate Assumptions

Go

3rd and Final Intervention Report

Monitor Outreach for up to 24 Months

Continue With Implementation

Go

Interim Scale Up Intervention Report

Monitor Outreach

Revalidate Impact Depth

Implement Scale Up

Revised Scale Up Intervention Plan

Test

Hypothesis

Modify

Redesign

Go

2nd Intervention Report & Scale Up Plan

Assess the results of change

Complete the change process

Go

Collect baseline data on competitiveness and incomes before major changes occur

Exit

No Go

Go

Assess the improved capacity and willingness of the intermediary

Assess the results of change

Exit

No Go
ASSEMBLING THE LOG-FRAME

- We now can estimate averages per intervention of:
  - Net attributable income changes
  - Outreach
  - Costs

- These can then be plugged into an Excel sheet (see annex) to estimate per annum income changes, outreach and intervention costs

- To get a total budget we add to the intervention costs to the costs of management in so far as they are not accounted for in the intervention costs
ASSEMBLING THE LOG-FRAME

- For the log-frame we can now estimate, according to the budget available:
  - Total number of interventions over the project period
  - When they will start and finish
  - Their accumulated outreach and impact
**WHAT THE NUMBERS LOOK LIKE:**

- **In the case of Kenya**

<table>
<thead>
<tr>
<th>Year</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outreach</td>
<td>38,000</td>
<td>130,000</td>
<td>200,000</td>
<td>290,000</td>
<td>360,000</td>
</tr>
<tr>
<td>NAIC £</td>
<td>60</td>
<td>75</td>
<td>100</td>
<td>100</td>
<td>100</td>
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</tbody>
</table>

- **In the case of Nepal**

<table>
<thead>
<tr>
<th>Year</th>
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<th>3</th>
<th>4</th>
<th>5</th>
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<tr>
<td>Outreach</td>
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<td>108,000</td>
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<td>264,000</td>
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<td>NAIC £</td>
<td>20</td>
<td>40</td>
<td>60</td>
<td>80</td>
<td>80</td>
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</table>
CONCLUSIONS:

- The core principles of the Standard applied in the design stage were:
  - The full use of results chains (as outlined in the Standard) to develop interventions for the opening portfolio
  - Early projections of outreach and net attributable income changes
  - A clear plan for what and when to measure; several smaller baselines compared to one large one
CONCLUSIONS:

The core benefits of using these principles in the design phase are:

- We derive more credible log-frame targets to start with
- Raw ideas are tested with some validated and others discarded early
- The project starts with a set of well conceived interventions which are aiming to gain compliance with the Standard, for the opening portfolio
- Project staff/consultants/stakeholders are introduced early to more rigorous analysis
- Staff experience exists to design new interventions according to the Standard
### Annex 1: Forecasting Excel Sheet

#### Results Forecasting Tool

<table>
<thead>
<tr>
<th>Year</th>
<th>Outreach</th>
<th>Impact</th>
<th>Outsourcing</th>
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<tbody>
<tr>
<td>Year 1</td>
<td>123,456</td>
<td>67,890</td>
<td>10,123</td>
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<tr>
<td>Year 2</td>
<td>234,567</td>
<td>67,890</td>
<td>10,123</td>
</tr>
<tr>
<td>Year 3</td>
<td>345,678</td>
<td>67,890</td>
<td>10,123</td>
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<tr>
<td>Year 4</td>
<td>456,789</td>
<td>67,890</td>
<td>10,123</td>
</tr>
</tbody>
</table>

#### Yearly Overview

<table>
<thead>
<tr>
<th>Year</th>
<th>NAIC</th>
<th>Yearly Cost</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>123,456</td>
<td>67,890</td>
<td>10,123</td>
</tr>
<tr>
<td>Year 2</td>
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<td>Year 4</td>
<td>456,789</td>
<td>67,890</td>
<td>10,123</td>
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#### Top 10 Interventions

<table>
<thead>
<tr>
<th>Interventions</th>
<th>Yearly Cost</th>
<th>Yearly NAIC</th>
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<tbody>
<tr>
<td>Intervention 1</td>
<td>123,456</td>
<td>67,890</td>
</tr>
<tr>
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<td>234,567</td>
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</tr>
<tr>
<td>Intervention 4</td>
<td>456,789</td>
<td>67,890</td>
</tr>
</tbody>
</table>

#### Average NAIC per intervention in £

<table>
<thead>
<tr>
<th>Interventions</th>
<th>Average NAIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intervention 1</td>
<td>123,456</td>
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<td>Intervention 3</td>
<td>345,678</td>
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<tr>
<td>Intervention 4</td>
<td>456,789</td>
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</table>

#### Top 5 Costs

<table>
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<tr>
<th>Costs</th>
<th>Yearly Cost</th>
<th>Yearly NAIC</th>
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<tr>
<td>Cost 1</td>
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<tr>
<td>Cost 4</td>
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<td>67,890</td>
</tr>
<tr>
<td>Cost 5</td>
<td>567,890</td>
<td>67,890</td>
</tr>
</tbody>
</table>