

Re-ordering the Patchwork of Elements

PROJECT DESIGN FOR PSD:

SESSION 3, TUESDAY 17 JANUARY 2012

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

DIGGING DEEPER



- ✗ 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)



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

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

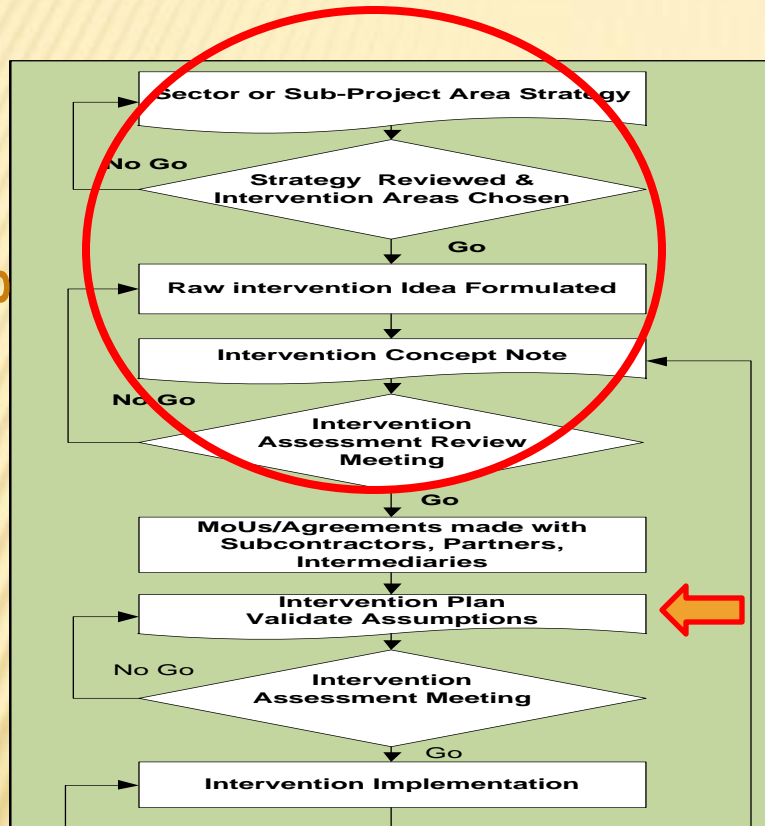
Scale up

Testing

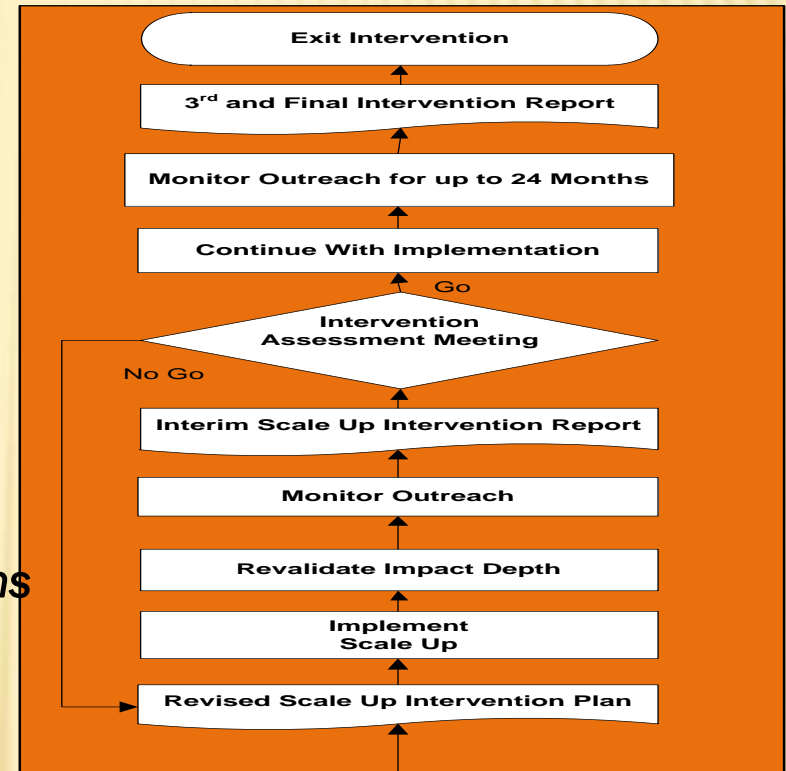


RC or Intervention Process Flow

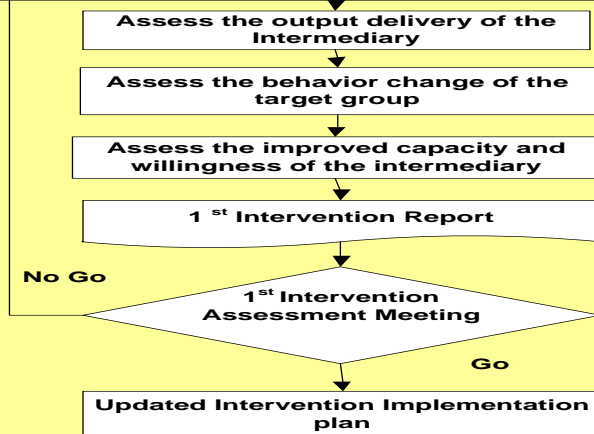
Design



Validate Assumptions



Scaling up

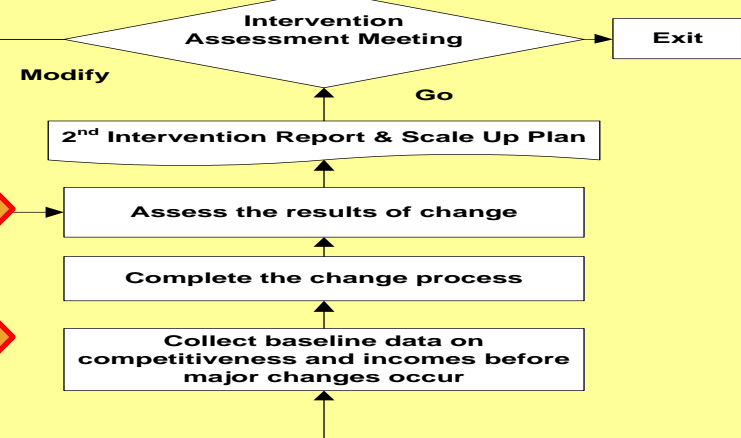


Test Hypothesis

Measure Results

Baseline

Testing



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

Year	1	2	3	4	5
Outreach	38,000	130,000	200,000	290,000	360,000
NAIC £	60	75	100	100	100

✖ In the case of Nepal

Year	1	2	3	4	5
Outreach	18,000	48,000	108,000	192,000	264,000
NAIC £	20	40	60	80	80

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 on 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																															
Intervention Costs								Outreach								Impact															
Year	1	2	3	4	5	6		1	2	3	4	5	6	7	8	1	2	3	4	5	6	7	8								
Batch 1	6	574,941	1,400,882	1,304,453	524,507			6	6,946	31,221	92,166	99,103	132,127	132,137	132,137	Batch 1	6	298,564	2,348,495	10,399,152	14,909,158	14,909,158	14,909,158								
Batch 2	6		431,206	1,050,661	978,340	393,380		6	6,946	31,221	92,166	99,103	132,137	132,137	132,137	Batch 2	6	522,488	2,348,495	10,399,152	14,909,158	14,909,158	14,909,158								
Batch 3	6			574,941	1,400,882	1,304,453	524,507	6		6,946	31,221	92,166	99,103	132,137	132,137	Batch 3	6		298,564	2,348,495	10,399,152	14,909,158	14,909,158	14,909,158							
Batch 4	4				287,471	700,441	652,227	4			4,631	20,814	61,444	66,069	88,091	Batch 4	4			199,043	1,565,664	6,932,768	9,939,438	14,909,158	14,909,158						
Batch 5	4					287,471	700,441	4				4,631	20,814	61,444	66,069	Batch 5	4				199,043	1,565,664	6,932,768	9,939,438	14,909,158	14,909,158					
Batch 6	4						287,471	4					4,631	20,814	61,444	Batch 6	4					199,043	1,565,664	6,932,768	9,939,438	14,909,158					
1						71,868																									
Total Direct Costs		670,765	1,975,823	3,025,879	3,263,067	2,757,613	2,236,513	Total	6,946	38,168	130,333	227,121	348,841	450,266	544,738	612,014	Total	298,564	2,870,983	13,046,212	27,855,848	41,982,174	53,424,948	48,256,185	46,690,522						
Capacity Building		994,955	955,400	890,500	382,620			Cumulative impact	298,564	3,169,548	16,215,760	44,071,608																			
Annual Cost		1,665,720	2,931,223	3,916,379	3,645,687	2,757,613	2,236,513																								
Cumulative Costs		1,665,720	4,596,943	8,513,323	12,159,010	14,916,622	17,153,135																								
Intervention Costs		Year 1 and 3	Year 2, 4, 5 and 6					Optimism Adjusted									Average NAIC/per outreach in £														
Cost y=1		95,824	71,868					Outreach year	1,158								Year 1	43													
Cost y=2		233,480	175,110					Outreach year 2	5,204								Year 2	75.22													
Cost y=3		217,409	163,057					Outreach year 3	15,361								Year 3	112.83													
Cost y=4		87,418	65,563					Outreach year 4	16,517								Year 4	150.44													
Cost/inte		634,131	475,598																												
Opening Portfolio	Year	Optimism Adjusted Data						Opening Portfolio	Year	Raw Data							Staffing														
Intervention 1		1	2	3	4			Intervention 1		1	2	3	4			Interv. M	7	14	19	17	15	12									
Outreach	1,500	6,000	18,000	18,000				Outreach	6,000	12,000	24,000	24,000				Interv. S	6	7	7	7	7	6									
NAIC	44.65	89.3	133.95	178.6				NAIC	178.6	178.6	178.6	178.6				Int/staff	1.17	2.00	2.71	2.43	2.14	2.00									
Total NAIC	66,975	535,800	2,411,100	3,214,800				Total NAIC	1,071,600	2,143,200	4,286,400	4,286,400																			
Costs	156,998	279,108	279,108	156,998	872,212			Costs	156,998	279,108	279,108	156,998	872,212																		
Intervention 2								Intervention 2																							
Outreach	300	2,100	5,400	5,400				Outreach	1,200	4,200	7,200	7,200																			
NAIC	52.4375	104.875	157.31	209.75				NAIC	209.75	209.75	209.75	209.75																			
Total NAIC	15,731	220,238	849,488	1,132,650				Total NAIC	251,700	880,950	1,510,200	1,510,200																			
Costs	75,937	177,187	177,187	75,937	506,248			Costs	75,937	177,187	177,187	75,937	506,248																		
Intervention 3								Intervention 3																							
Outreach	500	1,400	2,700	6,300				Outreach	2,000	2,800	3,600	8,400																			
NAIC	52.4375	104.875	157.31	209.75				NAIC	209.75	209.75	209.75	209.75																			
Total NAIC	26,219	146,825	424,744	1,321,425				Total NAIC	419,500	587,300	755,100	1,761,900																			
Costs	60,512	141,195	141,195	60,512	403,414			Costs	60,512	141,195	141,195	60,512	403,414																		
Intervention 4								Intervention 4																							
Outreach	375	1,500	3,375	3,375				Outreach	1,500	3,000	4,500	4,500																			
NAIC	52.4375	104.875	157.31	209.75				NAIC	209.75	209.75	209.75	209.75																			
Total NAIC	19,664	157,313	530,930	707,906				Total NAIC	314,625	629,250	943,875	943,875																			
Costs	38,437	89,687	89,687	38,437	256,248			Costs	38,437	89,687	89,687	38,437	256,248																		
Intervention 5								Intervention 5																							
Outreach	1,500	6,000	11,250	11,250				Outreach	6,000	12,000	15,000	15,000																			
NAIC Calves		52,965	211,860	397,238				NAIC Calves	35	211,860	423,720	529,650																			
NAIC Milk	41.71			250260				NAIC Milk	166.84			1,001,040																			
Total NAIC	0	52,965	211,860	647,498				Total NAIC	0	211,860	423,720	2,198,070																			
Costs	88,256	205,935	205,935	88,256	588,382			Costs	88,256	205,935	205,935	88,256	588,382																		
Intervention 6								Intervention 6																							
Outreach	2,500	7,500	16,500	21,000				Outreach	10,000	15,000	22,000	28,000																			
NAIC	13.6325	27.265	40.90	54.53				NAIC	54.53	54.53	54.53	54.53																			
Total NAIC	34,081	204,488	674,809	1,145,130				Total NAIC	545,300	817,950	1,199,660	1,526,840																			
Costs	112,500	337,500	225,000	75,000	750,000			Costs	112,500	337,500	225,000	75,000	750,000																		
Intervention 7								Intervention 7																							
Outreach under	1,181	9,444	35,414	35,408				Outreach under	4,722	18,888	47,219	47,210																			
NAIC	6.225	12.45	18.68	24.9				NAIC	24.9	24.9	24.9	24.9																			
Total NAIC	7,349	117,578	661,361	881,647				Total NAIC	117,578	470,311	1,175,753	1,175,529																			
Outreach unserved	248.25	2,481	14,888	14,888				Outreach unserved	999	4,962	19,850	19,850																			
NAIC	37.3525	74.705	109.07	149.41				NAIC	149.41	149.41	149.41	149.41																			
Total NAIC	9,273	185,343	1,623,769	2,224,341				Total NAIC	148,364	741,372	2,965,789	2,965,789																			
Gross NAIC	16,621	302,921	2,285,130	3,105,988				Gross NAIC	265,942	1,211,684	4,141,542	4,141,318																			
Costs	138,125	403,750	403,750	116,785	1,062,410			Costs	138,125	403,750	403,750	116,785	1,062,410																		
Outreach Interventions	8,104	36,425	107,527	115,620	115,620			Outreach Interventions	32,415	72,850	143,369	154,160	154,160																		
Costs	7	7	7	7				Costs	8	8	8	8																			
Cost/intervention	670,765	1,634,362	1,521,862	611,925	4,438,914			Cost/intervention	95,824	233,480	217,409	87,418	634,131																		
Outreach/intervent	1,157.68	5,203.57	15,360.96	16,517.14				Outreach/intervent	4,051.88	9,106.25	17,921.13	19,270.00																			
Total NAIC/TG	300.88							Total NAIC/TG	1,203.53																						
Average NAIC/int	42.98	75.22	112.83	150.44				Average NAIC/int	150.44																						
Direct cost/outreach					53.54			Direct cost/outreach	78.87																						