



Re-ordering the Patchwork of Elements

## **PROJECT DESIGN FOR PSD:**

**SESSION 3, TUESDAY 17 JANUARY 2012**

# OUTLINE

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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

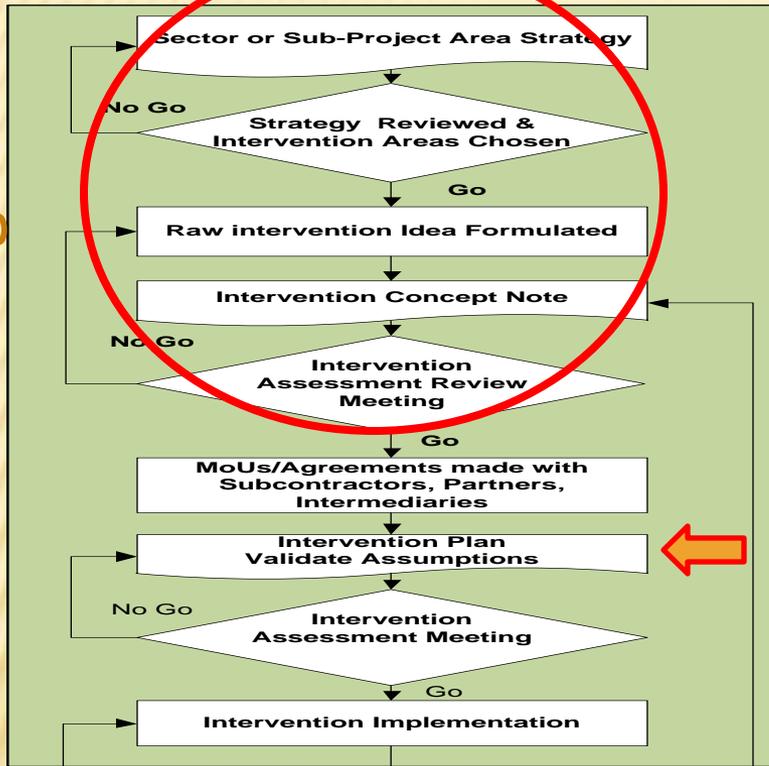
Scale up

Testing

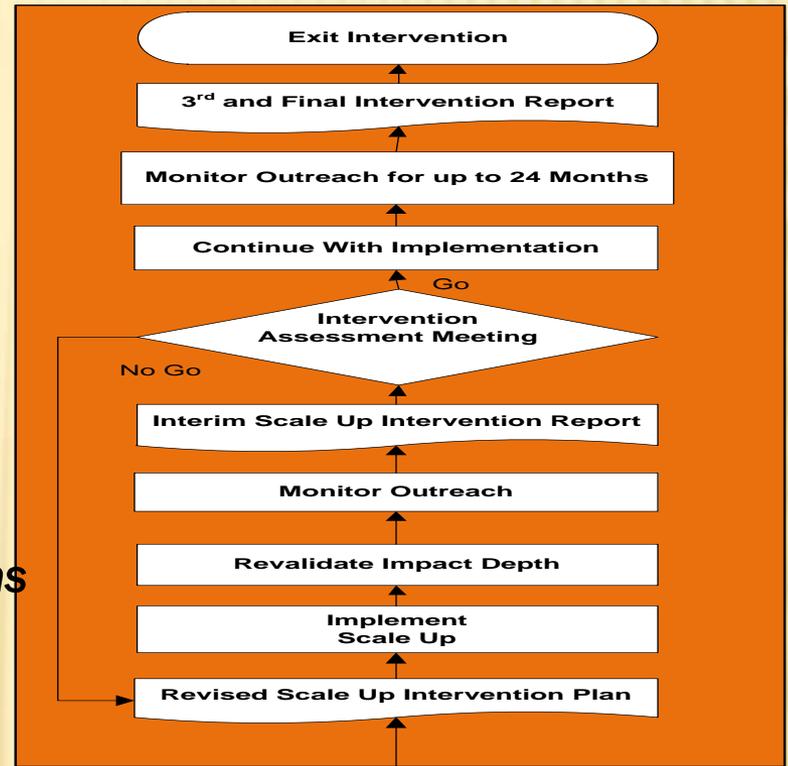


# RC or Intervention Process Flow

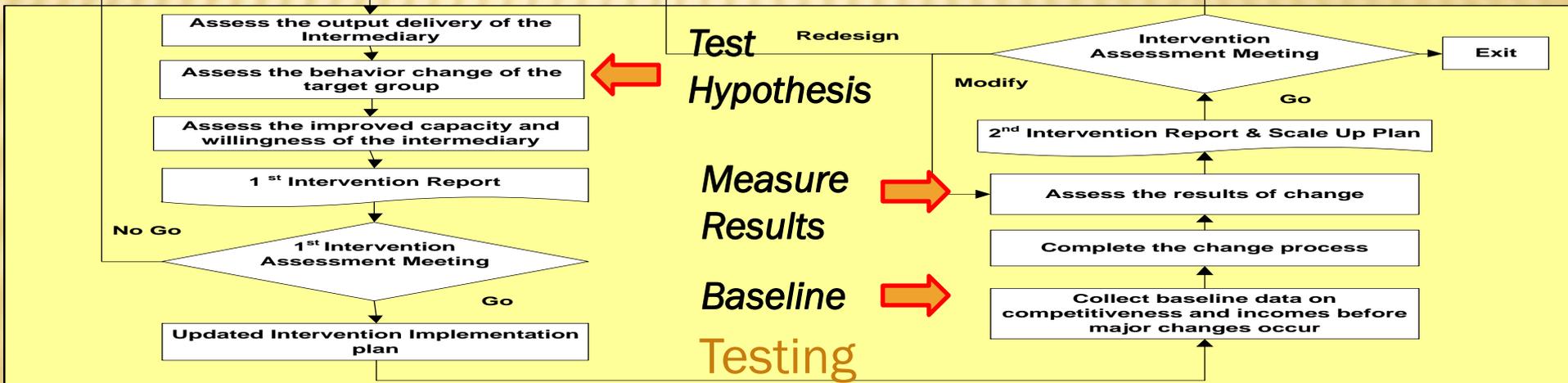
Design



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:

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- ✘ 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:

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- ✘ 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							Batch 1								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	6	298,564	2,348,495	10,399,152	14,909,158	14,909,158	14,909,158			
1	95,824																							
Batch 2							Batch 2								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	6	522,488	2,348,495	10,399,152	14,909,158	14,909,158	14,909,158			
2		143,735																						
Batch 3							Batch 3								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	6		298,564	2,348,495	10,399,152	14,909,158	14,909,158	14,909,158			
1			95,824																					
Batch 4							Batch 4								Batch 4									
4				287,471	700,441	652,227	4			4,631	20,814	61,444	66,069	88,091	4			199,043	1,565,664	6,932,768	9,939,438	14,909,158		
1				71,868																				
Batch 5							Batch 5								Batch 5									
4					287,471	700,441	4				4,631	20,814	61,444	66,069	4				199,043	1,565,664	6,932,768	9,939,438		
1					71,868																			
Batch 6							Batch 6								Batch 6									
4						287,471	4					4,631	20,814	61,444	4				199,043	1,565,664	6,932,768	9,939,438		
1						71,868																		
<b>Total Direct Costs</b>	670,765	1,975,823	3,025,879	3,263,067	2,757,613	2,236,533	<b>Total</b>	6,946	38,168	130,333	227,121	348,841	450,266	544,738	612,014	<b>Total</b>	298,564	2,870,983	13,046,212	27,855,848	41,982,174	53,424,948	48,256,185	46,690,522
<b>Capacity Building</b>	994,955	955,400	890,500	382,620			3,223,475									<b>Cumulative impact</b>	298,564	3,169,548	16,215,760	44,071,608	86,053,782	139,478,729	187,734,915	234,425,437
<b>Annual Cost</b>	1,665,720	2,931,223	3,916,379	3,645,687	2,757,613	2,236,533																		
<b>Cumulative Costs</b>	1,665,720	4,596,943	8,513,323	12,159,010	14,916,622	17,153,135																		
<b>Intervention Costs</b>		Year 1 and 3	Year 2, 4, 5 and 6				<b>Optimism Adjusted</b>								<b>Average NAIC/per outreach in £</b>									
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																					
<b>Opening Portfolio</b>		<b>Optimism Adjusted Data</b>					<b>Opening Portfolio</b>		<b>Row Data</b>						<b>Staffing</b>									
Year	1	2	3	4			Year	1	2	3	4				Intervent	7	14	19	17	15	12			
<b>Intervention 1</b>							<b>Intervention 1</b>								Interv. M	6	7	7	7	7	6			
Outreach	1,500	6,000	18,000	18,000			Outreach	6,000	12,000	24,000	24,000				Int/staff	1.17	2.00	2.71	2.43	2.14	2.00			
NAIC	44.65	89.3	133.95	178.6			NAIC	178.6	178.6	178.6	178.6													
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												
<b>Intervention 2</b>							<b>Intervention 2</b>								<b>Opening Portfolio</b>									
Outreach	300	2,100	5,400	5,400			Outreach	1,200	4,200	7,200	7,200				1				872,212					
NAIC	52.4375	104.875	157.31	209.75			NAIC	209.75	209.75	209.75	209.75				1				506,248					
Total NAIC	15,731	220,238	849,488	1,132,650			Total NAIC	251,700	890,950	1,510,200	1,510,200				1				403,414					
Costs	75,937	177,187	177,187	75,937	506,248		Costs	75,937	177,187	177,187	75,937	506,248			1				256,248					
<b>Intervention 3</b>							<b>Intervention 3</b>								1				588,382					
Outreach	500	1,400	2,700	6,300			Outreach	2,000	2,800	3,600	8,400				1				750,000					
NAIC	52.4375	104.875	157.31	209.75			NAIC	209.75	209.75	209.75	209.75				1				1,062,410					
Total NAIC	26,219	146,825	424,744	1,321,425			Total NAIC	419,500	587,300	755,100	1,761,900				1				4,438,914					
Costs	60,512	141,195	141,195	60,512	403,414		Costs	60,512	141,195	141,195	60,512	403,414			7									
<b>Intervention 4</b>							<b>Intervention 4</b>								<b>Total Interventions</b>									
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												
<b>Intervention 5</b>							<b>Intervention 5</b>																	
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			250,260			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												
<b>Intervention 6</b>							<b>Intervention 6</b>																	
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												
<b>Intervention 7</b>							<b>Intervention 7</b>																	
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													