

Project Formulation



Guidelines
to programme
cycle
management

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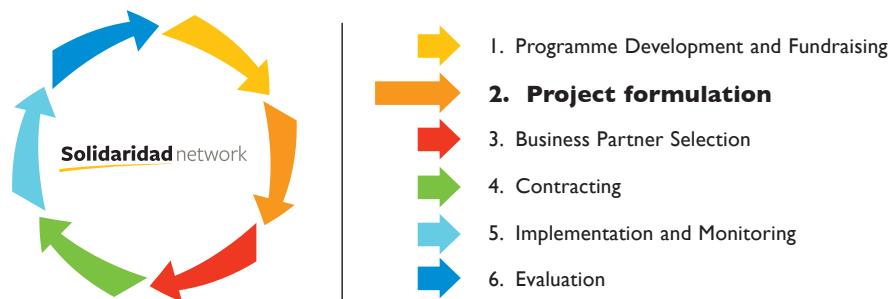
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1. Introduction

The Solidaridad Network aims for change in sustainable value chain development. We work with private sector partners as well as other institutions, to influence and change market conditions and contribute to sustainable improvement at economic, environmental and social level. Through our interventions we try to improve the livelihoods of those involved in the commodities we work with and contribute to food security for all. The assumption underlying our work is that this change can be brought about through a process of activities and interventions that we initiate or support.

In this booklet on project formulation, which is the second step of the Solidaridad programme cycle, we explain how to design and develop a project. This phase starts once problem analyses have been done and strategic choices at network and regional level have been made and documented (in the Multi Annual Strategic Plan) and subsequently a programme has been formulated, approved and funded.



1.1 Designing a strategy – Choice of tools

Once you are aware of the issues in a certain sector and it is decided to intervene, you can start designing your intervention. There are many different tools that one could use to support the design of intervention strategies, including the Theory of Change, Results Chains or the Logical Framework. Which tools to choose depends on information and management needs there are within the organization. Within the Solidaridad Network a decision is made (by the board of directors) to adopt tools that stimulate Results Based Management (RBM). This booklet focuses on introducing the Theory of Change and the Results Chain.

Solidaridad network: Results Based Management

Within Solidaridad, the need for learning is gaining importance. There are both external and internal drivers that feed this need. Internal drivers include the fact that the Solidaridad Network is growing and structures and systems need to adapt to a fast changing environment. The network has nine regional offices worldwide, which form a rich source of knowledge, however the culture of reflection and improvement by using this source in the most effective way, still needs to be established.

External drivers influence the choice of tools to design strategies and projects as well. There is a growing pressure for more accountability. It is important to communicate clearly on results achieved. However, on top of that, we are requested to communicate on how we achieved changes and how these changes contribute to a positive impact on sustainable sector development.

Therefore Solidaridad decided to make Results Based Management the core of Programme Cycle Management (PCM). In the booklets various tools and ideas that support this objective are described.

1.2 Theory of Change

A Theory of Change (ToC) is a tool that helps to articulate the assumptions underlying a possible strategic approach and specifies the potential triggers (either people or conditions) that should be mobilized or created as part of the intervention, to successfully influence sector changes. A Theory of Change articulates the organizations' understanding of change and the challenges that need to be coped with in order to achieve that change.

The Theory of Change tool works very well for an organization as Solidaridad, since we aspire to take a complex, systemic or network based approach, in order to look at the small role of an organization in a change process, as part of a much broader complex system. Other reasons for conducting a Theory of Change include:

- ▶ It helps to develop a common understanding of the work and surfacing any differences between people and stakeholders;
- ▶ Strengthens the clarity, effectiveness and focus of the organization;
- ▶ Enriches the framework for monitoring, evaluation and learning throughout the programme cycle;
- ▶ Improves partnerships by identifying strategic partners and supporting open conversations.

Thus, a Theory of Change is a set of assumptions about why and how the Solidaridad Network (or a specific REC, programme or project) can bring about changes in the sustainability of supply chains.

ToC representations can take various forms, including a drawing, a diagram or a picture. Figure 1 shows an example of an illustration of a Theory of Change.



Figure 1 Theory of Change can have different shapes.

Results Based Management and the DCED standard

Within the Solidaridad Network is decided to internalize a Results Based Management (RBM) approach, based on the DCED principles (The Donor Committee for Enterprise Development). The process of project formulation, as described in this booklet, is therefore based on the DCED standard for planning and measuring achievements in private sector development. One of the core elements of the DCED standard and therewith a key element of Solidaridad's project formulation approach is the Results Chain.

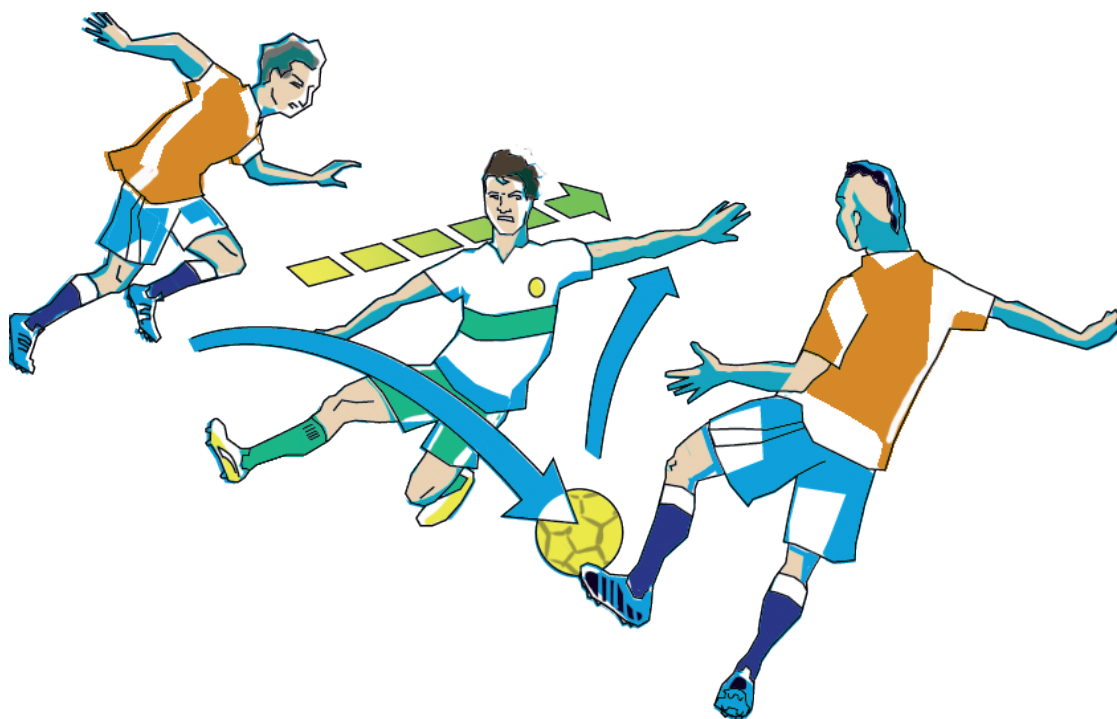
Even though the Solidaridad Network is not aiming for full implementation of the DCED standard at this stage, it is important to realize that the foundation of Solidaridad's project formulation is based on the central elements of the DCED standard. This can be communicated to possible donors or other partners. More information about the DCED standard for measuring results in private sector development can be found on www.enterprise-development.org/page/measuring-and-reporting-results.

1.2 Levels of Results Chain development

Once you articulated the assumptions underlying your possible strategic approach, specified the potential triggers and your programme design has been approved; specific projects are developed and formalized through contracts for implementation with partners (you can read more about this in the booklet *Business Partner Selection and Contracting*). Projects generally consist of one or more interventions that contribute to the overall objectives and results that are formulated at programme level. An intervention is a set of activities within a project that contribute to the same project result(s).

In this booklet, we will guide you through the process of designing a project and thereto-related interventions. More specifically, we will do this by developing Results Chains. Results Chains help you to design your pathway towards your goal step by step. Once having developed a Results Chain, the next step is to elaborate a measurement plan, which helps you to measure the results you hope to achieve and to keep track of the ball (monitoring the progress). You can read more on result measurement in the booklet on *Implementation & Monitoring*.

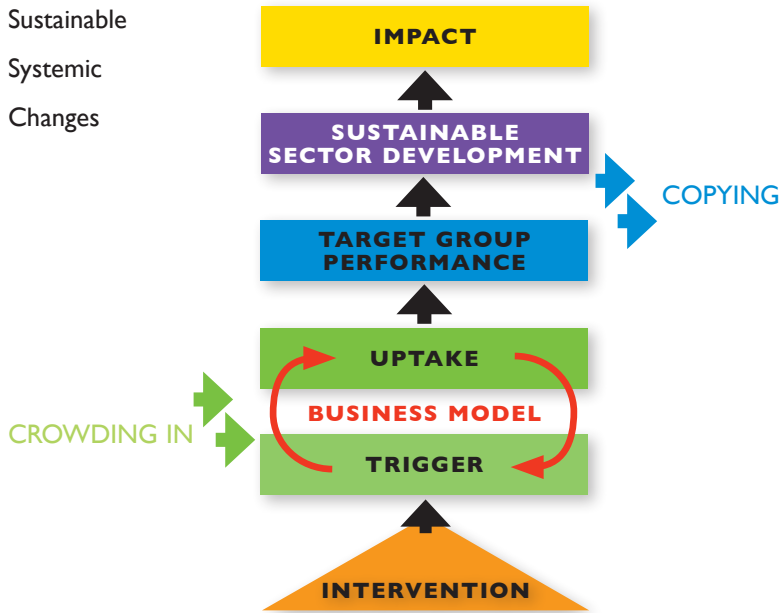
Results Chains can be developed at various levels: for a programme, a project or an intervention within a project. In this booklet, we will focus on the project level. When elaborating a Results Chain make sure that it works towards the same goals as expressed at higher level in the strategic documents.



1.3 The Results Chain as vital tool

The Results Chain shows how a proposed project intervention can trigger a sustainable change, by translating complex activities into realistic causal impact models. Besides this, a good Results Chain explains the causal relationship between the proposed intervention and underlying sustainable business model. Ultimately the Results Chain helps to answer the key question of every intervention: “How do we ensure that our activities will lead to the impact that we are aiming for?”

Sustainable
Systemic
Changes



A Results Chain will help you to answer this question by unpacking the process into different steps and detailed anticipated changes at the various levels. Making a Results Chain enables project staff and other key stakeholders to think through the intervention process and clarify assumptions, roles & responsibilities and thereby agree on logical activities together.

Developing a Results Chain also helps you to ask the right questions while planning, monitoring and evaluating projects. Therefore Solidaridad considers developing a Results Chain as a vital tool for the whole project cycle. The different levels that are described in the Results Chain will be explained step by step in this booklet.

Figure 2 Levels within a Results Chain.

1.4 Who should be involved in project formulation?

The programme manager at a REC is responsible for overseeing the process of project formulation, monitoring the quality of the proposal and its linkage to the Multi Annual Strategic Plan (MASP), regional plans and the (donor) programme proposal.

A project can be formulated and implemented by Solidaridad or initiated and implemented by our business partners. However most of the time, Solidaridad and their private sector business partners in a specific region jointly formulate projects.

Solidaridad promotes a participatory approach where key stakeholders are actively involved during the process of project formulation at REC level. Sustainable changes are often motivated by the variety of actors from within the sector. By actively involving key stakeholders within a sector, we aim to increase their ownership and buy-in for potential market changes.

During the analysis phase you most likely have spoken to several people from the sector, which has provided you with the basic information to decide on the overall strategy of the programme. This allowed you to formulate some 'guestimates'. Once you start with formulating an actual project design, it is necessary to collect the up-to-date and real-time data needed for the project. You will need to involve various people for the process of data collection. Besides, this real-time data is needed for your measurement plan later on as well. When elaborating a Results Chain on project level, you are most likely to discuss the business model of the intervention with partners and other relevant stakeholders. Usually, the staff of Solidaridad handles the actual elaboration of the Results Chain (project manager, possibly assisted by programme manager and PME staff).

2. Articulating Results Chains

Throughout this booklet we will use an example of a palm oil project to clarify the different steps when formulating a project. For the sake of clarity the steps in project formulation are simplified and do not necessary reflect your project reality. You find the examples in the text blocks throughout this booklet.

Introduction to the palm oil producers project in the Guacatulu province



In the Guacatulu province, millions of independent smallholders rely for their income on the production of palm oil. The smallholders work independently and can sell their produce to any mill that is interested. Most smallholders have little knowledge on producing and harvesting palm oil fruits (fresh fruit bunches (FFB)). Therefore yields and turnovers are low, and small holders and their families are facing difficulties in making ends meet.

Our project aims at improving the livelihoods of the palm oil smallholders in the Guacatulu province, by focusing on increasing sustainable production of palm oil in the region and, at the same time, trying to ensure that less land will be used for expanding the palm oil plantations at the expense of community forest in Guacatulu Province.

To reach this goal, Solidaridad works with an Indonesian partner, the Guacatulu Training Society (GTS). The project consists of three components 1) linking a mill to small holders for sustainable production of palm oil; 2) scaling up these experiences and 3) policy influencing and dialogue with the local government.

Through these 3 approaches, we aim to contribute to a more sustainable production of palm oil in the region and less expansion of plantations, which in the end will benefit the livelihoods of the palm oil producers and their families in the Guacatulu province.

The Results Chain is thus a visual representation of an intervention strategy of a project from the interventions (or activities) to the ultimate expected impact (or ultimate goals). The chain helps thinking through and designing a project and projecting the results. The Results Chain is part of a project proposal. Formats are available for example on Catalyst.¹

1. Catalyst is the intranet site of the Solidaridad Network where documents and formats are shared.

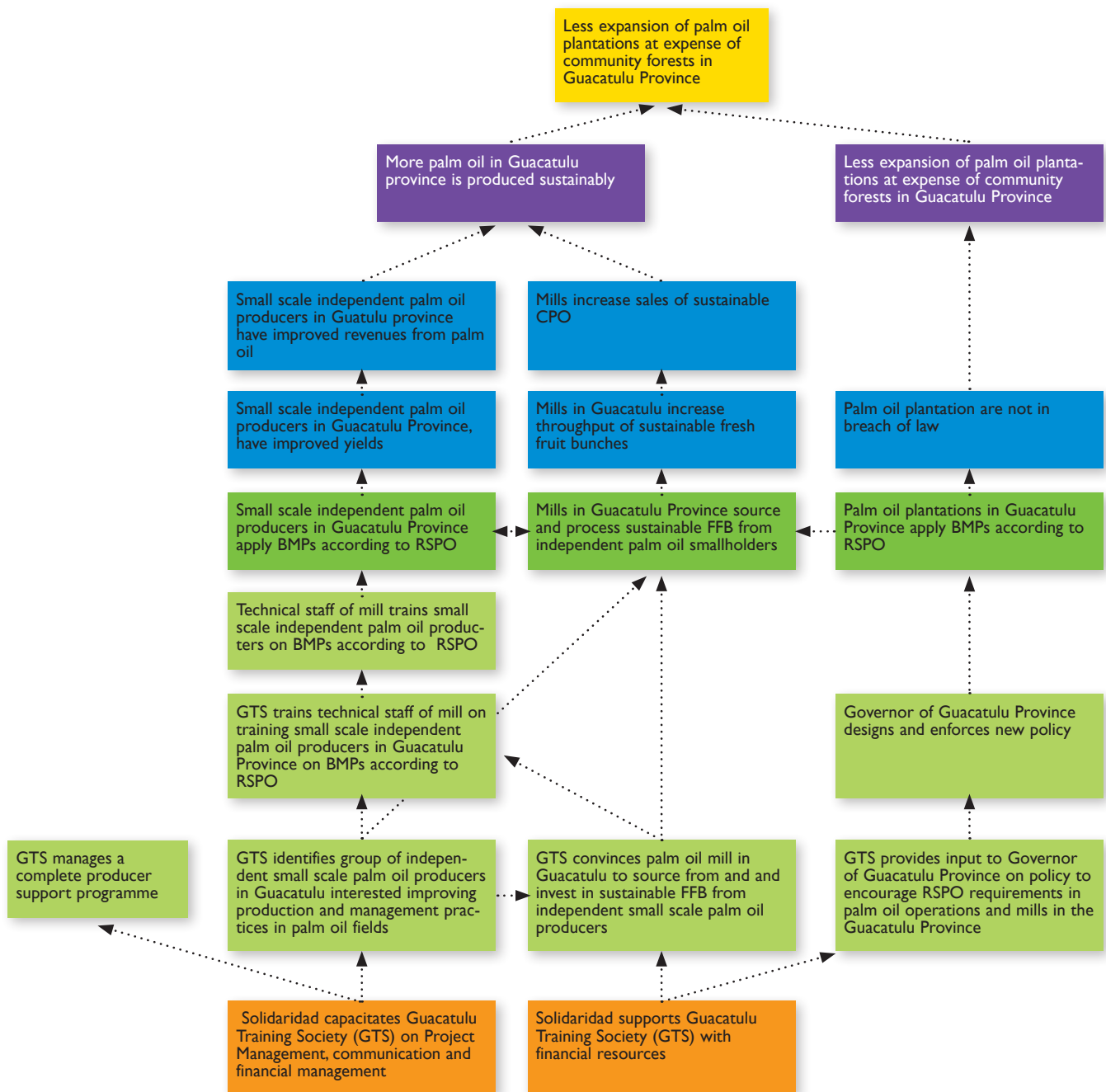


Figure 3 The Results Chain for the palm oil project.

In order to create a Results Chain, it is recommended to follow the seven basic steps A to G, described below:

- Step A: The preparations: **Scoping and Analysis**
- Step B: The Sustainable Business model: Identify **Trigger and Uptake**
- Step C: What is our role: Identify the **Interventions**
- Step D: Identify **Target group performance**
- Step E: Define **Sustainable Sector Development**
- Step F: Specify **Impact**
- Step G: Define indirect impact: **Copying & Crowding in**

Step A: Scoping and analysis

An important input for project formulation and the related Results Chain is the analysis and understanding of the sector we plan to work in, including all the main actors in the chain and of course the proposed target groups. In the booklet on Programme development and Fundraising you have seen how you can do a thorough overall analysis of a sector or commodity. When articulating a Results Chain, you need to have a similar good understanding of the specific context (area, commodity) that you will work in during the project. A profound analysis leads to a set of key constraints (not a list of all kinds of problems) and an identification of potential triggers (either people or conditions) that need to be a part of your intervention strategy in order to influence the changes you wish to establish.

At the end of this step you know how to influence and change the sector with the project, and very important who to involve in order to reach the desired goal. The next step of project formulation is to design your project where the recognized opportunities are incorporated and at the same time the identified constraints are addressed.

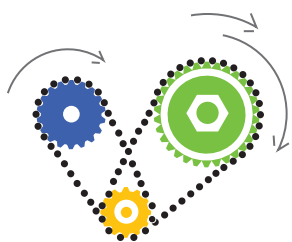


Rule of thumb

The process of project formulation is an iterative process of problem analysis and planning for changes. When drawing your Results Chain, you will most likely find that specific knowledge is still lacking. If so, it is important to collect the missing information or verify the facts collected as part of your analysis.

Step B: Trigger and Uptake

In your analysis you have defined your target group and how to reach them. Most likely, you have asked yourself questions like: Would target group x perform better if a, b and c happened? Who could do this? And how? Why isn't this happening already? And what is needed to make this possible?



Once you have a clear picture of the answers to these questions, you can start elaborating the Results Chain by focusing on the levels of **trigger** and **uptake**. On trigger level, you choose actors who are providing a product, service, message or facilitation to the target group. The actors on this level cause a trigger, or a spark for other changes to be evoked and are therefore called triggers. Triggers make an engine start. In most cases, the actor who is providing these services on trigger level is an institution or organization outside Solidaridad. In certain cases, this actor is Solidaridad herself. We will discuss this later on. When having finished your analysis, you will look for those actors whom you believe trigger the biggest change.



Tip: When formulating a trigger, use active formulation, such as "Guacatulu Training Society (GTS) provides training to technical staff of mill on training small-scale independent palm oil producers in Guacatulu Province on Best Management Practices according to RSPO".

As a result of the trigger initiated, you assume that the target group of the project responds to this trigger, by approving, adopting or taking on the initiated change. This response is called uptake. An uptake always involves different actors than the actors responsible for the trigger. The changes can imply changes in knowledge, attitude and/or behavior.



Tip: When describing an uptake, use words such as “ buy, apply, use” to describe the change. For example: “Small-scale independent palm oil producers in Guacatulu Province apply BPs according to RSPO”.

The trigger and uptake jointly form the sustainable business model of the project and are thus key. In a project it is possible to have various triggers and uptakes aiming at different target groups or using different triggers to address the actors foreseen. Therefore, in a project you can have various business models.

Check: Do you have a sustainable business model?

Once the trigger and uptake are defined, check whether you developed a sustainable business model. In order to do this it is vital to check whether the transaction between triggers and uptake are commercially profitable. Only this way you can ensure a sustainable change. Therefore reflect upon the question what is offered to the target group (trigger). Is the trigger interesting enough for the target group, so that they are willing to invest their time/money resources etc.? What can be done so that the provider of the trigger keeps interested to continue on delivering the trigger? In most cases (financial) support from Solidaridad might be necessary for the initial stages. But what will happen when Solidaridad is no longer there? Can you design such a trigger that the envisaged change will continue? And who will pay the costs involved? Which risks related to sustainability are at play, and can we mitigate them and how?

The business model of the palm oil project



In the project example, GTS starts providing training to technical staff of the mill on how to train small-scale palm oil producers. The technical staff on its turn trains the small-scale producers. These are the triggers.

In turn, it is assumed that the mill will internalize this service to the farmers and start seeing extension to farmers as an important service of the mill. Also the small-scale producers will start doing things differently: they will start applying the Best Management Practices they have been trained on. These are the uptakes.

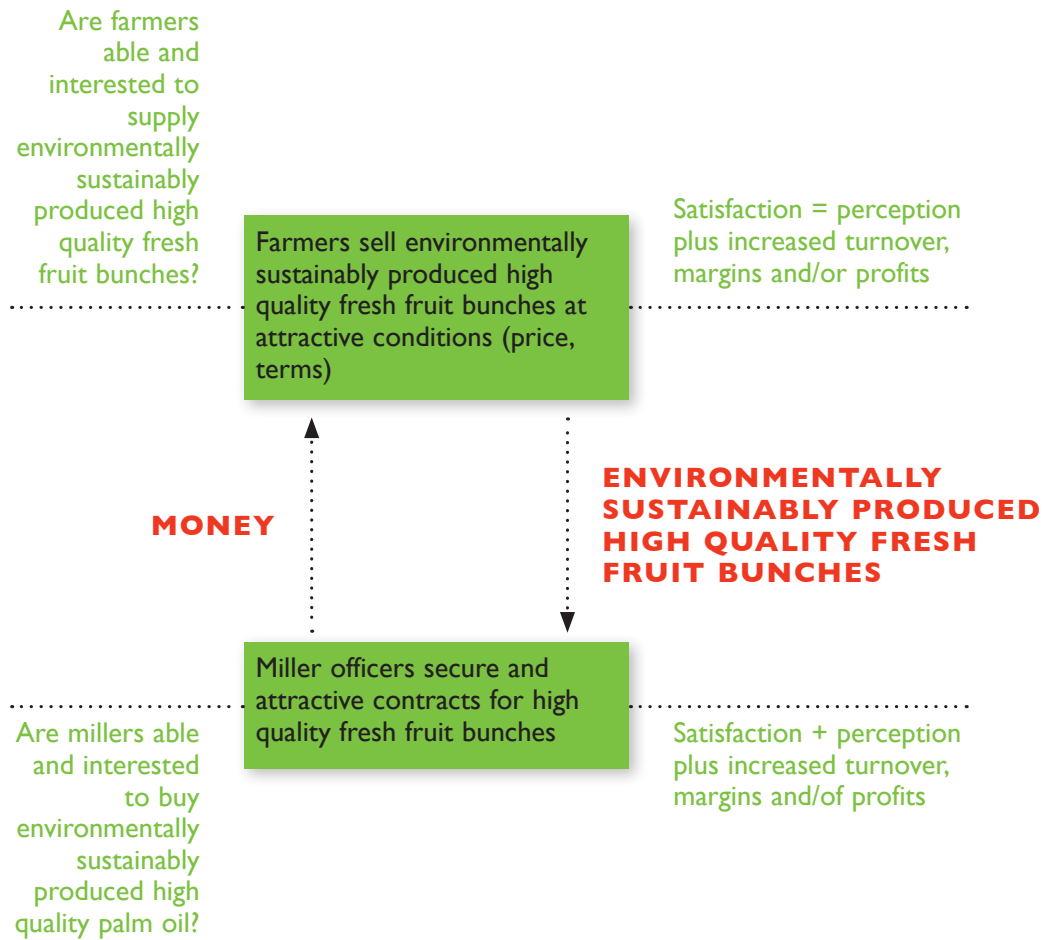
In this case, two business models are present: one interaction between GTS and the mill (if services are good, the mill will ask for more services of GTS, for which they are willing to pay); and an interaction between the mill and the producers (if producers are convinced of the benefits of the trainings, it is expected that they are willing to pay for such services in the near future).



Tip: to check on your available business model you should ask questions like: Are both parties satisfied with the (new) arrangement? Is it profitable for both parties? Are both parties able to get/receive the services? Satisfaction, Profitability and Ability are key issues to measure at this stage.

In case no, or limited sustainable relationships can be found in the business model you designed, you might consider to re-check the incentives, or if necessary re-design your approach.

In those cases where Solidaridad acts as the provider for the trigger, you will find that it is harder to establish a sustainable business model. Therefore, in principal we prefer to use local actors for the implementation of projects. Only when required knowledge or services cannot be sourced locally, Solidaridad implements its own project.



More on the business case:

Solidaridad wants to contribute to the improvement of the livelihoods of independent palm oil farmers in Guacatulu. Farmers might be interested to adapt their production practices, when they see its benefits them (yield increase, profits increase). Millers might be interested to buy the fresh fruit bunches from smallholders and to invest in improving the practices of the farmers if they see that the quality is good and supply is secured.

Step C: Intervention

Once your business model is clear and sustainable, think about the activities needed for this business model to work. Interventions describe what Solidaridad does in the project. The project-implementing partner who is providing the 'trigger' will probably need support to execute the activities for the business model to work. The intervention part of the Results Chain consists out of the main activities or a cluster of activities that Solidaridad contributes to. Interventions are for instance tool development, lobby and advocacy, training, awareness raising, financing investments, etc.



Tip: To describe the interventions start with "Solidaridad will..."

Consider whether the activities should be undertaken at the same time or in a certain order? Does one activity lead to another? And which interventions address which business model? Or do they address more business models at the same time?

You can show the relationship between activities by writing down the activities in different boxes in the Results Chain and putting them in the correct logic order. Then in the Results Chain, you can cluster them and write down the intervention as a time bound set of activities (see figure 3 for an example of a Results Chain).

Once you have decided to implement the project, you will most likely elaborate and specify various parts of the Results Chain.

Solidarid will support capacity building of GTS

In order for GTS to evoke the desired changes, they need support from Solidaridad. In this case, Solidaridad will strengthen the organization on topics as project management, communication and financial management. With these skills, they will be able to attract funding from other mills, so they can replicate their trainings. Furthermore, Solidaridad will help them with financial resources to ensure that a first pilot project with one mill can be carried out, which will allow GTS to share their experience with others.



Step D: Identify Target Group Performance

As a result of the trigger and uptake, you expect certain changes to take place amongst your target group. These changes are reflected in the level of target group performance in the Results Chain. For example, companies source more sustainable produce, farmers increased their productivity and quality of products and governments enforce laws on sustainability issues.

In some cases there may be various layers of improved performance that are interdependent (for example increased productivity leads to increased profits). These changes can be mentioned in different boxes/ layers. Always ensure it is clear who the target group is and be as specific as possible about the expected changes. Furthermore, make sure you use a descriptive and active voice instead of passive voice.

Step E: Define Sustainable Sector Development

Due to interventions initiated by Solidaridad, we aspire that in the long run, the sector develops in a sustainable direction, in which economic, social and environmental values are incorporated. For example, more workers are able to work under safe conditions, working relations have improved, more hectares are under environmentally sustainable management, the volume of produce according to better environmental and agricultural practices increases, etc.

At the same time, we aim to contribute towards putting a hold to unsustainable expansion of land for the production of commodities, as these have devastating effects on the livelihoods of the producers and workers that we hope to benefit through our programmes. Plus it threatens the last remaining biodiversity and carbon rich natural landscapes. While planning for sustainable sector development, the factors mentioned above should be taken into account.

Sustainable palm oil development in the Guacatulu province



In the example of the palm oil project, this means that we aim that more palm oil is produced sustainably and less land for (new) palm oil plantations is used at the expense of community forest in the Guacatulu province.

Step F: Specifying Impact

One of the key challenges in the future is to ensure food security for all people. Especially for millions of people around the world, who are affected by the production of the commodities that we focus upon. Either because they make a living out of these sectors as a farmer/worker or because they live in or near the expansion areas. In our work, we aim at improving the livelihoods of these households and improve the food security situation of all.

When developing Results Chains, we should work towards this aim and include this as the ultimate goal (top, yellow level) in our Results Chains. Sometimes it is made more concrete for the specific project that you are working in. For example, the desired impact of the palm oil project is directed towards improved livelihoods for households in the Guacatulu province.

Step G: Define indirect impact: Copying & Crowding in

Until this point in the booklet, we've discussed the steps and changes of the Results Chain that we aim to directly intervene on. When selecting the business partners we work with, we have considered which of them can have the greatest impact, which of them are so-called game changers and front runners² and we probably have very specific farmer groups, companies or workers in mind that we would like to work with.

However, when we do our work well, we probably set an example that others are likely to follow. This means that others might copy the intervention (at various levels) as they see it works and is beneficiary and sustainable. Within Results Chain thinking, we deliberately select partners and strategies that we believe to have the highest chance on activating this copying behavior, since this generates an even higher impact on reaching our overall goal.

Within the levels of the results chain, this copying behavior can take place at two levels (see figure 2):

▶ **Crowding in**

Crowding in refers to actors at the trigger level that copy behavior of their competitors after having seen an increase in profit by them and who start to copy the triggering business model.

▶ **Copying**

Copying takes place at the target group level. Having seen the (good) results of the target group, other actors might copy their behavior. For example, farmers improve their agricultural practices, as they see from neighboring farmers that this can lead to increased yields. Or companies decide to source sustainable as they see an increase in the quality of products.

Solidaridad encourages linkages and synergy between all sector actors, and promotes an open source way of working for whoever is interested to join the movement for improving sustainable sector development. This way, we try to stimulate sector changes not only by co-funding but also by networking and actively stimulating sector functions by for example promoting alternative ways of land use (without necessarily being an actor in the sector ourselves). The more actors who are copying and crowding in, the stronger the ultimate impact on the functioning of a sector and market system.

2. See for more information in Booklet 3 on Business Partners and Contracting.

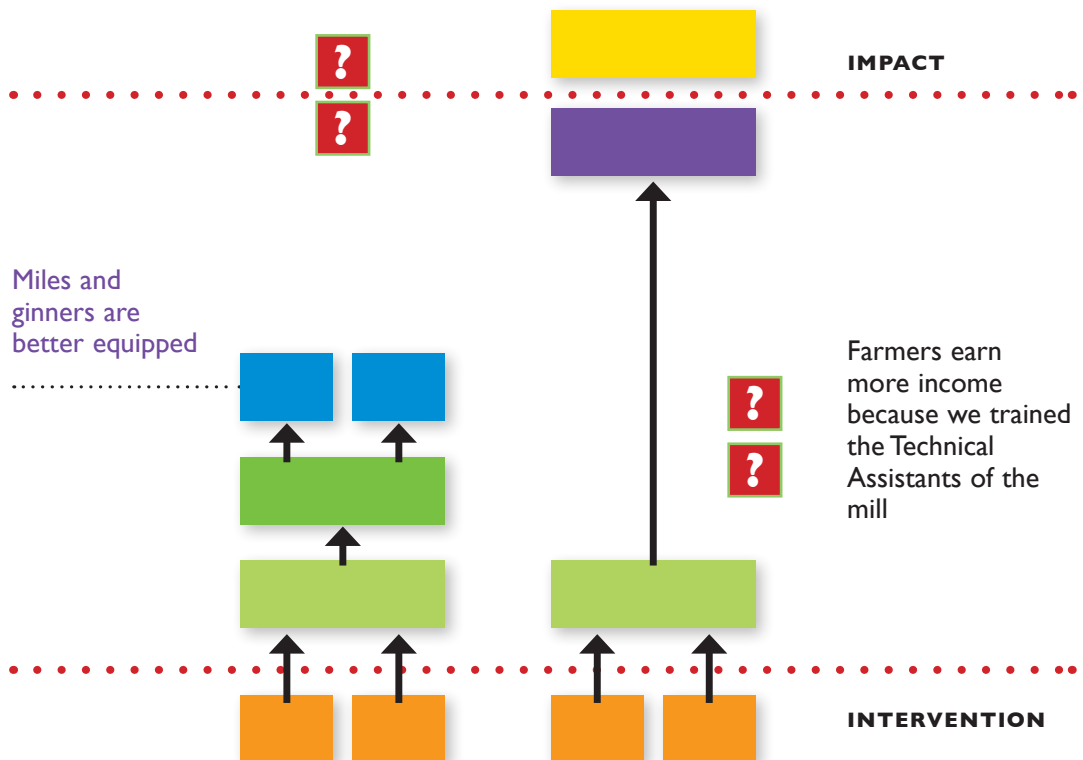
3. Check: Is your Results Chain realistic?

By the end of the Results Chain development exercise, you should check the internal logic of your Results Chain and ensure that it is a useful, adequate description of your proposed intervention and its effects. All the key steps and changes should be mentioned, but the chain should not be too long and too complicated. Some guidelines follow below.

3.1 No short cuts allowed

The first thing to check is the logical sequence of the expected direct (and indirect) changes that should ultimately lead to the overall impact level. Results Chains can't be incomplete and therefore you should check whether there are no potential shortcuts in your line of reasoning.

Result Chain can't be incomplete / can't make shortcuts



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For example, it is not realistic to assume that by dialoguing with the governor of Guacatulu about a policy on sustainable production of palm oil, that there automatically will be less expansion of palm oil plantations. You need to include various sub steps (or: boxes in the Results Chain) to create a complete picture of how activities lead to changes at the various levels in the Results Chain. Correspondingly make sure that all your boxes lead to an overall goal. What effect does a service provider have on your target group? And how does this relate to your overall goal? It might be necessary to shuffle some boxes around or even add some boxes for detailing the assumptions underlying the pathway of change.

3.2 Keep it clear and simple

In order to know whether the order and content of the boxes is realistic, you should be able to explain the process step by step in a logical order. However, you don't have to visualize all details, it remains a model to reflect complex realities.



Tip: A practical Results Chain generally exists of 15-25 boxes.

Furthermore, it is recommended to use simple language to describe the expected changes (content of boxes in the Results Chain). Concrete descriptions facilitate clear understanding and monitoring of the project results.



Tip: The description in the boxes should ideally explain: "Who - does - what".
For example "Solidaridad supports GTS with financial resources"



4. Setting the targets: a first step in the measurement plan

Once you have elaborated your Results Chains, it is time to set the targets for the project and think about how you will be able to monitor these targets. This helps you to get a clear picture on the change you foresee and whether this is realistic. Furthermore, it provides a basis for monitoring the process or in other words “to keep track of the ball”. For more information on how to organize the monitoring and to assess whether the aspired change really takes place, we refer to booklet 5 on Implementation and Monitoring. Here we will explain how to set your targets and specify the envisaged change.

For this step, you will probably find it most useful to start below at intervention level and then work your way upward. In general, the respective project manager is responsible for this process. When necessary PME assistance in your office can be involved to fine-tune the target-setting process.

4.1 Understand what you need to know

The first step in developing a measurement plan is to formulate questions that will help you to see whether the expected changes are really happening.



Tip: To practically start the development of a measurement plan you should begin by numbering the boxes in your Results Chain and putting them in an excel sheet (it can be useful to add the colors).

For each of the boxes, you should start formulating questions, taking into account the information needs of the various stakeholders involved in your project and how you will use this information.

For each level you probably need to ask to what extent the expected changes are occurring, how and why these changes are taking place and to what extent these changes are sustainable.

The key question to ask is; how you can see and proof that these changes actually took place? Since questions are developed at the various levels they will differ in complexity.

Box	What do you want to know	Indicators
21. Less expansion of palm oil plantations at expense of community forests in Guacatulu Province		
19. More palm oil in Guacatulu province is produced sustainably		
20. Less expansion of palm oil plantations at expense of community forests in Guacatulu Province		
17. Small scale independent palm oil producers in Guatulu province have improved revenues from palm oil		
18. Mills increase sales of sustainable CPO		
14. Small scale independent palm oil producers in Guacatulu Province, have improved yields		
15. Mills in Guacatulu increase throughput of sustainable fresh fruit bunches		
16. Palm oil plantation are not in breach of law		
10. Small scale independent palm oil producers in Guacatulu Province apply BMPs according to RSPO		
11. Mills in Guacatulu Province source and process sustainable FFB from independent palm oil smallholders		
13. Palm oil plantations in Guacatulu Province apply BMPs according to RSPO		
9. Technical staff of mill trains small scale independent palm oil producers on BMPs according to RSPO		
7. GTS trains technical staff of mill on training small scale independent palm oil producers in Guacatulu Province on BMPs according to RSPO		
8. Governor of Guacatulu Province designs and enforces new policy		
3. GTS manages a complete producer support programme		
4. GTS identifies group of independent small scale palm oil producers in Guacatulu interested improving production and management practices in palm oil fields		
5. GTS convinces palm oil mill in Guacatulu to source from and invest in sustainable FFB from independent small scale palm oil producers		
6. GTS provides input to Governor of Guacatulu Province on policy to encourage RSPO requirements in palm oil operations and mills in the Guacatulu Province		
1. Solidaridad capacitates Guacatulu Training Society (GTS) on Project Management, communication and financial management		
2. Solidaridad supports Guacatulu Training Society (GTS) with financial resources		

What information do I need in order to know whether the palm oil sector in Guacatulu is changing in the desired direction?



For box 10: Small-scale independent palm oil producers in Guacatulu Province apply BMPs according to RSPO', you would probably like to know how many small-scale independent palm oil producers apply BMPs. Or to what extent these BMPs are according to RSPO standards. And you might be interested in why (or why not) they are applying these techniques.

Having this information will help you to manage your project and to see whether the foreseen change is actually taking place. If this is not the case, for example less farmers than you expected are applying the BMPs and you know the reason for this (they were not convinced by the training), you now know that this is something where you might want to intervene.

4.2 From questions to indicators

Once you have formulated questions for all boxes, you need to reflect on what information you need in order to answer the questions. These are your indicators (or information needs). When formulating indicators, make sure that you include both qualitative and quantitative information:

- ▶ Quantitative indicators: measures of quantity.
- ▶ Qualitative indicators: more descriptive of nature, explaining underlying mechanisms and people's perceptions of change.

Both types of indicators are equally important and reinforce each other. The indicators tell you if your project is still on schedule and whether the changes occurring are actually related to your intervention. Or in other words: whether changes can be attributed to your project.

Given the fact that you can often not foresee the way a project will evolve exactly, it is likely that you might need to reformulate or change a number of boxes, questions and / or indicators throughout the lifetime of a project. It is important to date your Results Chain and periodically check whether it needs an update.

NOTE: When formulating questions and indicators, it is important to think of the information you really need to acquire to identify whether the change you would like to see is actually taking place. Try to develop a comprehensive set of questions and indicators that will allow you to assess whether the change you foresee is actually taking place.



Tip: Focus only on 'key questions and indicators' to avoid listing lots of indicators like 'nice to know but not essential'.

When defining the indicators for your project, make sure that you incorporate (where applicable) the indicators that have previously been formulated for your respective programme proposal. Also include, where applicable, the key indicators as established on overall Solidaridad level.

By doing so, we will be able to make sure the project fits well into the overall programme and that communication about the project results fit with the results as expected on programme level. Most likely you will see that on higher level (value chain growth and impact) you will be able to use indicators as set by the overarching programme.

Furthermore, it is recommended (where applicable) to include definitions with regard to your indicators. For example, if you want to see whether incomes of farmers have increased, it would be good to know whether this is gross or net income. Is this per year, per month? And, which currency are we talking about? It is better to be clear about these things and to make them explicit, as this will prevent confusion afterwards.



Tip: When you have numbered and listed the boxes, you can add columns and include explanations on 'questions (what would we like to know)', on 'indicators', and on 'definitions'.

4.3 Target values: formulating projections

When setting targets for indicators, you should base them on well-defined assumptions, findings from your sector analysis and additional sources.

The projections help you to check whether the changes took place to the extent you were hoping for and within the expected time frame. Be realistic and don't expect changes that can be qualified as a miracle!

If you find it difficult to come up with exact numbers, because you can't find all the information needed when starting the project, try to set your targets based on a well-educated guess. Be sure that you will be able to track down the actual numbers during project implementation. This will enable you to update and revise your indicators.

When targets are not being met, this means that the expected changes are not taking place. Based on this monitoring information, management can decide to adapt the direction of the project and revise project implementation. You can read more about monitoring project indicators in the booklet 'Implementation and Monitoring'.

4.4 Narrative

Once you developed your Results Chain and the thereto-related indicators and target projections, it is important to accompany this with a narrative. This narrative helps you explaining your line of thinking and making your assumptions regarding the project explicit. It will help you to communicate about your projects towards others.

In the narrative, please formulate the rationale of your project (why is this needed), based on your analysis. Next, explain, using the Results Chains, how you would like to intervene in this situation to reach the overall goal.

Make sure that you provide sufficient information to make sure that people who do not participate in the project will understand your way of thinking and why you have chosen to intervene as you propose. Make sure you include the foreseen projections and indicators.



Tip: The narrative is like a "sales pitch". On one page you explain your project in a narrative manner. Usually you start explaining the main problem your project addresses and the impact you hope to achieve. After that you explain about the sustainable sector changes and the expected improved performance for the target group (yellow, purple and blue level of you Results Chain). Often this helps to explain the proposed intervention of Solidaridad, the trigger and the uptake. Finally you end your narrative by referring again to the envisaged impact.

5 Project formulation and PROMIS

In PROMIS you can manage projects that are a box full of documents, i.e. funding documents, contract documents, payment requests and assessments. Additional information such as Results Chains, monitoring plans and pictures can be attached using the globe icon. Documents linked to a specific fund or contract can be attached directly to the respective fund or contract document. A project design overarching a multiple set of contracts can be linked to a project as an attachment. Assessment questions relevant for monitoring progress can be put into the system to populate relevant questions automatically. This is especially useful when certain monitoring questions are relevant for more than one project or more than one REC. The assessment, Project Summary, is only a summary and does not pertain a complete Results Chain, but can include all indicators and target values relevant for monitoring. Assessment questions can be populated per:

- ▶ Donor/fund
- ▶ Implementing partner
- ▶ REC
- ▶ Result Area
- ▶ Schedule item type
- ▶ Contract type (standard, extension or reduction)
- ▶ Contract procedure (own project implementation, consultancy, partner project implementation).

PROMIS links target values of the Project Summary and the results in progress reports.

Colofon

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