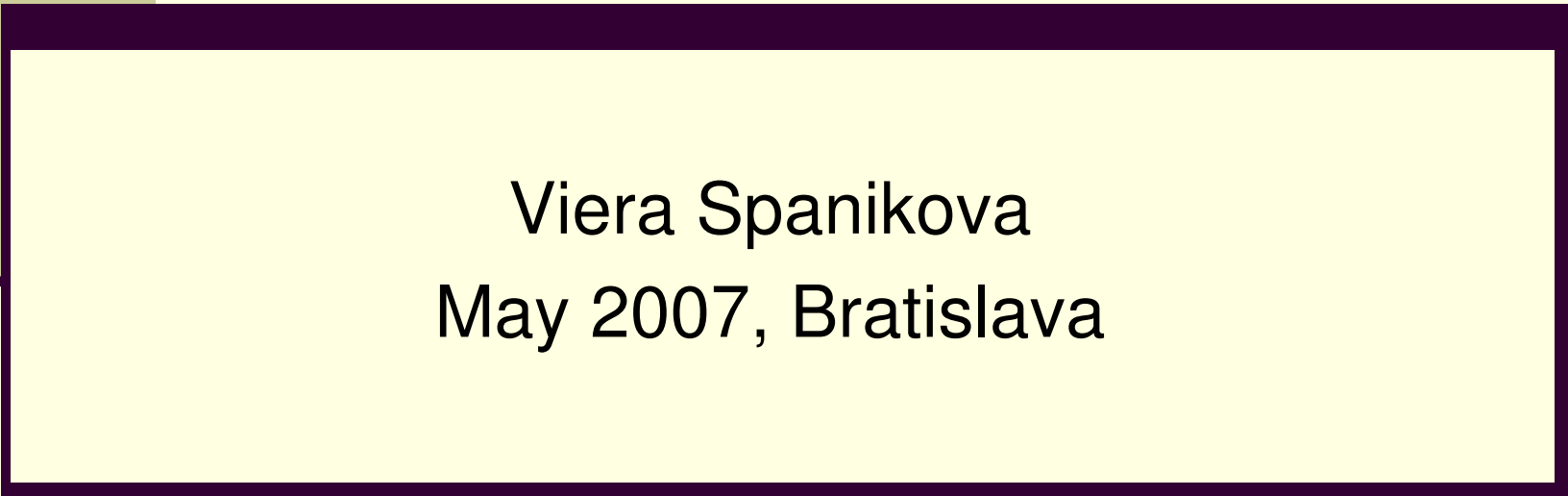# Training
LFA and Indicators

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May 2007, Bratislava

Introduction

- Trainer
- Aim of training
- Programme
- Presence
- Assignment
- Practical announcements

Programme

- 8.30-9.00:   Introduction
- 9.00-9.45:   LFA – theory
- 9.45-10.30:   LFA – exercise
- 10.30-10.45:   Coffee break
- 10.45-11.30:   Indicators – theory
- 11.30-12.15:   Indicators-exercise
- 12.15-12.30:   Assignment
- 12.30:   End

Post card game

- Pick a post card that you find significant
- Prepare a short presentation (2 mins) in which you will:
  - State your name and job;
  - Explain, using the card's image, what you hope to learn/experience from or during the training;
  - Mention how the card's image relates to your personality.

Logical Framework Approach (LFA)

Contents

- What is LFA?
- Why LFA?
- How to apply LFA?

What is LFA?

LFA is a structured method for finding relationships between problems, their underlying causes and their solutions.

What is LFA?

What is LFA?

It is an instrument for brainstorming, reaching agreement on problems and objectives and the types of activities necessary for the achievement of a desired change.

What is LFA?

It is an instrument used for planning, implementing, follow up and evaluation of projects.

Why LFA?

- It has proved to be a first-class instrument for creating structure and precision in projects
- It increases the proportion of successful projects
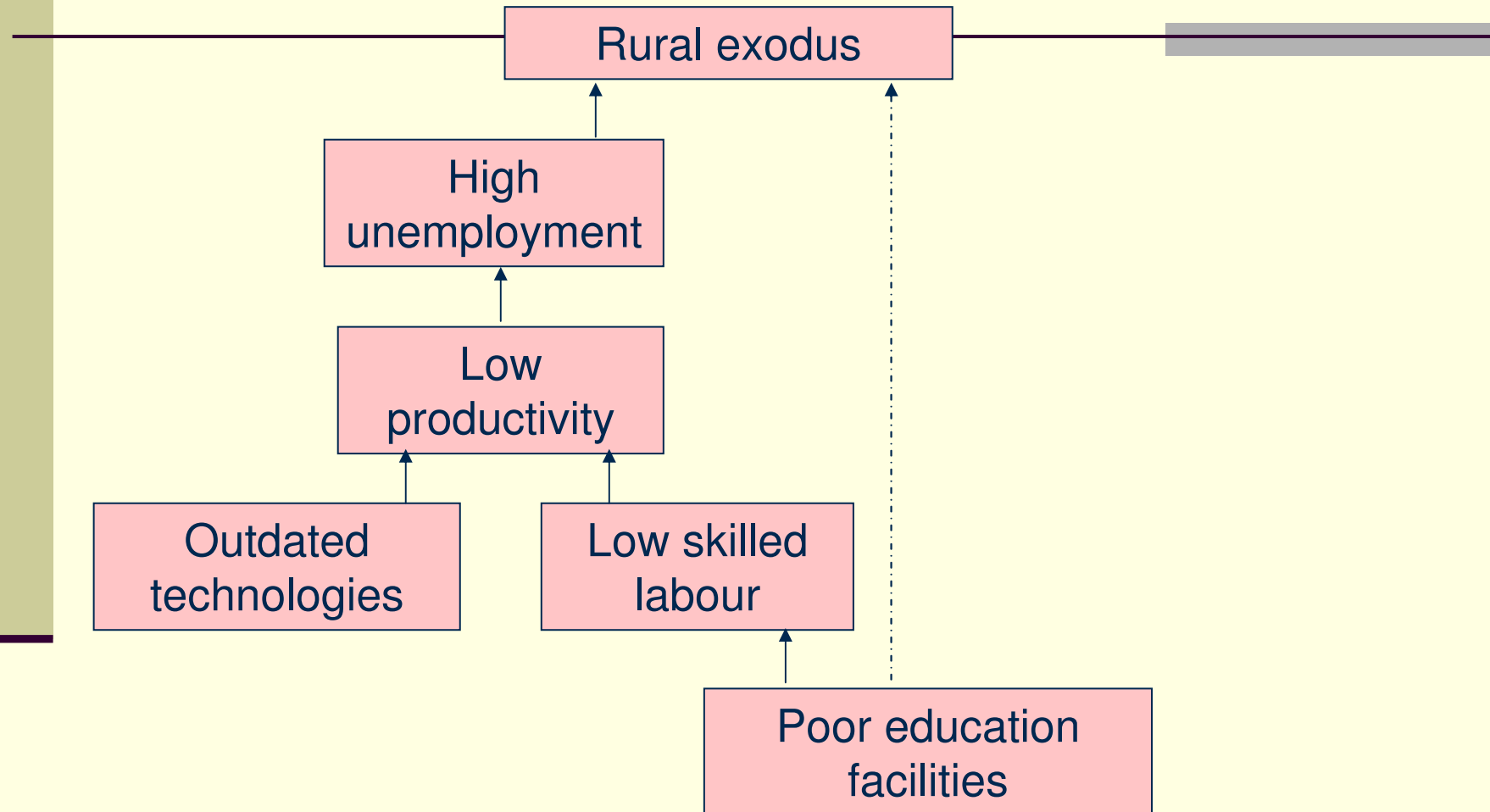
Why LFA?

- Identifies problems, objectives and actions
- Ensures link between problems, objectives and actions
- Includes risks and assumptions
- Ensures measurable results

How to apply LFA? - Steps

1. Identify problems (hierarchy)

2. Problem tree → Objective tree

3. Cluster

4. Identify assumptions

5. Asses risks

6. Specify indicators

1. Problem hierarchy

2. Translate to objective tree

Rural exodus	Strengthened rural areas
High unemployment	Lower unemployment
Low productivity	Higher productivity
Outdated technologies	Low skilled labour	Improved technologies	Better skilled labour
Poor education facilities	Better education facilities
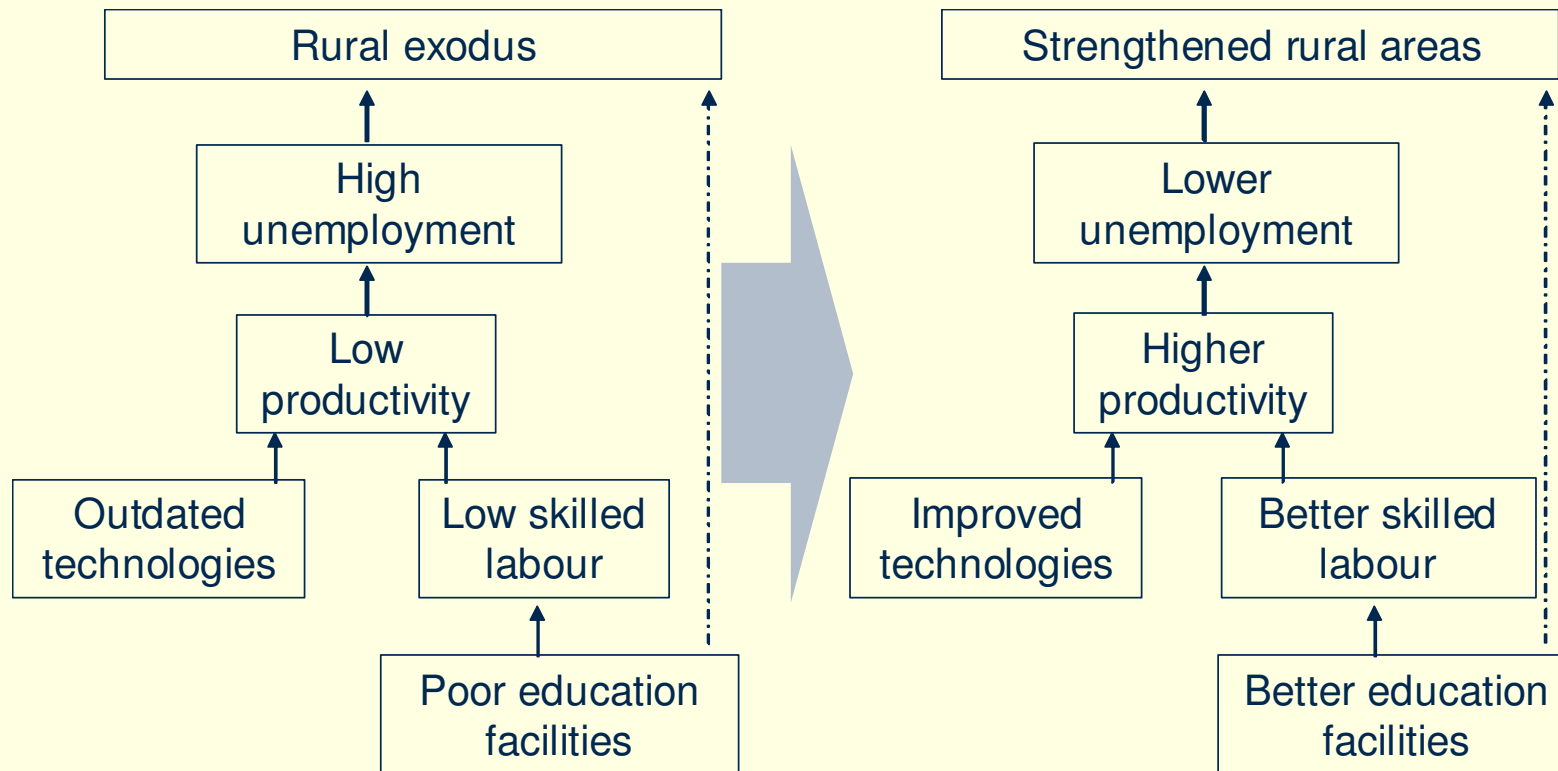
- The intervention logic (or logical framework):
  - Displays the conceptual link from inputs to overall objectives (impacts) of the project

Execution		Effects	
Inputs	Outputs	Results	Impacts
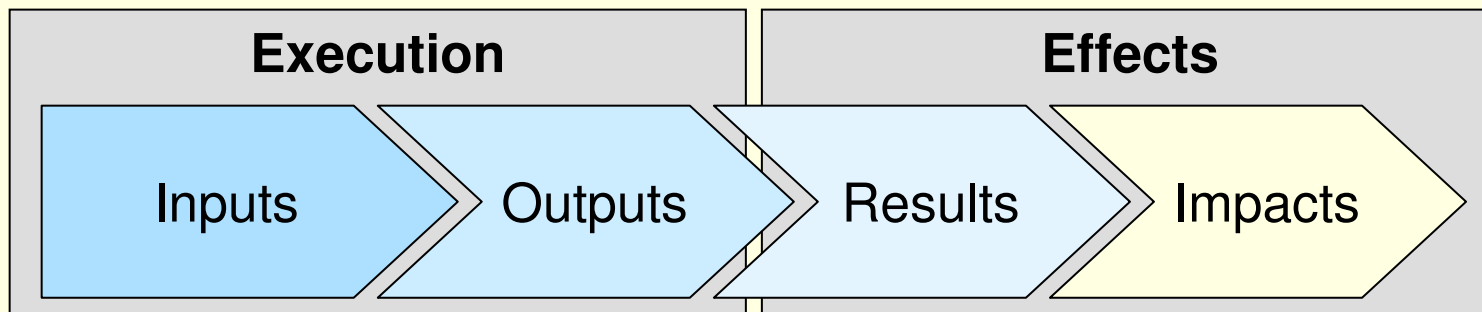
  - Provides the theoretical foundation for monitoring and evaluation

Example
Intervention logic of this training

Element	Description	Example
Inputs	**Budget/financial resources** **Human resources** **Infrastructure**	**Training facility, class time, training materials**
Outputs	**Goods and services produced from training activities**	**Participants trained on LFA and indicators**
Results	**Immediate and interim effects of outputs on target groups**	**Improved in-house capacity to design and monitor projects** **Improved LFAs and indicators**
Impacts	**Long-term effects**	**Increased knowledge for decision-making on projects**

3. Cluster

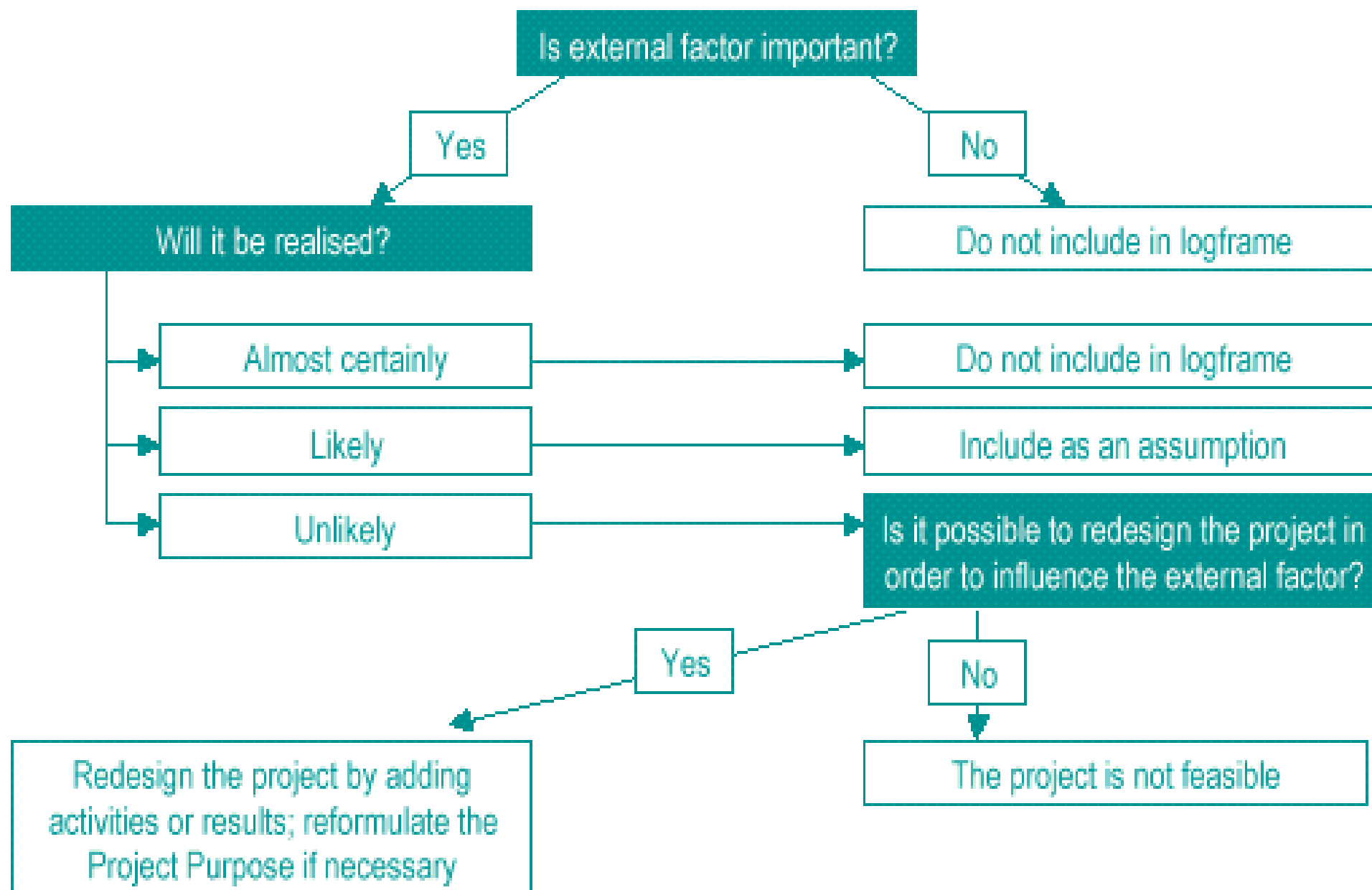- What objectives are inside a project and which are not?
- Cluster similar and coherent objectives

4. Identify assumptions

Conditions necessary for the success of the project but which cannot be influenced by its management

- Someone else's responsibility
- Purpose of specifying assumptions:
    - assess risk of the strategy in an early stage
    - allow for monitoring during implementation

5. Assess risks

Is external factor important?

Yes → Will it be realised?

No → Do not include in logframe

Will it be realised?
- Almost certainly → Do not include in logframe
- Likely → Include as an assumption
- Unlikely → Is it possible to redesign the project in order to influence the external factor?

Is it possible to redesign the project in order to influence the external factor?
- Yes → Redesign the project by adding activities or results; reformulate the Project Purpose if necessary
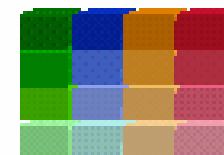- No → The project is not feasible

6. Specify indicators

- What exactly are we talking about?
- Do we *really* agree?
  - How much (quantification)
  - What kind (qualification)
  - For whom (targeting)
  - When (timing)
  - Where (placing)
- Are they SMART?

Logframe Basics

'... IF results are delivered, AND assumptions hold true,
THEN the project purpose will be achieved ...'

Intervention Logic	Verifiable Indicators	Sources of Verification	Assumptions
Overall Objectives			
Project Purpose			
Results			
Activities			
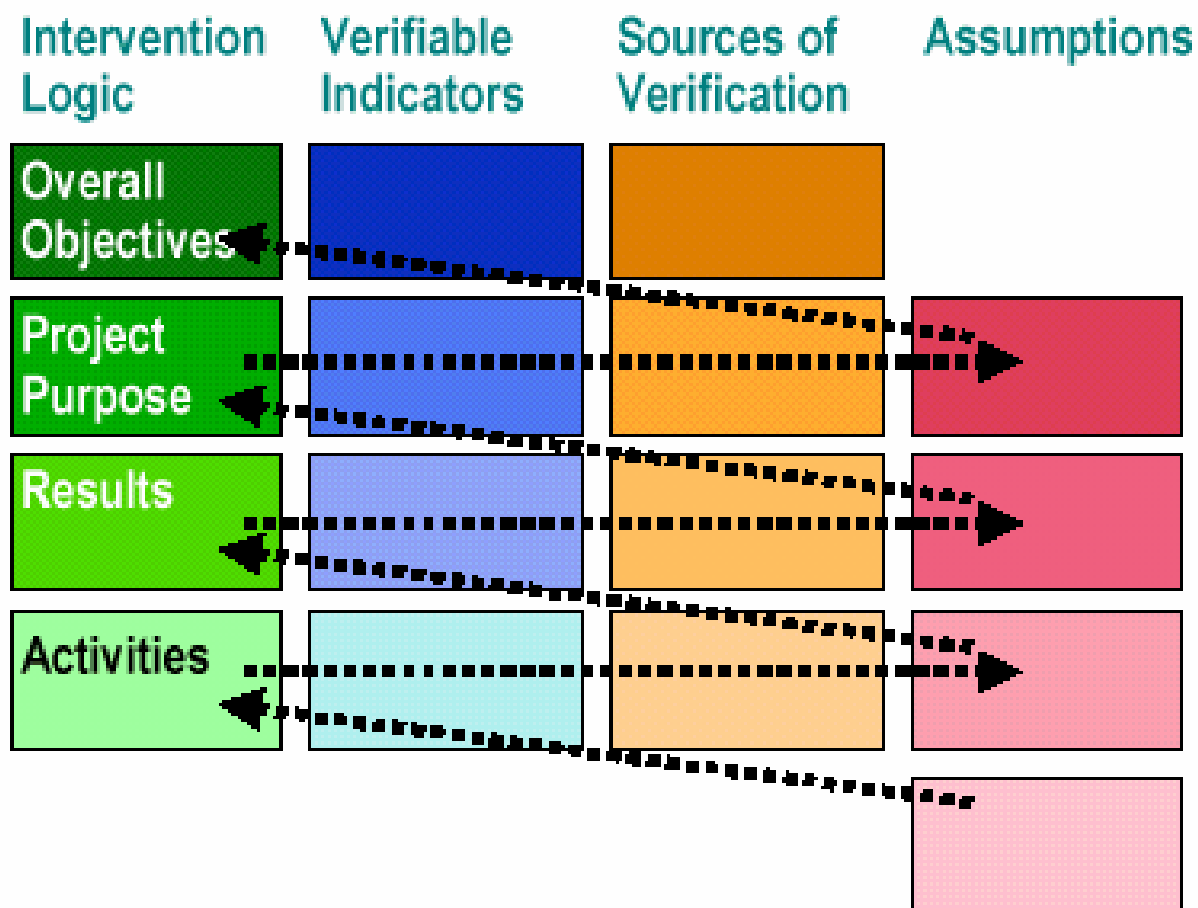
Diagonal logic
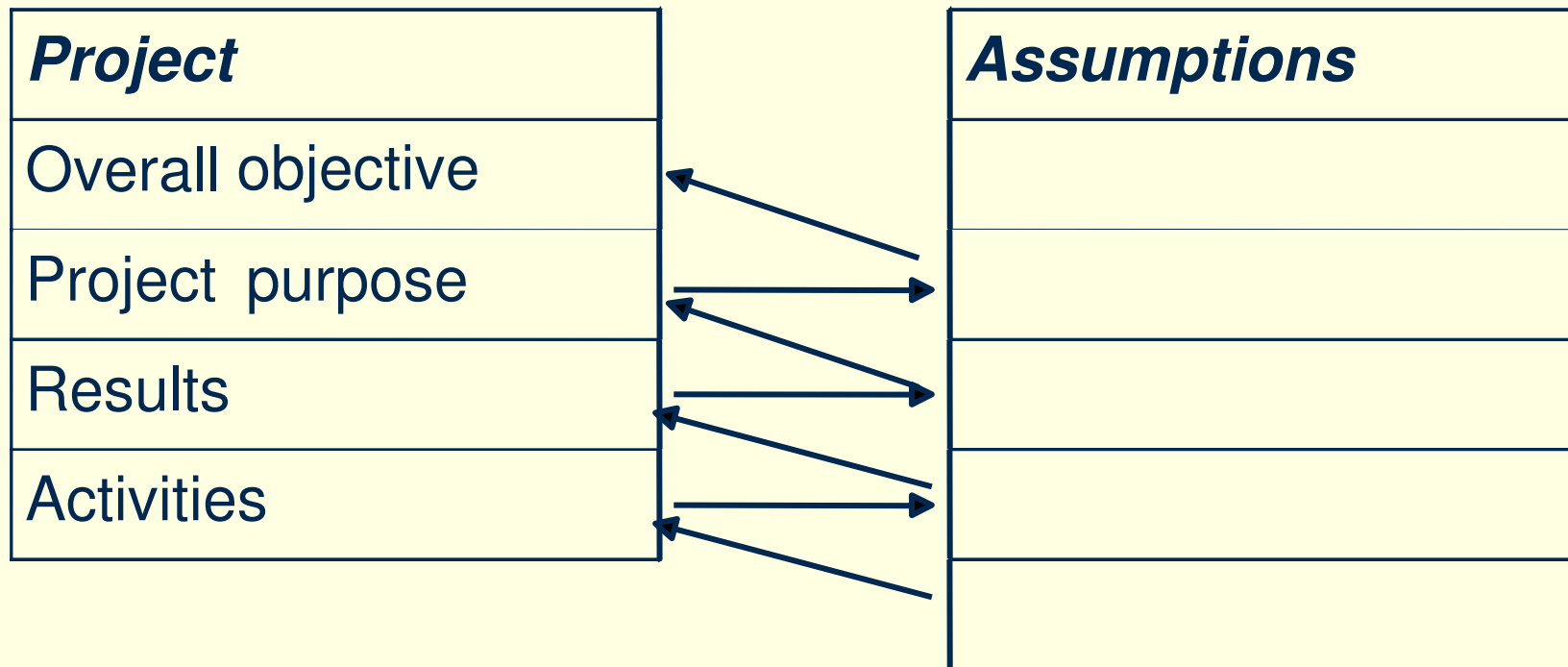
Exercise

Indicators
Definition and Use

Content - Objectives

- Understand principles of indicators
- Understand requirements of indicators
- Able to formulate indicators

What is an indicator?

What is an indicator?

- Tool to measure progress of objectives in a project
- Tool to measure situation
- Tool to simplify a complex reality
- Tool to check consistency of project

When to use indicators?

1. Monitoring and evaluation

2. Project preparation

- **Relevance**: what is important
- **Effectiveness**: does the project achieve results compared to its objective
- **Efficiency:** do we get what we want at reasonable costs

Typology of indicators

- Programme / project indicators: **output, result and impact indicators**
- Baseline indicators
- Target indicators
- Context indicators
- Many definitions: performance indicators, development indicators, monitoring & evaluation indicators

Used indicators

- *Input indicators*: Financial inputs

- *Output indicators*: Physical outputs

- *Result/outcome indicators*: Immediate advantages on the beneficiaries

- *Impact indicators*: Indirect, longer terms effects on beneficiaries and others

Output indicators

- Describe in numbers the *end state* of activities (physical infrastructure, training, advice) that are proposed
- Examples: length road, m2 industrial park, no. of schools etc.

Result (outcome) indicators

- Linked to project purpose
- Examples: no. of education certificates, satisfaction, time savings etc.

Impact indicators

- Describe the contribution to the *overall objective* of the project
- Examples: no. of jobs (net) created, euro extra GDP, increase production

Basic questions for defining indicators

- ? linked to activities and objectives
- ? well defined (SMART)
- ? measurable (sources of information, baseline, target)
- ? Do they represent the key parts of the project? !!!!

SMART

- Specific
- Measurable
- Achievable
- Relevant
- Timely

Specific

- Precise & concrete enough avoid misinterpretation
- Properly formulated

Which indicator is specific?
- 'Industrial zones'
- 'ha of industrial zones established by 2006'

Measurable

- Refers to a desired future state (as compared to the baseline situation)
- Allows later observing whether the state has been achieved
- Contains quantification enabling measuring, thus always add 'nr', '%', 'km'

Which indicator is measurable?

- 'Improved cooperation'
- 'Nr of meetings'

Available

- Possible to obtain data
- 'Satisfaction' can be measured through survey

Which data is available?
- 'Nr of tourists per months'
- 'Nr of hotel nights'

Relevant

- Reflecting, linked to the objective
- Meaningful for those responsible

Which indicator is relevant?

- Objective: Transform business parks in recreational areas
  - I: ha business parks
  - I: ha recreational area

Timely

- Achieved within a certain period of time
- Important to add date when objective should be realised
- Relevant data available in time, when needed

Which indicator is timely?

- 'Nr of schools renovated'
- 'Nr of schools renovated by January 2009'

Example of indicator table

Type	Indicator	Unit	Baseline 2005	Target 2013	S o I
I	No of jobs in tourism sector	No			NSI
R	No of tourists	No			NSI
O	No of beds in hotels	No			NSI
O	No of information offices	No	10	15	Tourist info

Watch out!

- Do not make indicators that are specific, relevant but totally useless!!
- Check: link output-result-impact
- Indicators an art, but mostly useful: do indicators represent objectives & activities

Sources of verification (SoV)

- The means by which the indicators or milestones will be recorded and made available to project management or those evaluating project performance
- Sources of information and methods used to collect and report it
- Specify: how, who and when to collect info

Logframe Basics
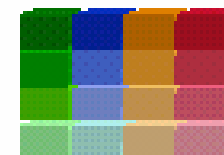
'... IF results are delivered, AND assumptions hold true,
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Intervention Logic	Verifiable Indicators	Sources of Verification	Assumptions
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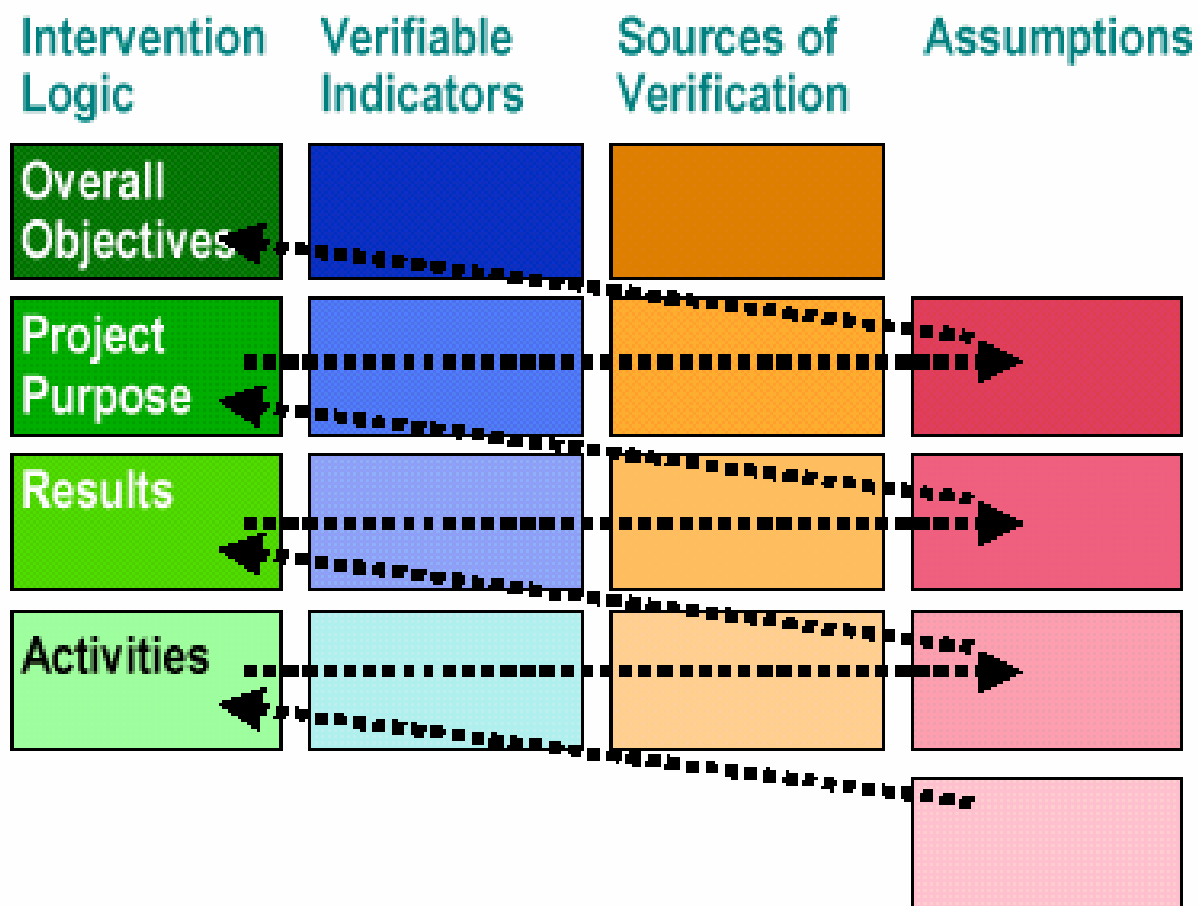
Sources of information

- Project indicators:
    - Impact: statistics, evaluations, CBA
    - Result: statistics, evaluations, CBA, project info, activity reports
    - Output: (statistics), evaluations, project info, activity reports
- Context/development indicators: official statistics

Limitation of indicators

- Objectivity!

- Already measurable?

- Did project cause the change?

Quantification (1)

1. Bottom-up

   - What needed (5 info offices)
   - What unit cost (150,000 euro per office)
   - Needed budget (750,000 Euro)

For both approaches:
   - Check: is it logic, is it realistic?
   - Check with expert

Quantification (2)

- 2. Top-down

- What budget for project
- What budget for activities
- What part for which indicator (25% for info offices)
- What unit cost (150,000 euro per office)
- Possible target

Main conclusions

- Be precise & measurable
- KISS – "The art of simplicity is a puzzle of complexity" (Doug Horton)
- Remember what you do it for: monitoring, showing success of project

Exercise

Examples

Project: Training human resources
- Impact
- Result:
- Output:

Project: Development of industrial estate
- Impact
- Result:
- Output:

Project: Building railway
- Impact:
- Result:
- Output:

Project: Tourism development
- Impact:
- Result:
- Output:

Quantification of indicators

Example	Budget (mln)	Price per unit	Target	Unit
Km of transport lines built (rail, road)	3.3	750 000		
Km of transport lines renewed	3.3	300 000		
M2 station building built	2.2	850		
M2 station building refurbished	1.65	450		
Nr of new/improved transport timetable	0.55	225 000		

Assignment

Assignment

- Select one of your projects
- Review its logical framework and indicators
- Propose improvements
- Prepare a short, 10 minutes, presentation on
  - Results of review
  - Proposed improvements
- Send your presentation 7 days before follow-up training to: Viera.Spanikova@ecorys.com

Answer

Project: Training HR
- Impact: nr of participants with job within 1 year after completion
- Result: nr of participants with certificate
- Output: nr of hours training provided

Project: Dev. of industrial estate
- Impact: nr of jobs generated
- Result: nr of companies attracted to estate
- Output: m2 developed

Project: Building Railway
- Impact: % flows of passengers increased
- Result: minutes travel time reduced
- Output: km of railway constructed

Project: Tourism development
- Impact: value added generated per year
- Result: % satisfaction of clients
- Output: nr of beds created or improved

Quantification of indicators

Example	Budget (mln)	Price per unit	Target	Unit
Km of transport lines built (rail, road)	3.3	750 000	4	Km
Km of transport lines renewed	3.3	300 000	11	Km
M2 station building built	2.2	850	2590	M2
M2 station building refurbished	1.65	450	3669	M2
Nr of new/improved transport timetable	0.55	225 000	2	Time tables

"Access to new Markets"
Problem tree (1)

```
                    ┌──────────────────────────┐
                    │       Vulnerable         │
                    │    regional economy      │
                    └──────────────────────────┘
                                 │
                    ┌──────────────────────────┐
                    │       Low export         │
                    │    activity in region    │
                    └──────────────────────────┘
                         │                  │
        ┌────────────────────────────┐  ┌──────────────┐
        │ Exporting SMEs unable to   │  │  "Strong     │
        │ market products effectively│  │   euro"      │
        └────────────────────────────┘  └──────────────┘
         │              │
┌──────────────────┐ ┌──────────────────┐ ┌──────────────────┐
│ No interface     │ │ Competencies     │ │ Bureaucracy      │
│ export support   │ │ exporting        │ │ (larger) SMEs    │
│ agencies and SMEs│ │ SMEs insufficient│ │                  │
└──────────────────┘ └──────────────────┘ └──────────────────┘
```

Interim Evaluation of the European Union Transition Facility

Objective tree (1)

```
                        ┌─────────────────────┐
                        │  Diverse and robust  │
                        │   Regional economy   │
                        └──────────┬──────────┘
                                   │
                        ┌──────────┴──────────┐
                        │   Regional export    │
                        │     increased        │
                        └──────────┬──────────┘
                  ┌────────────────┴────────────────┐
       ┌──────────────────────────┐      ┌──────────────────────┐
       │  Exporting SME's able to  │      │ Attractive exchange   │
       │ market products effectively│      │        rate           │
       └──────────────────────────┘      └──────────────────────┘
```

| Interface export support | Competencies exporting SME's strengthened | Effective internal procedures (larger) SME's |

The logical framework

Intervention logic (1st column)	Assumptions (4th column)

Diverse & robust regional economy

Regional export increased

Exporting SMEs able to market effectively

Attractive exchange rate

Interface support agencies & exp. SMEs provided	**Network exporting SMEs created**	**Competencies exporting SMEs strengthened**	**Effective internal procedures (larger) SMEs**
Access to research results provided	**Export Clubs established**	**One-to-one support exporting SMEs provided**	
Existing data & info systems linked	**Seminars & conferences organised**	**Cultural & language skills trained**	

Interim Evaluation of the European Union Transition Facility