

PROJECT APPRAISAL FRAMEWORK

Theory of Change:

All international aid projects align with a 'theory of change'. In other words, implied within any project strategy is a 'theory' about how we anticipate "changing the world". The role of project appraisals is to make informed judgements about the appropriateness and feasibility of proposed theories of change.

Most aid project theories of change can be broken down into three stages of change effected by three respective classes of human actor:

- What the project *implementation team* will actually do?
- What change(s) in knowledge/attitude/practice (KAP) are anticipated in the lives of *direct beneficiaries* (or 'boundary partners') as a result of the work of the implementation team?
- What significant and lasting changes in the lives of *ultimate beneficiaries* (or the 'wider community') are likely under the influence of the direct beneficiaries?

Hypotheses of Change:

Each of the three stages in the change process may be considered to be a kind of social experiment; each with its own hypothesis:

- **Management hypothesis:** concerned with the capacity of the *implementation team* to *efficiently* deliver on the technical and managerial requirements of the project.
- **Intervention hypothesis:** concerned with the *efficacy* of the of the project deliverables in fostering the anticipated changes in the *direct beneficiaries*.
- **Development hypothesis:** concerned with the *effectiveness* of the broad strategy/policy/approach with which a given project is aligned.

The overall theory of change of a proposed project may be expressed by precisely defining the three hypotheses of change. Consider the following as a guide:

- **Management hypothesis:** # [*implementation team members*] will efficiently deliver # [*outputs*] of the required quality with the resources budgeted and within [*life of project*].
- **Intervention Hypothesis:** # [*outputs*] will foster [*outcomes/effects*] in the lives of # [*direct beneficiaries*].
- **Development hypothesis:** [*outcomes*] will contribute to [*Impact*] among # [*ultimate beneficiaries*] in [*geographic/demographic boundary*]

Each of the italicised terms in the three hypotheses above has precise meaning:

- **Implementation team:** refers to the key project team members involved in the actual process of delivering project outputs; e.g. "10 Agricultural Extension Officers".
- **Outputs:** these are the measurable deliverables of the project for which the implementation team will be held responsible by the end of the project; e.g. "100 Farmer Training *Sessions*"¹.

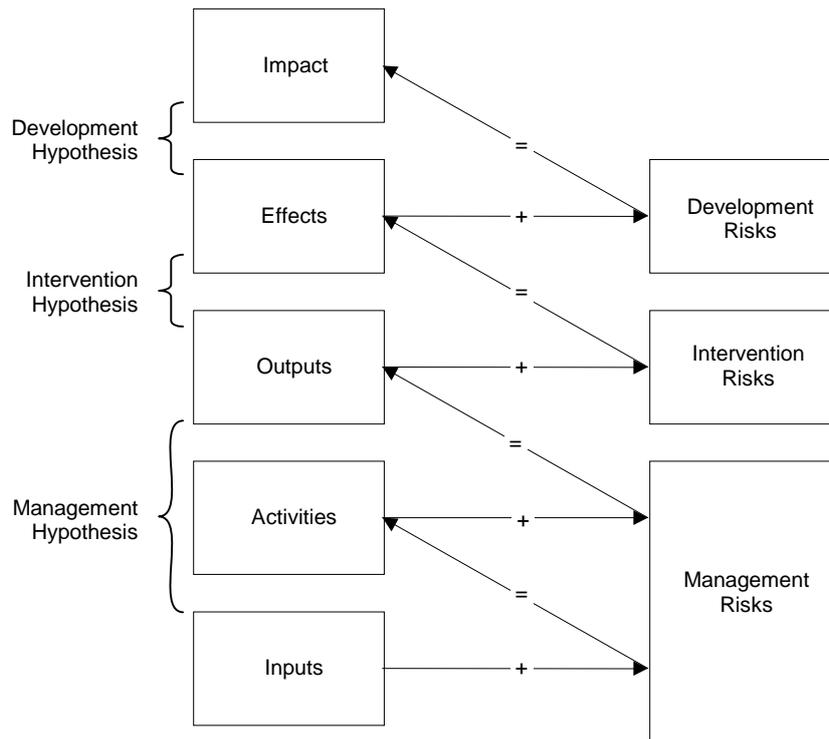
¹ N.B. In making sure that the 'outputs' are measurable, they should not be confused with the number of 'direct beneficiaries' that are expected to benefit from the 'outputs'. For example, while the statement "500 Farmers

- **Life of project:** the agreed period for which donor funding will be supplied; e.g. “3 years from project start-up”.
- **Direct beneficiaries:** the individuals or groups with whom the implementation team will interact with directly in the course of delivering the project outputs. The direct beneficiaries are the recipients of the outputs; e.g. “500 Farmers”.
- **Outcomes/effects:** the changes in knowledge/attitude/practice (KAP) in the lives of the direct beneficiaries anticipated as a result of the implementation team delivering the planned outputs; e.g. “improved farm productivity”.
- **Ultimate beneficiaries:** the wider community (of which the direct beneficiaries may be members) where a critical mass of sustainable change is anticipated as a result of the intervention; e.g. “30,000 households who are vulnerable to food insecurity”.
- **Impact:** the significant and lasting changes anticipated among the ultimate beneficiaries; e.g. “improved household food security”.
- **Geographic/demographic boundary:** the boundaries within which the impact of the project may be plausibly evaluated. Boundaries are likely to have a geographic element usually defined by an administrative border (e.g. “Murumba District”); and sometimes a demographic identify (e.g. “Female-headed households”).

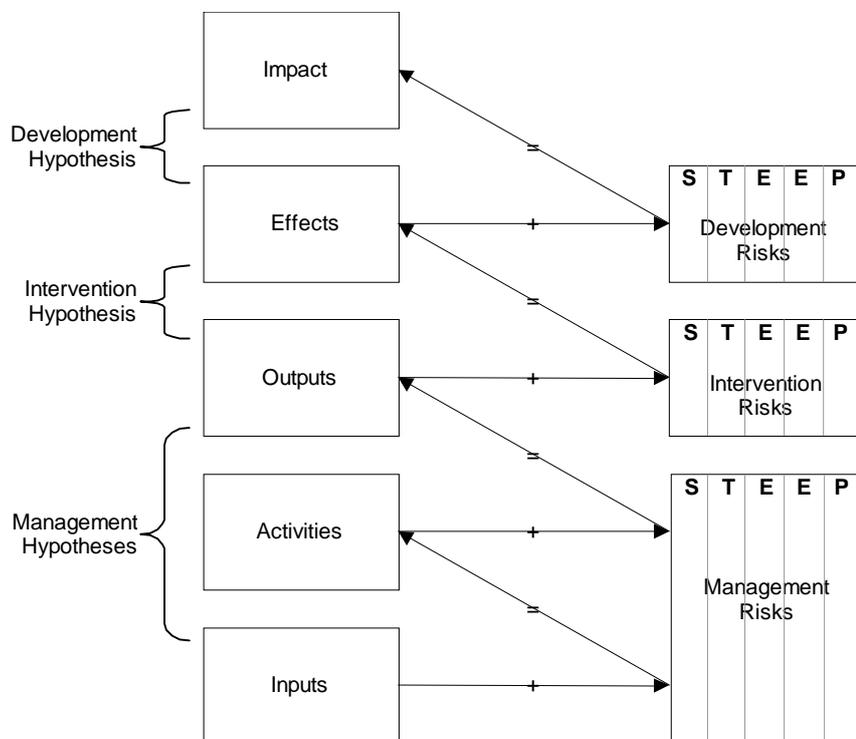
Underlying Risks:

The success of any proposed theory of change may be affected by myriad factors or risks. It is important to identify these risks in order to mitigate their impact on overall project performance. As noted above, the overall performance of a project is determined by the extent to which the three hypotheses of change are appropriate. Hence, each of the three hypotheses may be affected by three *classes* of risk: **management**, **intervention** or **development** risks, respectively. The relationship between the three hypotheses of change and the three classes of risk within the logic of a project strategy may be depicted as follows:

trained” quantifies the number of ‘direct beneficiaries’, it does not define the number of ‘outputs’ actually delivered. A correctly phrased ‘output’ statement might be: “100 *training sessions* facilitated (for 500 farmers)”.



Within each of the three classes of risk, five *domains* of risk can be further defined: Social, Technological, Economic, Ecological and Political (STEEP). These five domains represent the logical possibility of factors likely to affect project performance at each stage of the change process. The relationship between the three hypotheses of change, the three classes of risk, and the five domains of risk may be depicted as follows:



The nature of the impact of each risk domain within each of the three classes of risk may be summarised as in the following matrix.

Risk Domain \ Risk Class	S	T	E	E	P
Development risks affect the extent to which the <i>ultimate beneficiaries</i> will...	accommodate the innovation(s) within social norms	control the quality of resources required to sustain the innovation(s)	command sufficient resources to sustain the innovation(s) adopted	adopt the innovation without destructive ecological impact	engender sufficient political support for the innovation(s) adopted
Intervention risks affect the likelihood that <i>direct beneficiaries</i> will...	adopt the innovation(s) promoted by the project	control the quality of resources required to adopt the innovation(s)	command sufficient resources to adopt the innovation(s) promoted	accommodate environmental factors that affect adoption	engender supportive community relationships
Management risks affect the ability of the <i>implementation team</i> to...	mobilise boundary partner participation in the program	control the quality of project resources deployed	implement the planned activities with the resources budgeted	accommodate environmental factors that affect implementation	engender enabling internal & external relationships

PROJECT APPRAISAL GUIDE²

Implementing Partner:

Project Name:

Management Hypothesis:

Are there concerns that emerge regarding the likelihood that the *implementation team* can implement the project as planned?

Social Risks	Comments
Is there evidence that beneficiaries have actively participated in planning?	
Are the direct beneficiaries explicitly defined?	
Is there evidence that direct beneficiaries will engage fully with the implementation team?	
Are there any religious, cultural or political factors that may affect participation?	
Has the influence of gender roles on participation in activities been adequately examined?	
Technological Risks	Comments
Is there evidence that the implementing partner has sufficient experience to implement the planned project in this sector and location?	
Are there likely to be sufficiently skilled individuals available to undertake quality work?	
Are the technical resources required available and of sufficient quality?	
Is there any reliance on externally supplied resources (e.g. government personnel/equipment)?	
Economic Risks	Comments
Do the budgeted resources appear appropriate for the planned activities?	
Are any critical resources required readily obtainable?	
Are the resources required likely to be affordable?	
Ecological Risks	Comments
Has consideration been given to seasonal factors that may affect implementation?	
Is there evidence that the proposed activities are	

² The questions provided in this guide are not exhaustive. They are offered as prompts for critical reflection.

compatible with local environmental conditions?	
Political Risks	Comments
Is there evidence to suggest that the implementation team will be able to engender enabling working relationships with the target community?	
Has there been consultation and engagement with local authorities?	
Is the organisational structure within the implementation team clearly defined?	
Is there evidence that the implementation team will work constructively as a team?	

Intervention Hypothesis:

Are there concerns that emerge regarding the likelihood that the *direct beneficiaries* will adopt changes in knowledge/attitude/practice promoted by the implementation team?

Social Risks	Comments
Are there any religious, cultural or political factors that may affect the likelihood that direct beneficiaries will adopt the innovations promoted?	
Has the influence of gender roles on adoption of innovations been adequately examined?	
Technological Risks	Comments
Are direct beneficiaries likely to possess adequate skills to adopt the innovations promoted?	
Is there evidence that direct beneficiary resources are of adequate quality to foster adoption?	
Are any externally-supplied resources available at sufficient quality to enable adoption by direct beneficiaries?	
Economic Risks	Comments
Is there evidence that direct beneficiaries have sufficient resources to adopt the innovations promoted?	
Are new resources required by direct beneficiaries readily and sustainably available?	
Ecological Risks	Comments
Are the innovations promoted compatible with the local physical environment?	
What environmental resources are required by direct beneficiaries in order to adopt	

the innovations promoted?	
Political Risks	Comments
Are the direct beneficiaries likely to encounter any resistance to the innovations promoted?	
Is there evidence that local authorities are supportive of the innovations promoted?	
Are the direct beneficiaries likely to be perceived as credible change agents within the target community?	

Development Hypothesis:

Are there concerns that emerge regarding the likelihood that the *ultimate beneficiaries* will experience significant and lasting changes in their wellbeing through the innovations promoted by the project?

Social Risks	Comments
Are the ultimate beneficiaries explicitly defined?	
Are the innovations promoted compatible with local culture and social norms?	
Have the prevailing social values been considered?	
Has the role of gender within society been considered?	
Is there evidence that the innovations proposed are demand-driven?	
Is civil society and social cohesion likely to be enhanced by the innovations promoted?	
Technological Risks	Comments
Is there evidence that the quality of resources within the community is adequate to ensure sustainable change?	
Are the required skills/capacities within the community adequate to ensure sustainable change?	
Are any resources required from sources external to the community available with sufficient quality?	
Economic Risks	Comments
Is there evidence that community resources required are readily available?	
Are resources required affordable on a sustainable basis?	
Is the wider market sufficiently mature to support the innovations adopted?	
Is economic wellbeing likely to be enhanced by the innovations	

promoted?	
Ecological Risks	Comments
Is there any risk that the innovations promoted may have long-term ecological impacts?	
Are natural resources consumed through adoption of the innovations renewable?	
Does the project promote valuing of ecological resources?	
Political Risks	Comments
Are the innovations promoted in accord with government policy and strategy?	
Is there evidence that relevant government representatives will be actively engaged in the innovations promoted?	
Is there evidence that the wider community are supportive of the innovations promoted?	
Are appropriate governance and communication mechanisms in place to ensure an enabling environment for the innovations?	

Overall assessment of project:

✓	Appraisal Outcome	
	A	Approved unamended—best practice
	B	Approved—suggestions for consideration
	C	Revisions required—sign-off by Desk Officer
	D	Resubmission of design required—basic concept approved
	E	Rejected