

DFID background note on the Impact-weighted Output Scoring of project performance

Impact-weighted Output Scoring

1. Impact-weighted output scoring of project performance was introduced in April 2008.

The role of Impact-weighted output scoring is to provide a more robust scoring system for projects and, in particular, to improve the quality of design of projects by encouraging more thought on the choice of outputs

Project teams are asked at the outset of a project to assign **impact weights** to outputs. That is, they are asked to assign percentages for the contribution each output is likely to make to achieving the overall purpose of the project. This increases the onus on project managers to demonstrate that there is a coherent link between outputs and purpose.

Rational for Impact-weighted Output Scoring

2. There is a requirement in DFID that projects of £1m or over are reviewed and scored annually and that they are also reviewed scored on completion. As well as monitoring performance, these scores result in the Value for Money (VfM) measurement which is used by Government to assess DFID's progress.

DFID is committed to justifying millions of pounds of efficiency savings on the basis of a project scoring system. The measurement needs to be robust

There appears to be a relationship between the clarity of the targets set and the final performance assessment. For projects of £1m or over, outputs and project purpose are given in the Logical Framework (Log Frame) with this being where targets for the project are defined.

Logical frameworks (Log Frames) and project scores are the means of identifying that project should work/are working. Better Log Frames and better scoring methods should therefore lead to better monitoring and hence better performance

Work has shown that scores at output level, rather than purpose level, are more clearly justified; since outputs tend to be more focused and easier to assess within the life of a project.

The number of outputs also seems to play a part in the scoring process. A smaller number of outputs per project leads to better Log Frames and in turn, better scoring. By asking for impact weights, more thought is given to the outputs and hence better, and less, outputs are used.

Background

3. In 2006, the then Corporate Strategy Group (CSG) - part of the Finance and Corporate Performance Group - undertook an exercise to review the project scoring guidance and explore innovative ways in which DFID could derive realistic Value for Money (VfM) scores to address some of the concerns with the system. The resulting paper¹ was circulated in October 2006

As a result of that work a trial (the “*Felix 50*”) was undertaken of scoring projects using Impact-weighted Scores for Outputs (and also Budget Weighted Scores).

In late 2006 and early 2007 a review was also undertaken by Agulhas on *Assessing the Quality of DFID’s Project Reviews*. The assignment was commissioned to answer whether the quality of DFID project documentation (particularly reviews) was changing over time, and whether scoring of reviews was consistent across the portfolio.

The results of Agulhas work and the “*Felix 50*” trial were considered by various groups, including Divisional Directors and the Director and Deputy Director of Finance and Corporate Performance Division (FCPD) and by May 2007 the decision was made to adopt Impact-weighted Output Scoring but to also keep the Purpose Score, at least for the next PSA period. Due to problems with recording the scores this Impact-weighted Output Scoring was not introduced until April 2008.

Work on Impact-weighted Output Scoring was part of a large body of work focussing on the quality, and quality assurance, of DFID’s project reviews and scoring.

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