
CHAPTER 3

Project Identification and Formulation

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Chapter Introduction



Every successful project begins with a properly identified:

- Problem
- Need
- Opportunity
- Market gap
- Policy priority
- Organizational challenge

Project identification determines what should be done, while formulation determines how the selected intervention should be designed.

Learning Objectives



By the end of this chapter, students will be able to:

- Explain project identification and formulation
- Identify major sources of project ideas
- Apply structured idea-generation techniques
- Apply the SCAMPER technique
- Conduct problem and root-cause analysis
- Conduct stakeholder analysis

- Undertake a needs assessment
- Convert problems into objectives
- Compare alternative project strategies
- Develop a project concept note
- Screen potentially promising project ideas
- Recommend whether an idea should proceed to appraisal

Chapter Roadmap



This chapter covers:

1. Project identification
2. Sources of project ideas
3. Idea-generation process
4. Idea-generation techniques
5. SCAMPER technique
6. Problem analysis

7. Stakeholder analysis
8. Needs assessment
9. Objective analysis
10. Alternative analysis
11. Project concept development
12. Preliminary project screening

Opening Reflection



Discussion Question — Think of one business or development project idea.

- Where did the idea come from?
- What problem does it solve?
- Who needs it?
- What other solutions are available?
- What evidence supports the idea?
- Should resources be committed to it?

SECTION 1

Project Identification





What Is Project Identification?

Project identification is the process of recognizing, defining and initially assessing possible interventions that respond to:

- Problems
- Needs
- Opportunities
- Strategic priorities
- Market gaps
- Institutional challenges



What Is Project Formulation?

Project formulation is the process of converting a selected idea into a structured and coherent project design. It defines:

- Objectives
- Scope
- Beneficiaries
- Outputs
- Activities

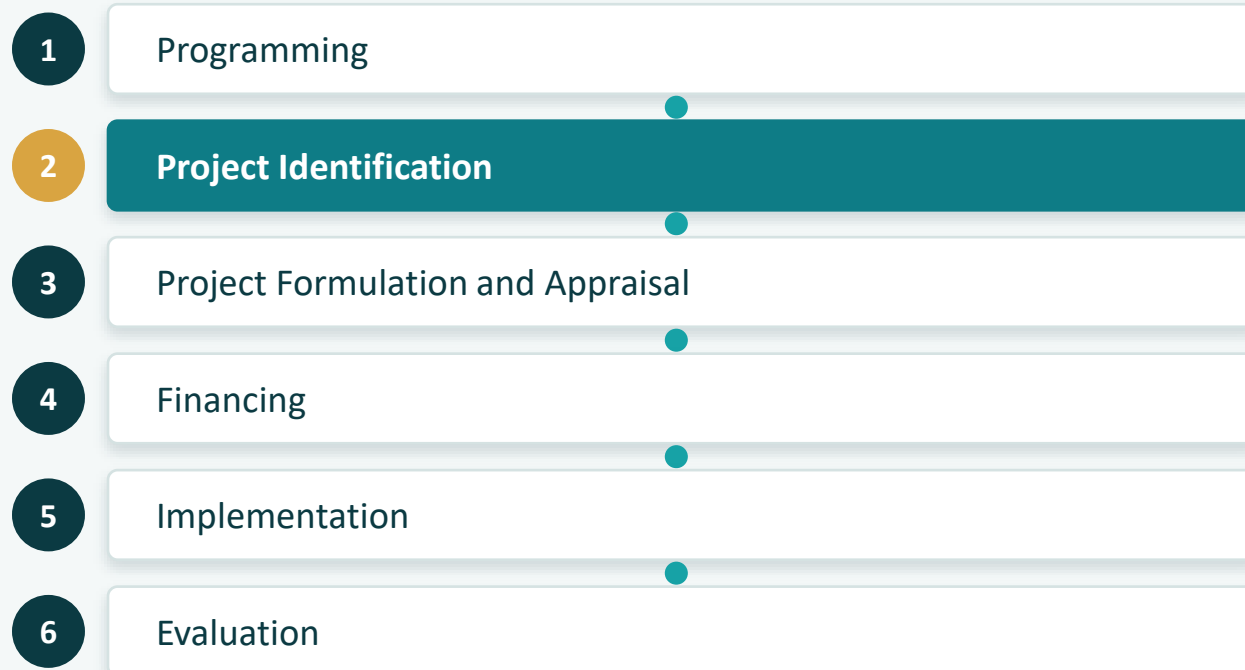
- Resources
- Costs
- Risks
- Implementation arrangements



Identification versus Formulation

Identification	Formulation
Finds potential ideas	Develops the selected idea
Defines the problem	Designs the intervention
Generates alternatives	Specifies outputs and activities
Conducts initial screening	Prepares a structured proposal
Recommends further study	Prepares the project for appraisal

Position in the Project Cycle



Purpose of Identification



Project identification helps determine:

- Whether a real problem or opportunity exists
- Whether intervention is justified
- Who should benefit
- Which alternatives are available
- Which ideas deserve detailed analysis

Identification Outputs



The identification stage may produce:

- Problem statement
- Stakeholder map
- Needs-assessment findings
- List of project alternatives

- Preliminary screening matrix
- Project concept note
- Recommendation to proceed or reject

Identification Decision



Possible decisions include:

- Proceed to formulation
- Conduct additional research
- Modify the project idea
- Combine it with another intervention
- Delay consideration
- Reject the idea

SECTION 2

Understanding Project Ideas





What Is a Project Idea?

A project idea is an initial proposal for addressing a problem, satisfying a need or exploiting an opportunity.

A project idea is not yet a complete project proposal.



Why Do We Need Ideas?

Ideas are needed because organizations continuously face:

- Challenges
- Problems
- Opportunities
- Changing customer needs

- New technologies
- Competition
- Policy changes
- Resource constraints



Problems, Opportunities and Challenges

Project ideas commonly begin with:

Problems

An existing negative condition.

Opportunities

A potentially beneficial situation.

Challenges

Conditions requiring improvement or adaptation.

Idea Generation



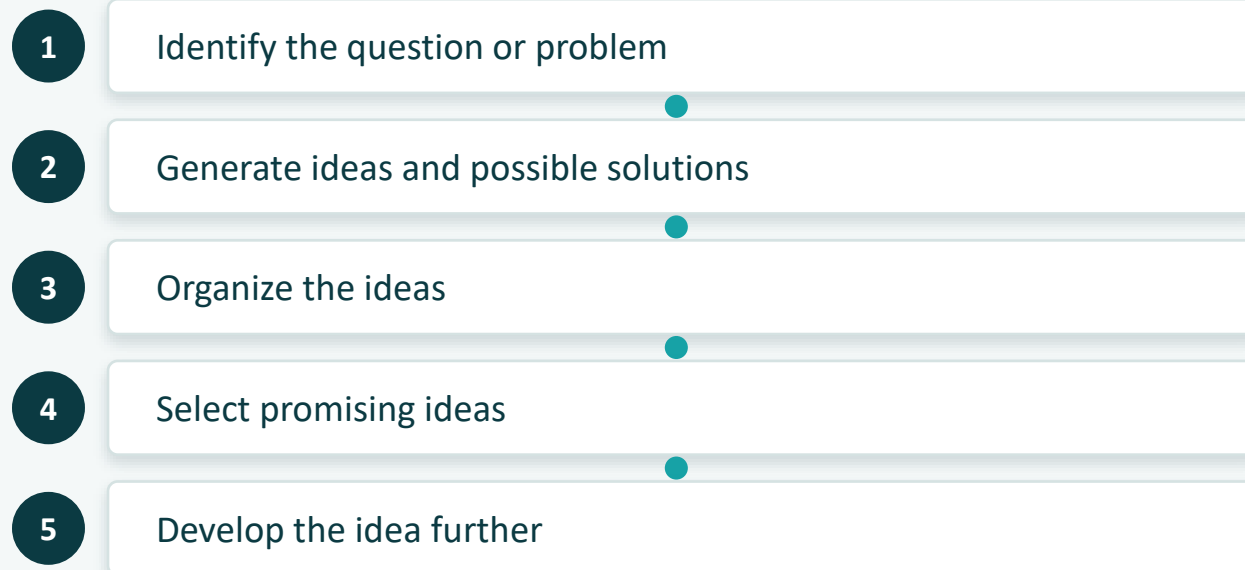
Idea generation is the creative and systematic process of producing possible solutions to identified problems or opportunities. It involves:

- Collecting information
- Observing conditions
- Generating alternatives
- Sharing ideas
- Refining possibilities
- Selecting promising ideas

Idea-Generation Process



A basic process is:





Quantity before Evaluation

During initial idea generation:

- Encourage many ideas
- Avoid immediate criticism
- Accept unusual suggestions
- Build on other ideas
- Evaluate ideas later

Premature criticism may prevent useful ideas from emerging.

SECTION 3

Sources of Project Ideas



Major Sources



Project ideas may come from:

- Consumers and beneficiaries
- Existing products and services
- Distribution channels
- Government

- Research and development
- Investment opportunities
- Prevailing conditions
- Personal and organizational experience

These categories reflect a structured treatment of business-idea sources.



Consumers and Beneficiaries

Consumers and beneficiaries may provide ideas through:

- Complaints
- Suggestions
- Changing preferences
- Unmet needs

- Product reviews
- Service experiences
- Community consultations



Consumer-Based Example

Customers may request:

- More convenient packaging
- Lower-cost products
- Faster service
- Digital payment

- Home delivery
- Improved quality
- More accessible services

These requests may become project ideas.



Existing Products and Services

Existing products can generate ideas through:

- Product improvement
- New features
- Better design
- Lower production costs

- New markets
- New uses
- Improved quality



Mobile-Phone Evolution Example

The evolution of mobile phones illustrates how existing products can be continually improved. Mobile phones evolved from basic communication devices into systems providing:

- Internet access
- Cameras
- Navigation
- Financial services
- Entertainment
- Business applications

Distribution Channels



Ideas may originate from:

- Wholesalers
- Retailers
- Agents
- Transporters
- Online platforms
- Sales representatives

Distribution-channel actors have direct information about market demand and customer complaints.



Government as a Source

Government may generate project ideas through:

- Policies
- Regulations
- Public investment plans
- Development programmes

- Incentives
- Public service gaps
- Infrastructure priorities



Government-Policy Examples

Possible project ideas include:

- Recycling projects arising from environmental regulations
- Digital tax systems arising from revenue reforms
- Renewable-energy projects arising from climate policy
- Local manufacturing arising from import-substitution policies



Research and Development

Research and development can generate ideas through:

- Scientific discovery
- Product testing
- Technology development
- Process improvement
- Prototype creation
- Market research



Research and Development Examples

Examples of product innovation and technological development show how research may produce new commercial ideas. Examples include:

- New personal-care products
- Improved computer accessories
- Better production technologies
- New service-delivery systems

Existing Investment Opportunities



Investment opportunities may arise from:

- Unused natural resources
- Available land
- New infrastructure
- Growing population

- Urbanization
- Import dependence
- Changing lifestyles
- Emerging markets

Other Sources of Ideas



Other sources may include:

- Trade exhibitions
 - Business associations
 - Academic institutions
 - Newspapers and professional publications
 - Development reports
- Competitors
 - Suppliers
 - Employees
 - Consultants



Observing Prevailing Conditions

Observation involves carefully examining current conditions to identify:

- Problems
- Inefficiencies
- Customer frustration
- Service gaps

- Long queues
- Wasted resources
- Unsafe practices
- Unmet demand

Observation Example



Suppose people regularly wait several hours to receive a service. Possible project ideas include:

- Digital appointment system
- Online service portal
- Additional service branches
- Mobile-service units
- Automated queue-management system



Experience as a Source

Individuals may generate ideas from:

- Previous employment
- Professional knowledge
- Personal problems
- Hobbies

- Family businesses
- Customer interaction
- Project implementation experience

Drawing from experience is a recognized source of ideas.



Experience-Based Example

A logistics employee repeatedly observes delivery delays caused by poor route planning. This experience may generate an idea for:

- Route-optimization software
- Delivery-tracking system
- Local distribution hubs
- Fleet-management services

SECTION 4

Idea-Generation Techniques



Major Techniques



Common idea-generation techniques include:

- Brainstorming
- Brainwriting
- Focus groups
- Library research
- Internet research

- Storyboarding
- Socializing
- Mind mapping
- SCAMPER

Brainstorming



Brainstorming is a group method for generating many ideas within a limited period. Basic rules:

- Do not criticize ideas initially
- Encourage unusual suggestions
- Generate as many ideas as possible
- Build on others' ideas
- Record every idea



Types of Brainstorming

Round-Robin Brainstorming

Participants contribute ideas in sequence.

Brainwriting

Participants write ideas before sharing.

Reverse Brainstorming

Participants identify ways to cause or worsen a problem and then reverse the responses.

Step-Ladder Technique

Participants enter the discussion gradually to reduce group influence.

Brainwriting



Brainwriting involves participants independently writing possible ideas. Advantages include:

- Equal participation
- Reduced dominance
- More reflection
- Greater anonymity
- Increased number of ideas



Focus Groups

A focus group is a guided discussion involving selected participants. It is useful for exploring:

- Customer preferences
- Beneficiary needs
- Reactions to a project idea
- Perceived project risks
- Service-delivery problems
- Possible solutions

Library Research



Library research may use:

- Academic books
- Journal articles
- Government reports
- Feasibility studies

- Market studies
- Policy documents
- Theses and dissertations
- Statistical publications

Internet Research



Internet research may identify:

- Market trends
- Technologies
- Competitors
- Prices

- Customer reviews
- Investment opportunities
- International best practices

Information quality and credibility should always be assessed.

Storyboarding



Storyboarding visually presents a process or user experience in sequential stages. It can help identify:

- Service delays
- Customer difficulties
- Process gaps
- Potential improvements
- New product features

Socializing



Ideas may emerge through informal interaction with:

- Colleagues
- Businesspeople
- Customers
- Researchers

- Community members
- Professional networks
- Social-media groups

Mind Mapping



Mind mapping begins with a central topic and visually connects:

- Problems
- Causes
- Stakeholders
- Resources

- Opportunities
- Possible solutions
- Risks



Mind-Mapping Example

Central Topic: Youth unemployment. Main branches:

- Education
- Skills
- Finance
- Employers

- Technology
- Entrepreneurship
- Government policy

Each branch can generate several project ideas.

SECTION 5

SCAMPER Technique



What Is SCAMPER?



SCAMPER is a structured team-brainstorming technique used to develop or improve products, services, processes and project ideas.

It encourages participants to examine existing ideas through seven types of questions.

Purpose of SCAMPER



SCAMPER helps to:

- Improve existing products
- Generate new services
- Redesign processes
- Reduce costs

- Identify new uses
- Simplify systems
- Create alternative project concepts

Meaning of SCAMPER



S — Substitute

C — Combine

A — Adapt

M — Modify, Magnify or Minify

P — Put to Another Use

E — Eliminate

R — Reverse or Rearrange

S — Substitute



Substitute means replacing a component or element with another alternative:

- Material
- Resource
- Component
- Person

- Process
- Technology
- Location

Key Question: What could be replaced to improve the product, service or project?

Substitute Example



EXAMPLE

*When making windows for a children's playhouse:
substitute glass with plastic to improve safety.*

This illustrates replacing a component with a safer alternative.

Project-Based Substitute Example



For a rural-energy project:

- Substitute diesel-powered pumps with solar-powered pumps
- Substitute imported components with locally available materials
- Substitute paper reporting with mobile data collection

C — Combine



Combine means bringing together elements to create greater value:

- Products
- Services
- Functions
- Resources

- Skills
- Technologies
- Project components

Key Question: What could be combined to produce a better solution?

Combine Example



EXAMPLE

Combine a mobile phone with a camera.

Modern mobile phones integrate communication and photography functions within one product.

Project-Based Combine Example



Combine the following into one integrated smallholder-development project:

- Agricultural training
- Access to finance
- Improved inputs
- Market linkage

A — Adapt



Adapt means changing or adjusting an existing idea so that it works:

- In another context
- For another user
- For another purpose
- In another sector
- With different technology

Adapt Example



Adapting digital communication and social-networking tools for:

- Mobile phones
- Computers
- Voice calls
- Video calls
- File sharing
- Location sharing

The key principle is adjusting an existing communication concept to provide wider functions.



Project-Based Adapt Example

Adapt a successful urban mobile-banking model for rural communities by using:

- Local languages
- Simplified interfaces
- Agent networks
- Offline functionality
- Voice-based instructions



M — Modify, Magnify or Minify

Modify means changing:

- Size
- Shape
- Colour
- Design
- Speed

- Strength
- Location
- Presentation
- Features

Modify Example



EXAMPLE

Reducing the size of sunglasses for babies or small children.

The original product is modified to meet the needs of a different customer group.



Project-Based Modify Example

Modify a standard six-month training programme into:

- Short modular courses
- Evening sessions
- Weekend delivery
- Online learning
- Local-language materials



P — Put to Another Use

Put to another use means considering whether a product, resource or project output can serve:

- Another customer group
- Another sector
- Another location
- Another function
- Another economic purpose

Guiding Questions



Useful questions include:

- Can this product be used somewhere else?
- Can it be used in another industry?
- Can it be used differently?
- Can its waste be recycled to produce something new?

No single named product example is fixed for this element.

Model Project Example



A closed community facility could be reused as:

- Evening training center
- Youth innovation hub
- Cooperative office
- Digital-learning center
- Emergency-response facility



Circular-Economy Example

Waste from an agro-processing project could be used to produce:

- Animal feed
- Compost
- Organic fertilizer
- Biogas
- Fuel briquettes

E — Eliminate



Eliminate means removing:

- Unnecessary features
- Duplicated activities
- Delays
- Excessive approvals

- Low-value components
- Waste
- Unproductive procedures

Eliminate Example



EXAMPLE

Removing cigarette lighters from cars so the space can be used for charging devices.

A low-value feature is removed and replaced with a more useful function.



Project-Based Eliminate Example

Eliminate:

- Duplicate approval steps
- Repeated data entry
- Unnecessary reports
- Unproductive meetings
- Excessive travel
- Redundant project activities



R — Reverse or Rearrange

Reverse or rearrange means changing:

- The sequence
- Direction
- Orientation
- Responsibility

- Delivery method
- Payment process
- Workflow

Reverse Example



EXAMPLE

Reverse the traditional “eat first, pay later” model into “pay first, then eat.”

The order of the process is rearranged.

Project-Based Reverse Example



Reverse the design sequence to improve ownership and relevance:

1

Traditional: Design project → Consult beneficiaries

2

Reversed: Consult beneficiaries → Co-design project

3

Result: Improved ownership and relevance

SCAMPER Summary



Element	Main Question	Example
Substitute	What can be replaced?	Glass replaced by plastic
Combine	What can be integrated?	Phone combined with camera
Adapt	What can be adjusted?	Communication tools adapted across functions
Modify	What can be changed?	Smaller sunglasses for children
Put to another use	What other use is possible?	Recycling and alternative-use questions
Eliminate	What can be removed?	Car cigarette lighter removed
Reverse	What can be rearranged?	Pay first, then eat

SCAMPER Application Process



1. Select an existing idea
2. Ask the seven SCAMPER questions
3. Record all suggestions
4. Combine related suggestions
5. Assess practicality
6. Screen promising alternatives
7. Develop selected ideas further

SCAMPER Group Exercise



Apply SCAMPER to one of the following:

- University registration process
- Public transport
- Dairy-processing project
- Hospital appointment system
- Agricultural extension service
- MBA course delivery



SCAMPER Exercise Template

Element	Proposed Change	Expected Benefit	Potential Risk
Substitute			
Combine			
Adapt			
Modify			
Put to another use			
Eliminate			
Reverse			

Limitations of SCAMPER



SCAMPER:

- Generates possibilities but does not prove feasibility
- May generate unrealistic ideas
- Depends on participant creativity
- Should not replace needs assessment
- Should be followed by screening and appraisal

SECTION 6

Problem Analysis





What Is Problem Analysis?

Problem analysis is the systematic examination of an undesirable situation to determine:

- The core problem
- Immediate causes
- Root causes
- Effects
- Affected stakeholders
- Possible intervention areas



Why Problem Analysis Matters

Without proper analysis, a project may:

- Address symptoms instead of causes
- Select an inappropriate solution
- Produce temporary results
- Waste scarce resources
- Create unintended consequences

Problem Statement



A strong problem statement should be:

- Clear
- Specific
- Evidence-based
- Focused on an existing negative condition
- Related to an identified group
- Free from a predetermined solution

Weak Problem Statement



WEAK

“There is no milk-processing plant.”

This statement assumes that a processing plant is the required solution.

Strong Problem Statement



STRONG

“Pastoral households lose substantial milk income because of spoilage, limited cooling facilities and weak access to reliable markets.”

This identifies the negative situation and major causes.

Problem Tree



A problem tree contains:

Effects

Consequences of the problem.

Core Problem

The central negative condition.

Causes

Factors contributing to the problem.



Problem-Tree Example

EFFECTS

Low household income · Food insecurity · Rural migration



CORE PROBLEM

Low agricultural productivity



CAUSES

Limited irrigation · Poor inputs · Weak extension services · Limited finance · Soil degradation

Root-Cause Analysis



Root-cause analysis asks:

- Why does the problem occur?
- Which factors directly cause it?
- Which deeper factors produce those causes?
- Which causes can the project influence?
- Which causes are outside project control?

Five Whys Method



Problem: Farmers receive low income.

1

Why? Low production.



2

Why? Limited access to irrigation.



3

Why? Water infrastructure is inadequate.



4

Why? Investment has been insufficient.



5

Why? The area has not been prioritized.

SECTION 7

Stakeholder Analysis





What Is Stakeholder Analysis?

Stakeholder analysis identifies and examines people, groups and institutions that:

- Influence the project
- Are affected by it
- Benefit from it
- Provide resources
- Make decisions
- May oppose it

Stakeholder Categories



Typical categories include:

- Beneficiaries
- Customers
- Project sponsor
- Government
- Financiers
- Donors

- Implementing partners
- Suppliers
- Communities
- Regulators
- Competitors



Stakeholder-Analysis Questions

For each stakeholder, ask:

- What are their interests?
- What benefits do they expect?
- What concerns do they have?
- How much influence do they possess?
- Will they support or resist?
- How should they be engaged?



Power–Interest Matrix

Stakeholder Position	Strategy
High power, high interest	Manage closely
High power, low interest	Keep satisfied
Low power, high interest	Keep informed
Low power, low interest	Monitor



Stakeholder-Analysis Table

Stakeholder	Interest	Influence	Position	Engagement Strategy
Beneficiaries	Improved service	Medium	Supportive	Consult and involve
Government	Policy compliance	High	Supportive	Manage closely
Local residents	Environmental concerns	Medium	Uncertain	Consult regularly

Vulnerable Stakeholders



Special attention should be given to:

- Women
- Persons with disabilities
- Low-income households
- Displaced populations

- Minority groups
- Remote communities
- People with limited decision-making power

SECTION 8

Needs Assessment





What Is Needs Assessment?

Needs assessment is the systematic process of determining the gap between:

Current Condition

What currently exists?

Desired Condition

What should exist?



Purpose of Needs Assessment

Needs assessment determines:

- Whether a real need exists
- Who experiences the need
- How serious it is
- What services already exist
- Which gaps are most important
- What intervention may be appropriate

Sources of Needs Data



Data may be collected from:

- Surveys
- Interviews
- Focus groups
- Direct observation
- Administrative records

- Market research
- Community consultation
- Government statistics
- Previous evaluations

Quantitative Data



Examples include:

- Number of affected people
- Unemployment rate
- Production volume
- Income level

- Service coverage
- School enrollment
- Disease prevalence
- Market prices

Qualitative Data



Examples include:

- Experiences
- Perceptions
- Preferences
- Cultural barriers

- Customer complaints
- Institutional constraints
- Community priorities

Needs Prioritization



Needs may be prioritized based on:

- Severity
- Urgency
- Number affected
- Strategic importance
- Equity

- Feasibility
- Cost
- Sustainability
- Risk of inaction

SECTION 9

Objective Analysis





What Is Objective Analysis?

Objective analysis transforms negative conditions in the problem tree into positive and achievable future conditions.



Problem-to-Objective Conversion

Problem

High post-harvest loss.

Objective

Post-harvest loss reduced.

Problem

Limited market access.

Objective

Market access improved.

Objective Tree



The objective tree converts:

- Causes into means
- The core problem into the main objective
- Effects into higher-level benefits



Objective-Tree Example

HIGHER BENEFIT

Household welfare improved



MAIN OBJECTIVE

Farmer income increased



MEANS

Productivity improved · Storage expanded · Market access strengthened · Finance made available

Objective Hierarchy



A project may include:

- Overall goal
- Specific objective or outcome
- Outputs
- Activities
- Inputs

SMART Objectives



Objectives should be:

Specific

Clearly and precisely defined.

Measurable

Progress can be quantified.

Achievable

Realistic and attainable.

Relevant

Aligned with the need.

Time-bound

Set within a defined period.

SMART Objective Example



EXAMPLE

Increase the average annual income of 1,000 participating dairy producers by 20% by the end of the three-year project.

SECTION 10

Alternative Analysis





What Is Alternative Analysis?

Alternative analysis compares different ways of achieving the identified objectives.

It helps select the most appropriate project strategy.



Why Compare Alternatives?

Alternative analysis prevents:

- Automatic acceptance of the first idea
- Technology-driven decisions
- Politically preferred but weak projects
- Excessive project costs
- Ignoring simpler solutions
- Selecting unsustainable interventions

Types of Alternatives



Alternatives may differ by:

- Technology
- Location
- Size
- Target group
- Implementation method

- Ownership model
- Financing structure
- Delivery channel
- Timing

Alternative Example



Problem: High milk spoilage. Possible alternatives:

1. Establish village cooling centers
2. Provide mobile cooling units
3. Construct a processing plant
4. Improve transportation
5. Establish producer cooperatives
6. Introduce solar refrigeration

Alternative Selection Criteria



Alternatives may be assessed against:

- Strategic relevance
- Expected effectiveness
- Cost
- Technical feasibility
- Financial viability

- Institutional capacity
- Social acceptability
- Environmental effect
- Risk
- Sustainability

Weighted Scoring



FORMULA

$$\textit{Total Weighted Score} = \Sigma (\textit{Weight} \times \textit{Rating})$$

Each criterion receives a weight reflecting importance and a rating for each alternative.

Alternative-Scoring Example



Criterion	Weight
Expected impact	25%
Technical feasibility	20%
Financial viability	20%
Sustainability	15%
Stakeholder acceptance	10%
Risk	10%

SECTION 11

Project Concept Development





What Is a Project Concept?

A project concept is an initial structured description of the preferred project idea.

It provides enough information for a preliminary decision.



Purpose of a Concept Note

A concept note helps decision-makers determine whether the project should:

- Proceed to full formulation
- Receive further research
- Be revised
- Be rejected



Concept-Note Components

A concept note typically covers:

- Project title
- Background
- Problem statement
- Rationale
- Beneficiaries
- Goal
- Specific objective

- Outputs
- Activities
- Duration
- Estimated budget
- Risks
- Sustainability

Project Rationale



The rationale explains:

- Why the project is necessary
- Why the selected intervention is appropriate
- How it aligns with strategy
- Why action is needed now
- What may happen without intervention

Project Beneficiaries



Describe:

- Direct beneficiaries
- Indirect beneficiaries
- Number of beneficiaries
- Location

- Selection criteria
- Vulnerability characteristics
- Expected benefit

Outputs and Activities



Output

A direct product or service created by the project. Example — Three milk-cooling centers established.

Activity

Work performed to produce the output. Example — Procure and install cooling equipment.

Preliminary Cost Estimate



The initial estimate may include:

- Equipment
- Construction
- Personnel
- Training
- Transport

- Consultancy
- Administration
- Monitoring
- Contingency

Preliminary Risk Analysis



Identify risks related to:

- Demand
- Financing
- Technology
- Procurement
- Stakeholders

- Environment
- Security
- Institutional capacity
- Inflation

SECTION 12

Preliminary Project Screening



What Is Screening?



Screening is the preliminary evaluation of project ideas to determine which appear sufficiently promising for detailed appraisal.

The identification stage concludes with screening of potentially promising ideas.

Purpose of Screening



Screening helps:

- Reject weak ideas early
- Prioritize limited resources
- Focus detailed studies
- Reduce investment risk
- Improve strategic alignment
- Identify missing information

Promoter Compatibility



Assess whether the project is compatible with the promoter's:

- Interests
- Experience
- Personality
- Financial capacity

- Technical knowledge
- Risk appetite
- Available time

Government Priority



Assess whether the idea aligns with:

- National policy
- Regional priorities
- Sector strategy
- Investment regulations

- Environmental requirements
- Foreign-exchange conditions
- Government incentives

Market Feasibility



Assess:

- Customer need
- Market size
- Market growth
- Competition

- Price
- Distribution
- Customer willingness to pay
- Product differentiation

Resource Feasibility



Determine whether the project has access to:

- Raw materials
- Skilled labour
- Technology
- Land

- Infrastructure
- Finance
- Utilities
- Management capacity

Financial Attractiveness



Preliminary financial screening may consider:

- Initial investment
- Expected revenue
- Operating cost
- Profit margin

- Cash-flow potential
- Payback period
- Financing availability

Risk Assessment



Assess:

- Market risk
- Financial risk
- Technical risk
- Environmental risk

- Legal risk
- Operational risk
- Stakeholder risk
- Security risk

Screening Matrix



Criterion	Weight	Score	Weighted Score
Strategic alignment	15%		
Market need	20%		
Technical feasibility	15%		
Financial attractiveness	20%		
Social benefit	10%		
Sustainability	10%		
Risk	10%		

Screening Decisions



Following screening, an idea may be:

- Accepted for detailed appraisal
- Accepted with conditions
- Returned for revision
- Combined with another idea
- Postponed
- Rejected

PRACTICAL APPLICATION

Practical Application



MBA Case Exercise



Dairy-Processing and Cold-Chain Project — the proposed project aims to:

- Reduce milk spoilage
- Increase pastoralist income
- Improve milk quality
- Establish cooling facilities
- Supply urban markets
- Create employment

Source-of-Idea Analysis



Possible sources include:

- Producer complaints
- Consumer demand
- Observed milk spoilage
- Government livestock policy
- Market research
- Previous dairy-project experience

SCAMPER Application



Substitute

Use solar cooling instead of diesel.

Combine

Combine cooling, processing, training and marketing.

Adapt

Adapt mobile collection systems used in other regions.

Modify

Introduce smaller modular cooling centers.

SCAMPER Application Continued



Put to Another Use

Convert dairy waste into animal feed or fertilizer.

Eliminate

Remove unnecessary intermediaries.

Reverse

Secure customer orders before milk collection and processing.

Problem Analysis



EFFECTS

Income loss · Food waste · Low product quality · Reduced market access



CORE PROBLEM

High milk spoilage and low pastoralist income



CAUSES

No cooling facilities · Slow transportation · Weak market linkage · Poor handling practices

Stakeholder Analysis



Stakeholders include:

- Pastoralists
- Women milk traders
- Consumers
- Local government
- Investors

- Financial institutions
- Transporters
- Veterinary services
- Environmental authorities

Alternative Analysis



Compare:

1. Collection centers only
2. Mobile cooling units
3. Processing plant only
4. Integrated collection and processing
5. Cooperative marketing system

Group Assignment



Each group should prepare:

- Problem tree
- Stakeholder matrix
- Needs-assessment questions
- Objective tree

- SCAMPER analysis
- Alternative-scoring matrix
- Concept-note outline
- Screening recommendation

CHAPTER REVIEW

Chapter Review



Common Identification Mistakes



Frequent mistakes include:

- Beginning with a preferred solution
- Failing to collect evidence
- Ignoring stakeholders
- Confusing needs with wishes
- Treating symptoms as causes

- Failing to generate alternatives
- Using creativity without screening
- Ignoring promoter capacity
- Overestimating demand
- Underestimating risk

Identification Checklist



Confirm that:

- The problem is clearly defined
- Evidence supports the need
- Stakeholders are identified
- Causes and effects are understood
- Objectives are realistic

- Several alternatives were generated
- SCAMPER or other techniques were applied
- The preferred option is justified
- The concept note is complete
- Screening was documented

Knowledge Check



1. What is project identification?
2. How does formulation differ from identification?
3. What are major sources of project ideas?
4. What is brainstorming?
5. What does SCAMPER represent?

6. What is a problem tree?
7. Why is stakeholder analysis required?
8. What is needs assessment?
9. Why should alternatives be compared?
10. What is preliminary screening?

Knowledge Check Answers



1. The process of defining and selecting possible project interventions
2. Formulation develops a selected idea into a structured design
3. Consumers, government, research, experience, observation and market opportunities
4. A method for generating many ideas without immediate criticism
5. Substitute, Combine, Adapt, Modify, Put to another use, Eliminate and Reverse
6. A visual analysis of causes, core problem and effects
7. To understand interests, influence, support and resistance
8. Analysis of gaps between current and desired conditions
9. To select the most feasible and valuable strategy
10. Initial assessment of whether an idea deserves detailed appraisal

Individual Assignment



Select one project idea and prepare:

- Source of the idea
- Problem statement
- Problem tree
- Stakeholder analysis
- Needs-assessment plan
- Objective tree

- Full SCAMPER analysis
- Three project alternatives
- Concept-note summary
- Screening matrix
- Final recommendation

Chapter Summary



- Project identification begins with a real problem, need or opportunity.
- Ideas may come from consumers, government, research, observation and experience.
- Creativity techniques help generate multiple solutions.
- SCAMPER improves existing ideas through seven structured questions.
- Problem analysis identifies causes and effects.
- Stakeholder analysis identifies interests and influence.

- Needs assessment provides evidence for intervention.
- Objective analysis converts problems into desired results.
- Alternative analysis compares possible strategies.
- A concept note organizes the preferred idea.
- Preliminary screening determines whether detailed appraisal is justified.

Key Message



A project should not begin with a budget or a preferred solution. It should begin with disciplined analysis.

Idea Source → Problem → Evidence → Stakeholders → Needs → Objectives → Alternatives →
SCAMPER → Concept Note → Screening

Project Feasibility Study and Appraisal



Chapter 4 will cover:

- Market feasibility
- Technical feasibility
- Financial feasibility
- Economic appraisal

- Institutional appraisal
- Environmental and social appraisal
- Risk analysis
- Appraisal decisions

THANK YOU

Questions and Discussion

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Strong projects are not created by selecting attractive ideas quickly. They emerge from careful observation, creative thinking, evidence-based problem analysis, stakeholder participation, comparison of alternatives and disciplined screening before scarce resources are committed.