Guide to

OUTCOME FUNDING

for

Research and Education and Professional Development proposals

OUTCOME FUNDING BASICS

Northeast SARE uses outcome funding for its Research and Education and Professional Development grant programs. Under outcome funding, proposals are viewed as potential investments and the anticipated outcomes (proposal performance targets) are viewed as the return on investment.

As investors, proposal reviewers read proposals with these questions in mind:

- What is SARE buying with the public's funds?
- What are the chances we will get it?
- Is this the best use of the limited SARE funding?

Proposals must contribute to the Northeast SARE outcome statement, which identifies the results that the Northeast SARE program is seeking. The outcome statement is—

> **Agriculture in the Northeast will be diversified and profitable, providing healthful products to its customers; it will be conducted by farmers who manage resources wisely, who are satisfied with their lifestyles, and have a positive influence on their communities and the environment.**

Successful proposals clearly contribute to the outcome statement and they are also designed to obtain clear and measurable results, which is the focus of outcome funding.

Outcome funding glossary

Beneficiaries

The individuals who participate in the project and make specific, measurable changes as a result of a project's research and/or education efforts

For a Research and Education project, the beneficiaries are farmers.

For a Professional Development project, the beneficiaries are agricultural service providers who work directly with farmers.

Performance target

This is the primary element in a Northeast SARE application. This statement describes the changes in behavior or condition among beneficiaries that are expected to result from the proposed project.

For a Research and Education project, these changes aim to improve farm sustainability. The target describes a quantitative measure of change as well as a measure of the benefit(s) the change is expected to yield. Typically it specifies a number of farmers or farm businesses that will implement the change and reap the benefits.

For a Professional Development project, these changes are made by agricultural service providers to better serve the needs of farmers through teaching and advising.

A performance target is just that—a target. It is not a promise but rather a reasonable estimate of what should happen if the project goes well. The target may be based on previous data but often is simply based on the applicant's knowledge and experience in the area. A target should be ambitious but credible.

Milestones

These are the interim steps of learning, skill building, and preparation that beneficiaries must accomplish in order to achieve the performance target. Beneficiaries accomplish milestones as they participate in project activities and events. Milestones are also expressed in measurable terms, typically as a specific number of beneficiaries that acquire new information, develop new skills, write new plans, etc. as a result of participating in a project's activities.

Key individuals

These people will conduct or contribute significantly to the project. They have primary responsibility for the project's success. There may be other project collaborators serving as trainers, speaker, researchers or other support roles, but they are not considered the key individuals for the purposes of the Northeast SARE application.

Verification

This is the process of quantifying the extent to which the performance target has been achieved, typically at the conclusion of the project. Milestones also need to be verified during a project to assure that the necessary learning and skill building is occurring among the beneficiaries in support of achieving the performance target. Verification can be accomplished using some combination of observation, personal interviews, survey instruments, etc. Good verification is data-rich; this data often needs to be collected by beneficiaries during the course of a project so they need to understand the performance target and the verification process from the beginning.

How outcome funding terms relate to the project

Beneficiaries participate in the project and accomplish specific, essential **milestones** in learning and skill development that prepare and motivate them to take the specific actions described in the **performance target**.

The project team communicates with beneficiaries to **verify** their progress in accomplishing **milestones,** and ultimately in achieving and **verifying** the **performance target**.

Key individuals bring the appropriate skills and level of commitment needed to make the project successful.

OUTCOMES vs. ACTIVITIES

In many grant programs, projects are funded primarily based on the applicant's proposed activities. Project success is often predicated on keeping track of things like meetings conducted, meeting attendance, numbers of contacts and referrals made, or the quantity of educational products produced and circulated.

Collecting and compiling activity-based results are certainly part of Northeast SARE's outcome funded projects, but the focus of the tracking is on what participants learn and do as a result of the project, rather than on the activities themselves.

With outcome funding, grantees track the beneficiaries who participate, learn, and change their practices as a result of the project. These beneficiaries are outside the direct control of the grantee, so the challenge is to present a plan for educating and motivating beneficiaries to gain knowledge and skills, then enact changes and assist with documenting benefits. **This points to the necessity for outcome funded projects to be strongly based on the needs and interests of beneficiaries.**

BENEFICIARIES AS CO-PLANNERS

One of the implications of outcome funding is that project beneficiaries—whether they are farmers or agricultural service providers—must be part of the proposal planning process.

In order for a project to succeed, it must be based on significant needs and interests of beneficiaries. It follows that these beneficiaries must be in a position to shape its content—otherwise, you may prepare to deliver an effort that is not capable of reaching its milestones or achieving a performance target because it lacks sufficient buy in from the people you are trying to engage.

Reviewers need to be convinced that beneficiaries have a strong interest in both the work and performance target. Northeast SARE proposals are scrutinized for evidence of effective collaboration with beneficiaries from start to finish.

PLAN WITH THE END IN MIND

In addition to engaging beneficiaries, it is also essential that the planning begins with a clear vision of the desired new actions and benefits that are expected to occur by the end of the project. Working backwards from the end goal helps keep the project focused on the steps that need to take place and the resources and support that may be necessary to make sure beneficiaries have the capacity to achieve the desired change in behavior or condition.

Asking and answering these questions with your beneficiaries can be a helpful planning exercise:

1. What is the specific problem or opportunity for farmers that the project seeks to address, and what contributes to the problem or opportunity? What data exists to document the problem or opportunity?

2. What specific, measurable change or adoption of a practice by farmers is a realistic and achievable and also addresses the problem or opportunity? In other words, what do you want farmers to end up doing as a result of the project?
3. What expected measurable benefits will occur from making this change, taking this action, or adopting this practice? In other words, what is the benefit that will motivate farmers to make the desired change?
4. What obstacles or challenges to making the change will farmers face as they work to adopt the desired change? How will you address risks and barriers—real or perceived—through the outreach and education part of the project?

These questions are also relevant to ask and answer for Professional Development projects with agricultural service providers instead of farmers. These service providers must learn the knowledge and skills that farmers will need and be aware of the obstacles to new practices if they are to help farmers make a desired change through teaching and advising.

VERIFYING MILESTONES AND TARGETS

The goal of verification shifts during the life of a project. Early on, the focus is often on measuring how many beneficiaries are engaged in learning new knowledge and skills, and making plans for any new events or practices described in approaching milestones. After that, the goal of verification is to measure the extent of actual adoption of new practices and the benefits that accrue from them predicted and described in the performance target. Verification should also measure the extent of those changes, not just the number of changes.

For example, Research and Education grantees may first verify how many farmers learn about a new practice and then how many write plans to implement the practice as set out in the milestones. As the project progresses, grantees will verify the number of acres, animals, or businesses affected once farmers implement the planned change, and the measurable economic, environmental and social benefits that result from the change. The benefits measured will vary depending on the requirements of the performance target, but they may include things like cost savings, savings on purchased inputs, labor reductions, sales increases or family satisfaction. If benefits beyond those specified in the performance target result, then grantees are also encouraged to measure and report them.

Professional Development grantees will first verify how many agricultural service providers gain new knowledge and skills as they progress through the project milestones. As the project progresses, grantees will also verify how many service providers use what they learned in their work with client farmers. The number of new training programs or other educational services, and how many farmers participate in the new programs and services, are both components of a Professional Development performance target.

Verification plans

Verification plans are required in a full proposal. While each project's verification plan is different, one feature of all of them is informing beneficiaries at the beginning of the project about the project goals, the performance target, and the verification process—since verification calls for follow-up, beneficiaries need to be told, often more than once, that they will be contacted for more information when the formal project activities are over. It follows that collecting and maintaining beneficiary contact information are essential for effective verification.

Common verification methods include workshop surveys, online surveys, and follow-up by telephone, e-mail and face to face. Depending on the project, robust verification may require multiple methods and multiple requests.

Asking the right verification questions is another key to documenting the scale and scope of new farmer or service provider actions and benefits described in the performance target, as well as any additional benefits that may occur. Questions must address appropriate, measurable indicators and beneficiaries must be informed well ahead of time about any data-based information they will be expected to provide. If you expect farmers to report on changes in costs, sales, input application rates, time off, etc. you must take steps to assure that they are tracking what you want them to measure.

And, finally, including an open-ended question during verification is useful for learning about unexpected results.

OUTCOMES AND PROJECT COST AND DURATION

Outcome funded projects, particularly Research and Education projects, may be more expensive and take longer to complete than projects not seeking a change in behavior or condition among beneficiaries. There are a number of reasons for this.

Beneficiaries need time to learn, change attitudes, and build confidence to act; then they need time to apply what they have learned in their new actions. Finally, the project leader needs time to follow up with beneficiaries to verify what they did and how it benefited them.

Research and Education projects often demand a more vigorous and in-depth educational outreach effort than projects that only deliver research results. Investments of time, money, and personnel are necessary for delivering a robust and engaging educational program.

A holistic approach

Northeast SARE favors projects that take a holistic approach to problems and opportunities, and this affects both duration and cost.

For example, a Research and Education project about pest management, though often targeted to an individual crop, insect, or disease, is strengthened by the adoption of a whole-farm approach that acknowledges interaction with other management practices and the risks and rewards for farmers as they consider adopting a new technique. Because of its enhanced, complex content, a holistic project may cost more, take more time to deliver, and demand more follow-up to determine the outcomes.

A Professional Development example might be a proposal to offer composting classes to extension educators. While this is certainly within the SARE mission and eligible for funding, Northeast SARE reviewers will be more receptive to a holistic approach to compost management that goes beyond simply holding classes about making compost. In this case, perhaps offering education about the nutrient content of different compost sources, the role of composting in alternative waste management, the potential of compost as a new farm product, and the potential advantages and drawbacks for farmer adoption in terms of labor, equipment, soil stewardship, and community relations.

OUTCOME FUNDING AND RESEARCH

Northeast SARE recognizes that outcome funding presents a challenge to researchers—that of conducting research and a related outreach program at the same time. When outcome funding works well, these two parts of a project complement one another, whether the research is successful or not, because the people engaged by the outreach also become engaged with the research. They help plan it, they learn as it unfolds, and they often contribute to it via on-farm trials. Sometimes a project will yield research results that can be added to the outreach effort, but not always.

Researchers may argue that outcome funding limits innovation, since a project that researches at the cutting edge may be too speculative to warrant a related outreach program, and certainly too speculative to propose a performance target for farmer adoption. Northeast SARE understands this is a genuine constraint of outcome funding, but in 2001, when the Northeast SARE Administrative Council adopted the outcome funding approach, they did so based on the rationale that SARE has limited funds, and the greatest impact for those funds would be to focus on making measurable change happen on the ground. This emphasis on real-world, on-farm change is also in keeping with the objectives established in SARE's enabling legislation.

Advice to researchers

It is helpful to think about the sum of the project's work as two separate but interrelated components—one education, one research.

For example, research focused on new legume cover crops for the Northeast could be coupled with an education program promoting the use of proven legume cover crops. The performance target might be that *x* number farmers who have never used (proven) legume cover crops will begin using them on *x* number of acres and, as a result, they will reduce nitrogen applications by an average of 50 lbs./acre. The new legume cover crops being researched might be trialed by these same farmers prior to wider adoption, depending on the results of research and on-farm trials.

In the education program, connect research objectives and results to education about related, useful information that is proven to be beneficial for farmers.

This keeps projects grounded in reality and helps give farmers a direct connection to the research team and its scientific goals. This connection can be a valuable source of feedback and advice on the research.

Do not establish a performance target that is directly or entirely dependent on new information arising from the research.

The performance target should be based primarily on education, using existing information that is known about the content area. There is much existing information about beneficial sustainable agriculture practices that are underused by farmers, and this is knowledge that provides the foundation for the proposed new research.

Collaborate with an extension educator or other outreach specialist to manage the education component of the project to help manage time constraints.

The researcher leading the project can request the necessary funds for others to implement the education program that is closely linked to the research.

Read more about Northeast SARE's thoughts on outcome funding and research.

THE FUNDER AS PARTNER AND INVESTOR

The investment mindset of outcome funding means that Northeast SARE engages in more frequent and more in-depth exchanges with applicants and grantees than do most USDA grant programs. In fact, because SARE is focused on outcomes that occur over a long time, our engagement with grantees continues even after the project is complete. We try to keep these interactions short, and hope they are useful to you as well as to us.

The purpose of this ongoing engagement is to find and fund the best possible projects, help ensure that grantees have the support they need to be successful, and collect and share information from projects that will be of use to farmers and service providers. Applicants not chosen for an award receive constructive critiques that may help them achieve future funding from SARE or other funders.

The timeline of engagement includes these points of contact:

1. Preproposal applicants receive specific feedback, both for accepted and rejected preproposals.
2. Preproposal applicants are invited to attend a webinar on completing a SARE application using the outcome funding approach.
3. Full proposal applicants may receive clarity questions about their proposal via email during full proposal review. These questions allow applicants to clarify points of confusion or uncertainty among reviewers, minimizing the chances that a good project is rejected due to a relatively minor issue.
4. Full proposal applicants receive a survey that inquires about their application experience and invites feedback and critique.
5. Non-funded full proposal applicants receive specific feedback from the reviewers.
6. Funded applicants participate in a pre-award conference call with staff before contracts are issued to discuss any concerns carried forward from reviews and to make any final changes needed to milestones, performance targets and verification plans, if needed.
7. Project leaders may receive communication by email or phone when annual progress reports and final reports are reviewed.
8. Project leaders receive a short exit survey after project completion that inquires about their experiences interacting with SARE during project implementation.
9. Project leaders and some of their beneficiaries may receive post-project follow-up surveys 1-2 years post project to inquire about additional relevant findings, funding or publications.

OTHER RESOURCES

If you are interested in learning more about outcome funding, a good place to begin is with *Outcome Funding: A New Approach to Targeted Grantmaking* by Harold Williams, Arthur Webb, and William Phillips. It is available through the Rensselaerville Institute at www.rinstitute.org.

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