This brief provides a high-level overview of Verification and Project Management, the fifth phase of AgResults' Pay-for-Results prize competition design process. For step-by-step instructions and detailed guidance on all five phases of design, check out AgResults' Pay-for-Results Prize Competition Toolkit.

IMPACTFUL DESIGN AT A GLANCE: VERIFICATION AND PROJECT MANAGEMENT

In the last phase of prize design, designers develop the competition's verification and project management approaches. Verification is the process to evaluate competitors' reported results and compliance with competition rules and to determine prize disbursement. Because verification is linked to payment, the mechanisms used to assess competitor performance must be transparent, independent, objective, and reliable. At the design stage, designers must plan how verification will operate and may need to tweak indicators or adjust contest rules and reporting procedures to deter fraudulent activity, such as gaming or cheating. Additionally, robust project management is key for a streamlined and organized prize competition. As designers develop their prize, they articulate likely management tasks and may draft a management plan outlining roles, responsibilities, and timelines.

Verification vs. Impact Evaluation

Verification validates competitor progress against the prescribed criteria and is the basis for determining results-based prize awards. In contrast, an impact evaluation measures program outcomes and is conducted independently.

Considerations for Verification in Prize Competitions

Verification approaches vary across prize competitions based on program goals, data to collect, indicators to measure, and potential trade-offs between costs and accuracy. Yet a prize competition must always be based on a tangible and measurable indicator on which one can pay a prize. AgResults calls the cost to verify results the 'verification burden.' Generally, greater accuracy in verification comes at a greater expense. When verification costs are a concern, designers need to develop a verification system that instills confidence in its accuracy at the lowest possible cost.

Verification systems should be simple enough for competitors to understand the process, their responsibilities, and how payments are triggered. A successful competition hinges on competitor trust, especially around the process that determines payments.

Creating a Prize Verification Plan

Before the competition launches, designers develop a verification plan that supports the prize payment timeline and measures key payment indicators. The plan outlines responsibilities, data sources, collection approaches, and timing of activities. AgResults' experience has revealed several practices to ensure that verification is independent and thorough, yet feasible in a real-life setting.

Verification Best Practices

When considering verification structure, AgResults recommends the following principles:

- Verifiers should be independent from the project manager.
- A thorough verification plan may include multiple data sources and collection or analysis methods.
- Verification should be robust but also financially and logistically feasible in the project context.

- Verification should try to align with existing stakeholder activities or opportunities and be simple enough for competitors to comply with.

Although donors and project managers may want robust and detailed verification methods, these come at a higher cost to the program and to competitors. Verification plans should accurately measure competitor success and inform prize payments without straining program resources or competitor time.

Verification Data Sources

To craft a verification plan, designers consider the proposed payment indicators and the data that could be collected from competitors. Different data sources have different uses, strengths, and weaknesses:

- **Survey data**: Measures population-wide outcomes (e.g., market penetration)
- **Transaction data**: Gathers competitor or beneficiary sales information
- **Official records**: Confirms government regulation of competitors and gathers population-level information from census data
- **Health records**: Confirms health-related outcomes
- **GPS/remote sensing**: Measures geo-spatial outcomes
- **Competitor monitoring data**: Collects competitor sales data

Verification Approaches

With appropriate data gathered from relevant sources, the verifier can evaluate if competitors have legitimately reached payment indicators and triggers. Possible verification approaches may include one or more of the following:

- Traditional audits
- Self-reporting and spot checks
- Surveys
- Quality tests/registration

Combining Self-Reporting and Spot Checks in Kenya

In Kenya, AgResults incentivized the sale of on-farm storage technologies to smallholder farmers. The competition combined self-reported sales data, audits, and spot checks to verify sales. To qualify for prizes based on total storage capacity sold to farmers, competitors submitted data on the storage capacity of technologies they sold to smallholders and shared transaction data for audit. The verifier complemented this competitor data with spot checks to ensure smallholder farmers were using the technologies.

Designing Verification to Avoid Perverse Incentives

To create a comprehensive yet pragmatic verification plan, designers carefully consider the available data, payment indicators, and incentives for fraud or gaming by competitors. An incomplete or inadequate verification plan may create perverse incentives for competitors and encourage them to engage in undesirable behavior, undermining the entire program.

Potential Perverse Incentives	Mitigating Perverse Incentives
Reporting: Competitors reporting false results and receiving awards.	Complement competitor data verification with audits or spot checks.
Conflict of Interest: Verifiers failing to maintain independence from competitors.	Carefully vet and continually track the activity of verifiers.
Gaming: Competitors skewing delivery to verification standards rather than desired outcomes.	Include multiple complementary verification methods incorporating multiple data types.

Project Management for Prize Competitions

Project management is the range of activities implemented during a prize competition. Depending on the implementing organization, the parties responsible for project management may vary: Although AgResults contracts a third-party project manager through a competitive procurement, other organizations may choose to have the prize designer also manage the project. This project manager usually has a significant field presence and existing relationships with potential competitors and other stakeholders, such as government officials, industry, and donor organizations.

Some aspects of project management fall outside the scope of prize design, but a complete design includes the anticipated project manager role and activities, such as:

- Rule finalization
- Dispute resolution
- Competitor engagement and recruitment
- Coordination with other stakeholders
- Continuous learning and adapting
- Progress reporting
- Communications
- Verification oversight

External Evaluation

Apart from project management, project donors may also consider developing an evaluation plan. An objective external evaluation, which systematically documents the benefits of investment and identifies strengths and weaknesses of a competition strategy, can significantly enhance a prize competition. Evaluations can also highlight the need to potentially course correct partway through if a project does not appear to be on track to achieve the intended goals, and, when possible, compare the outcomes of the investment to outcomes that would have obtained in its absence.

These evaluations enable donors and prize competition developers to assess the program's impact on beneficiaries, positioning programs to go beyond monitoring payment indicators and look at broader outcomes to create lessons learned for future prize designs.

Wrap-Up

In the last phase of prize design, designers define the competition's verification and project management approaches. Verification plans include multiple methods to ensure that competitors have followed contest rules. Conventional verification methods, including sales audits and competitor self-reporting, should be matched with additional measures such as spot checks, targeted surveys, or quality tests. Lastly, at the core of a complete design is an articulation of the anticipated project manager role and activities. This prize management guidance should include efforts to increase awareness, manage stakeholders to mitigate risks, and share lessons learned to encourage continuous improvement. Collectively, well-designed prize verification and project management plans round out a strong prize design, enhancing the likelihood of project success during implementation and lasting impact.

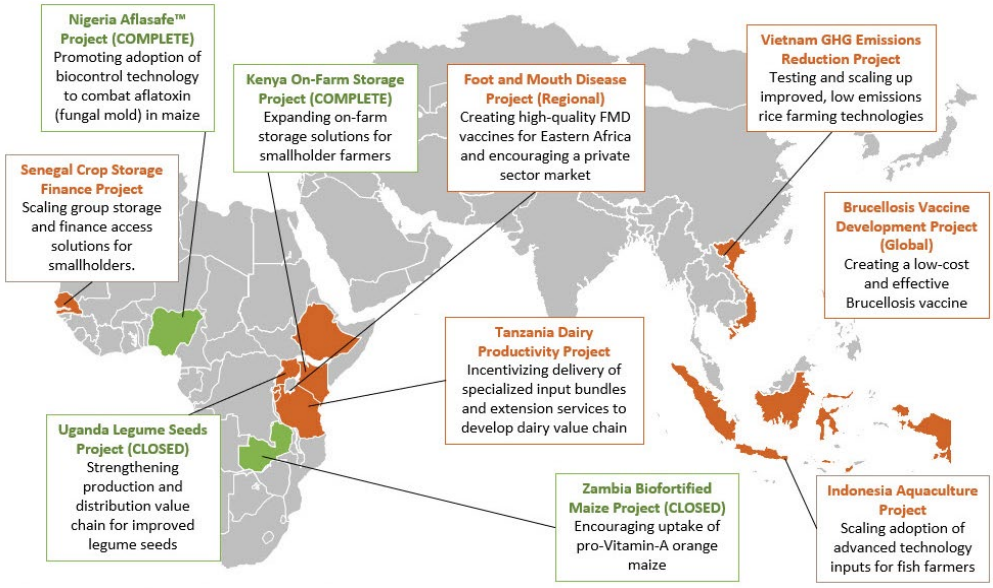
Want to learn more? For step-by-step instructions and detailed guidance on all five phases of design, check out AgResults' Pay-for-Results Prize Competition Toolkit.

About AgResults

AgResults is a $152 million collaborative program between the governments of Australia, Canada, the United Kingdom, the United States, and the Bill & Melinda Gates Foundation that funds agricultural Pay-for-Results prize competitions. Since 2013, AgResults has designed and implemented these competitions to incentivize the private sector to overcome specific market barriers and solve food security challenges — particularly for people living in poverty. AgResults competitions fall into one of two categories: 1) prizes that incentivize the Research and Development (R&D) of a new solution or product to address a market failure; and 2) prizes that encourage the development of innovative delivery models and encourage smallholder farmers to adopt an existing product or service at scale.

For more information on AgResults' approach, as well as its current portfolio and suite of learning products, please visit https://agresults.org/

Our Portfolio



Our Impact

100 Competitors Engaged

383,618 Smallholder Farmers Reached

$12.5 million Prize Funds Awarded

For more information, check out the Learning Library on the AgResults website: http://www.agresults.org/learning

AgResults
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AgResults is a partnership between:

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