

BACKGROUND PAPER: LOGIC MODEL

The FNII Logic Model

This background paper is about the FNII logic model. The logic model is a framework to support institutional design. As the name implies, it should lead to a logically consistent proposal. There are four main elements to all logic models with each element flowing into the next, as represented below:

[Problems] → [Solutions] → [Requirements] → [Outcomes]

1. Problems – These are usually current undesirable outcomes. They are also called opportunities for improvements.
2. Proposed Solutions / Innovations – These are a series of innovations intended to address each problem or opportunity.
3. Institutional Requirements for Innovations – These include legislative, governance, staff, business lines and other design elements.
4. Expected Improved Outcomes – These are also called performance measures and are used to evaluate success of innovations.

The table below summarizes the preliminary FNII logic model.

Problems, Undesirable Outcomes, and Opportunities for Improvement	Proposed Solutions and Possible FNII Innovations to Address Problems and Undesired Outcomes	Institutional Requirements to Implement Solutions and Innovations	Expected Improved Outcomes and Performance Measures
Improvements not implemented	<ul style="list-style-type: none"> • Research as fulcrum for policy • Strong testing methods • More local jurisdiction • Data base of infrastructure and project success 	<ul style="list-style-type: none"> • R&P BL (staff) • Pilot project testing methods (staff) • FN and Regional partnerships • IT support and development • Expertise on FNII DB 	Improvements researched, tested and with success implemented; database of successful projects and innovations; more FN management and maintenance of infrastructure
Higher initial capital costs	<ul style="list-style-type: none"> • Lower admin costs • Standards for multi-year funding • Integrated planning support • Aggregations and procurement • Capacity support 	<ul style="list-style-type: none"> • Focused infrastructure mandate in Corporate Services BL (staff) • Longer term funding formula • Efficient governance for decisions • FN and regional partnerships • Capacity Support BL (staff) 	More resources devoted to elements of infrastructure cycle instead of admin; fewer cost over-runs because of improved planning supported by standards, training and support

Problems, Undesirable Outcomes, and Opportunities for Improvement	Proposed Solutions and Possible FNII Innovations to Address Problems and Undesired Outcomes	Institutional Requirements to Implement Solutions and Innovations	Expected Improved Outcomes and Performance Measures
Higher major repair costs	<ul style="list-style-type: none"> • Integrated long-term planning • Standards and review / accountability mechanisms to ensure no diversion of infrastructure funding • Inclusion of economic and fiscal sustainability criteria in ranking framework to recalibrate incentive structure 	<ul style="list-style-type: none"> • Standards making powers • Capacity Development BL (staff) 	Fewer major health and safety events; reduction of pre-mature rust-out occurrences; improved efficiency / accountability of O&M dollars
Review process takes too long	<ul style="list-style-type: none"> • Standards, laws and templates • Certified professionals 	<ul style="list-style-type: none"> • Standard and certification powers • R&P and SLT BLs (staff) 	Shorter review processes; and standards maintained or raised
Operational lifecycles too short	<ul style="list-style-type: none"> • Improved maintenance training • Possible pooled insurance • Standards maintained 	<ul style="list-style-type: none"> • Link funding to standards • Capacity Development BL (staff) • Implement innovations (i.e. insurance) 	Training, standards and maintenance to support more durable infrastructure; innovations to increase durability; and affordable insurance options
Funding methods not sustainable	<ul style="list-style-type: none"> • Separate maintenance from capital funding • Expanded revenue options 	<ul style="list-style-type: none"> • Separation of transfers for long term O&M, major capital, minor capital, and planning and design • FNII in FMA for more fiscal powers 	Stable funding for O&M and capital, more revenue options, improved fiscal relationship to sustain infrastructure
Inadequate access to long term capital	<ul style="list-style-type: none"> • Expand access to FNFA • Utilize other revenue options • Staple financing option and templates for PPP-type option 	<ul style="list-style-type: none"> • FNII in FMA and blended FNFA options for financing • FMB-FNII standard coordination • Standards making power • PPP expertise and SLT BL (staff) 	More infrastructure built sooner; less overhead on funding; more certified FNs; greater access to PPP options

Problems, Undesirable Outcomes, and Opportunities for Improvement	Proposed Solutions and Possible FNII Innovations to Address Problems and Undesired Outcomes	Institutional Requirements to Implement Solutions and Innovations	Expected Improved Outcomes and Performance Measures
Infrastructure doesn't support economic growth	<ul style="list-style-type: none"> • Economic sustainability standards • Integrated economic planning 	<ul style="list-style-type: none"> • Standard making powers • Capacity Support BL 	More economically and fiscally sustainable infrastructure built

Abbreviations: R&P = Research & Policy. BL = Business Line.

O&M = Operations and Maintenance. FNII DB = FNII Development Board.

TWG = Technical Working Group. JWG = Joint Working Group.