



Analysis Template

Name of Project Being Analyzed

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This is the section where you will summarize your analytical conclusions, with the summary opening being something to the effect of: “Our analysis indicates that this project produces X Hu.”

Major elements of this summary could often include:

- Which components of the project’s impact are included in the analysis
- The units of measure used in each component to judge the amount of auditable impact that has been achieved by the project
- The magnitude of the problem being solved for each component of the project
- The rationale for how the magnitude of the problem was estimated
- An overview of the uncertainties associated with your estimate of the problem magnitude
- A summary of what could be required in order to scale the project to maximize potential impact
- A summary of where further work could be directed to improve either the estimates around this project or application of the Hu methodology to this project

This template is designed to be adaptable to the project and its aims. It can be used to form a structured basis of an investment memo, an operational vetting document, an academically rigorous analysis, or anything in between. Please note, therefore, that this is merely an indicative summary; feel free to add or omit as necessary and applicable to your project.

PROJECT SUMMARY

This section will include a *summary of the project, its objectives, characteristics, and stated impact*. For example, a food recovery program named ABC Food Security may state that it coordinates volunteers in the Des Moines metropolitan area, they specialize in rescuing food from conferences or special events, and rescue an average of 500,000 pounds of food per year. Alternatively, a habitat restoration program named Johnny’s Prairies states that, due to its contracts with farmers in Western Nebraska, it brings under-used ground back to native prairie, and has already converted back over 600 acres to native prairieland.

The project overview can be as expansive or short as desired. The two items that **MUST** be covered in this section for each area of impact are:

- *Catchment* – how does the project determine who or what can be served?
- *Units of Impact* – how does the project measure its impact, with some projects having multiple measures? In the examples above, the food rescue project is measuring impact in pounds of food recovered, and the land restoration project is measuring impact in acres of reclaimed prairie.

Some projects may be producing multiple impacts at once. For instance, a project that is installing riparian buffers may be measuring its impact based on the (i) acres of riparian buffer created, (ii) density of vegetation created, and (iii) number of specific species observed in the buffer. Each of these would be

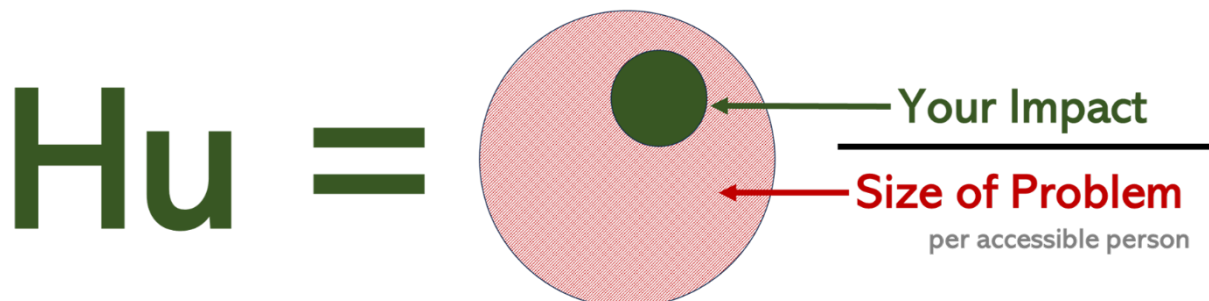
¹ Lead Author affiliation, Role, Address, Email, Phone Number (optional)

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analyzed quasi-independently, with each having its own Magnitude of Problem.

SIZE OF PROBLEM

The Size of Problem (SOP) in a Hu analysis is truly the heart of the Hu analysis, being most similar to the Serviceable Addressable Market (SAM) in a TAM-SAM-SOM analysis. Successfully completing an SOP has a few general steps that will vary in complexity according to the nature of the project in question.



First, the SOP must account for the fact that *most projects do not have infinite reach*. As such, it must evaluate the impact being created within the market it is choosing to serve. For example, while food insecurity affects roughly 44,000,000 residents of the 333,000,000 present in the United States as of 2022, this problem may be greater or lesser in specific communities. Therefore, if an organization only services X County, USA, it must account for the portion of those who are food insecure within that defined boundary.

Second, the SOP must be converted into the same units as the impact being tracked. For instance, if the food rescue organization tracks how many pounds of food it is rescuing and has chosen to focus on X County which has 150,000 food insecure people, the magnitude of this food insecurity must be predicted in the number pounds of food that would be required each year to eliminate food insecurity. In the case of food insecurity in X County, we might look at the average person who is food insecure and estimate that they would need at least 100 meals per year in order to eliminate their food insecurity. If we assume that one meal is made up of 1.2 pounds of food, we would see that each person who is food insecure in X County requires an additional 120 pounds of food per year. Multiplying by the number of people with this level of insecurity produces an estimated SOP of 18,000,000 (i.e. 150,000 x 120) pounds of food per year needed in X County in order to eliminate food insecurity in the area being serviced.³

It may initially be difficult to come up with a framework for converting the SOP into the required base units, so it may be helpful to simplify our thinking around the following types of questions. For example, the analysis in the food recovery project could ask: “if we eliminated food insecurity in X County, how many additional pounds of food would have needed to be made available to food insecure people?” Similarly, for projects that are restoring natural habitats for a specific species of animal, one could ask: “if the animal being protected were to be given all of the habitat is needed, how much habitat must we provide?” Alternatively, for projects that are attacking poverty by adding local jobs, one could ask: “if everyone who was financially insecure was provided an opportunity to work, how many jobs of what type would be needed?”

When explaining to the reader your logic of the SOP analysis section, specifically stating any simplifying question may be very useful.

ESTIMATION UNCERTAINTIES

Any assumptions used in the SOP analysis that are not obvious should be stated in this section. For

³ Most will recognize that not all pounds of food are the same, and the issue of caloric quality in most food recovery programs is of vital importance. For example, the manner of rewarding typical food recovery donors incentivizes donations so that low quality calories like bread flood most markets. These types of issues can be noted in this section using footnotes, or discussions on how the caloric quality should be accounted for as a non-linear factor in the SOP could be expanded upon in the Opportunities for Refinement section.

example, if a population that is within the catchment of the project has significant skewness within a particular quality, yet a normal approximation is the best available, stating this knowledge of skewness and the use of normalcy would be an important item to mention. Alternatively, if the project has impact data for a certain year, however the SOP was performed with data from a different year, this type of misalignment should be noted.

This section does not have to be extensive, and any justification of any estimate does not need to be more extensive than the relative magnitude of the estimate's importance.⁴

HU ESTIMATION

Hu is calculated as the impact per year divided by the SOP per year. For a project that has multiple impacts, the total Hu of that project is equal to the sum of all Hu for each impact component.

Since any non-linearities or other complexities are contained in the SOP analysis section, this section will likely be very brief.

OPPORTUNITIES FOR SCALABILITY

In this section, an analysis could consider where targeted investment in this project could produce the most impact. Successfully completing this section is aided by asking questions such as:

- Is it possible to scale the project by 10 times?
- What would be required in order to scale the project to 10 times the impact? How would you quantify this?
- Why invest in this project or its components rather than alternatives?
- In which ways are these components more efficient than the alternatives?

For projects that are producing, or could generate RACs, this section would help explain how the proceeds of such a RAC voluntary offset could be used, assisting to solidify any valuation estimate.

OPPORTUNITIES FOR REFINEMENT

This is essentially a conclusions section where the author has the opportunity to critically review the project, the analysis, or the Hu analysis methodology. This section is expected to offer high-level suggestions and reference follow on research or alternative research reports.

⁴ For example, a brief note that “the centroid of the population center is uses a Gaussian bivariate normal assumption that does not account for likely skewness” would be more than appropriate.