

# MONITORING AND RESULTS MEASUREMENT IN KATALYST

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## Annex 1: Comprehensive Sector Strategy

**What is it?** Document which provides a detailed overview of the sector we are working in and the types of strategies and intervention areas to be undertaken in that sector

**When is it written and reviewed?** The CSS will be prepared once it is decided to work in the sector. The paper will be reviewed and updated annually based on the outcomes of the portfolio review

**Who writes it?** The sector team writes the comprehensive sector strategies. The MRM team supports the use of in-house and secondary data to develop the strategies

**Who reviews it?** Reviewed by the respective group managers, MRM managers, sector director and MRM director

**Who approves it?** Approved by the respective sector directors and the GM with consultation of the MRM director

**What should it include?** The chart below gives a brief idea of what a typical comprehensive sector strategy paper should contain:

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1 RATIONALE .....	2
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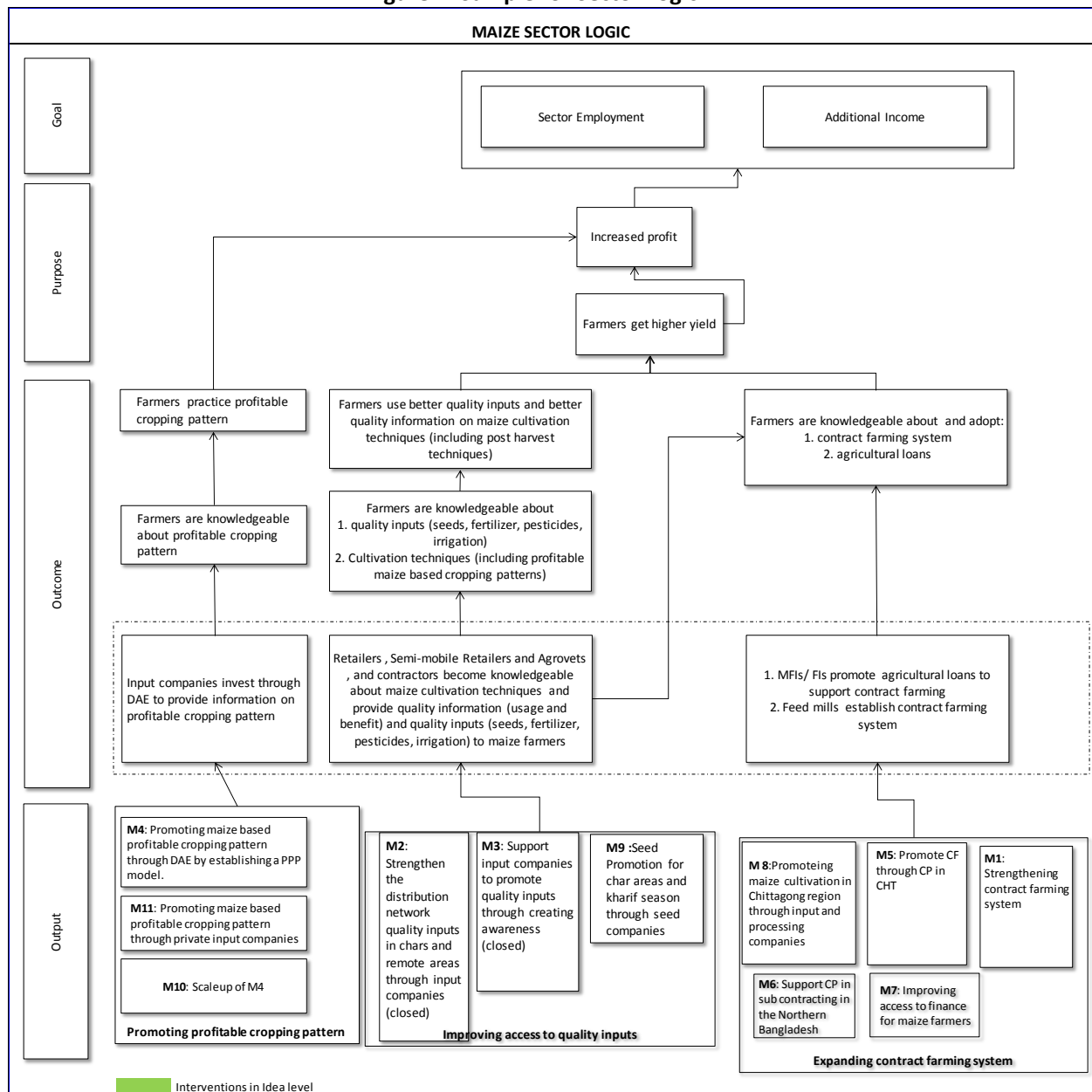
## Annex 2: Sector Logic

Within each sector under Katalyst scope, there are several strategic objectives; which in terms are defined into intervention areas. Relevant interventions are grouped together under a single intervention area with the goal of achieving a strategic objective.

This is basically a flowchart – similar in structure to the intervention logic. No numbers are provided in the sector logic.

The sector logic provides an overview of all interventions and is consequently aligned with the intervention logics. It shows however not all the details of the intervention logics.

**Figure 1: Sample for Sector Logic**



## **Annex 3: Portfolio Review:**

### **What is a portfolio review?**

Portfolio review is an assessment process of synergies and cooperation between various sectors. Besides the sector review process (see annex 4), once a year the comprehensive portfolio of Katalyst is reviewed. Where all sector performances are assessed and critical decisions about eliminating, downgrading, expanding and/or replacing it by a new sector are made.

### **Purpose of the review**

A portfolio review is done on an annual basis to assess the sectors' performance with their relations to each other and take decisions about the next steps and accordingly for setting targets for the next business plan.

### **How is the meeting conducted?**

The wider CLT comprising of group directors and group managers participate in the meeting, and the General Manager chairs the meeting. Each group director is responsible for presenting an overview of the sector performance over the last year. Following would be a typical outline of the content presented:

- Performance overview:
  - Contains an overview of the overall logframe target for the phase, and the target set for the reporting year. Highlights the vision, and constraints of the sectors and intervention areas selected to work on
  - The key achievements of the sector: Milestones and impact figures with respect to the target set
  - Brief overview of the intervention:
  - A brief overview on what were the interventions, numbers of interventions, how many worked, if there were intervention that were discontinued and/or intervention they have or are planned for scale up. How much was spent for the sector and per intervention, what percentage of this budget is of the overall sector budget (for the phase)
- Learning:
  - What are the key learning over the year, what has worked and what has not worked? Highlighting why something didn't work, what were the underlying causes; and how these learning have been incorporated
- Summary of achievements:
  - This section should give a return on investment calculation for the sector in terms of the money spent and impact achieved. This will be presented intervention wise as well as per sector
  - A highlight on the key strategy, which was the biggest achiever and which can be implemented elsewhere; a highlight on the key drawbacks of intervention design/planning and/or implementation
  - An overview of work relationships with the co-facilitators and where there is need for change
- The way forward:
  - What are the scale up plans ( if there are any , for which interventions and why)
  - Decision on exit, expansion or cutback on the scope of sector work and budget. (Why and which way?)
  - Need for additional MRM work

**Discussion and Decisions process:**

- Each presentation is made by the directors and followed by a question and answer session
- The protocol of decisions needs to be documented for later evaluations and reviews.
- Upon completion of all the presentations, the proceedings of the presentations lead to an open discussion to identify and agree on classifying the sectors into the following categories:
  - A. Has the potential for expansion
  - B. Has the potential to be explored (new sector)
  - C. Shows the maturity to be downgraded
  - D. Is a question mark in terms of continuation
  - E. On hold (lacks enough information for decision making)
- Each of the sectors that will fall under category C or D will have a bilateral meeting with the General Manager, where they will discuss and agree on the next steps

**Preparation for the portfolio review:**

All the sector teams need to have the following documentation and information available before the portfolio review:

- **All impact assessments** due before the portfolio review are done and documented
- **All the intervention plans**, updated with actual data, are available till date
- All the sector logics get updated with inputs from the updated intervention plans
- The Sector progress report is updated and has an overview of achievements and learning points
- Documentation of a list of key learning points/constraints faced during the reporting period that are pending for discussion
- Organizing the scale up strategies for discussion

**Deliverables of the portfolio review meeting:**

- A decision on follow up activities (if there are any)
- A revised target for the following year and if necessary for the logframe as well
- A detailed discussion and/or decision log regarding the sector
- A 6 months long operations plan for sector activities

**Deadlines and approvals:**

- Within two-weeks from the portfolio review presentation, management reaches a decision about downgrading, expanding, exiting and/or replacing a sector
- For sectors which are put on category E, (i.e. on hold), a decision needs to be reached no later than the next quarterly review
- Each sector (irrespective of category), within a month from the portfolio review presentation, will have to submit and get approval for all the required deliverables in terms of revised targets, 6 months long work plan and the decision log

**Criteria for assessing the sectors:**

Following are some of the key criteria that can be used for assessing the sectors' performance:

- Pro-poor relevance
- Growth potential
- Scale up potential
- Breadth of impact (potential outreach)

- Depth of Impact (potential extent of income benefit for SMEs)
- Feasibility of intervening/Scope of work
- Cost benefit ratio
- Relevance to Gender and ESRB

## Annex 4: Sector Review

### What is a sector review?

Every year each sector is assigned an annual target against the logframe target for the sector; this target is then translated into a detailed annual operational plan with quarterly and semi-annual milestones and achievement targets. Each sector's performance is then reviewed at least twice a year to assess the progress against the annual targets set, the operational work plan serve the basis for checking progress. As an outcome of the sector reviews, the work plan is revised and milestones are reset for the future. Depending on the situation of the sector, the portfolio or the project, sector reviews may have different focuses.

### Purpose of the review

The sector reviews are done to assess the sectors' progress and accordingly take decisions about the next steps and to revise the work plan for the current or next planning period.

### How is the meeting conducted?

The sector team, the respective Director, MRM focal point and the MRM Group Manager and/or the MRM Group Director participates in the meeting. The General Manager is invited, the Group Director chairs the meeting. Each group manager is responsible for presenting an overview of the sector performance over the last period. The agenda is usually prepared by the MRM-group.

Following would be a typical outline of a sector review meeting:

<b>1<sup>st</sup> Session</b> Sector analysis	Presentation: Overall sector situation Where we observe changes against the CSS? Where are external risks?	Sector team
	Response	MRM
	Discussion	All
<b>2<sup>nd</sup> Session</b> Star interventions	Presentation : Which interventions generate outreach and impact? Are crucial for systemic change? Have a strong gender component? What are their costs? Other critical issues?	MRM-focal person  Sector team
	Response sector team, gender group	Sector team, gender group
	Discussion	All
<b>3<sup>rd</sup> Session</b> Systemic change	Presentation: referring to Adopt/Adapt/Expand/Respond Assessment of relevance for the market by: Outreach of beneficiaries service providers partner enterprises (scale agents): qualify as market dominators, trendsetters, innovators, followers	Sector team
	Response	MRM
	Discussion	ALL
<b>4<sup>th</sup> Session</b> Decisions	Decisions on next steps are taken and communicated for the minutes of the meeting	Group Director, General Manager

## **Annex 5: Intervention Concept Note**

### **What is an Intervention concept note?**

Intervention concept note is a document containing the raw idea of an intervention, supported by field or secondary data and depicting the objective and the vision of the intervention to achieve its desired outcome.

### **Checklist of information for writing an intervention concept note**

- Brief introduction of the sector and its constraints: (maximum half a page)
- Intervention Idea: Give a brief narrative about the raw idea of the intervention and how it can lead to its desired objective
- State the main objective of this intervention
- What constraint(s) do this idea address
- Who are the potential partners who can implement the intervention(s)
- What are the potential entry points/ service providers for this intervention(s)
- Who are the target audience? State field data such as typical income level, household size, location, gender, profession etc. and compile them into a profile of the target audience
- Potential Risks: how dependent is the intervention on other factors which may affect the impact of the intervention? Do we have any prior similar experience which indicates the likeliness of success of this intervention
- Study the issue of displacement and explain whether this is likely to be an issue in the intervention. If issues do arise, what should be the ways to mitigate them

### **Who develops the concept note?**

The business consultant of the sector teams plans and writes the concept note with field data and secondary data to support their intervention ideas

### **Who reviews it?**

The MRM consultants will review the quality and validity of the data used in the concept note and also, whether it has followed the guidelines and met the minimum criteria of any concept note.

### **Who approves it?**

The group Director MRM establishes a recommendation for the attention of the General Manager who finally will approve the resulting activities/contracts. In cases of major interventions (financial volume, relevance for other sectors, long duration), the concept note will be discussed and approved by the CLT.

### **All concept notes must pass all the criteria mentioned below:**

- The concept note has a clear pro-poor strategy showing how the intervention idea will lead to poverty reduction for the target group
- The concept note has a potential target group identified. E.g. ideas on where the intervention should be implemented to get the desired results
- A set of potential partners or sub-contractors are identified, who are capable of taking the work forward should the intervention get approved
- Ideas on potential service providers or entry points for the intervention have been mentioned in an articulate manner
- It has a clear exit plan showing how and at what point the intervention will end



- It addresses Gender and ESRB issues relevant to the idea
- The data used in the concept note has been properly sourced

The above criteria can be used as a means to evaluate concept notes. Typically, MRM consultants will use it to review the concept note and provide feedback to the team if anything is missing. The final approval of the intervention concept note will be by the director who may also use these criteria and other relevant issues to make his or her final decision.

## Annex 6: Impact Logics

The impact logic<sup>1</sup> is a tool that shows the causality of impact at different levels. It shows how programme activities will influence particular systems, how changes in these systems will affect enterprises, and how those changes in enterprises will ultimately reduce poverty and/or contribute to other development goals.<sup>2</sup>

### Impact Logic Preparation Guidelines

The following is a basic guideline for drawing an intervention impact logic. Note that it is a general guide; sector teams may make small changes as appropriate, provided they are approved by the MRM manager.

1. Write down the main activities Katalyst plans to undertake in order to address a certain sector constraint. Typical questions to ask are:
  - Does one activity lead to another or will they be undertaken simultaneously
  - Do they all target the same service providers or do they target different service providers
  - Do they all aim to produce one specific change in service providers' capacities or are they aimed at different changes
2. Describe the main change(s) in service providers' capacities and behaviours that are expected to result from Katalyst activities:
  - a) Insert different boxes for each type of service provider
  - b) Add a different box for each major type of change
3. Describe the expected changes in the interaction between service providers and SMEs, and/or SMEs' increased use of the service
4. If service providers are expected to crowd in, include a box for this change.
5. Describe the specific changes in SME behaviour that are expected to result from increased use of the service and/or interaction with the service providers. If appropriate, draw two boxes for this change:
  - a) One box for those SMEs accessing services from directly-reached providers
  - b) A second box for SMEs reached through providers that have crowded in *or* SMEs that copy directly-reached SMEs
6. Draw two boxes for the SMEs improved performance. In some cases, there might be two layers of improved performance (increased productivity leading to increased profits):
  1. Directly reached SMEs go in one box
  2. Indirectly-reached SMEs go in the other box parallel to the directly reached SME box
7. Draw a box for the Cumulative Net Additional Income increase for SME owners that result from SMEs' improved performance.

Note that the numbers in the boxes will be separated by direct and indirect impact and that all universal impact indicators (outreach, net income increase) are listed.

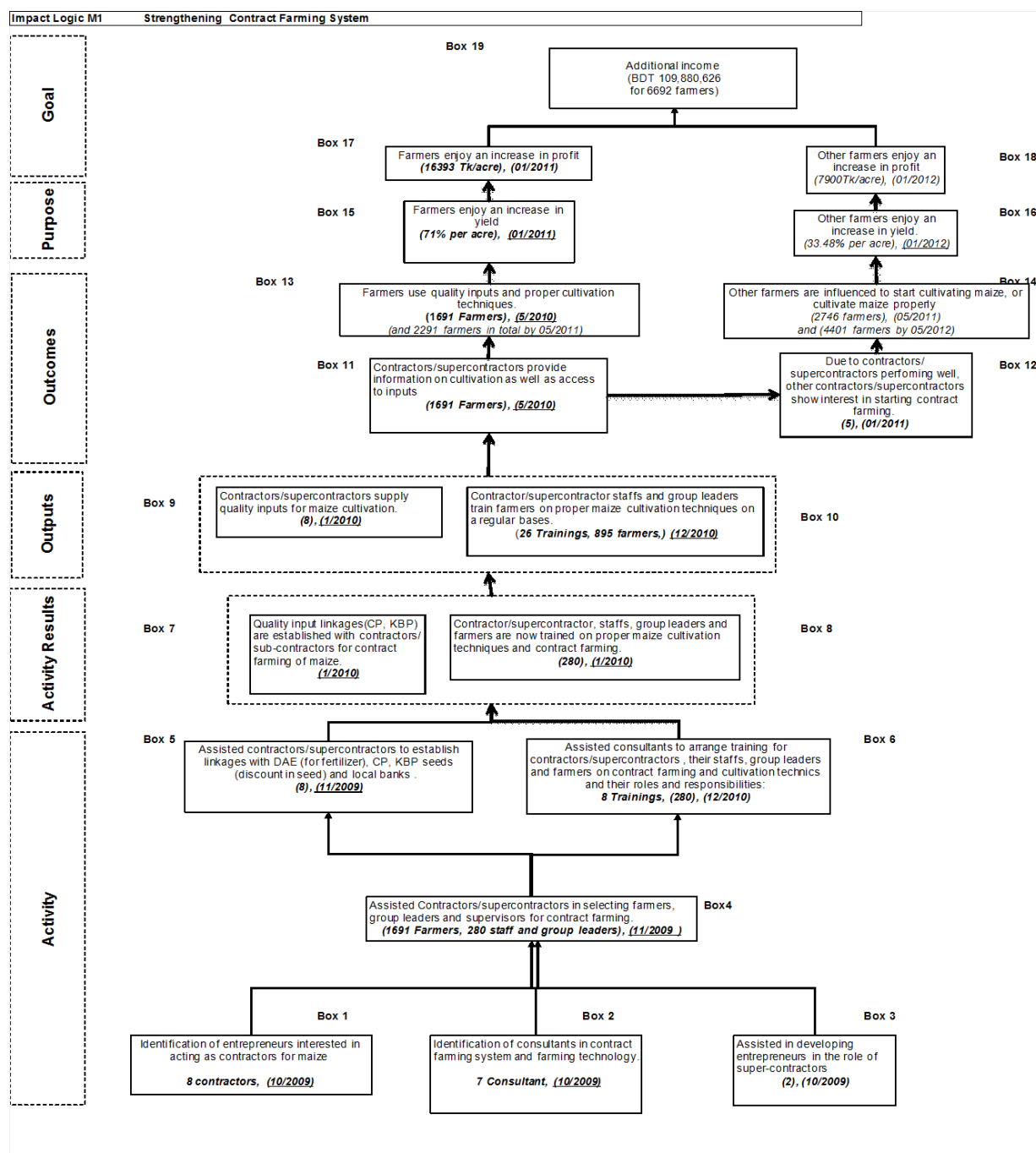
The intervention impact logic is summarized in the following diagram. Note that this diagram is simplified; additional boxes and arrows may be needed.

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<sup>1</sup> Impact Logics are also known by a variety of other names such as Causal Models, Causal Chains, Impact Models or Results Chain. The term 'Impact Logic' will be used throughout this document, as per Katalyst norms.

<sup>2</sup> Measuring Achievements in Private Sector Development: Implementation Guidelines (Version 1g, 5th March 2010), *Donor Committee for Enterprise Development*

Figure 2: Example of Intervention Impact Logic

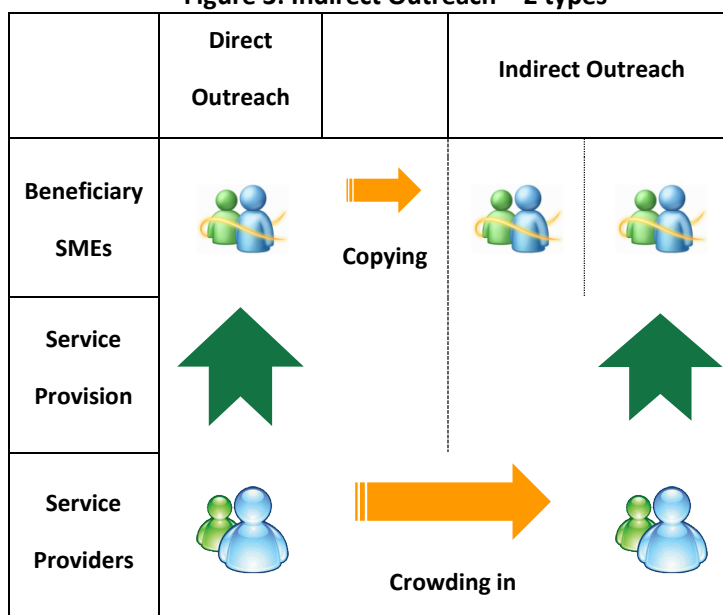


### Checklist for Developing Impact Logic

While developing an intervention impact logic there are some points that needs to be taken into consideration. A checklist has been compiled below which should be adhered to when preparing a logic. They are mainly dos and don'ts that one should be aware of. Note that this is not an exhaustive list, and through time and experience new things might need to be added.

- **Focus on Causality:** The logic needs to be constructed in a manner that properly explains the causality between two levels. Therefore, logic should have causality starting from activities up to goal level. However, it is also possible to have interventions like (capacity building and/or policy change) that only have a causal link and impact up to outcome level. The key is to have a careful and thorough check on causality while constructing the logic.
- **Statements should be specific and result oriented:** Each box in the intervention logic should carry specific achievements or result oriented **complete** statements written in **past tense**. The statements should make it clear, who is implementing an activity or making a specific change. Not all activities in an intervention are recorded in the logic, however, critical activities delivering significant result, are included at the activity level with corresponding dates and relevant figures
- **Should use connectors:** In the impact logic, boxes should be joined using connectors rather than simple arrows. This makes the logic more organized and also makes it easier to move around the boxes and to update them
- **Numbered boxes:** Each box in an impact logic has a number. The numbers are placed sequentially starting from the activity level to poverty level. This number is used in the calculation sheet to link the measurement methodology to the relevant box and also to the MRM plan
- **Direct and Indirect Impacts<sup>3</sup>:** Direct and indirect impacts are kept in separate vertical lines in the impact logics. At the outcome level, it is necessary to make separate boxes for the enterprises showing 'copying' and 'crowding-in'. Copying occurs when farmers/SMEs directly imitate the behavioural change of the beneficiaries, and crowding-in occurs when the other service providers enter the market seeing the benefit of the service providers in the K-intervention

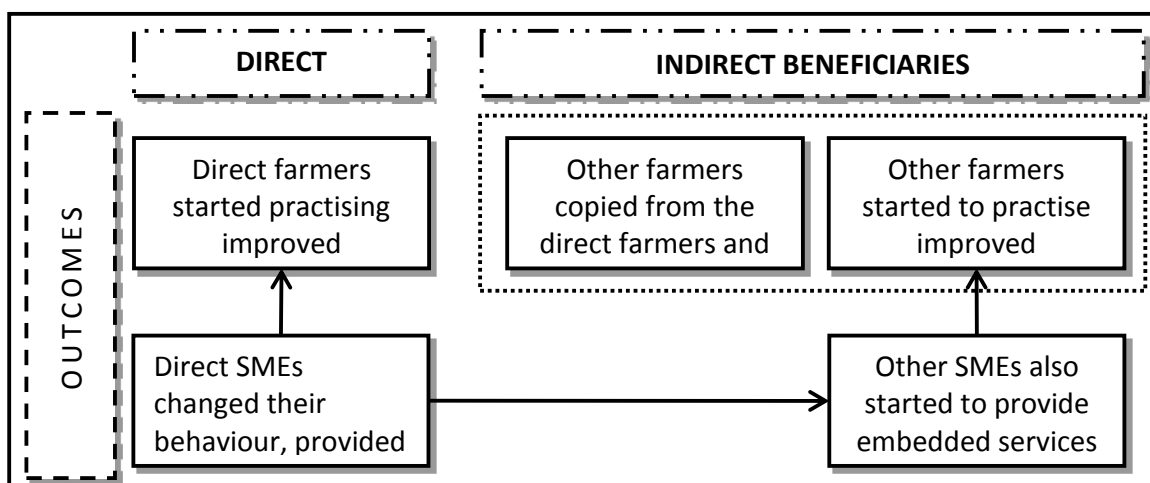
Figure 3: Indirect Outreach – 2 types



Impact in indirect outreach will be verified separately since it may be different from the direct impact.

<sup>3</sup> Indirect impact is only shown in the intervention Impact Logic and not in the Sector Logic

Figure 4: Indirect Outreach – Snapshot from Impact Logic



- **Dates and numbers formats:** In the intervention logic, both the dates and numbers are kept in 'italic' format and only the dates are kept in parenthesis. However there is a distinction between projected and validated numbers. Projected dates and numbers are kept in normal, italic font and when dates and numbers are verified they are kept in bold, italic format
- **Dates for projected impact:** Except for the goal level, projected dates in the impact logics reflect when change at a specific level can reasonably be expected; if the duration of an intervention changes, the projected dates are updated. Final dates in the impact logics are the dates when information was collected at that level. For the goal level, impact is projected for two year after the completion of the intervention or for at least three business cycles
- **Date projection:** In case of outcome, purpose and goal level impact, the date projected is kept at least 3 crop cycles or 24 months (whichever appropriate) ahead from the intervention activities end. All activities of interventions should not exceed 1 year
- **Impact numbers should be updated continuously:** Numbers at every stage of the impact logic should be updated whenever new results are available, either through observations or assessments. This would help to capture the level of impact accurately and portray any changes taking place in the market without delay
- **Number projection and calculations:** The numbers and the calculations in the impact logic are backed by well thought out assumptions and facts from the field. Facts or events that have taken place are used mostly at the activity level of the impact logic, thus making it less significant to justify them. However in majority of the boxes, numbers are assigned based on market observations, trends, and the field experience of relevant professionals, in which case the necessity to verify them becomes quite essential. The projection should be kept as realistic as possible
- **Assumptions:** The assumptions made in the logic should be clearly mentioned in the calculation sheet with the assumption boxes coloured in green
- **Assumption validation:** It is crucial that the assumptions in the impact logic are validated throughout the monitoring and impact assessment period by conducting necessary studies. Field researchers are to come up with a pragmatic and relevant impact number to support said assumptions

- **Number calculations and supporting information:** All calculations and information that support a particular number (whether projected or estimated) are included in the information sheet
- **Provide proper source:** It is of utmost importance that proper sources are quoted for each piece of information or calculation stated in the impact logic. This would not only strengthen the reliability of the numbers, but would also help to keep track of where the information was taken from and can therefore be easily modified when required
- **Sustainability mechanism:** Sustainability of the intervention is ensured by including any behavioural change taking place among the service providers and the beneficiaries in the market. This is done by including boxes at the outcome level which reflects crowding-in, copying or any change in business practice or behaviour of the service providers and farmers/SMEs
- **Capturing unintended effects:** The logic should also contain the scope of including unintended effects. Unintended effects maybe positive or negative, which were not anticipated while designing the logic. If through time these unanticipated effects become evident, the intervention design should be modified accordingly. These unintended effects (either positive or negative) could be captured in a separate box in the logic
- **Calculation sheet:** Each intervention impact logic should be supported by a calculation sheet and an information sheet. In the calculation sheet, the final numbers at each level of the logic should be kept in bold letters, placed in a bordered box and coloured blue. The information sheet should contain all data relevant to the information, while the impact record sheet will contain the summary of all baseline and impact information with sources cited clearly
- **Keep it simple:** The impact logic should be kept as simple as possible without losing the context. Unnecessary arrows and boxes should be avoided and if required footnote can be placed to clarify any particular issues

## Annex 7: The Intervention Plan

An Intervention Plan outlines Katalyst strategy and activities to achieve a specific change in a sector. Generally, each intervention addresses one specific constraint in the sector by developing a particular supporting service market. The intervention plan is mainly prepared for internal purposes.

### The Intervention Plan Process – An Overview

#### *What does it include?*

- Intervention title and service/product/information addressed
- Intervention duration and strategic partners
- “The story” – that is, what Katalyst plans to do, where and why
- Intervention impact logic
- Intervention MRM Plan
- Calculation Sheet
- Impact Record Sheet

#### *When is it written?*

- Once a sector strategy has been outlined, an impact logic is drafted. It may be written before or as an intervention is starting. It should be completed within a month of an intervention start date. The intervention start date is the date when the contract is signed with the partner organization or the co-facilitator in order to roll out the interventions.

#### *Who writes it?*

- The sector team with their responsible Group Manager and representatives of the co-facilitator<sup>4</sup>
- The MRM team writes the MRM Plan with the support of the sector team

#### *Who reads and reviews it?*

- The sector team
- The responsible Group Manager
- The Group Director
- The MRM focal point

#### *Who approves it?*

- The Sector Group Director
- The MRM Group Manager

#### *How often is it updated?*

- The original approved version of the Intervention Plan is saved (in a pdf format) and filed in order to have a record of the initial intervention strategy.
- The intervention plan is reviewed and updated prior to each sector review, i.e. at least twice a year.

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<sup>4</sup> With the purpose of building the capacities of co-facilitators and increase their ownership, they are encouraged to write the plans for their interventions. The co-facilitators are asked to prepare the intervention plan for each of intervention covering each of the contents (sheets) mentioned in the manual and they have to construct the cover page, background story, impact logic and MRM plan as per the exact specification of the MRM manual. However, they have a certain liberty to design calculation and intervention sheet as per their own requirements.

The intervention plan is usually written at the beginning each of the interventions. It is mainly prepared in an Excel workbook and has seven sections in seven separate worksheets:

- Cover page
- Background story
- Impact logic
- Calculation Sheet mentioning all sources and assumptions supporting the data
- MRM plan
- Calculation Sheet
- Information sheet

### Cover page

This is one page long and is present at the beginning of the plan for each intervention. It includes:

- Dates: Intervention starting date, expected activity closing date, expected monitoring closing date
- Intervention code
- Updated summary information on the intervention impacts: This would include outreach number and income generated for both direct and indirect beneficiaries.
- Any impact data available on Gender and ESRB, pertaining to an intervention, should also be mentioned here
- A section capturing the review dates and updates made to the document

**Figure 5: Sample Cover Page**

Intervention Plan: Piloting private sector extension service, using ICT as a tool for pesticide recommendations				
Sector	Vegetable			
Intervention Code	V-12			
Intervention Name	Piloting private sector extension service, using ICT as a tool for pesticides recommendations			
Starting date	Jul-12			
Activity closing date	Jun-13			
Monitoring closing date	Jun-16			
Implementor/Sub-contractor	GMark Consulting Limited			
Private Partner	Petrochem Limited (PCL)			
Impact Information:				
Outreach	2014	2015	2016	Total
Direct	2970			2970
Indirect		2970		2970
Annual total	2970	2970		5940
Per farmer Income increase (BDT)				
Direct	1269	1269		
Indirect		1269	1269	
Total Income increase				
Direct income	3768930	3768930	0	7537860
Indirect income	0	3768930	3768930	7537860
Total Cumulative Income	3768930	7537860	3768930	15075720
Additional Information:				
Gender				
This intervention does not directly address any gender issue.				
ESRB				
As the main target of this intervention is to implement proper usage of pesticide so we are expecting a positive impact on environment and health as potential excess usage of pesticide would				
Review Details				
Review Dates	Key Changes		Why	
06/12/2012	Completed 1st draft		Preparing draft	
23/12/2012	Updating information and calculation		Updating IP	



### Background Story

It briefly describes the story of the intervention, that is what is to be done and why. It also includes information regarding intervention duration, intervention cost, name of intervention managers, strategic partners and implementation partners, and other projects addressing the same target groups.

**Figure 6: Sample Background Story**

**Intervention Title: Strengthening Contract Farming system,  
Intervention code: M1**

**Business Service (s): Strengthening Contract farming system**

**Intervention Duration: October 2009 to May 2010**

**Report To be Updated: August 2011**

**Intervention Managers: Ehasanul Huq, Fahad Ifaz, Tawsif Saleheen, Mujaddid  
Mohsin, ASM Shahidul Islam, Zubeiri Mahmud,  
S.M. Shamim Hasan**

**Strategic Partner(s): SMORON, RMFT, ZAM, MFL, MWT, VVS, VVT, MOB, CP**

#### **1. THE STORY (WHAT DO WE DO AND WHY)**

Maize farmers are getting lower yield particularly in the chars because of lack of knowledge and information on cultivation techniques and inputs usage, unavailability of quality inputs and inability to purchase quality inputs on cash. The initial investment is a major limiting factor for the farmers in the chars for maize cultivation. In addition unavailability of quality inputs due to poor or no distribution networks leads to lower yield of maize in those areas compared to other maize growing areas where distribution is apparently strong.

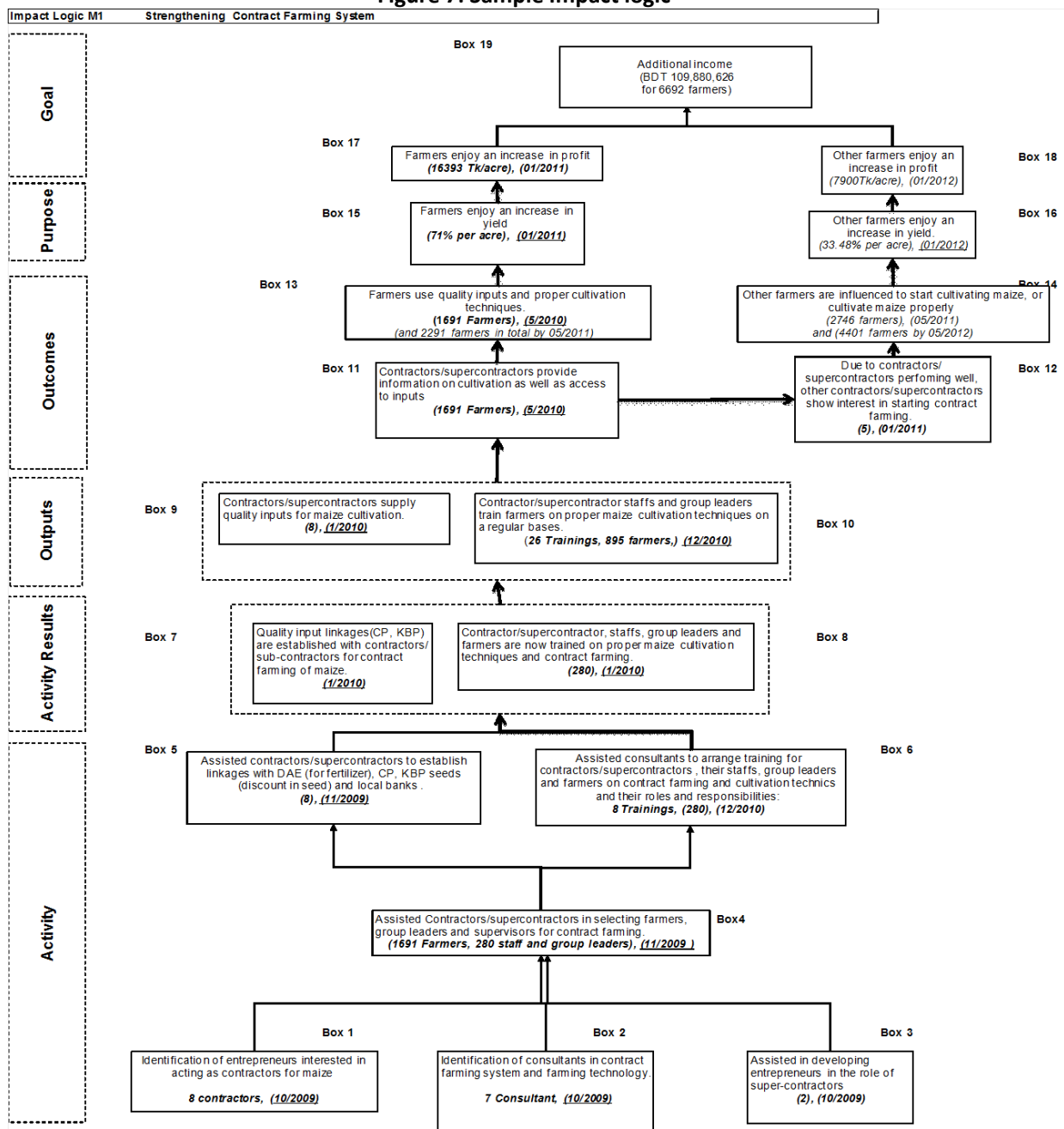
Contract farming is one of the ways to solve these problems most efficiently. In the first phase of Katalyst local contractors were developed and it has been found that there are some challenges for the contractors for their further expansion; finance is one of the major one among them. Katalyst plans to strengthen the contract farming system are as follows: a) build capacity of the established contractors through linking them with FIs (like Bank, MFIs etc), b) establish a sub-contracting system through feed mills, large importers and larger local contractors and c) develop and promote dedicated credit line for maize contractors. In general the contractors will be provided training and all kinds of exposure to improve knowledge of proper maize cultivation, create access to financial resources, inputs and markets. The contractor will provide quality inputs, training on maize cultivation, finance and buy back guarantee. So the contractor in other words will provide a bundle of services to the farmers. The contractors in turn will buy produces from the contracted farmers and sell those to feed mills or, in case of feed millers, will use for own consumption. In any case if needed their forward linkage will be established.

In char regions, in absence of formal financial institutions, contractors will fill that space. Also contractor might be an important medium for transferring knowledge to the farmers. Ultimately the production will increase.

### Impact logic

The third page of the intervention plan contains the impact logic. It describes the flow of activities and the cause & effect relationships that take place due to an intervention, ultimately leading to increase in income. It summarizes the expected changes at each level of analysis. There is a complete section on guidelines and checklist for preparing impact logic. A sample impact logic is given below:

**Figure 7: Sample Impact logic**



## Calculation Sheet

All calculations supporting the numbers shown in the impact logics are provided here with proper references to the logic boxes. All sources supporting the data should be mentioned. For example, interviews (mentioning respondent with contact info), field studies (with dates), assessment reports, attendance sheets, training participation lists, registration sheets, meeting minutes, etc.

**Figure 8: Sample Calculation Sheet**

Intervention Plan: Assumption & Calculation					
Box 1-10	<b>Calculation of Direct Access outreach</b>				
	Assumption: 1) Outreach through SAAOs will be 100% overlapped by that of other actors/activities 2) 50% of the SAAOs will reach the farmers 3) 50% of the SAAOs' outreach will get access to information, services				
	<b>Activity</b>	<b>Number of activities</b>	<b>Actors knowledgeable per activity</b>	<b>Total number of actors knowledgeable</b>	<b>Farmers outreach per activity/actors</b>
	Information dissemination workshop for their staffs on maize seed market in Char areas and Kharif season	1	50	50	0
	Workshop with DAE for quality seed promotion in Char areas and Kharif season	14	25	350	880
	Distributor/Dealer/Retailers' meeting	14	25	350	75
	Farmers' motivation meeting	85	73	6205	1
	Multimedia presentation on quality seed promotion and proper maize farming	20	500	10000	1
	Demonstration plots	60	1	60	1
	Side by side demo plots	15	1	15	1
Box 18	Field day and disseminated information on post harvest management	35	258	9030	1
	Dealers/traders/retailers' conference on outcome sharing on seed promotion in Char area and Kharif season	2	30	60	0
	Total access outreach with assumption 1				308000
	Total access outreach with assumption 2				154000
	Total access outreach with assumption 3				77000
	<b>Calculation of Direct Usage outreach</b>				
	Assumption: Access-Usage Discount ratio				
	Calculation: Direct Usage outreach is				
	50%				
Box 19	<b>Calculation of Direct Benefit outreach</b>				
	Assumption: 100% of the users will be beneficiaries				
	Calculation: Direct Benefit outreach is				
	38500				
	<b>Calculation of Indirect Usage outreach</b>				
	Assumption: Indirect farmers will be motivated when they'll find the direct farmers getting benefitted from quality seeds and proper maize farming techniques that have been promoted through the private input companies				
	Assumption: Farmer-Farmer copy ratio				
	Calculation: Indirect usage outreach is				
	1:01				
	38500				
Box 20-21	<b>Calculation of Indirect Benefit outreach</b>				
	Assumption: 100% of the users will be beneficiaries				
	Calculation: Indirect Benefit outreach is				
	38500				
	<b>Assumption: Increase in income and profitability is same for both direct and indirect farmers</b>				
	<b>Calculation of increase in production</b>				
	Assumption: Production increased due to usage of quality inputs and proper farming techniques				
	Factors	Unit	Rabi	Kharif	
	Present yield from per acre of land		75	45	
Box 22-23	Expected yield from per acre of land	Mounds	90	60	
	Increase in yield from per acre of land		15	15	
	<b>Calculation of production cost</b>				
	Assumption: Production cost changed due to purchasing quality seeds				
	Factors	Unit	Rabi	Kharif	
	Present production cost		18000	10000	
	Expected production cost	BDT	20000	13500	
	Change in production cost		2000	3500	
	<b>Calculation of profitability</b>				
	Assumption: Increase in profit is same for both direct and indirect farmers				
	Topic	Unit	Rabi	Kharif	
	Average increase in yield per acre of land	Mounds	15	15	
	Average increase in production cost		2000	3500	
	Price per mound		550	550	
	Average increase in income	BDT	8250	8250	
	Average increase in Profitability		6250	4750	
	<b>Calculation for Cumulative Additional Income</b>				
		2012	2013	Cumulative	
	<b>Outreach</b>				
	Direct		38,500	38,500	
	Indirect		0	38,500	
	Total		38,500	77,000	
	<b>Average Increase in Profit</b>				
	Direct	Rabi	6,250	4,750	
	Indirect		0	4,750	
	<b>Additional Increase in income</b>				
	Direct	240625000	182,875,000	240,625,000	182,875,000
	Indirect	0	0	240,625,000	182,875,000
	Total	240625000	182,875,000	481,250,000	365,750,000

Afrin: Rate of increase 20%

Afrin: Rate of increase is 35%

**Monitoring and Results Measurement (MRM) plan**

Along with each intervention logic there is an MRM plan which contains a list of all the elements in an intervention's impact logic, in the sequence that they occur. It is planning tool for data collection and impact assessment. It is a table that contains details on which indicators to be measured, how it will be done, who will do it and when it will be done for each level of activities. There is also an additional column stating the location (physical or online) of the documents mentioned in the 'What we have' column.

In particular the methodology chosen to assess the relation between cause and effect has to be well documented and justified. It finally represents the 'attribution strategy', i.e. the link between the model (results chain/impact logic) and the observed reality. (see also annex 10).

Co-facilitators have the liberty to use a number of survey tools and techniques to monitor and evaluate the interventions' progress and are not limited to only use the tools mention in Katalyst MRM manual. The key instruction given to the co-facilitators regarding data collection and measurement is that they maintain good standard research practice and proper quality check.

Figure 9: Sample MRM plan

MRM Plan		Impact Chain	Questions	Indicators	How?	Who?	When?	What do we have	
GOAL	Box 19	More income	Whether farmers and labourers have increased income? Why?	Net increase in income of farmers and laborers (male and female)	In depth interviews, Survey, FGD, KII	WI and K MRM teams/ Market teams			
	Box 18	Other farmers enjoy an increase in profit	Has the profits gone up? By how much has the profits gone up? Were they due to better prices, higher quality produced etc.?	Change in costs change in profits			Jun-11		
	Box 17	Farmers enjoy an increase in profit	Has the profits gone up? By how much has the profits gone up? Were they due to better prices, higher quality produced etc.?	Change in costs change in profits			Jun-11		
PURPOSE	Box 16	Other farmers enjoy an increase in yield	Has the yield increased? By how much has the yield increased?	change in average land productivity	In depth Interviews, FGD			Jun-11	
	Box 15	Farmers enjoy an increase in yield	Has the yield increased? By how much has the yield increased?	change in average land productivity				Jun-11	
	Box 14	Other farmers are influenced to start cultivating maize, or cultivate maize properly	How many new farmers start cultivating maize? How many change cultivation practices, why? How many are contract farmers?	# of new entrants # who change cultivation practices, list of changes made # who become contract farmers			observation, interviews	May-10	
	Box 13	Farmers use quality inputs and proper cultivation techniques	Are the farmers aware to use quality inputs?Are they practicing proper cultivation techniques? How many farmers are cultivating maize in the appropriate method?	# of farmers who changed cultivation practices, list of changes made				Jan-11	
OUTCOMES	Box 12	Due to contractors performing well, other contractors/ sub-contractors show interest in starting contract farming	Are there any potential new contractors? Why do they want to start contract farming?	# of contractors, reasons for starting benefits of contract farming	In depth interviews, validation survey			Jan-11	Assessment reports
	Box 11	Contractors/super contractors provide information on cultivation as well as access to inputs	Do the farmers get quality inputs? What kind of information do contract farmers inquire about the most?	# of farmers getting inputs, quantity of inputs received, timing of inputs inputs received	In depth interviews, validation survey			May-10	Assessment reports
OUTPUTS	Box 10	Contractor/super contractor staffs and group leaders are capable of training and updating the farmers on proper maize cultivation techniques on a regular bases	Are farmers visited regularly and updated on cultivation practices? Is the support effective for the farmers?	# of farmers in training, # of farmers completing the training average number of field visits per farmer	In depth interviews, FGDs		May-10	Field reports	
	Box 9	Contractors/subcontractors supply quality inputs for maize cultivation	What is the demand/ supply gap? Are the contractors capable to provide quality inputs?	# of farmers getting inputs from contractors Quantity of each type of input given to farmers and monetary value of inputs	Observation, Survey	WI and Mkt team	Jan-10	interview of farmers contractor records	
ACTIVITY RESULTS	Box 8	Contractor/subcontractor, staffs, group leaders and farmers are now trained on proper maize cultivation techniques and contract farming.	Was the training given, how many farmers attended the training? Was the training well received in terms of usefulness and absorption? Are group leaders and staff and farmers aware of their individual roles and responsibilities?	# of Training conducted # of farmers, staffs, group leaders and farmers are trained. # of farmers knowing the proper maize cultivation techniques # of farmers whose problems have been solved	Observation, post training evaluation	WI and Mkt team	Jan-10	List of attendees in trainings	
	Box 7	Quality input linkages(CP, KBP) are established with contractors/ sub-contractors for contract farming of maize.	Did the farmers get quality inputs at the appropriate times? Do the contractors have secure supply chains for their products?	Dates of delivery of inputs to contract farmer Demand for inputs vs. supply	observation, survey	WI and Mkt team	May-10	List of farmers receiving inputs	
ACTIVITIES	Box 6	Assisted consultants to arrange training for contractors/subcontractors, their staffs, group leaders and farmers on contract farming and cultivation technics and their roles and responsibilities	How many lead farmers and supervisors were trained? Were the trainings effective in delivery and absorption? Did the training address the needs of the farmers?	# of supervisors and lead farmers trained	observation	WI and Mkt team	Dec-09	List of trainees, Dates of trainings	
	Box 5	Assisted contractors/super contractors to establish linkages with DAE (for fertilizer), CP, KBP seeds (discount in seed) and local bank	Did the farmers get seed, fertilizer and finance in due time? Did the farmers get quality inputs ?	Amount of fertilizer received vs. demanded by the farmers and the cost per Kg Amount of Quality seeds received vs. demand Number and volume of loans received by contractors to finance the system	observation	WI and Mkt team	Nov-09	Spreadsheet detailing fertilizer and seed distribution, Amount of loans disbursed	
	Box 4	Assisted Contractors/super contractors in selecting farmers, group leaders and supervisors for contract farming	What were the criteria used to select farmers to act as contract farmers? Have the groups been formed and group leaders and supervisors selected?	# of groups List of farmers # List of group leaders and supervisors	observation	WI and Mkt team	Nov-09	Farmers' list, Supervisor and Group Leader List	
	Box 3	Assisted in developing entrepreneurs in the role of supercontractors	How many sub-contractors developed? What were the criteria for selecting entrepreneurs to be developed as sub-contractors?	Number of qualified entrepreneurs acting as sub-contractors	Observation	WI and Mkt team		List of sub-contractors	
	Box 2	Identification of consultants in contract farming system and farming technology.	Who are the potential consultants? Are they identified and selected? How were they selected?	Number of qualified consultants	Observation	WI and Mkt team	Oct-09	training report, list, CVs of consultant	
	Box 1	Identification of entrepreneurs interested in acting as contractors for maize	Who are the potential contractors? Are they identified and selected? How were they selected?	Number of potential contractors	Observation	WI and Mkt team	Oct-09	List of contractor s	

### Information sheet

The information sheet usually includes all the relevant information that is available at any time for the intervention. It may involve sector information regarding cultivable land area, farmer population, yield per acre, cropping pattern, crop cycle etc., or any interesting information/data collected during field visits can be recorded here. Details pertaining to Gender, ESRB, Employment and Poverty for this intervention have to be mentioned here.

As compulsory information the attribution strategy (regarding other projects), displacement aspects and expected systemic changes are described here.

**Figure 10: Sample Information Sheet**

Targetted Events			
Events	Number		
Farmers Meeting	15		
Demo plot	15		
Farmers Training	5		
Field days	15		
SAAO Workshop	5		
Retailer training	1		
<b>Total</b>	<b>56</b>		
<b>Targetted increase in Yield</b>			
Present Yield from per acre of land =65 mounds			
Expected yield from per acre of land = 85 mounds			
Increase in Yield is = 20 mounds			
Increase rate is= 30%		<b>Source: BBS, 2001</b>	
<b>Indirect outreach calculation</b>			
1 farmer will influence another			
Farmer to farmer indirect outreach is 1440			
1 company will influence which will cover 1000 farmers			
Total indirect outreach is= 1440+1000=2440 Farmers			
Targetted increase in income per farmer			
		Present	Expected
Yield per acre		65 mounds	85 Mounds
Average price per mound		500 Taka	500 Taka
Revenue		32500 Taka	42500 taka
Average production cost		Same	Same
Increase in profit			<b>10000 Taka</b>

## Annex 8: Scale up Intervention Plan

### Definition of scale up

For the purposes of project management, a shared project wide understanding of scale was a vital starting point to the alignment of resources, processes and structures to achieve scale. For Katalyst, **scaling up** has been defined as the expansion of effective outreach of a proven and sustainable intervention strategy by leveraging or mobilizing public and/or private resources to bring benefits to pro-poor target group.

Our definition encapsulates the following components as an integral part of scale up:

- **Pro-poorness**; effective outreach has to be qualified by an understanding of the proportionate benefit accruing to our poor target group
- **Leverage**; Market development works through market based mechanisms, rather than by direct intervention. Leveraging the resources of market players is a defining attribute of the approach. Scale will therefore be achieved by strategic investment of project resources in interventions, with a clear path to the proportionate reduction of Katalyst inputs over time.
- **Sustainability**; Katalyst does not want to achieve scale built on non-sustainable market changes
- **Wider Outreach**: Katalyst wants to ensure that the benefit through its interventions reaches a wide set of audience

### What is the difference between scale and scale up?

**Scale** is a large population including our target group, benefiting from a sustainable market change triggered by Katalyst and delivered through leveraged third party resources.

### What should be included in a scale up plan?

- The rationale behind the intervention. What key objectives the intervention aims to achieve (including systemic change)?
- Clearly defined potential pro-poor outreach or target: this is the focus of a scale-up intervention.
- Route to scale (maybe a results chain showing our plans that will lead to our desired results);
- Sustainability plan (what measures will be undertaken to ensure that the work is sustainable?)
- Identify scale agent and their incentive. Assessment of the capacity and credibility of scale agents;
- Leverage (how much leverage can we expect?)
- What will be our exit strategy or plan? (How will it get implemented?)
- What are some of the cross sector services or components? ( synergy plan)
- Use of valid data from pilot interventions to support the scale up plan, it implementation and sustainability;
- Attribution strategy for the scale up intervention;
- Scale up results chain.

### Recommended items for a scale up plan

The plan of a scale up intervention contains the same elements as an intervention plan but focuses in particular on outreach and should include a cost-benefit analysis

## Annex 9: List of Indicators to Measure Results at Each Level

To measure impact of the interventions, relevant indicators have to be set and corresponding data have to be gathered for analysis. The following table gives a list of common indicators and the corresponding tools for measuring impact at each level of the logframe. It should be noted here that these indicators are not binding or compulsory and that they would differ from intervention to intervention depending on the type of work.

**Table 1: Common Indicators by logframe level**

<b>logframe Level</b>	<b>Indicators of Change</b>	<b>Tools</b>
<b>Goal</b>	<ul style="list-style-type: none"> <li>Additional income for SME owners and workers</li> </ul>	In-depth interviews Observation Outsourced surveys FGD
<b>Purpose</b>	<ul style="list-style-type: none"> <li>Number of farmers/SMEs benefiting from the service</li> <li>Change in SMEs' yield, costs, sales prices</li> <li>Change in SME turnover/profit</li> </ul>	Outsourced surveys FGD Secondary source (e.g. BBS)
<b>Outcome</b>	<b>Service provider</b> <ul style="list-style-type: none"> <li>Change in the size of client base per service provider</li> <li>Reasons behind the change in size of client base</li> <li>Number of new service providers entering the market</li> <li>Reasons behind this behavioural change</li> <li>Change in turnover/sales/profits of service provider</li> <li>Reasons for repeat sales, increased profit of service provider</li> <li>Interest of service provider on continuation of the service</li> <li>Reason for continuation of the service</li> </ul> <b>Farmer/SME</b> <ul style="list-style-type: none"> <li>Number of service recipients/clients having access to the service</li> <li>Number of clients using the service</li> <li>No. of farmers/SMEs changing business practice/behavioural change (e.g. vegetable farmers start using good seeds, they change cropping pattern, fish farmers start using ready-feed, farmers use soil testing)</li> </ul>	Outsourced surveys In-depth interviews FGDs, mainly as a tool for validation
<b>Output</b>	<ul style="list-style-type: none"> <li>Number of services promoted</li> <li>Number of service providers</li> <li>Current size of client base of each service provider</li> <li>Mechanism that is currently used to reach clients</li> <li>Current turnover/sales/profits of service provider</li> <li>The price range of their services</li> </ul>	Outsourced surveys Observation Pocket surveys FGD Output Check
<b>Activities</b>	<ul style="list-style-type: none"> <li>Completion of activities</li> <li>Level of participation by partner(s)</li> </ul>	Secondary information and reports (e.g. training modules, participant list) Observation



## Annex 10: Impact Assessment Template

Before an impact assessment is initiated the detail plan for the study has to be established. Usually the monitoring plan does not provide all necessary elements. To this end the following template has to be filled in by the MRM-focal person together with the sector team:

**Figure 11: Research Template**

Relevant intervention(s)	
Code	Title

MRM focal person(s):

Key research question(s)

**Methodology**

Type of study:

Sample size			
Type	Number	Selection process	Tools
TOTAL	0		

Number of Upazillas

Names of Upazillas

**Planning**

Begin date (mmm-yy)  End date (mmm-yy)

Number of field days  Number of field person(s)

**Contract details (if applicable)**

Company name

Contract Code

Budget (BDT)

**Approval**

Name

Designation

Date (dd/mm/yyyy)

**Review log sheet**

Date	Reviewer	Changes	Next steps

## Annex 11: Data Collection Tools

### Observation:

**What is it?** An observation is a quick assessment of activity effectiveness. It gathers qualitative information, and collects preliminary information before the use of other tools.

**Purpose:** We use observations to validate findings from other tools and to understand and explore the process of change.

**Sampling guide:** Observation methods are required for regular monitoring purposes. The number and extent of observations can be decided based on discussions by the MRM and sector teams.

#### Tips:

- Observations can be undertaken in the normal course of work or may be planned as a separate activity
- Can be made more effective if a checklist of required information is prepared before a visit
- May include informal discussions with market players
- Observers must be familiar with the market situation

### Output Check:

**What is it?** An output check captures and analyses the immediate effect of intervention activities. It is an on the spot checking of an activity to assess the success of the activity.

**Purpose:** The purpose of an output check is to validate whether output is having the desired impact. In other words, it determines whether the intervention activities achieved what they set out to be achieved.

**Sampling guide:** Not applicable in this case

#### Tips:

- Ensure field visits coincide with service output delivery
- Prepare a checklist of intended output deliverables and see whether they are being achieved
- Ensure targeted beneficiaries' participation in the intervention activities

### In-depth interviews:

**What is it?** In-depth interviews are usually conducted in-house, but may be outsourced depending on time and resource constraints. They are detailed and require a lot of time to extract explanations. A broad guideline for conducting the interview is required. Facts are validated through details and the interviewer must have a good understanding of the market.

**Purpose:** In-depth interviews gather qualitative information and explore the process of change extensively. They provide more in-depth analysis of the changes that are taking place and explore attribution.

**Sampling guide:** Sample size ranges from 5- 15. This number depends on the context of the study or impact assessment. Respondents are intentionally chosen with the aim of maximizing relevant information gathering, usually through a lead contact.

**Tips**

- Interviewers should be mindful about the time of interview, time of day when the interview is being taken and the language and cultural/ social barriers present between the interviewer and the respondent
- Interviewers should watch out for coached responses from the respondents
- Interviewers should refrain from asking leading questions, influencing answers, correcting facts during the interview etc.
- They should use follow up questions and probes to elicit more extensive responses from the respondent
- Interviewers should be careful not to bundle multiple questions together. The questions should be asked one at a time, to avoid confusion and getting unclear responses
- The interviewer should always be mindful about which questions have been asked and which questions have not been answered
- Interviewers should be mindful about their body language and the tone of voice they use. These indirect signals affect the quality of interaction with the respondent, during an interview

**Key Informant interviews (KII)**

**What is it?** Key informant interviews are qualitative in-depth interviews with individuals who have first-hand knowledge of the issues which will be addressed in the intervention. These interviews will be conducted in-house during the design stage of the intervention.

**Purpose:** The purpose of key informant interviews is to collect information from a wide range of individuals who can provide important and significant insight into the issue at hand. These experts, with their particular knowledge and understanding, can explain the nature of problems and give recommendations for solutions.

**Sampling guide:** Sample size ranges from 2-5 individuals. This number depends on the context of the study or impact assessment.

**Tips**

- Key informants must have first-hand knowledge about the issues associated with the intervention
- A diverse set of representatives are preferable, since diversity provides a broader range of perspectives

**Pocket Surveys**

**What is it?** Pocket surveys gather information on quantitative indicators when significant rigor is not needed. They are usually conducted in-house by field researchers, sector teams and the MRM team.

**Purpose:** Pocket surveys validate the detailed findings of in-depth interviews, with a larger sample size.

**Sampling guide:** The sample size ranges from 20-40. Respondents are selected to get a representative sample by using a pre-defined profile, usually through a lead contact.

**Tips**

- Questionnaires can include both open and close ended questions
- The questions are straight-forward and generally directed at getting facts
- This tool allows some probing on part of the interviewer, to reach a topic in depth
- May lead to identification of success stories and mini cases

**Focus Group Discussions (FGD):**

**What is it?** A focus group discussion (FGD) is conducted when we need a consensus on a topic, or need to get a common view of attendants, and is usually conducted in-house.

**Purpose:** FGDs explore the process of change extensively and provide deeper understanding of why these changes are taking place. Furthermore, they provide insight into our attribution strategy.

**Sampling guide:** Usually the Group consists of 8-15 people. Respondents for each group are chosen to be mostly homogenous in terms of topics for discussion and their perspectives.

**Tips**

- A guideline should be prepared including areas which Katalyst needs information and a detailed checklist of points to be discussed
- The moderator must have a good idea about the market or topic of discussion
- The FGD should be held at a convenient location for the respondents at a convenient time; refreshments should be provided and a good recording system should be employed to record the discussion

**Formal Surveys:**

**What is it?** Formal surveys are always outsourced and are conducted for 'special cases' which require us to generate specific quantitative information.

**Purpose:** Formal surveys validate the findings of an informal survey or an FGD with a larger, more statistically significant sample size.

**Sampling guide:** Sample size generally ranges from 200-400. It depends on the size of population. Respondents are selected randomly.

**Tips**

- A checklist of things Katalyst needs to know should be prepared
- Questionnaire is structured with closed ended questions, based on the checklist
- The questions are simple and are directed to get facts

## Annex 12: Data Collection, Processing and Reporting

In Katalyst data collection and processing is done in two ways, a) In-house and b) Outsourced. Most information gathering on interventions is done in-house by Katalyst staff. However, based on the type of intervention and need of information, outsourced studies are also subcontracted.

### Commonly used tools:

- Some information gathering, usually on activities and their immediate results (i.e. 'activity results' level), is done in the normal course of implementing interventions and interacting with sector players. The most common tools used at this stage are observations, output check, FGDs and/or KII
- Other information gathering, usually on changes in service provider and enterprise behaviour and performance (i.e. impact at the outcome, purpose and goal level) requires planning separate data collection activities. The most common tools used at this stage are in-depth interviews, key informant interviews, pocket surveys and/or outsources survey etc.

### In-house data collection and processing:

This section describes the key steps of in house data collection and processing.

**Roles and Responsibilities:** The MRM team takes the lead in planning data collection activities, processing data gathered, and in quality checks. The sector takes the lead in collecting and recording information, and writing a brief report. Close cooperation between the two teams is required throughout the process. Experience in Katalyst has shown that information gathering is more efficient and effective when the two teams work together frequently and on a one-to-one basis (not by email).

### Step 1: Develop a Data Collection Plan

The plan is brief and concise. It does not matter if language and grammar are not ideal as long as the plan is clear. The plan outlines:

- The sample size and the sampling strategy:
  - How many respondents are there
  - Who are the respondents
  - How they will be chosen and contacted
- Information needed: a clear list of all the information to be gathered, including
  - Data on the indicators
  - Information to gauge sustainability
  - Data to gauge crowding in or copying (if applicable)
  - Information to explore attribution
  - Any other information needed
- Questionnaire, list of questions or discussion guide (depending on the tool): The sector team and MRM team work together to develop this based on the information needed.
- Planning table:
  - Tasks to carry out the planned information gathering
  - Who will do each task
  - Dates and locations for each task
  - Identification of person(s) who will supervise the information gathering and check completed data collection forms
- Plan for recording and processing the information: This includes
  - Forms for recording data in the field

- Identification of the program to be used to consolidate the data collected (This may be an excel or SPSS for a survey, and excel or word for other tools)
- Forms on the computer for transferring the information from the field and then processing and consolidating it (e.g. coding forms for surveys)

This plan is approved by the MRM Group manager before proceeding. An example is provided below.

**Table 2: Example of in-house study plan**

Actors	Tools	Sample size	Conducted by
Service providers	Output check, In-depth interviews	4 interviews (two each from two different locations)	Sector teams and/or MRM team
	Validation through pocket survey	6 participants (three participants each from two locations).	MRM team
Medium farmers	In-depth interviews	4 interviews (two each from two different locations)	Sector teams and/or MRM team
	Validation through pocket survey	16 participants (eight participants each from two locations).	MRM team
Small farmers	In-depth interviews	2 interviews (two each from two different locations)	Sector teams and/or MRM team
	Validation through pocket survey	8 participants (four participants each from two locations).	MRM team

### **Step 2: Gather and Record Information / Data Collection**

- Review the data collection plan and recording forms with all relevant staff. It is critical that all those who will gather data are familiar with:
  - The information needed
  - The questionnaire/question guide
  - The recording forms before starting information gathering
- Collect data as detailed in the data collection plan. For some activities, it may be necessary to test and revise the questionnaire/question guide. For others, it may be possible to gather all the information right away.
- Quality control is an important part of this process. A member of the MRM team checks completed forms carefully. Revisiting some respondents may be necessary to maximize accuracy, minimize mistakes and ensure all needed information is gathered.

### **Step 3: Process Information**

Record the data, process, and consolidate the information according to the plan. For qualitative information, this means summarizing information collected according to the indicators and information needed. For quantitative information, this means putting the data into a format that can be easily analysed.

Summarize the status of and change in the indicators. This may require calculations to determine averages, totals etc., and to compute the changes in indicators over time. For supporting qualitative information, this is a summary of the findings.

#### Step 4: Prepare a Report

Reports on individual data collection activities are brief and concise. It is not necessary to write a lot. Rather, it is better to summarize information as briefly as possible. The aim is that the report has to be user-friendly for the sector teams who will use it for decision-making. The report includes:

- A very brief summary of how information was gathered – a few bullet points with a reference and link to the data collection plan
- The status of and change in each indicator assessed in the data collection activity
- Summary of information on sustainability
- Summary of data on crowding in or copying (if applicable)
- Summary of information related to attribution
- Key figures for updating the intervention (or sector) impact logic (if applicable)

#### Tips for In-House Data Collection

While it is tempting to try to gather as much information as possible, keep the list of information needed manageable and focused on the questions and indicators in the MRM Plan

Plans and reports do not need to have lots of text or full sentences – bullet points are often easier to write and easier to read and use.

#### Outsourced data collection, processing and reporting

Interventions which have a large outreach or a significant scale up potential are often assessed through outsourced studies. Besides, most data collection at the sector level in terms of feasibility or constraint identification etc. is also outsourced to research firms.

**Key steps for outsourcing data collection:** It is important to remember that outsourcing data collection does not mean handing over all the planning, data processing and reporting that is also required. Research firms require close supervision during all parts of the process, including actual data collection. Katalyst experience shows that the more involved Katalyst is in outsourced data collection, the more useful the results are for the sector team and MRM team.

**Roles and Responsibilities:** The MRM or sector team (depending on the situation) takes the lead in planning outsourced data collection, supervising the research firm, and preparing a summary report on the findings for the sector team. This is all done in close coordination with the sector team and relevant group manager to ensure that the results will be useful to the sector team in decision-making. The research firm takes the lead in preparing interviewers, collecting and recording data, processing data and preparing a report on the results. The MRM team works with the research firm throughout and closely supervises all of these activities.

#### Step 1: Write a Terms of Reference

The Terms of Reference (TOR) for the research firm will contain many of the same pieces of information as the in-house data collection plan. It outlines:

- The sample size and the sampling strategy:
  - How many respondents are there
  - Who are the respondents
  - How they will be chosen and contacted
- Information needed: a clear list of all the information to be gathered, including
  - Data on the indicators
  - Information to gauge sustainability
  - Data to gauge crowding in or copying (if applicable)
  - Information to explore attribution (if applicable)
  - Any other information needed
- Expectations for the questionnaire: The actual questionnaire may be prepared together with the research firm but expectations for what it will include and how long it will be are included in the TOR.
- Expectations for the data collection planning and implementation:
  - List of tasks for the research firm (see suggestions in the box)
  - List of support Katalyst will provide to the research firm
    - Expected human resource requirement
    - Locations for data collection
    - Expected dates and deadlines for data collection and recording, data processing and report writing
- Expectations on quality control:
  - Who will supervise data collection recording and processing
  - How the supervision will be done
  - Plan for back-checking a percentage of the interviews
- A detailed outline of the expected findings report: including
  - Summary of the methods
  - Format for summary of data collected
  - List of indicators to be calculated and how they should be calculated
  - List of figures and tables expected

**Suggested tasks for research firm TORs:**

- a) Writing the questionnaire
- b) Testing the questionnaire
- c) Revising the questionnaire
- d) Preparing data collection forms
- e) Preparing a data processing system
- f) Engaging interviewers
- g) Training interviewers
- h) Collecting and recording data
- i) Supervising data collection and recording
- j) Cleaning and processing data
- k) Preparing a report
- l) Presenting the study and findings
- m) Delivering the raw data and report
- n) Reporting regularly to Katalyst on progress

The TOR has to be approved by the MRM manager before proceeding.

## **Step 2: Choose a Research Firm**

Katalyst has a procurement manual which outlines the criteria and process of selecting a research firm. The MRM team jointly with the sector will select and contract with a research firm as per the procurement manual.



### Step 3: Briefing and/orientation of the Research Firm

The meeting(s) with the research firm serve to clarify expectations and develop a plan for working together. However, the quality and capacity of the enumerator has always been a question, therefore, Katalyst organizes orientation programs for the enumerators of the research organization. The MRM team organizes such orientation programs, and based on the performance of the enumerators finally short-lists the enumerators who will conduct the interviews.

### Step 4: Develop the Questionnaire

It is critical that both the MRM team and the sector team are involved in developing the questionnaire. The MRM team has experience with collecting data from the target respondents and knows well what information is needed. The sector team knows the sector players well and understands what is important for decision-making. This experience and knowledge is essential in developing an effective questionnaire. Therefore, Katalyst will take the lead on drafting the questionnaire.

### Step 5: Supervision and quality check:

MRM takes a leading roles in supervising all stages of the data collection from testing and revising the questionnaire, hiring and training interviewers, collecting and recording data, cleaning and processing data through to report writing.

The **quality control system**: Much rigor is put in terms of quality check of the 3<sup>rd</sup> party research organization. A quality control clause is put in the contract in terms of back checking, usually there is back checking of 5 to 10% of the filled in forms/questionnaires, and payments may be cancelled if findings lead to unsatisfactory performance. Further, in most cases the back checking is done during the data collection period. The MRM team designates their in-house researchers to conduct this quality checks, and they also constantly supervise the data collection process.

### Step 6: Write a Report

Even if Katalyst has closely supervised the research firm throughout, including their report writing, reports from research firms are often too lengthy and complicated to be user-friendly and valuable for decision-making. Therefore, the MRM team prepares a brief, user-friendly summary of the findings for use by the sector team. This report is similar to those written for in-house information gathering, except that it can include specific references to the research firm report (by section or page number) when appropriate. The summary report includes:

- A very brief summary of how data was collected – a few bullet points with a reference and link to the TOR
  - The status of and change in each indicator assessed in the data collection activity
  - Summary of other **key** information gathered
  - Key figures for updating the intervention (or market) impact logic (if applicable)
- This summary is important for ensuring that the information from the research is used for decision making on market strategies and interventions.

**Tips for Outsourced Data Collection**

- While it is tempting to try to gather as much information as possible, keep the list of data needed and the questionnaire manageable and focused on the questions and indicators in the MRM Plan
- Ensure that the sector team is aware of and involved in planning the data collection and supervising the research firm
- Regularly discuss and clarify with the research firm what information is needed, and what is expected in terms of data collection, recording, data processing, reporting and quality control throughout, even if it is clearly articulated in the TOR
- Be very clear on what is expected to be included in the final report, particularly the list of indicators to be calculated and how they should be calculated as well as the list of desired figures and tables
- Attend the research firm's training for interviewers to ensure that all directions are clear and interviewers are prepared, and to troubleshoot as is necessary
- Supervise the research firm's quality control process since the data gathered will be useless if many mistakes are made in data collection and recording
- Supervise the research firm's data cleaning and processing as many mistakes can creep in here and significantly lower the quality of the data
- Supervise the research firm's report writing, even if expectations are clear in the TOR – research firms often think that more is better; they tend to deliver huge quantities of information without a clear focus on what was asked for and often forgetting to calculate key indicators

## Annex 13: Interim-Intervention Report

The interim-intervention report is the collection of intervention specific follow-up data. The objective of this report is to combine the activities, concerns and findings from the field and from members of the sector team. Each sector team meeting is the platform for sharing this information. This report provides the status of any intervention when activities of that intervention have already been completed and impacts at service provider level are visible.

### Aim of the report:

The aim of the report is to figure out whether the intervention is functioning accordingly to the expectation referred in the intervention plan.

#### THE INTERIM- INTERVENTION REPORT – AN OVERVIEW

##### What does it include?

- Intervention title, dates, costs and the background story
- Baseline data
- Small scale survey/observation report about the intervention(Output Check)
- Preliminary assessment findings
- Early signs of impact
- Current outreach
- Key lessons learned so far
- Concerns about the intervention
- Early signs of impact

##### When is it written?

It should be written within about 6 months of the onset of intervention.

##### Who writes it?

The sector team with help of the MRM team

##### Who reads and reviews it?

The report is circulated to each of following relevant team member for their input on the intervention progress.

- The sector team
- The responsible group manager
- The responsible MRM focal person
- The cross-cutting team member relevant for the intervention

##### Who approves it?

- Sector Group director
- MRM group director

**Interim-Intervention Report Contents:**

The interim intervention report should not be more than three pages.

- Story of the intervention

Intervention title, date of the significant activities and cost so far are provided in this section. Background Story of the intervention is one of the main components here. This story of the intervention includes Katalyst work so far and immediate reactions from service providers.

- Comparison with Baseline data

Baseline data has to be revised at the middle stage of any intervention. A Small-scale survey is required at this stage for output check. This section is the stage for comparing the baseline data with result from the small scale survey.

- Progress of the intervention

This section provides the progress of the intervention along with shows the status of the intervention with respect to MRM plan. Any irregularities and their reasons are shared in this document.

- First signs of impact

The initial impact assessment results are provided in this section. Essentially, at this stage the impact information will comprise of information related to knowledge and behaviour change at the output and outcome level (i.e. information on the service providers). The reporting of first sign of impact at the purpose level of the logframe (i.e. access and usage of service) will depend on the types of interventions; while for many interventions it may be possible to measure some early signs of impact at this interim stage, for others, impact may be visible only after completion of all the activities.

However, for many interventions reporting on early signs of impact on access outreach and enterprise performance may also be possible.

- Key lessons

Key lessons learned from the experience of the intervention are reported in this section.

- Key concerns

Key concerns about the intervention are one of the significant components of this section. This section is the platform for sharing the concerns of value-chain sector teams, cross-sector service & product, Gender& ESRB and MRM groups. The feedbacks of the concerns are incorporated in this section of the interim-intervention report.

## Annex 14: Writing Intervention Reports

An **Intervention Report** summarizes what happened in an intervention, estimates the impact at all levels from the intervention and notes lessons learned.

### What does it include?

- Intervention title, dates, costs and other summary information
- A summary of Katalyst activities
- A summary of the results of the intervention
- The intervention impact logic with updated predictions or final estimates
- A note if the intervention may be interesting as a case study or mini case
- The key learning of the intervention
- Indication about next steps and activities, is it going to be scaled up, continued and/or exited

### When is it written?

It is drafted after the completion of intervention activities, and finalized after monitoring is closed.

### Who writes it?

The sector unit with support from the MRM team

### Who reviews it?

- The respective sector group managers
- MRM group managers
- MRM focal points

### Who approves it?

- Sector Director
- MRM Director

### Intervention Report Contents

The Intervention Report provides a summary of what happened during an intervention and the results of the intervention. The Intervention Report format should be as follows:

#### **Introduction:**

This section in a brief manner attempts to provide the basic information about the intervention

- Intervention title
- Value chain Sector/ cross sector name
- Intervention Title and code
- Intervention start date, activity closing date and monitoring closing date
- Intervention team members
- Partners/ sub-contractors
- Costs for the intervention
- A checked box if the intervention might be an interesting case study or mini-case on reaching the very poor, gender equity, ESRB, empowerment of the poor and/or improved working conditions

**The rationale of the intervention**

- Description of the system and the poor involved
- Understanding the fundamental nature of the problems
- Vision and focus of Katalyst's intervention: which constraint/problem shall be addressed;

**"The story" of the intervention**

- The facilitation process (Give dates for events, how many people participated and other relevant facts about the intervention.)
- Who were the key service providers/ entry points?
- Were there any changes from the original intervention plan? If so, explain what was changed and why
- Costs and outputs

**"The Impact Story"**

- The context for change (supporting and hindering factors)
- Changes achieved in the system: provide information to reflect on the before and after picture for the average changes, this changes need to be validated through pocket surveys for **service provider**, and the **beneficiaries**
- What is the overall impact in terms of the Key indicators and objective of the intervention (look through the MRM plan and report on the major quantitative and qualitative indicator)
- In case of scale up interventions, provide impact data demonstrating that impact findings of the scale up intervention matches that of the testing intervention. (Pocket surveys can be used as a useful tool in this regard).
- Provide information supporting sustainability, systemic change (copying and crowding-in are indicators) and scale-up potential of the intervention (if any)
- Did this intervention have any significant impact on gender and/or ESRB issues? If so, the details.
- Were there any unintended impact? Is so, give brief summary
- provide brief summary and data here
- Was displacement any significant issue for this intervention? Did the intervention team do anything to mitigate it? What does the data show us in terms of overall impact?

**Learning**

- Key lessons learned: What did staff learn from implementing this intervention? What do these lessons mean for the market strategy? How might the lessons be applied to other interventions in the same or different markets?
- Intervention impact logic: At the close of intervention activities, the impact logic is updated to reflect the most recent findings and predictions.
- At the close of monitoring period, the impact logic is updated again to reflect the final estimates of impacts at all levels.

**Next steps**

Explain what the key next steps for the intervention are, is it going to be deepened, discontinued and/or scaled up. What is the scale up plan?

**Additional things to keep in mind when writing about impact:**

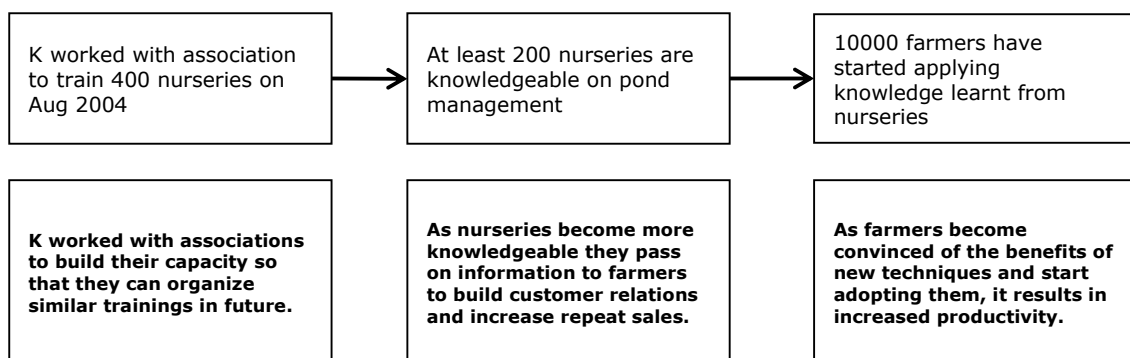
- When you write about changes, instead of making vague statements, try to make your statements as valid as possible by giving actual numbers for sample size. E.g. instead of saying: “Quite a few farmers, have started soil testing regularly now in Jessore;” instead say “Out of the 10 farmers interviewed in Jessore in March 2006, six said that they were testing their soil now, as opposed to none before.”
- Special attention should be given to:
  - Gender/ESRB: (Environmentally and socially responsible business) impact) e.g. female farmers take active participation, less food colouring is used, less fertilizers and pesticides are used.
  - Impact relevant to poverty reduction.
  - Copying: E.g. Other input companies replicate the retailers training introduced by us, other retailers who haven’t attended the training but start embedding information when they do transactions as they are influenced by the trained retailers who are making more, farmers who do not directly receive advice from retailers but yet pick up things from other farmers who get advice from retailers.

## Annex 15: Guideline for Writing Mini-Cases

### The guidelines to writing the case:

- 1) The mini-case should start by defining what is interesting about the market (poverty, growth potential, gender, ESRB), in other words why is Katalyst working in that specific market. This should be said in 1-2 lines. E.g. Bangladesh is the sixth largest contributor of aqua culture in the world and Faridpur is one of the country's emerging production centres, blessed with a large number of ponds
- 2) Secondly we need to specify why Katalyst needs to be there: What are the opportunities and what is it that we can do to improve the sector's performance. Instead of making a few elaborate theoretical statements, rather try explaining the problem as precisely and simply as possible. Also it would sound better if you don't use words like "problem" or "constraint" but rather make statements that say what was lacking in the sector, e.g. "An analysis of the sector done by Katalyst in 2004 revealed that out of 22,000 fish farmers only a third applied basic pond management practices. Even less were aware of proper fish cultivation practices for stocking density, disease control and feed management. Application of basic best practices could reduce fish mortality rates considerably and doubles or even triples growth."
- 3) In one line, when applicable, also mention why the problem isn't already being addressed, e.g. for fisheries, why isn't DOF (Department of Fisheries) or the association not doing something to address the certain problem
- 4) Then proceed to explain in a few lines, why this intervention was designed and what changes it will effectively bring
- 5) Explain the entire intervention by a simple diagram. There is no need to give the technical details about the intervention design but rather explain how the intervention was designed to solve the existing problem and the expected impact at each level. For instance:

**Figure 12: Example of simplified logic**



- 6) Next you proceed with the interviews. Before starting on the interviews always remember to keep in mind what you want to highlight in your stories. It should have a single focus, be it the fact that productivity increases or new jobs are created after the intervention or people's livelihood drastically improve



- 7) Interviews should be limited to three to four people maximum. Try targeting different actors in the value chain, e.g. retailer, farmer, labourer. The interviews shouldn't be elaborate descriptions of what people do but rather focus on concrete change and impact. The changes should be both behavioural and as a consequence of that change in behavioural practice what change it brought in terms of figures, e.g. yield, revenue, profit. Where possible try giving tables to show before and after picture
- 8) Showing considerable evidence for pro-poor growth and poverty alleviation is important. For instance some interventions have circumstantial beneficiaries. E.g. As fish farmers' income increases, they started building more houses, generating more jobs in construction. In such a case you could interview the builder hired by the farmer
- 9) Lastly write about how the change that the intervention brought in them is helping them further. E.g. as a farmer becomes more productive he might invest in a cow or send his children to school, etc.
- 10) After the interviews, conclude your case by stating the other areas of work or strategies that Katalyst is using for the sector to give an overall picture of where we are standing in the sector and in a table show the overall impact Katalyst is expecting from all its work in the sector.

**Some general points to keep in mind:**

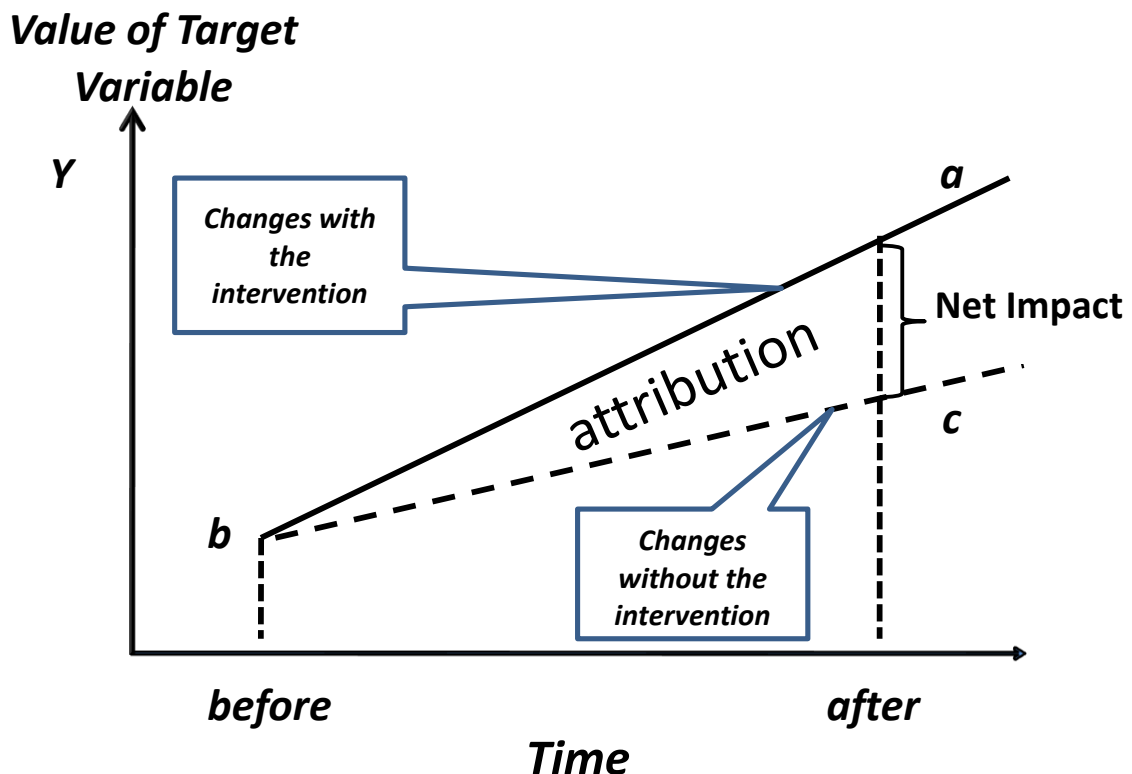
- In the overall case, please remember to keep the text as simple and straight forward as possible. Mini cases should rather be used to illustrate or exemplify what we do rather than giving the theory behind our work
- Do not use any technical jargon in mini-cases. Remember your audience may include people who are not familiar with the development sector
- The language should be understandable for all sorts of audiences, ranging from donors to other NGOs. The stories of the mini cases should be self-explanatory and then parts of cases can be used in other reports
- Make sure you remain focused and brief on what made the individual cases or stories appealing. E.g. what was interesting about Hakim's story in the fisheries mini case was his change in livelihood
- In a separate box in the first or last page give a summary of the general work that KATALYST is doing
- Give pictures for all interviewees

## Annex 16: Attribution

### What is attribution and why is it important?

Katalyst is operating in a complex economy. There are many factors that might affect the various changes Katalyst aims to cause, particularly the competitiveness of SMEs and farmers. In order to assess the effectiveness of its interventions, Katalyst has to determine the extent to which measured changes are due to Katalyst's activities, as opposed to other factors.

**Fig. 13: Net Impact**



Source: Impact Evaluations and Development: NONIE Guidance on Impact Evaluation, Frans Leeuw, Jos Vaessen, April 2009

“Attributable Impact” is the amount of change that is caused by Katalyst. In other words, attributable impact (a-c in the diagram) is the difference between the actual measured change (a – b in the diagram) and the change that would have without Katalyst (c-b in the diagram).

“What would have happened without the project” is called the “counterfactual.” The core challenge is that it is impossible to know with absolute certainty what the counterfactual is for a target group that has been affected by an intervention. Therefore, the development community uses methods to estimate the counterfactual, and thereby calculate attributable impact.

### Methods for estimating attribution – the attribution strategy

There are generally two methods for assessing attribution, the factual and the counterfactual.

The “**factual**” method measures before and after changes; for example, “supplying village water pumps reduces the time and cost it takes to collect water”. In this case the attribution to reducing water collection time and costs is so clear that there is no need to resort to any other

method of assessment. Similarly, in the case of the “fish pond leasing” intervention it is easy to attribute the increase in the number of ponds available to fish farmers to the change in government regulations surrounding public water body leasing. Three common methods used to assess the factual are:

- **End of Project Survey:** As in the case of the water pumps above, attribution can be clearly established assuming that there are no other strong factors that are important for this change. This is particularly effective in case of a new technology, where its introduction is the only new variable in the change process. In such cases where the causality is clear it is not necessary to conduct large surveys. With this type of survey, however, the target group needs to recall the details of their condition before the intervention.
- **Before and After Surveys:** In the absence of readily available or credible data that measures changes in the outcomes of the selected target group, it may be necessary to collect baseline as well as end-of-intervention data, in a “before and after” survey. This would involve surveying a representative sample of the selected target group. The aim of this survey is to verify the magnitude, if any, of the change that happened. Such surveys can convince that a change has happened, but in themselves they do not establish credible attribution.
- **Opinion Surveys:** Can supplement the two above-mentioned methods. These can be conducted with a representative sample of the target group that has been affected by the intervention. The aim of such surveys is to identify the strength of the causality between the proper use of the intervention’s output and eventually the perceived result that this has generated. In such cases the selection of a representative sample of the target group is critical for the credibility of the conclusions.

Collecting factual data can be efficient when the attribution case is more transparent. When this is less clear supplementary methods are needed in order to assign attribution to the intervention.

The “**counterfactual**” is a second set of methods for assessing attribution. In such cases there may be several external variables, such as weather, civil unrest, national economic performance, or the availability of other essential inputs that will significantly influence the final indicator, and, in these cases it is important to use other methods to try to “isolate” the core value of the intervention. Two of the more common methods are presented below.

- **Comparison Analysis:** This involves comparing the changes measured in the selected target group with the overall norms for that same target group. These may be larger economic trends that can be identified using national statistics or comparable data collected by other credible researchers. Examples could be national productivity rates, income growth or decline, national mortality, national exports, etc.
- **Quasi-Experimental Design:** This method is sometimes called the “difference of difference” where a representative sample of the intervention’s target group is surveyed before the intervention starts and then at its conclusion. This difference is then compared with the difference of a representative control group of the beneficiaries who have not participated in the intervention. This can be done with small and “purposive” sampling and is suitable for isolating an intervention’s impact.

### Katalyst's attribution strategy

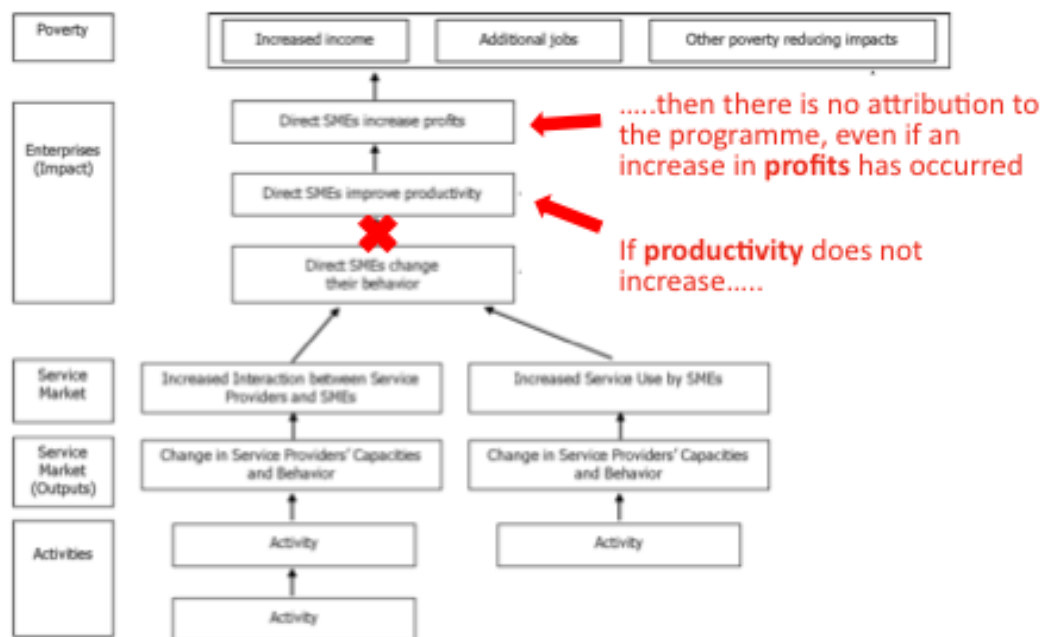
International best practice indicates that the following methods provide the foundation for assessing the attribution of changes to a project:

- Developing clear and logical results chains, and measuring changes at every level of those chains using factual methods.
- Investigating the extent to which each change is due to the previous one in the results chain, based on qualitative information. Essentially, this means investigating why each change happened using qualitative methods. This can be achieved through an “opinion survey” or less formal methods.

Katalyst uses both these methods for every intervention and all key changes in impact logics. In addition to helping Katalyst understand the extent to which measured changes are attributable to Katalyst, these methods provide very valuable information for management decision-making.

Using this foundation means that if the chain of changes in the impact logic does not happen as expected Katalyst assumes that any measured changes at the purpose level are not due to Katalyst activities. (See diagram below)

**Figure 11: Attributing Change**



Source: Jim Tanburn

### Activity to Output:

Generally the context and findings of the qualitative assessment and/or “opinion survey” allow Katalyst to take 100% attribution for changes from activities to outputs. However, if the opinion survey shows that there were other factors that significantly contributed to changes at the output level, then figures at the attribution level are reduced accordingly. This is done based on the findings of the opinion survey. For example, if the survey shows that half of providers stated that Katalyst activities were the major reason for changes and half stated other reason, then Katalyst attributes 50% of change to Katalyst activities.

**Output to Purpose:**

Most of the time, the factual method Katalyst uses is “before and after surveys”. “End of Project Surveys” are only done when there is a compelling reason why baseline data could not be gathered or it was not appropriate to gather. The reason must be documented in the Intervention Plan.

Katalyst chooses the counterfactual method based on the context of the intervention and available data.

- “Comparison Analysis” is generally used when reliable secondary data on national norms or similar can be found and there are no factors that would invalidate the analysis such as other projects working in the same sector and in the same area.
- “Quasi-Experimental Studies” are generally used when other factors are expected to significantly influence the indicators being investigated; hence comparison analysis is ruled out as a method. Quasi-experimental studies are only viable when a reliable “control group” can be identified. A reliable control group consists of people who are similar to those being affected by the intervention but who are not targeted by the intervention. For example, they may be members of the target group in another geographic area similar to the one being targeted. At the testing phase, the outreach of the intervention is often limited enough to be able to identify a reliable control group. Once Katalyst is in the scale up phase, it is expected that the influence of activities is wide-spread; therefore it is not practical at this stage to identify a reliable control group.

**When does Katalyst decide how to handle attribution?**

The method for measuring attributable change is chosen when the intervention plan is developed. The method chosen is documented in Intervention Plan and reflected in the MRM plan.

**What does Katalyst do when several interventions aim to achieve one competitiveness change?**

When several interventions’ combined result cause a specific change in competitiveness, it is not necessary to determine the extent to which each intervention has caused the change. Instead, Katalyst combines the results measurement of these interventions at the purpose level. This process begins by mapping interventions to determine the geographic overlap of the interventions aimed at a particular change in competitiveness. Once the geographic overlap is established, Katalyst gathers data to measure the changes in competitiveness in the target group in that area and assesses the extent to which those changes are due to the combined influence of the interventions.

**How does Katalyst handle attribution of wider systemic change?**

Assessing the attribution of wider systemic change presents unique challenges. Katalyst assesses wider systemic change at the levels of more service/output providers crowding in and farmers/SMEs copying those already affected. Hereby it applies a framework as explained in annex 22.

Since in most cases stages of systemic changes such as adaptation, expansion and response take more time than the immediate impact, Katalyst does not quantify **attribution** but collects qualitative information indicating the probability of its **contribution** to the systemic change.

**How does Katalyst handle attribution at the scale up phase?**

Katalyst uses the figures for attributable impact derived at the testing phase to estimate attributable impact to the direct target group at the scale up phase. These figures are periodically checked using “pocket surveys” to verify whether they are still applicable. If no testing phase is necessary, Katalyst uses the above strategies at the scale up phase.

## Annex 17: Displacement

Katalyst interventions benefit some enterprises, but others may suffer as a result. For example, if furniture makers benefiting from Katalyst interventions sell more furniture, maybe other furniture makers sell less. This is called “displacement.”

It is critical to think about the potential for displacement during the design of an intervention. Katalyst’s work should contribute to overall sector growth, not result in a “zero sum game” where gains to some enterprises or farmers are offset by losses to others. Therefore, Katalyst considers displacement at three stages of design:

**Choosing Sectors:** Katalyst chooses sectors with the potential for significant pro-poor growth, and those where Katalyst interventions can help unleash that growth.

**Developing Comprehensive Sector Strategies:** Katalyst bases its strategies on opportunities to help sectors grow in a pro-poor way. Katalyst focuses on those reducing constraints in sectors that are hindering the pro-poor growth of the sector.

**Choosing and Designing Interventions:** Katalyst chooses and designs interventions to enable SMEs to grow and develop in ways that add to the overall growth of the sector, rather than only enable one group of SMEs to profit at the expense of others.

Katalyst’s emphasis on considering displacement during design minimizes the displacement effects of the project’s work to the extent possible. Within the Monitoring and Results Measurement System, Katalyst will address issues of displacement wherever observed and applicable. See Table 5 for Katalyst’s guidelines on when to take displacement into account.

**Table 3: Guidelines on Displacement**

	What might happen	How displacement is handled
Service markets	<p>Katalyst may encourage a monopoly by working with just one service provider, which will make it more difficult for other service providers.</p> <p>Katalyst may help some service providers while others lose out.</p>	<p><b>Only if judged significant:</b></p> <p>As Katalyst generally works in weak service markets, where there is considerable room for growth. Katalyst also designs its interventions to encourage service provider crowding in. Therefore, Katalyst expects that it is rare for displacement to be significant in service markets. However, if the sector team suspects that displacement is significant, then they work with their MRM focal point to estimate the effects of displacement at the output level and impact figures are reduced accordingly.</p>
Enterprises and Farmers	Enterprises affected by Katalyst benefit and grow; as a result others suffer and shrink.	<p><b>Only if judged significant:</b></p> <p>Katalyst’s design process ensures that displacement is not significant among enterprises or farmers at the outset. However, if markets become saturated, displacement will increase. When a sector team suspects that displacement is significant, then the effect is estimated at the purpose level and impact figures are reduced accordingly.</p>

	What might happen	How displacement is handled
	Enterprises switch from another sector to the one Katalyst is targeting.	<b>Displacement included:</b> This effect is not technically called “displacement” and it is, in fact, one that Katalyst often promotes, so that, for example, farmers can move from less to more profitable crops. It is important to consider this effect in MRM. Goal level figures in results chains estimate the <i>additional</i> net income SMEs will experience as a result of an intervention, in other words the total net income created minus what SMEs or farmers were earning before. Therefore, taking this effect into account is an integral part of the MRM system.
Sectors	As a result of Katalyst helping one sector, a related sector might shrink. For example, the wood sector might shrink as a result of Katalyst helping the plastics sector.	<b>Not taken into account:</b> Competition is the basis for growth and development. This issue needs to be considered when choosing sectors. However, this effect will not be taken into account in results measurement, just as Katalyst does not take into account when work in one sector benefits a related sector. This level of analysis is too complicated for Katalyst’s system to handle.
Copying	More enterprises entering a sector may lead to more supply which results in prices dropping and, therefore, less benefit to all enterprises in the sector.	<b>Not taken into account:</b> This is often a positive change for the economy and will encourage increases in productivity. As Katalyst is working in growing sectors, this effect will probably not be significant in the time horizon of Katalyst’s measurement. Therefore, it is not taken into account in results measurement.

In practice, it will not be common for Katalyst to take displacement into account in results measurement. However, Katalyst will take displacement issues when designing their intervention and try to ensure that it does not become a problem for that intervention. However, in cases when it does and there is an unintended displacement issue affecting the overall impact of our work, it should be closely monitored and impact estimates should be adjusted to account for it.



## **Annex 18: Aggregation**

The main aggregating and reporting requirements for Katalyst can be grouped into three levels:

- The intervention level
- The sector level
- The project level

### **Aggregation at the Intervention Level**

The preliminary focus of Katalyst in its second phase is poverty reduction through scale-up. The scale-up approach has resulted in the switch from area-specific interventions to interventions with a national scope. For example, an intervention within the jute sector involves demonstrating improved retting techniques in 25 upazillas of 5 districts all around Bangladesh.

Hence, a particular intervention can have activities at multiple geographical locations; and this necessitates the process of aggregation throughout the various levels of the intervention logic. The aggregation process is somewhat straightforward in this case – simple arithmetic sum of the different components from various geographical locations can be used. This technique can be applied to:

- Various forms of activities [Activities level]
- Number of service providers reached and crowding in [Outputs level]
- Direct and indirect outreach [Outcomes level]

Every intervention plan contains a cover page (details in annex 6), which summarizes the principal impact data, and these are used for the next level of aggregation.

#### *Overlap issues*

The overlap issue is not a major concern at this level. However, at times within a geographical region there could be multiple activities giving access to innovative service to the same farmers. As for example, in promoting information on balanced fertilization, we may be giving access to 500 farmers through Farmers' Field Days and 300 farmers through docudrama screenings in a specific Upazillas. If field assessments suggest that 200 of these farmers were the same, then total access outreach through this intervention in that Upazillas will be  $(500 + 300 - 200) = 600$ .

### **Aggregation at the Sector Level**

The impact figures from each intervention are fed into an excel worksheet (one for each sector) – known as the Sector Aggregation File (SAF). These form the basis for the next level of aggregation. An example is shown below:

Figure 15: Intervention-wise performance of each sector from SAF file

Fish Interventions			Additional Income per SME per year		March 2008 - June 2010		March 2008 - June 2010		March 2008 - June 2010		March 2008 - June 2010	
Code	Title	Purpose/Goal level	BDT	9,598	Previous	Incremental	Cumulative	Comment	Previous	Incremental	Cumulative	Comment
FIDJ-01	Impoving knowledge of Hatchery owners of Dinajpur	BDT	7,560	M	0	24	24	better fingerling sup	0	2,474	2,474	hatcheries, 0%
FIDJ-02	Capacity building of Nursery Owners	BDT	852	a	1	1	1	Information on Mod.	110	110	110	Aftab Bohu 0%
FIDJ-03	Capacity building of Fingerling traders	BDT	852	r	1	1	1	Information on Mod.	212	212	212	2 aqua cher 0%
FIDJ-04	Strengthening Linkage to external markets			c	1	1	1	Business directory d	1	1	1	Association 0%
FIDJ-05	Improving hatchery construction & engineering	BDT	7,560	h	1	1	1	Hatchery infrastru	8	8	8	infrastructu 100%
FIDJ-06	Promoting Amon-Rice-fish Cultivation	BDT	22,595		1	1	1	Promotion of rice fis	85	85	85	hatcheries, 0%
FIDJ-07	Introduction of New species (Promoting cultivation of	BDT	123,048	2	1	1	1	Promotion of New sp	90	90	90	Hatchery (1 100%
FIDJ-08	Table fish cultivation through utilizing small pond	BDT	16,725	0	1	1	1	information on com	50	50	50	GBK, demo 100%

March 2008 - June 2010				March 2008 - June 2010				March 2008 - June 2010				March 2008 - June 2010			
Access outreach				Usage outreach				Benefit outreach - direct				Additional income - direct			
Previous	Incremental	Cumulative	Comment	Previous	Incremental	Cumulative	Comment	Previous	Incremental	Cumulative	Comment	Previous	Incremental	Cumulative	Comment
0	132,095	132,095		0	97,794	97,794		0	94,196	94,196		0	755,055,800	755,055,800	
	7,448	7,448			7,448	7,448			7,448	7,448				0	0
	11,536	11,536			5,768	5,768			5,768	5,768				0	0
	2,100	2,100			1,050	1,050			1,050	1,050				0	0
		0				0				0			152,880,000	152,880,000	0
	20,384	20,384			20,384	20,384			20,384	20,384				0	0
		0				0				0			65,600,000	65,600,000	income cha
	26,251	26,251			1,312	1,312			1,312	1,312				0	
	11,000	11,000			3,250	3,250				0				0	

March 2008 - June 2010				March 2008 - June 2010				March 2008 - June 2010				March 2008 - June 2010			
Benefit outreach - indirect				Additional income - indirect				Total benefit outreach (overlap adjusted)				Total additional income			
Previous	Incremental	Cumulative	Comment	Previous	Incremental	Cumulative	Comment	Previous	Incremental	Cumulative	Comment	Previous	Incremental	Cumulative	Comment
0	3,366	3,366	0	0	72,045,800	72,045,800	0	0	97,562	97,562	0	0	827,101,600	827,101,600	
		0				0			7,448	7,448	0	0	0	0	
		0				0			5,768	5,768	0	0	0	0	
		0				0			1,050	1,050	0	0	0	0	
		0				0			0	0	0	0	0	0	
		0				0			20,384	20,384	0	0	152,880,000	152,880,000	
		0				0			0	0	0	0	0	0	
		656			32,800,000	32,800,000			1,968	1,968	0	0	98,400,000	98,400,000	
Benefit taken	0	0				0			0	0	0	0	0	0	

For each of the Katalyst core or cross sectors, the following information is accumulated:

- Total number of services provided
- Total number of service providers
- Total number of SMEs who have received the service
- Total number of SMEs who have applied the service
- Total number of SMEs who have benefited from the service
- Total increase in income
- Total employment in the benefited SMEs
- Total number of female beneficiaries (farmers and/or micro SMEs)
- Total increase in income for female beneficiaries
- Total number of female labours benefitted

The inputs on the indicators above are given for the following 7 periods:

- Mar 2008 to Jun 2010
- Jul 2010 to Jun 2011
- Jul 2011 to Dec 2011
- Jan 2012 to Jun 2012
- Jul 2012 to Dec 2012
- Jan 2013 to Jun 2013
- Jul 2013 to Dec 2013

Based on when we are giving input in this file, figures posted on the indicators mentioned could be validated (for previous periods) or projected (for future periods). Once all these inputs are given intervention-wise, a table at the right side of the same sheet gives a sector level aggregate for all the indicators. An example of such a table from the seed sector follows by. Here the indicator values can be found in 'incremental' and 'cumulative' terms.

Figure 16: Sector Performance (aggregated from interventions) from SAF file

	March 2008 - June 2010	July 2010 - June 2011	July 2011 - December 2011	January 2012 - June 2012	July 2012 - December 2012	January 2013 - June 2013	July 2013 - December 2013
	Mar08 Jun10	Jul10 Jun11	Jul11 Dec11	Jan12 Jun12	Jul12 Dec12	Jan13 Jun13	Jul13 Dec13
<b>INCREMENTAL</b>							
Services	6	2	5	0	0	0	0
Service providers	366	241	157	0	0	0	0
Access outreach	76,075	3,259	77,410	33,003	10,991	0	0
Usage outreach	76,075	3,259	70,001	29,907	10,430	0	0
(Adjusted) Usage outreach	76,075	0	70,001	29,907	10,430	0	0
(Total) Benefit outreach	72,271	0	1,622	56,669	19,347	8,428	0
Direct benefit outreach	72,271	0	1,622	56,669	19,347	8,428	0
Indirect benefit outreach	0	0	0	0	0	0	0
(Total) Additional income	BDT 853,619,316	BDT 624,724,501	BDT 15,845,557	BDT 96,615,622	BDT 98,366,780	BDT 127,408,692	BDT 90,185,911
Direct additional income	BDT 853,619,316	BDT 624,724,501	BDT 15,845,557	BDT 96,615,622	BDT 98,366,780	BDT 127,408,692	BDT 90,185,911
Indirect additional income	BDT 0	BDT 0	BDT 0	BDT 0	BDT 0	BDT 0	BDT 0
Female access mSMEs	1,098	0	29,569	11,250	3,000	0	0
Female benefit mSMEs	1,043	0	0	21,290	8,100	2,400	0
Female additional income	BDT 12,319,262	BDT 9,015,898	BDT 0	BDT 12,773,992	BDT 17,633,992	BDT 19,073,992	BDT 19,073,992
Female labor	0	0	0	0	0	0	0
<b>CUMULATIVE</b>							
Services	6	9	12	12	12	12	12
Service providers	366	604	759	759	759	759	759
Access outreach	76,075	79,333	156,744	189,747	200,738	200,738	200,738
Usage outreach	76,075	79,333	149,334	179,241	189,671	189,671	189,671
(Adjusted) Usage outreach	76,075	76,075	146,076	175,983	186,413	186,413	186,413
(Total) Benefit outreach	72,271	72,271	73,893	130,562	149,910	158,337	158,337
Direct benefit outreach	72,271	72,271	73,893	130,562	149,910	158,337	158,337
Indirect benefit outreach	0	0	0	0	0	0	0
(Total) Additional income	BDT 853,619,316	BDT 1,478,343,817	BDT 1,494,189,374	BDT 1,590,804,996	BDT 1,689,171,776	BDT 1,816,580,469	BDT 1,906,766,380
Direct additional income	BDT 853,619,316	BDT 1,478,343,817	BDT 1,494,189,374	BDT 1,590,804,996	BDT 1,689,171,776	BDT 1,816,580,469	BDT 1,906,766,380
Indirect additional income	BDT 0	BDT 0	BDT 0	BDT 0	BDT 0	BDT 0	BDT 0
Female access mSMEs	1,098	1,098	30,667	41,917	44,917	44,917	44,917
Female benefit mSMEs	1,043	1,043	1,043	22,333	30,433	32,833	32,833
Female additional income	BDT 12,319,262	BDT 21,335,160	BDT 21,335,160	BDT 34,109,152	BDT 51,743,143	BDT 70,817,135	BDT 89,891,126
Female labor	0	0	0	0	0	0	0
<b>INCREMENTAL OUTREACH CONTRIBUTION</b>							
Fish	0	0	0	0	0	0	0
Jute	4,800	0	0	0	0	0	0
Maize	2,034	0	0	0	0	0	0
Potato	54	0	0	4,590	0	2,295	0
Prawn	0	0	0	0	0	0	0
Vegetable	45,854	0	1,622	52,079	19,347	6,133	0
Wider economy	18,804	0	0	0	0	0	0
<b>INCREMENTAL INCOME CONTRIBUTION</b>							
Fish	BDT 0	BDT 0	BDT 0	BDT 0	BDT 0	BDT 0	BDT 0
Jute	BDT 20,454,545	BDT 20,454,545	BDT 0	BDT 0	BDT 0	BDT 0	BDT 0
Maize	BDT 11,697,656	BDT 11,697,656	BDT 0	BDT 0	BDT 0	BDT 0	BDT 0
Potato	BDT 665,035	BDT 665,035	BDT 0	BDT 14,251,250	BDT 0	BDT 21,377,225	BDT 0
Prawn	BDT 0	BDT 0	BDT 0	BDT 0	BDT 0	BDT 0	BDT 0
Vegetable	BDT 524,636,629	BDT 394,463,631	BDT 15,845,557	BDT 82,364,372	BDT 98,366,780	BDT 106,031,468	BDT 90,185,911
Wider economy	BDT 296,165,450	BDT 197,443,633	BDT 0	BDT 0	BDT 0	BDT 0	BDT 0
<b>CUMULATIVE OUTREACH CONTRIBUTION</b>							
Fish	0	0	0	0	0	0	0
Jute	4,800	4,800	4,800	4,800	4,800	4,800	4,800
Maize	2,034	2,034	2,034	2,034	2,034	2,034	2,034
Potato	54	54	54	4,643	4,643	6,938	6,938
Prawn	0	0	0	0	0	0	0
Vegetable	45,854	45,854	47,476	99,555	118,903	125,035	125,035
Wider economy	18,804	18,804	18,804	18,804	18,804	18,804	18,804
<b>CUMULATIVE INCOME CONTRIBUTION</b>							
Fish	BDT 0	BDT 0	BDT 0	BDT 0	BDT 0	BDT 0	BDT 0
Jute	BDT 20,454,545	BDT 40,909,091	BDT 40,909,091	BDT 40,909,091	BDT 40,909,091	BDT 40,909,091	BDT 40,909,091
Maize	BDT 11,697,656	BDT 23,395,313	BDT 23,395,313	BDT 23,395,313	BDT 23,395,313	BDT 23,395,313	BDT 23,395,313
Potato	BDT 665,035	BDT 1,330,071	BDT 1,330,071	BDT 15,581,321	BDT 15,581,321	BDT 36,958,545	BDT 36,958,545
Prawn	BDT 0	BDT 0	BDT 0	BDT 0	BDT 0	BDT 0	BDT 0
Vegetable	BDT 524,636,629	BDT 919,100,259	BDT 934,945,816	BDT 1,017,310,189	BDT 1,115,676,969	BDT 1,221,708,436	BDT 1,311,894,347
Wider economy	BDT 296,165,450	BDT 493,609,083	BDT 493,609,083	BDT 493,609,083	BDT 493,609,083	BDT 493,609,083	BDT 493,609,083

*Overlap issues*

At the sector level, overlaps can occur due to one or more of the following:

- Overlap of geographical areas for different interventions
- Use of the same entry points (service providers, companies, extension officers, associations, etc.)

These may lead to the same group of end beneficiaries becoming the target of multiple interventions. Hence throughout the intervention management process, these possibilities should be kept in mind. Proper and timely identification of potential overlaps should be recorded.

In order to adjust for these kinds of overlap, every intervention has to be assigned an 'un-overlapped %', which basically indicates the unique incremental outreach it contributes to the sector. For example, intervention A has an outreach of 5,000 SMEs. A new intervention B has an outreach of 20,000 which includes the previous 5,000 from intervention A. Hence, intervention B actually contributes only 15,000 'new' beneficiaries – the 'un-overlapping' percentage will be 75% (15,000 out of 20,000). This percentage figure has to be posted (after assessment or educated projection) in the SAF file for each intervention.

**Aggregation at the Project Level**

The SAF of every sector of Katalyst is taken as input into another file called Katalyst Impact Aggregation System (KIAS). Thus, sector-wise validated or projected readings of the SAF indicators get collected in the same database. KIAS further processes the sector-wise data to aggregate in the Katalyst project portfolio level. All sorts of probable overlaps are adjusted from previous assessments or by logical assumptions through consultation with the market team members. In the KIAS file, the overlap unadjusted contribution from each sector is known as the 'gross sector performance'; and the overlap adjusted figures, that ensure that we do not count the same change/impact multiple times, are labelled as 'net contribution to Katalyst portfolio'.

To make KIAS as a user-friendly tool for management staff, three worksheets (Graphical Users Interface or GUI) have been created:

- Katalyst GUI
- Group GUI
- Sector GUI

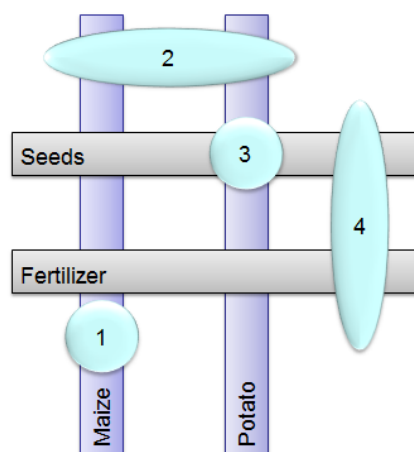
In these interfaces, one can select the kind of query he/she wants to place by selecting from some given options in drop down boxes. All validated and projected figures of the previously mentioned indicators for the seven periods mentioned in the previous "Aggregation in sector level" section can be returned in incremental or cumulative terms, group wise or sector wise or even for the Katalyst as a whole. The formulae used for derivation of these figures remain hidden so that KIAS can remain more user-friendly.

*Overlap issues*

Up until now, overlap across sectors did not pose significant concerns for impact assessment. Throughout the first phase, and also during the early periods of the second phase, Katalyst interventions were mainly focused on specific geographical locations. Hence the beneficiaries of individual sectors could be easily identified and isolated.

The present emphasis on scale-up has brought about changes in the sector strategies, and eventually interventions. Currently, the interventions tend to have a national focus, i.e. the activities are dispersed around numerous locations all over Bangladesh.

Within the current scope of Katalyst's work, overlap can happen in the following ways:



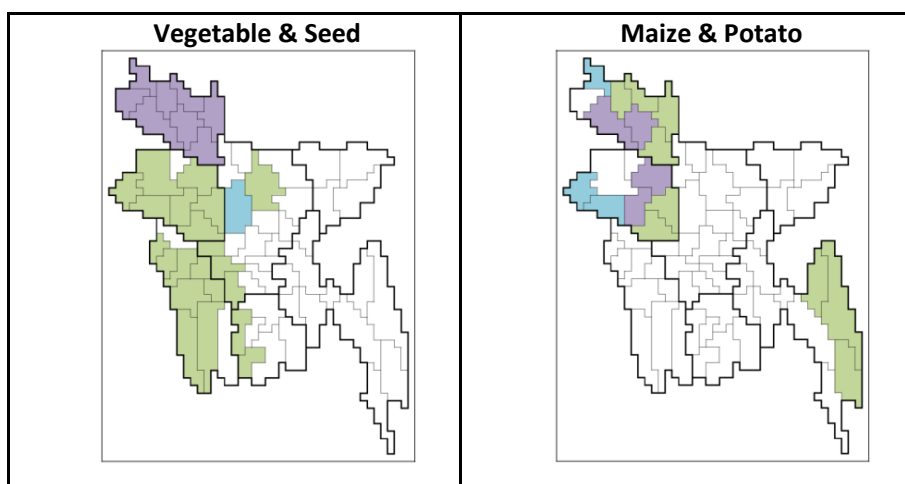
1. A maize farmer benefits from 2 different interventions
2. A potato farmer also cultivates maize
3. A potato farmer benefits from a potato and a seed intervention
4. A farmer outside Katalyst's core sectors (eg potato, maize) benefits from interventions in the seed and fertilizer sectors
  - All overlaps documented with assumptions and considerations
  - Different calculation for income and outreach

Overlaps due to varied cropping patterns seem quite inevitable; while overlap of benefits through sector and cross-sector is actually one of the targets of Katalyst internal synergy. A mapping of Katalyst sectors and cross-sectors can be used to have a preliminary idea regarding the extent of these overlaps. Currently a system has been developed that can portray the area coverage (at district level) and overlap between

- A value-chain and a cross sector
- Two value-chain sectors

Examples are shown below.

**Figure 17: Geographical Overlap**



The figure on the left shows the area coverage of only vegetable (in blue), that of only seed (in green) and the overlapping regions (in purple). The whole of the Rangpur division can be seen to be the overlapping region where both the vegetable and seed teams are working.

The figure on the right shows overlaps between two sectors – mainly appropriate for agricultural sectors. In the diagram, ‘maize only’ areas are shown in green, ‘potato only’ in blue, and overlaps are in purple.

The initial identification of the districts where overlaps take place is done through the process shown above. Afterwards, further intensive studies need to be conducted to assess the nature and extent of these overlaps. The primary objective of these studies is to assess the level of attribution for the individual sectors/cross-sectors.

#### Aggregation adjustments for overlaps between value-chain and cross sectors

Katalyst currently works in 7 sectors and 11 cross-sectors. The activities focus on specific albeit numerous geographical locations. So there are high possibilities that there will be places where a value-chain or a cross sector is present, but Katalyst does not have any activity there. Furthermore, the cross-sectors will have activities, and eventually impact, beyond Katalyst coverage – both geographically and sector-wise. The situation can be depicted through the following diagram.

	Sector	Non sector
Area	1	3
Non area	2	4

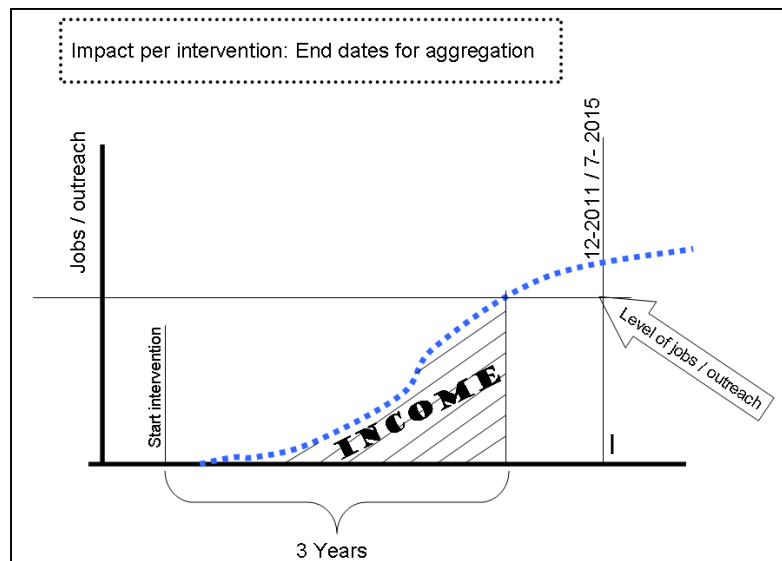
While reporting impact figures for a cross-sector, the numbers represent boxes 3 and 4. A cross-sector can also have impact within a Katalyst value-chain sector (box 2) – but these numbers are already incorporated within the value-chain sector impact figures (a combination of box 1 & 2).

#### Impact monitoring period and aggregation:

Interventions vary in start date and duration, hence the monitoring period also varies. However, for manageability and in order to be able to do annual aggregation, the monitoring duration has been standardized. Katalyst has decided to monitor results either for 24 months or for 3 business cycles (but at least 1 year) after the completion of an intervention, depending on which is more relevant to the sector. For example, agricultural sector interventions are mostly dependant on crop cycles (also termed as business cycle), and monitoring as per the business cycle is more appropriate, however, for most of the cross sectors a 24 months monitoring period will be more suitable. This timing was chosen because it is expected that within 3 business cycles or 24 months, the target group will have internalized change and they will be able to replicate the impact on their own and without further project support. After this monitoring period Katalyst will discontinue any sort of monitoring, and will no longer measure results of that intervention; it also means that further impact will no longer be aggregated in Katalyst’s impact figures. This is mainly because beyond 3 business cycles or 24 months, other factors will influence the impact and Katalyst will have decreasing attribution to it. The following figure explains the effect of time on attributable impact.

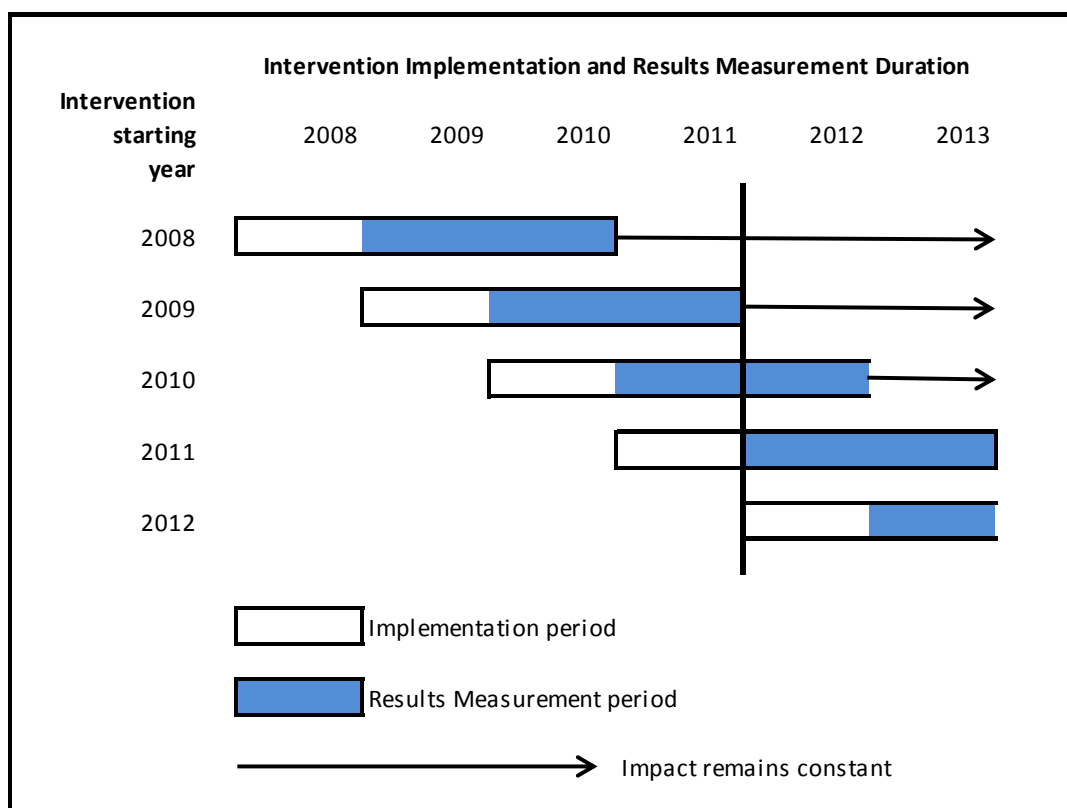


Figure 18: Impact Monitoring Period



Further, the duration, type and start date of the intervention along with the monitoring period also has implications in terms of aggregation; Following is a diagram is demonstrating how this monitoring period has an influence on aggregation.

Figure 19: Results Measurement Period



In the diagram each bar represents an intervention where the white section is the implementation period and blue section is the monitoring period. The arrows show the time point/year from when impact is kept constant for an intervention. For example, in the above diagram the intervention that started in 2008, has a monitoring period till 2010 and the impact is kept constant since 2010. On the other hand an intervention that started in 2009 has a monitoring period till 2011 and the impact is kept constant after that.

Since Katalyst does annual aggregation, interventions type and maturity will affect how we aggregate the data. This can be further understood from the above diagram, in the above diagram the vertical straight lines shows the intervention status for aggregating in the year 2011.

- It can be seen that those interventions that have started in 2008 and 2009 have completed their monitoring period, hence should have the impact data for aggregation (for all the levels of the logframe).
- Interventions that have started in 2010 are almost midway of their monitoring period, and will still be able to provide impact data for aggregation (at least usage figures maybe the actual figures while the rest may be projected).
- Those interventions that have started in 2011 have hardly managed to finish the implementation, and hence will have little or no aggregate-able impact data. Therefore, the aggregated impact figures of 2011 will include cumulative impact data for interventions starting in 2008 and 2009 and partial impact data for interventions starting in 2010.

## Annex 19: Calculation for Employment Creation

While at the goal level of the Katalyst logframe reporting on the employment context, there are some sectors and/or interventions which directly contribute to employment creation. Katalyst aims to measure the impact on employment of such interventions/sectors and report them separately. These employment figures are reported as FTE workers (Full time equivalent). FTE conversion is mostly done for rural sectors; this is done by dividing the required labour days by 240 days (where 8 hours of work equals 1 work day).

As mentioned previously, labour force calculation varies from rural sectors to industrial sectors as well as among rural sectors. Other variables are the previous situation (before an intervention impacted), regional variations and applied technology (often connected to the size of the farm/enterprise).

Katalyst has decided to measure labour elasticity for typical interventions, i.e. constructing the relation between acreage (for farms) and labour and products and labour. For sectors where most common crops were replaced by new crops, also the elasticity of the baseline crop will be assessed.

At present (mid 2012) the assessment of labour elasticity is still on-going. A respective guideline will follow in the next revision of this manual.

For illustration two hypothetical examples:

### Rural:

Pond fish: Field data suggest that an acre of fish pond requires 250 labour days (each worker roughly working for 8 hours). A particular intervention 'FSP1: Introduction of new technology' has a benefited outreach of 15000 fish farmers; and the average pond size of the farmer is 0.5 acre. Impact studies showed that because these farmers have adopted this new technology they are now having to employ more labourers for netting (oxygen generation) and pond preparation. In total each firm required additional 10 labour days per acre. So, the additional employment created is  $15000 \text{ (outreach)} \times 0.5 \text{ acre (average land size)} \times 10 \text{ (additional labour days required per acre)} = 75,000 \text{ labour days}$ . Now dividing these labour days by 240 days will give the employment created in FTE for the benefited outreach; in this case the FTE is  $75,000 \text{ labour days} / 240 \text{ days} = 312 \text{ labourers}$ .

### Industrial:

Furniture: The intervention was about "Introduction of low cost wood working machineries". Impact study showed that due to productivity increase and sales increase from lacquer, 77 furniture manufactures in total experienced a net income (profit) change of 8.23 Million BDT. The study findings also indicated that the 50% of profit is pulled back and used for production. Therefore, 4.12 Million BDT is reinvested into business. Sector information shows that average cost of producing new furniture is 14,000 and each 12 new furniture production requires additional 5 workers throughout the year.

Since 4.12 Million BDT is reinvested the total number of new furniture produced is:  $\text{BDT } 4.12 \text{ million} / 14,000 = 294$ .

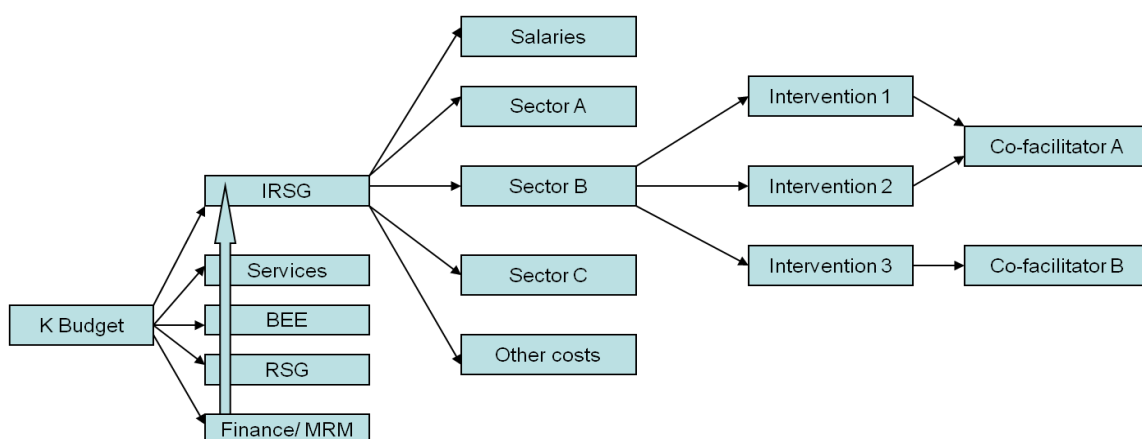
Since production of 12 new pieces of furniture creates 5 additional FTE workers, production of 294 new furniture will create  $(294 \times 5) / 12 = 122 \text{ new FTE workers}$ .

## Annex 20: Cost Tracking

In order to better allocate the finite Katalyst resources, respective group managers are responsible to prepare a financial monitoring report listing all major spending on their respective value-chain/ cross sectors in the past six months. The financial monitoring report is done semi-annually, and has inputs from the MRM group as well as the Gender & ESRB unit. This report is initiated in light of the new DCED standard which aims to measure achievements in private sector development. “The [DCED] Standard calls for a statement of the programme’s annual and cumulative costs, so that the achievements of the programme can be put into perspective. Clearly, a larger and more costly programme can be expected to achieve greater results and scale. The Standard also suggests that programmes separate costs by major components, to provide useful management information.”<sup>5</sup> The report serves as an internal document based on the information available from the financial report submitted to the donors every semester.

Note: the present plan of accounts shows the direct costs for sectors only. Project Management costs (salaries, travels and trainings) are shown on group level only, other costs such as office, logistics, Swisscontact head office costs etc. are not disaggregated. Costs for interventions are partly extractable from the Management Information System (MIS), where the contracts with partners and co-facilitators are processed; however some partners and co-facilitators have contracts over more than one intervention:

**Figure 20: Budget Allocation**



To economize the cost tracking, only data from the financial report and the direct allocation of Katalyst’s human resources to specific sectors (business consultants assigned to the sectors) are taken.

Since only the financial reports since July 2009 show direct expenditures disaggregated per sector, the cost tracking was started at 1<sup>st</sup> July 2009.

Sector costs are calculated as follows:

<sup>5</sup> “A Walk Through the DCED Standard for Measuring Achievements in Private Sector Development”, 17<sup>th</sup> May 2010; pg. 8.

<b>Table 4: Calculation Basis</b>	
<b>Period:</b>	July 2009 - December 2011
<b>Direct Costs:</b>	<b>Sector Specific:</b> Comes from the Budget codes of market teams (e.g. in case of irrigation, the whole contract-value with IDE as cofacilitator and also contract-value with Hatim as partner later on.
<b>Group Specific Overhead Components:</b>	<b>Group Specific:</b> REMUNERATION - Expatriate(s) - International consultants DIRECT COSTS international - International travel and expenses (consultants) - Travel expenses of resident expatriates and dependants - Expenses of foreign residence Fiduciary Funds - Remuneration of locals  This overhead is split across sectors based on number of BC/SBC/PBCs' working
<b>Katalyst Specific Overhead Components:</b>	<b>Attributable to Overall Katalyst:</b> HEADQUARTERS MANAGEMENT GROUP MONITORING & EVALUATION GROUP FINANCE & ADMINISTRATION GROUP GROUP  This overhead is split across sectors based on number of BC/SBC/PBCs' working

The final result is summarized in an EXCEL sheet, showing incremental and cumulative figures per sector, available to Katalyst's management.

## **Annex 21: Poverty Profiling**

Katalyst's final rationale is to improve the livelihood of poor people by integrating them better into markets. Targeting the poor through a facilitative approach such as M4P is an iterative process: not always the immediate beneficiaries are poor farmers and small enterprises. To better focus the interventions on the lower income group it is necessary to have an idea on the poverty profile of the ultimate beneficiaries of Katalyst's interventions. To this end Katalyst establishes the Progress out of Poverty Index (PPI) for its target groups.

### **What is a PPI?**

The PPI is a scorecard which can measure a particular household's "poverty likelihood", that is, the probability that the household has a per capita expenditure below a given poverty line. In Katalyst the poverty line employed are the USD1.25/day 2005 PPP and USD 2.5/day 2005 PPP, which are the internationally accepted extreme poverty and poverty line respectively.

### **How was it developed?**

Progress out of Poverty Index (PPI) was developed by Grameen Foundation and it uses ten verifiable indicators (such as "What is the main construction material of the walls?" or "Does the household own a television?") to get a score that is highly correlated with the poverty status as measured by exhaustive surveys. For Bangladesh, the scorecard is based on data from the 10,080 households in the Household Income and Expenditure Survey (HIES 2005) conducted by the Bangladesh Bureau of Statistics (BBS). CGAP, Grameen Foundation and the Ford Foundation endorse the Progress out of Poverty Index (PPI; currently, there are 46 countries with PPIs.

### **Why do we use it?**

Katalyst's overarching rationale is to reduce poverty through pro-poor market development. In line with its commitment towards greater robustness in measurement, Katalyst has instituted the new framework, Progress out of Poverty. It allows Katalyst to identify accurately the poverty distribution among its target beneficiaries and therefore enabling the project to ascertain how pro-poor its individual sectors are.

### **How do we use it?**

Katalyst has identified two cut-off PPI score for the USD1.25/day 2005 PPP and USD 2.5/day 2005 PPP poverty lines. An individual has to have a PPI score equal or less than a PPI score of 30-34 for him or her to be considered living below \$1.25/Day 2005 PPP poverty line and similarly equal or less than a PPI score of 55-59 for the \$2.5/Day 2005 PPP poverty line. The rationale for choosing the particular sets of cut off points can be found in the working paper cited below.

In order to assess the pro poorness of a Katalyst sector, a representative sample of the target beneficiaries within the sector have to be surveyed. This is usually done in baseline or impact studies. Once the survey is completed the percentage of the sample with PPI scores below or equal to 34 and 59 have to be assessed. This would give us the percentage of Katalyst target beneficiaries who live below USD1.25/day 2005 PPP and USD 2.5/day 2005 PPP poverty lines, respectively in that particular sector.

**For more detailed information please read the Katalyst Working Paper Series "Poverty profiling using the Progress out of Poverty Index (PPI)", Version V, 1<sup>st</sup> May 2012**

## **Progress out of Poverty Index™ for Katalyst Sectors**

	<u>Name</u>	<u>Date</u> (   /   /   )
Researcher :	_____	Sector: _____
Interviewee:	_____	Occupation: _____
Location:	_____	Household size: _____

Indicator	Value	Points	Score
1. How many household members are 11-years-old or younger?	A. Four or more	0	
	B. Three	9	
	C. Two	12	
	D. One	19	
	E. None	31	
2. Does any household member work for a daily wage?	A. Yes	0	
	B. No	10	
3. What type of latrine does the household use?	A. Open field	0	
	B. Kacha latrine (temporary or permanent), pacca (pit or water seal), or sanitary	5	
4. How many rooms does the household occupy (excluding rooms used for business)?	A. One, two, or three	0	
	B. Four	7	
	C. Five or more	11	
5. What is the main construction material of the walls?	A. Mud brick, hemp/hay/ Bamboo or others	0	
	B. C.I. sheet/wood	2	
	C. Brick/cement	8	
6. What is the main construction material of the roof?	A. Tile/wood , hemp/hay/ Bamboo or others	0	
	B. C.I. sheet/wood	2	
	C. Cement	13	
7. What is the total cultivable agricultural land owned by the household?	A. None, or less than 0.5 acres	0	
	B. More than 0.5 acres, but less	4	
	C. More than 1 acre	6	
8. Does the household own a television?	A. No	0	
	B. Yes	7	
9. Does the household own a two-in-one cassette player?	A. No	0	
	B. Yes	5	
10. Does the household own a wristwatch?	A. No	0	
	B. Yes	4	
<b>Total Score</b>		<b>Total score</b>	

**Annex 22:      Systemic Change**

# Operationalising systemic change

Version 2, 1<sup>st</sup> December 2011  
Rob Hitchins, Dan Nippard, Springfield Centre

This Guideline is elaborated as a stand-alone document which may be revised separately.



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## 1. Introduction to the guideline

As a programme committed to the market development approach (M4P), Katalyst has consistently worked to positively impact the lives of the poor by stimulating changes in markets of importance to them. In effecting changes in market ‘conditions’, Katalyst aims to indirectly assist the poor to take advantage of new growth opportunities in markets (as entrepreneurs and workers) and benefit from increased access to services (as consumers). ‘Correcting’ markets so that they function better for the poor demands that Katalyst works through existing market structures and market players to change the way in which the current market system – characterised by a range of functions and rules that support (or hinder) supply and demand interactions – serves the needs of the poor.

Throughout its lifetime, Katalyst has wrestled both with how the concept of “market system change” is understood and managed internally, and how the concept and results are communicated to an external audience often less familiar with the market development approach. This is largely because “market system change” is perceived as something that has either been achieved, or not been achieved. This binary perspective of market development is far removed from the reality, i.e. making markets work better for the poor is actually a *continuum of change*, improvement, and evolution, and not a one-off event. Consequently, the guideline will henceforth refer to “market systems that work better for the poor” as opposed to the often misinterpreted and vague concept of “market system change.”

This guideline aims to achieve clarity, uniformity, and coherence around how the concept of “market systems that work better for the poor” is defined, operationalized, and measured from the perspective of a market development programme. It is anticipated that this will aid consistency across Katalyst’s wide portfolio, contribute towards improved managerial and strategic decision-making, and improve upon how Katalyst teams measure their progress and report back to donors.

## 2. Definitions, clarity, and consistency

Making market systems work better for the poor is a central tenet of M4P and is the intermediate goal of any market development intervention, preceding pro-poor impact; indeed, for Katalyst, it is the means by which poverty reduction is to be achieved if it is to be sustainable and far-reaching. For markets to be improved in this regard, Katalyst must work at the “systems-level” to re-configure existing market interactions or to introduce new market interactions altogether.

### 2.1 Defining where Katalyst works

At the time of writing, Katalyst has interventions in 16 sectors<sup>6</sup>, of which 7 are core sectors, 4 are cross-sectors, and 5 are service sectors. The demarcation of Katalyst’s portfolio in terms of sectors is clear and has been both an historic and necessary organisational feature of Katalyst since the outset. In spite of this, there has often been some confusion as to how the word ‘sector’ fails to accurately capture exactly ‘where’ Katalyst works and the effect the use of the word ‘sector’ has on both internal objectives and external expectations of impact.

#### 2.1.1 Sectors in relation to market systems

By working in **sectors**, Katalyst often elicits the expectation, both internally and externally, that it will work to correct each and every aspect of underperformance manifest across the entire sector (e.g. irrigation, maize, ICT), nationwide. This is a mistaken belief. Firstly, it is *not feasible* for a development programme to change an entire sector. Katalyst simply doesn’t have the resources, human and otherwise, to dedicate to promoting sector-wide change, nor an all-encompassing span of control able to influence all sector outcomes (i.e. political and legislative decisions that negate or reverse Katalyst-induced changes). Secondly, it is *not desirable* to use programme resources to change an entire sector. Katalyst is mandated to work only in the parts of the sector with most relevance to the poor or where the poor can be touched through intervention. After all, it is

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<sup>6</sup> Not including tourism (which is scheduled to be phased-out)

possible, though undesirable, to intervene within a sector and not at all positively impact the lives of the poor. As a term of classification, ‘sector’ is therefore useful short-hand, though inaccurate to the extent that it overstates, in the eyes of an outsider, what Katalyst can achieve and what it is aiming to achieve. More accurate to say would be that Katalyst works in discrete ‘market systems’ within a sector.

A **market system** is therefore a sub-set of the sector, specifically, a sub-set where the poor are present (or are able to be present) as entrepreneurs, workers, or consumers of services. The poor entrepreneur, worker, or consumer should be at the heart of the market system – either on the demand-side or on the supply-side of an interaction – that is under-performing for them in some manner. In analysing the causes of the under-performing demand-supply interaction, Katalyst is able to identify the systemic constraints (functions and rules) that impinge upon a better performing market for the poor. It is this demand-supply interaction together with the grouped set of systemic constraints that comprise a market system for Katalyst. Essentially, market systems are the sub-sets of the wider sector that most affect the lives of the poor.

Table 1. Market systems within Katalyst sectors

SECTOR	MARKET SYSTEM
JUTE	Poor farmers producing jute (supply) to sell to the jute mills (demand)
MAIZE	Poor women hired at harvest time (supply) to support maize producers (demand)
ICT	Poor farmers consuming (demand) agricultural information via telecoms operators (supply)

## 2.2 Defining Katalyst’s route to poverty reduction

Katalyst follows the M4P strategic framework (Fig.1) to guide how it intervenes in sectors. Poverty is always reduced among the beneficiary population indirectly – by promoting systemic changes through market partners that improve the way in which the market system functions to the benefit of the poor.

Figure 1. Route to poverty reduction



### 2.2.1 Systemic changes lead to markets working better

Simply, when Katalyst works to correct one or more systemic constraint, the resulting correction is the systemic change. Systemic changes improve the market system by ‘correcting’ the supporting functions and rules that inform and shape transactions involving the poor at the core of the market. Whilst one systemic change will result in the market system working better for the poor, multiple systemic changes in aggregate will add up to more profoundly improve the market system in question.

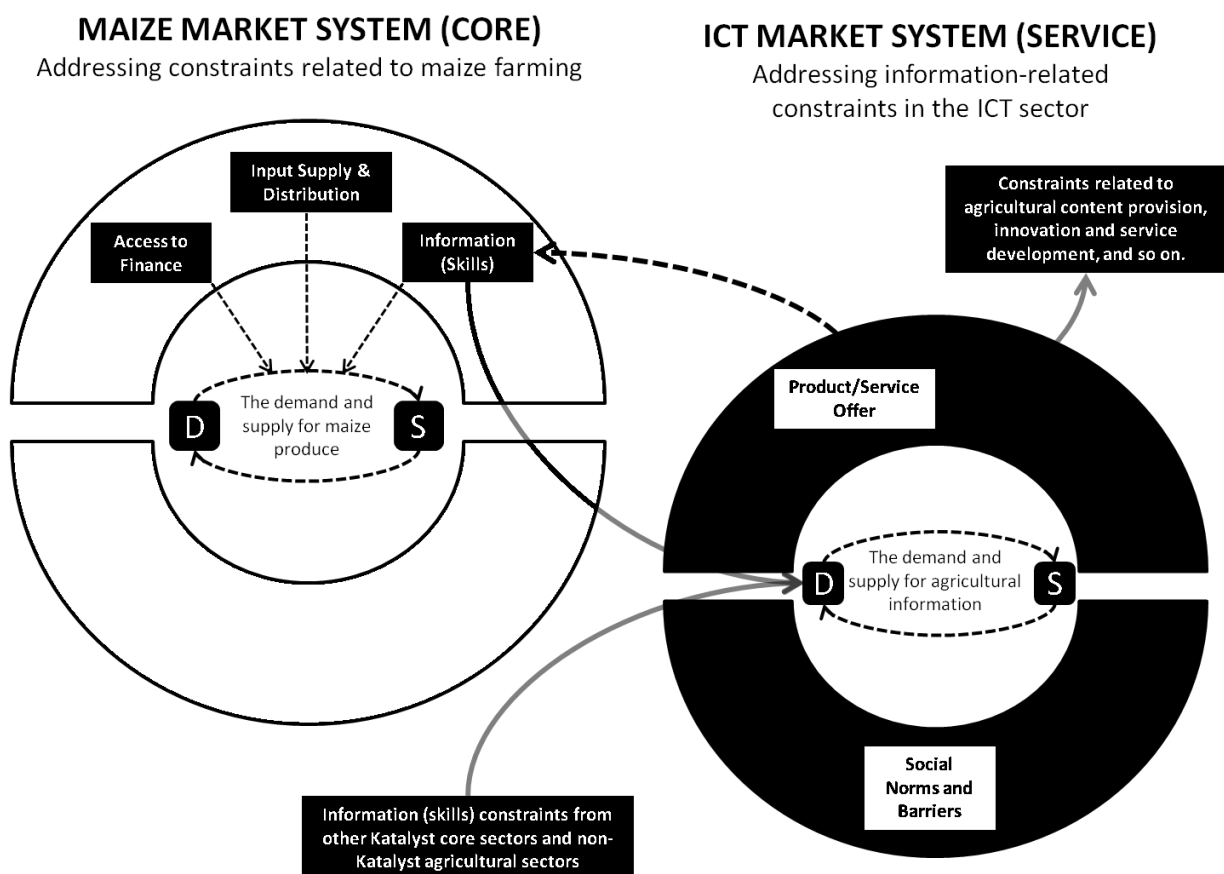
### 2.2.2 Better working markets lead to pro-poor outcomes

With systemic constraints addressed, market systems are better able to cater to the needs of the poor entrepreneur, worker, or consumer. The poor are thus able to take hold of opportunities previously unavailable to them – be they opportunities to step-up, step-out, or hang-in. Following access to such opportunities comes usage, or application, and finally, benefit at the household-level in the form of a positive change in net income. Systemic changes must therefore be strategically targeted so as to impact the poor.

## 2.3 Defining what this means for Katalyst

The Katalyst portfolio comprises two types of sector; core sectors and cross-sectors. Core sectors are quintessentially agricultural commodity markets (with the exception of furniture). Cross-sectors are supporting markets of these core sectors and can be both product (e.g. seed) or service (e.g. media) markets. Cross-sectors arise from constraints to farmer and SME performance found to be common to more than one core sector within Katalyst's portfolio and/or the wider economy. All cross-sectors therefore take a core sector constraint as their point of departure, effectively treating the supporting market to which the constraint 'belongs' as a core market (Fig. 2). Systemic changes in both core- and cross-sectors have parity and both contribute towards pro-poor impact; indeed the only difference between the two types of sector is that the latter will have a longer results chain.

Figure 2: Systemic changes in core and cross/service sectors



In the figure above, the ability of poor farmers to take advantage of growth opportunities in the maize sector is undermined by three commonly encountered problems: (i) farmers' limited knowledge of best cultivation practices, (ii) limited access to quality inputs, and (iii) difficulties obtaining credit. One of the systemic changes that the Katalyst maize team wishes to bring about is to improve the knowledge of maize farmers through improving the farmers' ability to avail relevant cultivation information. The maize sector team themselves are looking to do this through their own intervention areas (see Section 5). The ICT team, as a cross-sector team, works to further complement these efforts by bringing about a further systemic change that aids information access (i.e. facilitating the development of appropriate ICT service platforms) and the overall environment of agricultural information. This systemic change will feed through into the maize market (and others), making them work better for the poor and, consequently, effecting pro-poor impact together with the other improvements in core market functioning being facilitated by the maize sector team themselves. In other words, when the performance of a core sector is improved as a result of cross-sector interventions, in a way

which benefits the poor in that core sector, the cross sector systemic change has contributed towards delivering pro-poor outcomes in the core sector (and in non-Katalyst agricultural sectors).

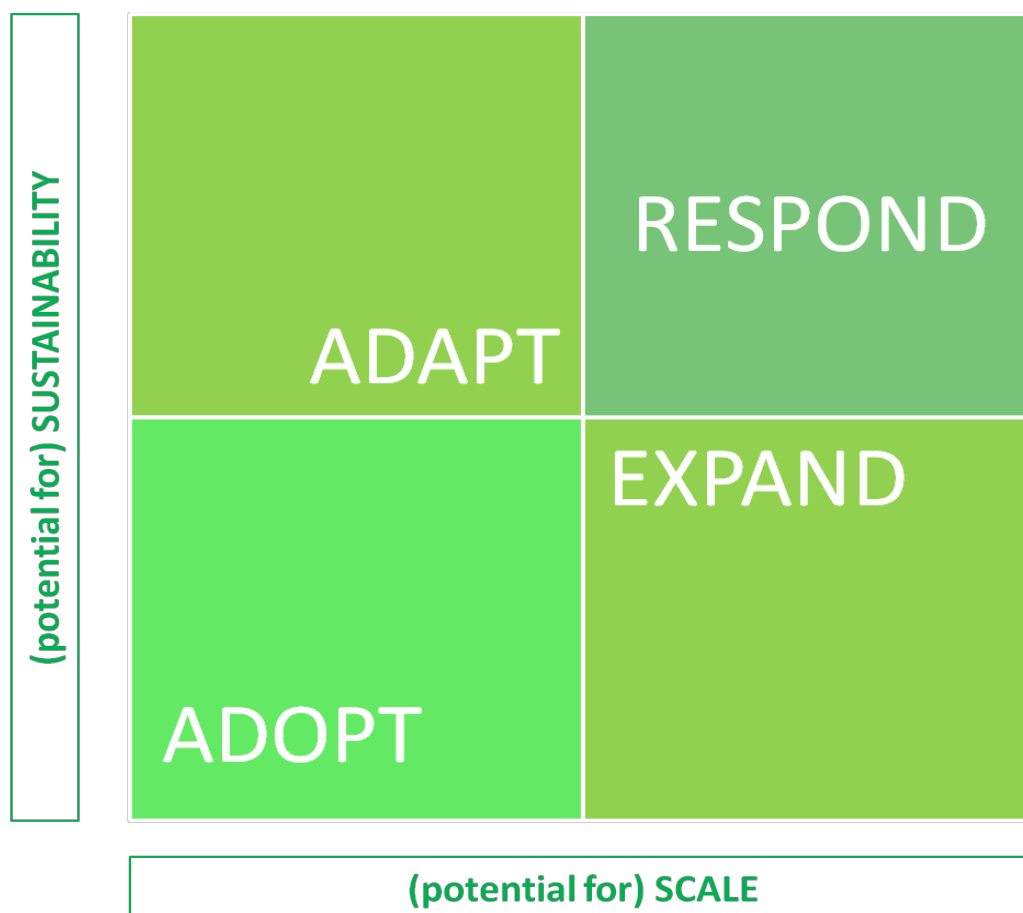
### 3. The relationship between systemic change, scale, and sustainability

Good M4P programmes work towards ensuring that pro-poor household-level impact endures, that beneficiary numbers are as high as possible, and that the door is open for the number of beneficiaries to grow in the future. The concepts of systemic change and “better working markets” are inseparable from the concepts of scale and sustainability, with the former viewed as breadth of impact, and the latter viewed as depth of impact. In making systemic change the intermediate outcome of intervention, M4P programmes give themselves the best opportunity of attaining both scalable and sustainable outcomes as both are born of working to alleviate root causes of market under-performance found at the systems-level.

Whilst sustainability and scale are commonly-used terms in development programme discourse, what really sets the market systems approach aside is that both sustainability and scale fall out of *how* the programme sets about intervention; in part, the facilitative manner in which programme’s work indirectly through market partners; and, in part, the focus on alleviating systemic constraints to enact systemic change. Sustainability and scale are not objectives that are ‘bought’ or ‘delivered’ but are themselves the result of *facilitating systemic change*. In this regard, it is useful for M4P programmes to chart their progress towards attaining scale and sustainability from the perspective of systemic change, with the ‘quality’ of the systemic change corresponding to both the breadth (think: scale) and depth (think: sustainability) of its impact.

We can therefore think of systemic change as being composed of four different elements, related to the achievement of both sustainability and scale. Whilst ‘adopt’ will always be the first element in place, there is no fixed sequencing of elements beyond that. In fact, quality M4P interventions will often work on the ‘respond’ element from an early stage to give the systemic change instigated a strong potential of achieving sustainability and scale.

*Figure 3: Elements of systemic change*



### 3.1 Elements of systemic change

An M4P programme may usefully identify and classify four degrees of systemic change, and can be understood as exhibiting different measures of sustainability and scale. The Adopt-Adapt-Expand-Respond matrix is particularly useful in helping facilitators to gauge where they are on the pathway to crowding-in, though in reality, ‘shades of grey’ will always exist and it is important to exercise case-by-case judgement in using such a matrix. An explanation of the importance of the four degrees of systemic change and a working definition of each are given below.

#### 3.1.1 Adopt

Adopt will always be the first step of systemic change reflective of at least one market partner buying-in to a new way of working. Adopt is essentially the testing of your business case with an enterprise, organisation, or institution with the incentives and capacity to change, and deemed likely to take it up fully. Depending on the nature of the market, it is likely to be low on both measures of sustainability and scale, though the adoption of the innovation itself will have some impact on the poor entrepreneur/worker/consumer. A simple definition can be:

*“A market partner successfully takes-up a pro-poor commercially viable and/or socially useful innovation.”*

This may be in the form of a new or improved ‘business model’, practice, product/service offer or the uptake of a new responsibility within the market system (i.e. a change in function or rule).

### 3.1.2 Adapt

Adapt is achieved when Katalyst deems that early adopters are at least continuing to roll-out the innovation, but preferably to improve and develop it, of their own accord. Adapt signifies a degree of systemic change that is perhaps still low on scale, but higher on sustainability measures, with Katalyst expected to be providing far less in the way of technical and financial backing. Indeed, the attainment of ‘adapt’ is a significant milestone that lends Katalyst confidence that the pro-poor changes Katalyst has helped to achieve thus far have the ability to endure, in some form, and to deliver impact in the long-run. A simple definition can be:

*“The initial partner continues to use the innovation that they originally adopted in the pilot phase, (relatively) independently of Katalyst.”*

The initial partner may further improve the innovation, tailoring it to better fit their own ambitions and organisation, making investments that support its continued and wider execution. The partner may also demonstrate signs that it is moving to more generally embed the innovation within its own operational norms, by, for example, writing it into business plans, developing new internal procedures and processes to accommodate it, allocating greater budgetary provisions, institutionally re-housing the innovation within a department’s jurisdiction, and so on.

### 3.1.3 Expand

Expand accounts for crowding-in effects and the potential for beneficiary numbers to grow. In Katalyst, this will likely encompass closer relations being fostered with new market partners and/or national scale agents. Expansion not only concerns measures of scale, but it has sustainability dimensions also. The greater the number of players ‘offering’ the innovation, the lesser the associated risk of any one player (i) leaving the market, (ii) changing business direction, or (iii) suffering supply chain and partnership problems, and effecting the delivery of benefit. Expansion into new regions also works to offset an innovation’s exposure to regional crises. More players and more regions give strength in diversity and increase the likelihood of the innovation becoming a mainstream feature of the market. Likewise, further evolution should also improve the quality of the original innovation(s) too through competitive pressures and other factors. A simple definition can be:

*“A sufficient number of other market players (or a few market players with a large market share) have adopted the innovation, or clear variants thereof.”*

This may be as a result of either demonstration or competitive pressures created by the early adopters who have begun to reap benefits. It signifies a clear ‘opening-up’ of the innovation’s outreach potential as well as a shift towards it occupying a mainstream position within the market system (defined by market share, level of penetration, and so on).

### 3.1.4 Respond

Respond is characterised by improvements to supporting functions and rules (in interconnected markets) that shore-up and strengthen the pro-poor innovations adopted, enabling them to become further ingrained within the market system. A more responsive market system will give innovations the characteristics to last and adapt to future market conditions. Both sustainability and scale measures are high at the respond stage and there is a confidence that the innovation can continue to survive in its current form or ‘move with the times’ as appropriate. A simple definition can be:

*“Market players in the wider sector, or in adjacent sectors connected to the market system within which the programme has been working, are reacting to the adopted innovation by developing new offers and taking on new roles and responsibilities that support (or act in response to) its presence.”*

Essentially, the original innovation has prompted, or created, a new set of market conditions that have incited other relevant market players to themselves evolve and re-organise (supporting functions and rules) to take advantage of new incentives and opportunities.

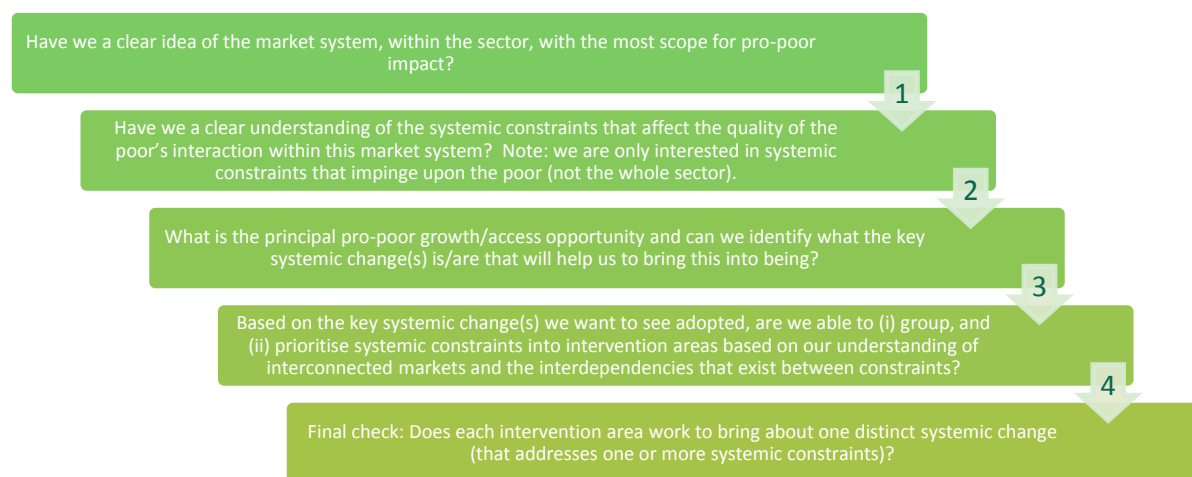
## 4. Katalyst's approach to making markets work better

In previous years Katalyst has tended towards intervening in a multitude of different ways across many different sectors. As Katalyst has matured, this tendency has reduced somewhat and there is now a greater degree of rationalising and strategizing that take places prior to intervening in a sector, in terms intervention design. Implementation is also now more focused on achieving systemic change in order to reach the poor, not delivering outreach and impact. Finally, progress measurement systems take account of systemic change as intermediate outcomes within sector and intervention logics. This said, the way that Katalyst thinks about systemic change requires even greater rationalising and strategizing. More can be done at each stage of the programme cycle.

### 4.1 Strategy and intervention design

Katalyst teams need to be far clearer about what the key systemic change(s) is (are) that they are trying to enact. Indeed, the relationship between the grouping and prioritisation of systemic constraints, systemic change, and intervention design (intervention areas) must be clear and consistent across the Katalyst portfolio. From this starting point, teams will be better able to avoid a 'shopping list' of constraints scenario whereby constraints emerge and are prioritised, despite their marginal relevance to the problems the poor are facing. Such clarity and consistency can be attained if teams follow some simple design considerations:

Figure 4: Intervention design considerations



Systemic changes are achieved through alleviating systemic constraints in your market system and relevant interconnected markets. It is not the case that one systemic change always equates to one systemic constraint resolved. Some systemic constraints, when addressed, contribute towards a systemic change but do not equate to a systemic change in isolation. At the design stage, then, much of what needs to be thought about amounts to considerations of groupings, prioritisation, and understanding the interdependencies between systemic constraints in order to articulate what the actual systemic change is. Indeed, some teams may understand what the key systemic change(s) is (are) early on in sector assessment, others later as a result of initial piloting activities (action research). In all cases, however, the articulation of systemic change(s) should be made prior to full-on implementation, as it is this systemic change that will determine sector visions and steer sector teams. If the systemic change requires re-articulation and/or refinement at a later date, teams are encouraged to do so, and should always bear in mind, at the very least, the continued relevance of the systemic change(s) for which they are aiming.

When it comes to implementation such design considerations will assist sector teams to think through the sequencing of specific interventions and whether certain systemic constraints cannot be redressed without first working on other systemic constraints. When it comes to measuring progress, they will assist sector teams to assess what else needs to be done prior to exit.



*Example: Identifying the key systemic change and prioritising and grouping constraints – ICT*

*In ICT, the principal systemic change is to develop a platform/service whereby telecoms operators can reach out to the rural, farming population. For this platform/service to come to life, numerous systemic constraints have to be dealt with in supporting markets. These include innovation weaknesses concerning which services to include in the bundle of services, the lack of agricultural information content providers, the skills deficiencies among tele-centre and call-centre agents, and so on. The content provision constraint itself can also be traced back to deficiencies in interconnected markets related to the quality control of privately delivered agricultural information and policies surrounding the sharing of publicly generated agricultural information with private information providers. It is important for Katalyst sector teams to note that not all systemic constraints, if addressed individually, will lead to pro-poor impact – i.e. the presence of a content service provider alone is not sufficient to improve the poor's access to agricultural information. The platform for the information service to be delivered through must exist first.*

## 4.2 Implementation

Facilitation is a dynamic approach, requiring programme staff to be cognisant of and responsive to new market conditions that emerge throughout implementation. Katalyst facilitators are therefore required to be fleet-of-foot in moving from supporting one set of intervention activities to another, and in line with M4P best practice, minimise replication previous activities where possible. In this regard, we are able to categorise four types of programme support that correspond closely with the degrees of systemic change described in Section 3 above. These are to: (i) innovate, (ii) improve, (iii) broaden, and (iv) deepen. It is worth noting that, with the exception of innovate 'developmental' activities need not follow a strict linear progression.

*Figure 5: Types of developmental activity – intervening for systemic change*

INNOVATE (TO ADOPT)	IMPROVE (TO ADAPT)	BROADEN (TO EXPAND)	DEEPEN (TO RESPOND)
Activities undertaken in collaboration with market partners to design, develop, and test a new 'way of working.'	Activities undertaken to support early adopters (partners) to interpret lessons to be learned from the pilot. Collaboration should consist of intellectual support and minimal technical assistance (ideally, no costs, no	Activities undertaken by the programme to scale-up the innovation through working (differently) to crowd-in and support new market partners, following successful piloting (and possible improvements), with	Activities that support or better embed within the system the original innovation. Likely to involve working in 'deeper' interconnected markets, but not exclusively.

As organisations begin to adopt innovations, Katalyst is in the ideal place to discuss future plans with partners and estimate the likelihood of the innovation being rolled-out. That said, avoiding too close an attachment with early adopters throughout the 'adapt' and 'expand' stages is crucial. Relationships between programme and market partners must 'move on', reducing in their intensity as implementation progresses. Opening dialogue within the policy space – involving public officials, regulators, and independent industry bodies – will also help teams to determine the extent to which market players are gearing themselves up to respond autonomously to new market developments. There may often be occasions to 'move on' to a different developmental activity or opt for an early exit, should the innovation in the market system have taken on a momentum of its own. Teams should be watchful of this.

The type of activities undertaken will be framed by a sector team's judgement of market system change, and as such, certain types of developmental activity will be implemented simultaneously. It may also be the case that activities begin to broaden and deepen at an early stage in implementation, but these aren't picked up and 'taken to the next level' fully until significant progress elsewhere has been made. It is certainly the case with deepening activities that some functions and rules need to be addressed early on, whilst other functions and rules will only come to the attention of sector teams further down the road when markets begin to perform better and opportunities to embed innovations taken up by the market materialise. That is, some

deepening activities will be required immediately (in synchronicity with innovation), whereas other deepening activities may only be required prior to exit.

Throughout implementation, Katalyst teams must routinely be asking themselves “*where can we intervene next to best effect?*” For this, sector teams are required to be highly attuned to how market development is progressing as a result of both their own developmental activities initiated thus far, and as a consequence of ‘wider’ changes in the market. In theory, M4P interventions are likely far more ‘hands-on’ in the process of getting a systemic change adopted, and lighter in their touch to assist the systemic change to develop (re: scale and sustainability) further.

#### Implementation Tips

**Actively pursue vs. observing events unfold:** Sometimes you need to support adaptation, expansion and response to take place. On other occasions, these changes happen autonomously (unassisted). If firms look likely to adapt, expand or drive market responses without your help, leave them to it! After all, minimal Katalyst involvement increases partner responsibility and encourages greater ownership over the systemic change(s) introduced. Knowing when to act and when not to act is informed by the sector team’s understanding of the market and its players: Is the innovation likely to be profitable in the long-term? Are firms willing and able to take risks? Are they in a position to invest? Is the market competitive enough to spur them on? Is the innovation ‘disruptive’ enough that the market will have to respond? If so, the market may not require Katalyst’s assistance (to adapt, expand, and respond) further.

**Broadening activities in the absence of markers of sustainability:** A common dilemma is whether or not programs should move to broadening activities (to expand) before they’ve seen any signs of the innovation being adapted and fully taken-up by the original market partners. When a systemic change is classified as ‘adapt’, a significant marker of sustainability has been reached; indeed, it is the acid test that reveals whether the innovation adopted has the qualities to last in the market. In most instances, programs would want to see signs of early adopters adapting/owning the innovation before looking to expand an innovation, however, in rare cases (and depending on the nature of the market), introducing competition early on may force early adopters to speed up decision-making on investment and roll-out.

**(Re-)considering the feasibility of systemic change:** When designing interventions it is important to be realistic about what you can achieve within the life of the program. Some teams, for example, are frustrated by how long it takes to change certain attitudes, or for a certain law to change. Another common mistake is to be unrealistic about market player’s motivations. Will market players be highly motivated to scale up your innovation? Don’t be afraid to update your vision if your target market evolves, or stagnates. Likewise, if the systemic change(s) that you foresaw at the outset of implementation look unlikely to bear fruit within a sensible time period, your sector strategy will need to change to reflect your re-evaluation of what you can realistically achieve, and the re-configuration of market partner-program relations that might be necessary. Here, close analysis of your intervention can lead to you adopting an alternative approach to tackling the same constraint.

### 4.3 Monitoring and measurement

To be highly attuned to the progress of systemic changes adopted requires sector teams and co-facilitators to make a concerted effort to capture qualitative shifts in how a market is developing. This involves Katalyst placing as great an emphasis on storyline (i.e. progress against a sector team’s vision of a better working market) as the teams currently invest into collecting headline data based on access, usage, and benefit. It is also important that sector team’s share these storylines with the MRM team to help to better explain the numbers. Likewise, the storyline needs to feed back into sector team strategies and force teams to answer the

question: “are we doing, or have we done enough to promote change in [ABC]... ?” Indeed, this question requires teams to consider notions of market system resilience and prompts teams to clarify their exit plans. If the qualitative judgements exercised by sector teams satisfy the following six criteria, Katalyst should be leaving the market system to invest time and resources elsewhere.

Figure 6: Resilience and exit considerations



Complementary to the resilience and exit considerations in Figure 6 above, there is also a need for Katalyst sector teams to better integrate indicators of scale and sustainability into intervention results chains and measurement plans. This should assist teams to make better strategic decisions throughout implementation. While ‘scale’ figures such as target group access, usage, and benefit ratios feature prominently, there is a risk that basic markers of sustainability (and some measures of scale), are being overlooked.

The table below attempts to draw together some ‘general’ qualitative indicators for the degrees of systemic change (see Section 3 above) that sector teams could adopt and re-frame to fit their own strategies. Including them will help both sector and MRM teams to better understand and attribute the changes behind quantitative data collected in the field.

Table 2: Progress indicators for assessing how well markets are working

Qualitative measurement indicators	
<b>Adopt</b>	<ul style="list-style-type: none"> <li>– Commercial viability: Innovation is commercially viable or has some degree of organizational benefit that ‘inspires’ or ‘motivates’ the partner to continue after the pilot (profitable/beneficial). These may be immediate (increased sales) or non-immediate benefits (developing a new customer base, identifying and targeting a new market segment).</li> <li>– Division of labor: Partner takes on an appropriate share of the responsibility in the pilot (functions/roles, payment/costs). Katalyst is not bank-rolling pilot activities that have no developmental benefit or those that do not work to overcome partner risk aversion.</li> <li>– Satisfaction levels: Partner is satisfied with the results/learning from the pilot. The poor beneficiaries are satisfied with the outcomes that result from the introduction of the innovation and are benefiting.</li> </ul>

<b>Adapt</b>	<ul style="list-style-type: none"> <li>– Investment and improvements: Continuation of the <i>status quo</i> (e.g. for a second season), investing in and tailoring the model in a way that demonstrates learning from the initial innovation introduced. May be characterized by partner self-experimentation – i.e. introducing the innovation to new areas (extending pilot locations) and/or new markets without program support.</li> <li>– Mainstreaming (commitment) within partner organization: Innovation is given an organizational home (institutional (re-)structure, branding, core part of offer) and/or partner has a vision of the future featuring the initial innovation. Innovation is written into business plans and corporate strategies such that it is mainstreamed internally.</li> <li>– Division of labor: Partner's responsibilities and contributions towards costs have evolved from the pilot partnership. Katalyst is not funding recurrent functions/activities and most (if not all) necessary product/service development activities are performed by the partner.</li> <li>– Satisfaction levels: Adaptations to the original innovation have not distorted (or will not distort) the 'business model' so that the poor are no longer benefiting.</li> </ul>
<b>Expand</b>	<ul style="list-style-type: none"> <li>– Original partners roll-out investment: Early adopters have rolled-out the innovation to most/all locations where they have a presence. Please note, the extent to which this moves from adapt to expand depends upon the nature and size of the sector, and whether or not they are a market leader.</li> <li>– New players crowding-in: Other players are copying the original innovation introduced by the early adopters or are trialing versions of the original model that add diversity to the market system and increase choice for the consumer of the service/product.</li> <li>– Scale agents on-board: Scale agents have been sourced and brought on-board to promote/push the innovation in new areas, with new players, and in adjacent sectors. Potential for the innovation to be a 'mainstream' offer is high.</li> <li>– Competitive markets: Depending on the nature of the sector, competitive markets are becoming thicker (crowding-in of service/product offers) or thin markets have the characteristics of openness and few barriers to entry. Note, some sectors are inherently more collaborative than competitive; indicators will require adjusting as appropriate.</li> <li>– *Quantitative measures: Increasing numbers of the target poor are able to access and use the innovation (service/product). Innovation's "market share" is high and increasing. Market penetration is significant given the nature of the sector.</li> </ul>
<b>Respond</b>	<ul style="list-style-type: none"> <li>– Market reaction: Are new players (or non-partners) re-configuring their own roles and responsibilities and/or adding new functions as a reaction to the gradual mainstreaming of the model introduced? Has the introduction of the innovation prompted pro-poor and pro-growth government and sector/industry body responses? Do businesses and policy-makers recognize a need to 'fundamentally' change the way they think about "XYZ"?</li> <li>– Resilience to shocks: Is the systemic change embedded enough so as to 'survive' shocks to the system, or has it already survived a shock to the system that is worth detailing?</li> </ul>

#### 4.4 Communicating Katalyst's approach and progress

The present focus on headline figures (outreach and income change) is indicative of Katalyst's wider internal and external communication of intervention 'success.' Katalyst has a reasonably rigorous system in place to collect and analyse field data and make the subsequent calculations necessary to estimate access, usage, and beneficiary statistics – both direct and indirect. However, the systems for capturing qualitative field data are less fine-tuned, and hence, the communication of qualitative changes in market systems are not up to the same standard. Consequently, there is room to improve how teams interpret market development in their sectors and how intervention 'success' is communicated.

##### 4.4.1 Outward communications: Managing donor expectations

One of the problems Katalyst has faced, particularly in Phase II, has been in managing donor expectations of what interventions within sectors can/will achieve. Katalyst sector teams need to improve how they define the systemic change(s) they are aiming for and be clear on their vision for how the market system will operate in the future without their support.<sup>7</sup> Measurement systems should then be geared up to detail progress against

<sup>7</sup> During a discussion with the Services Division on 29<sup>th</sup> September 2011 regarding a vision for the ICT sector, the twelve participants each submitted a vision for the future of the ICT market system they are working in. Notably, each of the twelve visions submitted were different and none corresponded exactly to the vision documented in the ICT sector team's CSS (strategy document).

this vision from the perspective of systemic change, considering both sustainability and scale dimensions (as well as headline figures).

It should further be emphasised to donors that Katalyst's aim within each sector is to make the market system work better for the poor, and not to 'lift' a whole sector out of the doldrums, nor leave the sector in a near-perfect state for all market players and stakeholders. As discussed at the beginning of the guideline, this is neither feasible, nor desirable. The aim is to improve upon existing market imperfections in order to give the poor the best possible chance of taking advantage of the growth and/or access opportunities identified in market diagnosis.

#### 4.4.2 Inward communications: Improving the capture and documentation of systemic change

A similar philosophy should prevail when it comes to communicating sector team progress internally. Sector teams might helpfully use the below 'templates' as a broad guideline:

*Example: Template for sector teams in communicating systemic change*

*"The [insert sector name] team have made [slow, mixed, quick] progress towards achieving the systemic change(s) outlined in our sector vision over this last quarter [insert dates from-to] ...*

*\*\*\*[insert sector vision]\*\*\**

*For each systemic change:*

- describe the adoption of the innovation, followed by progress towards achieving sustainability – with particular reference to the 'adapt,' 'expand,' and 'respond' qualitative measurement indicators on page 11 of this guide.*
- describe the progress towards achieving scale – with particular reference to the 'expand' qualitative measurement indicators on page 11 of this guide.*

## 5. Examples from Katalyst teams

Two examples, one from Katalyst's work in the maize sector, and one from Katalyst's work in the ICT services sector have been detailed below to capstone the guideline. It is suggested that all Katalyst sector teams sit together periodically to assess 'where they are' and 'what remains to be done' in their sectors. Sector Review meetings may provide the opportunity to do this.

### 5.1 Maize

Katalyst targets three systemic changes in the maize sector. Each of these systemic changes is grouped into one intervention area tackling two or more systemic constraints identified. One of the systemic changes (intervention areas) aims to expand contract farming into the chars and Chittagong Hill Tracts to address problems with farmer awareness of skills and best practices, limited access to quality inputs, and difficulties in accessing credit. The table below summarises the team's progress against the degrees of systemic change that we have classified in Section 3 of this guideline.

*Table 3: Progress towards systemic change – maize contract farming in the chars and CHT.*

Contract farming in maize	
<b>ADAPT</b> <ul style="list-style-type: none"> <li>Contractors are continuing to contract, to lease land to farmers, to invest in promotion, and to bundle services, even after Katalyst withdraws its initial subsidy.</li> </ul>	<b>RESPOND</b> <ul style="list-style-type: none"> <li>The Bangladesh Bank has altered its rural credit policy. It now endorses loan products tailored for contract farmers.</li> </ul>
<b>ADOPT</b>	<b>EXPAND</b>

<ul style="list-style-type: none"> <li>– Eight contractors involved</li> <li>– Reaching around 2,000 farmers</li> <li>– Cost-sharing with partners currently 60:40</li> <li>– Contractors are delivering three services together in a bundle- they offer credit, sell inputs, and provide a buy-back guarantee. They profit from the last two.</li> </ul>	<ul style="list-style-type: none"> <li>– For every one farmer benefiting from information via his or her contractor, five other farmers learn from the contract farmer.</li> <li>– New contractors are entering the market</li> <li>– Feed mills, acting as “super-contractors”, are crowding in</li> <li>– Around 4,000 farmers are benefiting (is this figure accurate?)</li> </ul>
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## 5.2 ICT

One of the systemic changes being targeted by the ICT services sector team is to introduce relevant ICT-based information service offers for the rural poor – particularly around the access and usage of ICT-delivered agricultural information. For the team, this systemic change involves working to address multiple systemic constraints, both in the core market system, but also in supporting (interconnected) markets for content service, skills development, and public policy. The table below summarises the team’s progress against the degrees of systemic change that we have classified in Section 3 of this guideline.

Table 4: Progress towards systemic change – introducing relevant ICT information services for the rural poor

ICT services targeting the rural poor	
<b>ADAPT</b> <ul style="list-style-type: none"> <li>– GP increase investment and resource allocation, in order to get a foothold in the rural market segment.</li> <li>– GPCICs are institutionally housed within the Fiber Optics Network department.</li> <li>– Bundle of tele-centre services continues to be added to.</li> <li>– GP investigate and digest learning from less successful tele-centres that closed after the first phase. Number of GPCICs now consistent (c. 500 – approx. one per upazila)</li> </ul>	<b>RESPOND</b> <ul style="list-style-type: none"> <li>– Sustainable supply of agricultural information conceived through the creation and development of an ICT agricultural content service market.</li> <li>– Policy interventions with the government’s Agricultural Information Service (AIS) to agree upon the sharing of public information with private information delivery channels.</li> <li>– Telecoms operators incorporate franchisee/agent training offers into their strategies to ensure skills remain up-to-date.</li> </ul>
<b>ADOPT</b> <ul style="list-style-type: none"> <li>– Relevant franchised (entrepreneur-led) service offer, consisting of a bundle of tele-centre services, developed in partnership with GP.</li> </ul>	<b>EXPAND</b> <ul style="list-style-type: none"> <li>– Banglalink enters the market with a diversified information service offer/platform (7676 call-center approach).</li> <li>– Banglalink take information help-line model and apply it to other sectors too (small business, tourist information, legal assistance, health advice, and so on).</li> <li>– GP gear up for the launch of a series of information help-lines to better serve their own customer base.</li> <li>– GP investigate launching an ICT-based platform for farmers to buy/sell produce (information + transaction)</li> </ul>

**Annex 23: List of MRM documents**

List of Reports / Reference Documents	Frequency
Business Plan	annual
Annual Report	annual
Aggregation	Half yearly
Case Studies	as per need
Comprehensive Sector Strategy Papers	as per need
Cost Tracking Report	half yearly
Final Intervention Report	as per interventions
Financial Management Report	monthly
Financial Monitoring Report	half yearly
Intervention Register	continuously
Interim Intervention Report	as per interventions
Intervention Concept Notes	as per interventions
Intervention Plan	as per interventions
Intervention Report	as per interventions
Intervention Scale Up Plan	as per interventions
Mini Case Studies	as per interventions
MRM Audit Report	2 years
Semester Report	annual
Working Papers	as per need
Thematic Report	as per need

## Annex 24: Roles and Responsibilities in Katalyst

Comprehensive sector Strategy paper (Implementation Responsibility with Group Director)				
Levels	Task	Develop	Review	Approved
Planning	Prepares sector strategies	Sector team leads	Sector Group Managers MRM Group Managers	Sector Group Directors MRM Group Director General Manager
	Prepares sector MRM logics & plan	MRM focal point leads the Sector team		
	Prepares quarterly work plan for sector and MRM activities	Sector team leads the planning, and MRM focal points is only involved in MRM planning	Sector Group Managers MRM Group Managers	Sector Group Directors MRM Group Director
	Prepares semi-annual work plan for sector and MRM activities	Sector team leads the planning, and MRM focal points is only involved in MRM planning	Sector Group Managers MRM Group Managers	Sector Group Directors MRM Group Director
Data collection	Collects sector level qualitative baseline data (in-house)	Sector team leads based on MRM guidelines	Sector Group Managers and MRM Group Manager	Sector Group Directors MRM Group Director
	Collects sector level qualitative baseline data through third party	Sector team designs and supervises the study based on MRM guidelines		
	Collects sector level quantitative data	MRM focal point leads the design and supervises contractors. Sector teams help with study design, collection and quality checking of data and supervising contractors in the field. They also look into other existing secondary data.		



Comprehensive sector Strategy paper (Implementation Responsibility with Group Director)				
Levels	Task	Develop	Review	Approved
Data processing and Preliminary analysis	Analyses qualitative baseline data	Sector team		
	Analyses quantitative sector level data	Led by the MIRM focal point in the sector team		
Reporting	Prepares half yearly sector progress report	Sector team periodically completes the MIRM plan and MIRM Calendar		

Intervention Concept note (Implementation Responsibility with Sector Group Manager)				
Levels	Task	Develop	Review	Approved
Planning	Preparing the concept note	Sector team	Sector Group Managers and MRM Group Manager	Sector Group Directors MRM Group Director
Data collection	Collects intervention related data (both qualitative and quantitative) in-house and through secondary sources, in support of the concept	The Sector team leads the design and works with assistance from the MRM focal point		

Intervention Plan (Implementation Responsibility with Sector Group Manager)				
Levels	Task	Develop	Review	Approved
Planning	Designs intervention plan and logics	Sector team	Sector Group Managers MRM Group Manager	Sector Group Directors MRM Group Director
	Prepares intervention MRM plan & calculation of logics	Led by the MRM focal point and involves the intervention team		

<b>Intervention Plan</b> (Implementation Responsibility with Sector Group Manager)			
<b>Data collection</b>	Collects intervention level data (both qualitative and quantitative) in-house	MIRM focal point leads the design and works with Sector team on data collection	
	Collects intervention level data (both qualitative and quantitative) collection out sourced	Large studies undertaken by the MIRM team, and involves the intervention team at the design phase	

<b>Interim Intervention Report</b> (Implementation Responsibility with Sector Group Manager)			
<b>Levels</b>	<b>Task</b>	<b>Develop</b>	<b>Review</b>
<b>Planning</b>	Prepares and plans the steps leading to a finished interim intervention report	Sector team	Sector Group Managers MIRM Group Manager
<b>Data collection</b>	Collects intervention related data (both qualitative and quantitative) through in-house studies and output checks	MIRM team leads the planning involving the sector team	Sector Group Managers MIRM Group Manager
<b>Data processing and Preliminary analysis</b>	Analyses intervention Level data	MIRM focal point involving the sector team	Sector Group Managers and MIRM Group Manager Communications unit
<b>Reporting</b>	Prepares interim intervention Report	Sector team	Sector Group Directors MIRM Group Director

<b>Intervention Report</b> (Implementation Responsibility with Sector Group Manager)				
<b>Levels</b>	<b>Task</b>	<b>Develop</b>	<b>Review</b>	<b>Approved</b>
<b>Planning</b>	Prepares and plans the steps leading to a finished intervention report	Intervention team	Sector Group Managers and MRM Group Manager	Sector Group Directors MRM Group Director
<b>Data collection</b>	Collects intervention related data (both qualitative and quantitative) through in-house studies and output checks	MRM team leads the planning involving the sector team	Sector Group Managers and MRM Group Manager	
<b>Data processing and Preliminary analysis</b>	Analyses intervention Level data	MRM focal point involving the sector team	Sector Group Managers and MRM Group Manager Communications unit	
<b>Reporting</b>	Prepares intervention Report	Sector team		
<b>Mini cases</b> (Implementation Responsibility with Sector Group Manager)				
<b>Levels</b>	<b>Task</b>	<b>Develop</b>	<b>Review</b>	<b>Approved</b>
<b>Planning</b>	Designs the mini-cases	Intervention team and MRM focal point	Sector Group Managers and MRM Group Manager	Sector Group Directors MRM Group Director
<b>Data collection</b>	Collects data mini-cases			
<b>Content Development</b>	Prepares content of mini-cases			
<b>Design &amp; Presentation</b>	Edits text, prepares designs , layouts and processes publication	Communications unit involving sector team and MRM focal point		Sector Group Directors Communications Director

<b>Case studies</b> (Implementation Responsibility with Sector Group Director)				
<b>Levels</b>	<b>Task</b>	<b>Develop</b>	<b>Review</b>	<b>Approved</b>
<b>Planning</b>	Designs the sector case study	Sector team	Sector Group Managers and MRM Group Manager	MRM Group Director Sector Group Directors Communications Director General Manager
<b>Management</b>	Management of contractors	Group Managers	MRM Group Manager	Sector Group Directors
<b>Data collection</b>	Collects data for sector case studies	Coordinated by MRM focal point with involvement of the entire sector team	Sector Group Managers and MRM Group Manager	MRM Group Director Sector Group Directors Communications Director General Manager
<b>Content Development</b>	Prepares content of the sector case studies			
<b>Design &amp; Presentation</b>	Edits text, prepares designs , layouts and processes publication	Communications unit involving sector team and MRM focal point		
<b>Project level reporting: Business Plans &amp; Semester and Annual Reports</b> (Implementation Responsibility with General Manager)				
<b>Levels</b>	<b>Task</b>	<b>Develop</b>	<b>Review</b>	<b>Approved</b>
<b>Planning &amp; Content Development</b>	Prepares and plans the steps leading to a finished report	Sector teams develops impact pieces for business plan and semester reports and the MRM focal point guides the data collection. The Sector Group Manager supervises and guides the entire process and writes relevant sections of the document	Sector Group Directors MRM Group Director	General Manager

<b>Project level reporting: Business Plans &amp; Semester and Annual Reports</b> (Implementation Responsibility with General Manager)				
<b>Levels</b>	<b>Task</b>	<b>Develop</b>	<b>Review</b>	<b>Approved</b>
<b>Quality check</b>	checks the quality and reliability of data	MRM Group Manager involving the other Sector Group Managers checks and revises the figures.	Sector Group Directors MRM Group Director	
<b>Design, presentation and reporting</b>	Edits text, prepares designs and layouts	Communication Director involving the CLT	Sector Group Directors MRM Group Director Communications Director	

**Annex 25: Roles and Responsibilities of Subcontractors**

	<b>MRM Unit</b>	<b>Subcontractors</b>	<b>Deliverables</b>
<b>Planning</b>	<p>Assist in development of intervention and sector plans</p> <p>Assist in development of intervention and sector logics</p> <p>Take lead in developing MRM plans</p> <p>Assist in reviewing and revising logics</p> <p>Develop and monitor MRM calendars for all markets and Interventions</p> <p>Maintain a pool of consultants and research firms for specialized MRM work</p>	<p>Provide intervention action plan complete with justifications for intervention roll out, entry points employed, list of stakeholders</p> <p>Provide impact logic and MRM plan before intervention roll out and get logics approved by K MRM unit</p> <p>Provide baseline information (secondary sources, primary research) for MRM indicators as per the MRM plan</p> <p>Plan assessment trips, checklists, questionnaires and sampling frame.</p> <p>(Have these approved by K MRM unit)</p>	<p>List of stakeholders</p> <p>Intervention briefs</p> <p>Sector logic</p> <p>Intervention logic</p> <p>Baseline information</p> <p>Checklist for assessments</p> <p>Questionnaires</p> <p>Sampling frame</p>
<b>Data Collection</b>	<p>Design and conduct baseline studies (with Sector teams or research firms)</p> <p>Design intervention and market level data collection in consultation with the Sector teams</p> <p>Support Sector teams in collecting data for interventions</p> <p>Design, contract out, and supervise the pocket surveys and outsourced studies</p> <p>Support consultants in conducting special studies and case studies</p> <p>Gather information for mini cases</p>	<p>Assist K MRM staff for regular monitoring visits</p> <p>Collect indicator data sets</p> <p>Collect baseline prior to intervention roll out</p> <p>Collect data as per the request of the MRM team</p>	<p>Monitoring visits</p> <p>Baseline data collection</p> <p>MRM plan wise data collection</p> <p>Specific data collection</p>
<b>Data Management</b>	<p>Manage baseline and follow up data</p> <p>Process quantitative data to be accessible to sector teams</p> <p>Compile qualitative research results</p> <p>Keep an accessible set of monitoring data and research results (quantitative and qualitative) on each intervention</p>	<p>Possess updated lists of activities down to the numbers of participants, area of activity. Also have lists of demonstration plots, field day/ farmer day schedules etc.</p> <p>Manage data in terms of cleaning and categorizing them as impact pieces, case studies, thematic pieces, cost benefit analysis, Service factors etc.</p> <p>Assist K MRM unit in validating assumptions used in our intervention results chains</p>	<p>Updating Demo plot Lists</p> <p>Field day lists</p> <p>Farmer day schedules and lists</p> <p>Area mapping</p> <p>Assumption validation</p>

	MRM Unit	Subcontractors	Deliverables
Analysis and use of findings	Summarize findings for each sector for six monthly review Support sector teams to analyse data gathered		
Reporting	Review and compile information on interventions for internal decision making Reports and also for external audience Write mini cases Support sector teams in preparing intervention reports and sector progress reports Review, verify and update reports by data collected through regular monitoring of MRM system	Submit an intervention concept note which clearly outlines the baseline information as per the deliverables Provide intervention and market reports in terms of intervention plans, intervention reports, impact pieces, case studies and other reporting deliverables	Intervention concept note Intervention plan Intervention report Impact pieces Case studies Thematic reports
System management	Coordinate all MRM work with the divisions Tracks all MRM plans and reports approved and those pending per market Prepare a periodic summary of the status of all MRM activities for the senior Management team. Track the status of all MRM activities and check is data is up to date Liaise with partners regarding MRM work Assist with annual project-wide aggregation of impact predictions and estimates Update MRM manual Meet regularly with divisions to discuss, provide feedback and solve common MRM problems	Assign an MRM focal person whom Katalyst will contact regarding any MRM related activities/ information Submit monthly progress report to Katalyst containing activity overview of previous month, activity plan for next month, financial projection of upcoming activities and impact and monitoring data Provide a six monthly financial monitoring report, and the report template will be provided by Katalyst	Monthly progress report Financial projections Activity plans Upcoming MRM tasks 6 monthly financial monitoring report

ST: Sector team, SC: sub-contractor, MRM: Monitoring &amp; results Management team

Stages of MRM	Deliverables	Initiator	Implementer	Quality Control & Review
Planning	List of stakeholders	SC	SC & ST	MRM
	Intervention briefs	SC & ST	SC & ST	MRM
	Sector logic	SC & ST	SC & ST	MRM
	Intervention logic	SC	SC & ST	MRM
	Baseline information	MRM	SC & MRM	MRM
	Checklist for assessments	SC & ST	SC & MRM	MRM
	Questionnaires	SC	SC & MRM	MRM
	Study design	SC	SC	MRM
Data Collection	Monitoring visits	MRM	SC & MRM	MRM
	Baseline data collection	SC & MRM	SC & MRM	MRM
	MRM plan wise data collection	SC	SC & MRM	MRM
	Specific data collection	MRM	SC & MRM	MRM
Data Management	Updating Demo plot lists	SC	SC & ST	MRM
	Field day lists	SC	SC & ST	MRM
	Trainings and workshops lists	SC	SC & ST	MRM
	Area mapping	SC & ST	SC & ST	MRM
	Assumption validation	MRM	SC & MRM	MRM
	List of service providers	SC	SC & ST	MRM
Analysis and Use of MRM findings	Service factor	MRM	SC & MRM	MRM
	Cost-benefit analysis	MRM & ST	SC & MRM	MRM
	Outreach of interventions	MRM	SC & MRM	MRM
Reporting	Intervention brief	SC & ST	SC & ST	MRM
	Intervention plan	SC	SC & ST	MRM
	Intervention report	SC & ST		MRM
	Impact pieces	MRM	SC	MRM
	Case studies	SC & ST	SC & ST	MRM
	Thematic reports	ST	SC & ST	MRM
System management	Monthly progress report	SC	SC & ST	MRM
	Financial projections	SC	SC & ST	MRM
	Activity plans	SC	SC & ST	MRM
	Upcoming monitoring and Evaluation tasks	SC & ST	SC & MRM	MRM
	6 monthly financial monitoring report	SC		
			SC & ST	MRM & ST



## Annex 26: Summary of DCED Results Measurement Standard

### DCED Standard for Measuring Results in Private Sector Development

Every development agency finds growing pressure to report the results that it is achieving. A greater emphasis on logframes and baseline surveys is not helping managers to measure their achievements, particularly where programmes are aiming to have market-wide impacts. As a result, the achievements of the best agencies and programmes are often going unrecognised.

The Donor Committee for Enterprise Development (DCED) therefore proposes a Standard, which programmes can use to measure their own results. This turns results measurement from an event into a process; credibility is assured through external certification of the measurement process used by the programme – instead of asking a consultant to duplicate that process.

The Standard has been generated and refined during 2008 and 2009 in collaboration with PSD programmes in the field. It includes all of the elements needed for credibility (see Box below for list); these elements are now accepted as 'good practice', but few programmes have yet achieved them all.

#### The DCED Standard 'At a Glance'

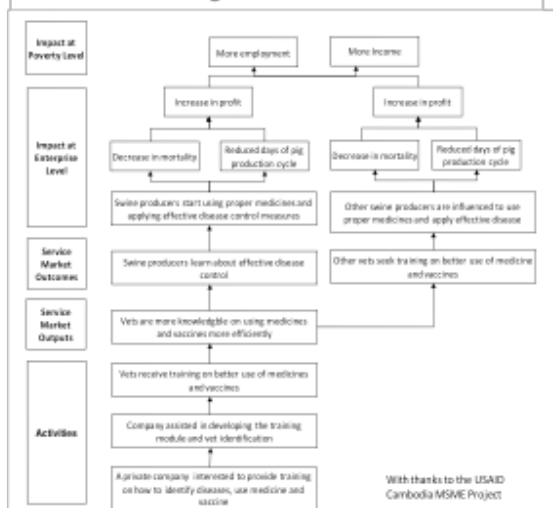
1. Articulating the Results Chain
2. Defining indicators of change
3. Measuring changes in indicators
4. Estimating attributable changes
5. Capturing wider changes in the system or market
6. Tracking programme costs
7. Reporting results
8. Managing the system for results measurement

The first step in the Standard calls for managers to articulate the results chain: the logic of their work, already implicit but rarely illustrated in a clear form (see example of the format, above).

This format enables managers to be explicit about the assumptions on which their work is based – including for example sequencing and parallel logics – and provides the framework for validating them in a systematic way. Indeed, those implementing the Standard report greatly increased effectiveness and focus; it also provides a framework within which to measure and attribute impacts – where that is feasible.

The ultimate vision is that programmes and organisations complying with the Standard will be widely accepted as being committed to effectiveness and excellence. Many DCED member agencies, INGOs, field programmes and consultants are actively exploring the potential for the Standard, and additional participants are very welcome – particularly among partner Governments.

#### Example of a Results Chain: Commercial training for Vets



#### What are the Benefits?

The DCED results measurement initiative offers the following benefits to programmes:

the opportunity to think through the logic or results chains, leading to greater clarity around priorities a management tool to orient all staff efforts around those priorities, and to encourage understanding of how their work contributes to the ultimate goals the means to generate approximate numbers for impact (where appropriate) that have credibility; also the means to capture wider market change interaction with other programmes, for exchange and learning in key skills areas required for results measurement recognition in the field, as being seriously engaged in the results measurement agenda time-saving, through not having to 'reinvent the wheel' for results measurement processes

#### For more information

contact [Results@Enterprise-Development.org](mailto:Results@Enterprise-Development.org) or visit [www.Enterprise-Development.org/page/measuring-and-reporting-results](http://www.Enterprise-Development.org/page/measuring-and-reporting-results)



12<sup>th</sup> January 2010

## Annex 27: Logframe Phase 2

Goal(impact): poverty level

Narrative summary	Indicators	Means of verification	Assumptions
To contribute to increased income for men and women in rural and urban areas	<ul style="list-style-type: none"> <li>By end of 2013, Katalyst has contributed to an accumulated net income increase of USD280 million for 2.3 million farmers and small businesses, providing full-time labour equivalents in employment for 450,000 poor people</li> </ul>	<ul style="list-style-type: none"> <li>Semester report</li> <li>Annual report</li> <li>Internal MFM system</li> <li>Thematic reports and studies</li> </ul>	<ul style="list-style-type: none"> <li>The country remains politically stable and conducive to market- based initiatives such as Katalyst</li> <li>Environment for donor-funded projects to operate in Bangladesh remains conducive</li> </ul>

Purpose(result/effect):small and medium-sized enterprise level

Narrative summary	Indicators	Means of verification	Assumptions
To increase the competitiveness of farmers and small businesses in key urban and rural sectors	<ul style="list-style-type: none"> <li>2.3 million farmers and small businesses exhibit changes in competitiveness (indicated by production, productivity etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Case studies</li> <li>In-depth interviews</li> <li>Pocket surveys</li> <li>Intervention reports</li> <li>Annual report</li> <li>Internal MFM system</li> </ul>	<ul style="list-style-type: none"> <li>Macro-economic, social and political conditions are conducive to private sector development</li> </ul>

## Outcomes and outputs

Narrative summary	Indicators	Means of verification	Assumptions
<b>Outcome:</b> <i>Pro-poor, systemic improvements in business markets for farmers and small businesses stimulated</i>	<ul style="list-style-type: none"> <li>4.1 million farmers and small businesses use services and/or show changes in business practices (skills, technology, environment protection, social responsibility etc.)</li> <li>2/3 of 15,000 service providers addressed directly or indirectly by Katalyst show a sustainable change in performance, innovation, capacity, relationships and/or investments</li> <li>At least 7 public practices and/or policies influenced through project interventions for pro-poor market development</li> </ul>	<ul style="list-style-type: none"> <li>In-depth interviews</li> <li>Pocket surveys</li> <li>Intervention reports</li> <li>Internal MRM System</li> <li>Annual reports</li> </ul>	<ul style="list-style-type: none"> <li>Large numbers of farmers and SMEs see the commercial benefit of adopting various changes in cultivation techniques and/or business practices</li> <li>A sufficient number of companies and service providers see enough commercial benefit in replicating interventions on a large scale</li> <li>A number of co-facilitators have the managerial capacity to increase the volume of activity without loss of quality</li> </ul>
<b>Output:</b> <i>Value adding business services for farmers and small businesses are identified and promoted</i>	<ul style="list-style-type: none"> <li>At least 70% of the 80 relevant services promoted by Katalyst will continue to be delivered to farmers and small businesses 1 year after terminating project support.</li> <li>At least 10 advocacy initiatives for BEE changes promoted</li> <li>All sectors are screened to ensure the incorporation of gender and ESRB issues where reasonable</li> <li>At least 5 interventions will be specifically devoted to gender or ESRB</li> </ul>	<ul style="list-style-type: none"> <li>Output checks</li> <li>Pocket surveys</li> <li>Intervention reports</li> <li>Semester and annual reports</li> </ul>	<ul style="list-style-type: none"> <li>The wider environment – including the activities of existing and upcoming government and donor-funded projects - continues to be supportive to identifying key change agents – market actors and other stakeholders – that respond favourably to the project's offer of promoting various services</li> </ul>

## **Annex 28: Version History**

### **Version 1.01 (July 7, 2010)**

1. Started the version history section
2. Updated the version and date in the footer text
3. Corrected the sector logic diagram
4. Corrected the titles for Figure 3 and 4
5. Corrected the formatting for footnote texts
6. Updated the annex 2 on sector logic – new table added
7. Corrections made in the annex 20 for financial monitoring
8. To-do list:
  - General updates and corrections

### **Version 2.0 (April 2012)**

1. Replaced: Aggregation, Cost Tracking
2. Updated: Main Text, most annexes
3. Added: Impact Assessment Template, Poverty Profiling, Systemic Change
4. To-do list based on field research in second semester of 2012:
  - Integrate capturing of employment effects
  - Integrate capturing of women's economic empowerment
  - Review impact assessment methodology