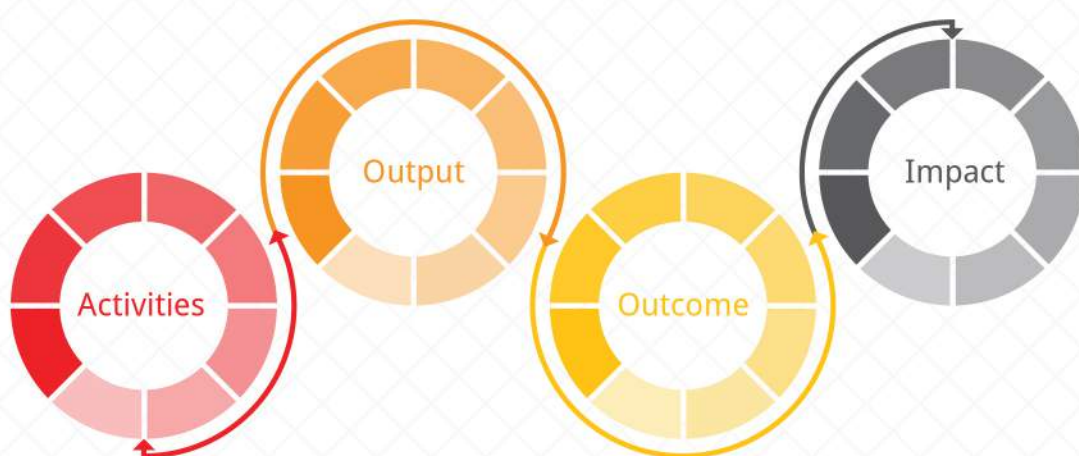


# RESULTS MEASUREMENT SYSTEM

## USER MANUAL

VERSION 2.0, AUGUST 2015



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## Foreword

Samarth-NMDP is the first programme to apply the *Making Markets Work for the Poor* (M4P) approach in Nepal. While the basic elements of monitoring and evaluation (M&E) are similar to more 'traditional' development interventions, the complex and dynamic nature of market systems in which Samarth-NMDP works, coupled with the M4P focus on facilitating for systemic change (as opposed to the direct provision of goods and services), places unique demands on the ways in which a programme collects and uses information about results and performance.

Hence results measurement: an 'improved' M&E system that functions as an essential management tool to better meet the needs of impact-orientated programmes like Samarth-NMDP relies on a constant flow of *useful* information to adapt and improve.

This manual sets out Samarth-NMDP's Results Measurement System and explains how results are monitored and measured across the programme<sup>1</sup>. The manual is intended primarily as an internal document and as a guideline for teams involved in the design, implementation and management of interventions. A separate set of annexes includes the key tools and templates for results measurement.

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<sup>1</sup> This manual integrates many elements and learning from the results measurement systems of other M4P programmes (especially ENABLE, Katalyst, Kenya MAP, PrOpCom, CAVAC and M4C), and from Samarth-NMDP consortium members the Springfield Centre, Swisscontact and Adam Smith International. As far as possible any elements adapted from these other systems have been acknowledged in the text of the manual. The System has also been designed in accordance with the DCED Standard for Measuring Results in Private Sector Development, with the manual drawing heavily on the current DCED guidelines for the Standard and materials from the advanced workshop on the DCED Standard.

# 1. Introduction to Results Measurement Manual

The Results Measurement Manual<sup>2</sup> provides a detailed description of the Samarth-NMDP's Results Measurement (RM) System. The RM System has been designed in conformity with the Donor Committee for Enterprise Development (DCED) Standard for Results Measurement.

The Manual is primarily an internal document, for use by the Samarth-NMDP Team. The aim of the manual is to ensure that a high standard of monitoring and results measurement is applied across all interventions, throughout the duration of the programme. The Manual can also be used by external stakeholders, such as DFID-Nepal, to understand how the RM System operates in the programme.

## 1.1 Samarth-NMDP's approach

Samarth-NMDP follows the *Making Markets Work for the Poor* (M4P) approach. It is fundamentally different from previous and current donor-funded economic growth programmes in Nepal. The core elements of Samarth-NMDP's approach are:

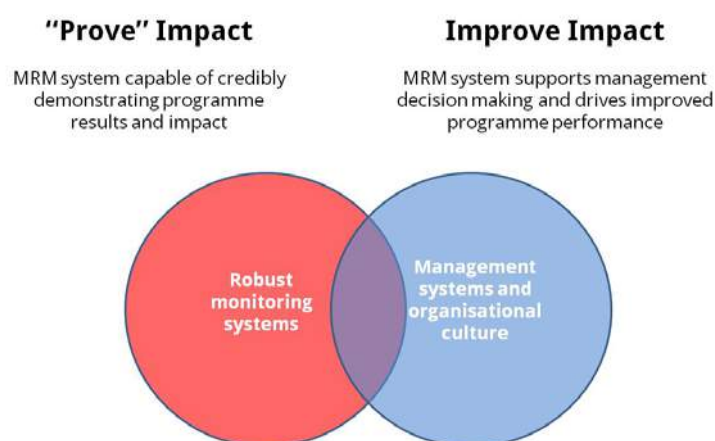
- A focus on *causes* rather than symptoms, therefore addressing systemic constraints rather than directly delivering services.
- Guided by analysis aimed at gaining a deep understanding of different functions and players in markets and why this combination is working or not working effectively.
- Support as a '*facilitator*'; working with key players in market systems to get them to work more effectively, not to become an aid-funded deliverer.
- *Indirect* as much as direct impact. While an intervention often involves working with specific players, the purpose is to stimulate others in the system to 'crowd in' and therefore achieve greater change.
- An emphasis on *sustainability* and *scale* of impact.

## 1.2 Results measurement in Samarth

Results measurement plays a crucial role in the programme. More than just monitoring and measuring results, Samarth-NMDP's RM System is an integral part of project planning and allows strategic and informed management of interventions. Good results measurement helps decision-making to be both *pro-active* and *reactive*, responding to changes in the dynamic market systems in which Samarth-NMDP works. The RM System is built on two strands:

- (1) Technically robust monitoring system capable of capturing and reporting results; and
- (2) Culture and management style that supports evidence-based decision-making.

Results measurement has the shared goals of both proving<sup>3</sup> impact and improving impact:



<sup>2</sup> The manual was developed by the Samarth-NMDP results measurement team, led by Matt Ripley with support from Gareth Davies and updated by Sanju Joshi.

<sup>3</sup> Rather than scientific proof, the system aims to provide credible estimations of impact that combine rigour with practicality.

The RM System aims to reflect (and in some cases to inform) best practice in results measurement in market development which provides a framework for measuring results against established good practice.

To ensure the quality of the system, the external auditors assess the RM System of Samarth-NMDP according to the [DCED Standard for Results Measurement](#) to check for a system to

- Identify the extent to which the programme is meeting the different elements of the Standard
- Identify areas where the programme is particularly strong / weak

### 1.3 Objectives and principles of results measurement

The RM System is designed to meet four objectives which satisfy the needs of both internal (project teams and management) and external (donor, wider development community) stakeholders:

- 1) Understand the results that Samarth-NMDP has achieved using credible measurement methods;
- 2) Document and share lessons learned;
- 3) Ensure that interventions are designed to achieve sustainable results; and
- 4) Generate timely and relevant information for project teams and management.

The System conforms to three important principles, which are based on lessons from other market development programmes<sup>4</sup>:

- 1) Results measurement should be practical to implement, and should not impose a disproportionately high cost (in either time or money) on Samarth-NMDP interventions. This requires a strict assessment of what needs to be measured, and how often. It also requires a balance between robustness and cost: low-level indicators do not need to be measured as robustly as higher-level indicators.
- 2) In accordance with the M4P approach, some indicators are best measured by market players themselves, rather than Samarth-NMDP directly. This is especially the case where a player needs to monitor particular indicators if it is to effectively perform its role in the market. For example, input supply firms may conduct focus group discussions to gauge the popularity of a new / improved service offering, and need to gather and analyze sales data. The correct role for Samarth-NMDP is to build the capacity of these service providers to undertake the task, rather than for Samarth-NMDP to do it on their behalf. All partnerships between Samarth-NMDP and market players must be fully documented through partnership agreements which must also contain details of measurement indicators expected from market players.
- 3) Results measurement should be part of everyone's job. All members of a project team should see themselves as focused on change and long-term results, and not just as accountable for discrete activities. Results measurement can only be effective in driving learning and performance if it is a core competency of each project team, and not siloed away as the task of a particular department or individual. While the results measurement team, part of the Samarth-NMDP core team, leads on setting guidance and providing support on monitoring and results measurement, each project team takes the lead on results measurement in their sub-sector. [Annex 13](#) sets out core competencies for each project team in results measurement. [Section 18.2](#) sets out roles and responsibilities in results measurement.

### 1.4 Basic concepts in results measurement

Samarth-NMDP consists of two components, which are further divided into portfolios, sub-sectors, , and interventions:

- **Component** - Samarth-NMDP consists of two components, which correspond to the two outputs in the programme logframe: Component 1: "Improving the underlying pro-poor performance of rural sectors"; and Component 2: "Enhancing the capacity for effective pro-poor market development among key stakeholders throughout Nepal".

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<sup>4</sup> Including ENABLE in Nigeria and the SEEP Value Initiative

- **Portfolio:** The collection of all the sectors and interventions of a broader market system, e.g. crops, livestock, tourism etc.
- **Sub-sector:** A core market system in which Samarth-NMDP is attempting to stimulate systemic change. These can be agricultural (e.g. livestock or crops such as dairy or ginger) other rural (e.g. tourism) or cross-sector (e.g. feed) market systems. For shorthand, these are also referred to as sectors.
- **Intervention:** A defined package of temporary activities designed to improve a function or rule within an intervention area.

Samarth-NMDP is organized into a series of project teams, who act as facilitators that engage with market systems to catalyze pro-poor change:

- **Project teams:** The group of individuals assigned to manage and implement a particular project. Project teams are composed of a mix of core team and (where used) implementing partner staff, and may include sub-contractors and short term technical advisers if applicable.
- **Core team:** The team working from Samarth-NMDP headquarters, led by the Portfolio Managers together with Senior Sector Analysts (one for each Portfolio) and Sector Analysts. The core team is responsible to DFID for overall programme delivery.
- **Implementing partners:** The organisations implementing Samarth-NMDP projects in partnership with the core team.
- **Facilitator:** An actor outside of the market system who is temporarily 'intervening' within it. A facilitator cannot be a permanent market player within the market system. In Samarth-NMDP, project teams are the facilitators. Market players (regardless of whether they are public, private or civil society organisations – see below) are not facilitators and cannot be implementing partners, since they are *inside* the market system.

Results measurement employs a number of basic concepts:

- **Impact** – the change engendered by the programme and its projects and interventions on poor and disadvantaged farmers and small-scale entrepreneurs. Impact normally refers to positive changes, but can include negative (unintended) consequences. Note that an observed change cannot be classified as impact until plausible attribution has been established. Impact can be *direct* (brought about through players directly targeted by the intervention) or *indirect* (brought about through copying or crowding-in). See [Chapter 3](#).
- **Indicator** – a variable used to record change. Indicators can be quantitative (numerical) or qualitative (descriptive). See [Chapter 7](#).
- **Attribution** – the degree to which an observed change was caused by a specific programme intervention (as opposed to exogenous factors). See [Section 8.1](#).
- **Sustainability** – the degree to which positive impact is maintained (or enhanced) over time, especially once the intervention has ended. In M4P this specifically refers to the market capability to ensure that relevant services continue to be offered to and consumed by the poor beyond the period of an intervention.
- **Replication** – the imitation of a programme-induced innovation by those not directly targeted by the programme. Replication can take the form of copying or crowding-in.
- **Copying** – target groups (farmers or small-scale entrepreneurs) adopt or imitate a programme-induced innovation.
- **Crowding-in** – market players not directly targeted by the programme adopt or imitate a programme-induced innovation. Crowding-in can also occur within a given organisation (for example, when one department copies another department within the same organisation).



- **Services** - the provision of high-quality inputs, products, training, advice or information to farmers and small-scale entrepreneurs, including as a result of changes in laws, regulations and standards aimed at better performing markets.
- **Market player** - Organisations or individuals participating in a market system who are either directly involved in or influential to the core function (supply/demand), the rules function (formal and informal rule-setter, shapers), or any number of supporting functions that impact upon the core exchange involving the poor. This may include organisations in the private and public sectors as well as non-profit organisations, representative organisations, academic bodies and civil society groups. Also called market actors or system actors.
- **Market system** - the multi-player, multi-function arrangement comprising three main sets of functions (core, rules, and supporting functions) undertaken by different players (private sector, government, representative organisations, civil society, etc) through which exchange takes place, develops, adapts and grows.
- **Systemic change** - change in the underlying causes of market system performance – typically in the rules and supporting functions – that can bring about more effective, sustainable and inclusive functioning of the market system. Systemic change is measured against the adopt-adapt-expand-respond matrix. See [Section 8.2](#).
- **Rules** - formal (laws, regulations and standards) and informal (values, relationships and social norms) controls that provide a key input in defining incentives and behaviour in market systems.
- **Supporting functions** - a range of functions supporting the core exchange helping the market to develop, learn, adapt and grow including, for example, product development, skills enhancement, R&D, coordination and advocacy.

## 1.5 Foundations of results measurement

The RM System is built on two standard frameworks:

- **Logframe** – a Monitoring & Evaluation framework used by all DFID projects. The Samarth-NMDP logframe records results at three levels: impact-level, outcome-level, and output-level. A separate [Explanatory Note on the Samarth-NMDP Logframe](#) explains the programme theory of change and provides precise definitions for all logframe indicators.
- **Results chain** – a diagram that maps the causal linkages from Samarth-NMDP activities, through market system change to enterprise performance and poverty reduction. Every intervention and every sub-sector has a results chain<sup>5</sup>. See [Chapter 6](#).

Samarth-NMDP measures and reports programme-level results at three levels of the logframe:

- **Outputs** – changes in the underlying pro-poor performance of rural sectors and the capacity for pro-poor market development among key stakeholders in Nepal.
- **Outcomes** – improved performance and position of poor and disadvantaged people within agriculture and other rural markets. See [Annex 1](#) for a definition of disadvantaged groups.
- **Impact** – reduced poverty by improving the incomes of poor and disadvantaged people in agriculture and other rural markets<sup>6</sup>.

Programme-level results are derived from aggregated intervention-level results, which are measured at three levels in each results chain (based on the M4P strategic framework):

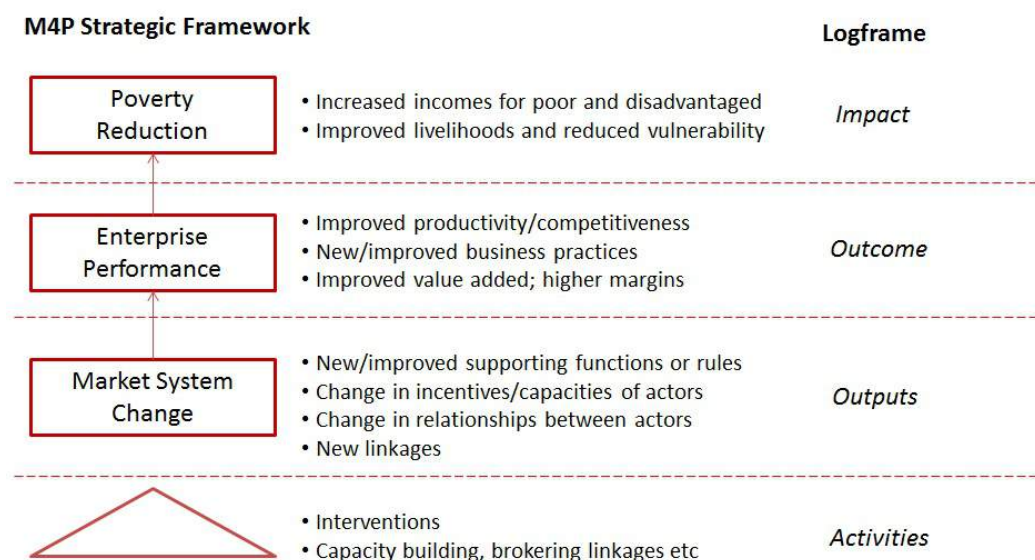
- **Market system change** – changes in the incentives, capacities or relationships between market players. This corresponds to the logframe outputs.

<sup>5</sup> Results Chains are known by a variety of other names, including impact model, impact logic, causal chain or causal model. The term 'Results Chain' is used by the Samarth-NMDP Results Measurement System in accordance with DCED Standard for Results Measurement.

<sup>6</sup> Note that the term 'impact' has a slightly different meaning in the Samarth-NMDP logframe (referring to changes in income only) and in the rest of the Samarth-NMDP Results Measurement System (which refers to any changes in the target groups, i.e. farmers and small-scale entrepreneurs). For clarity, in the rest of this document, an impact as per the logframe will be referred to as 'logframe impact'.

- **Enterprise performance** – changed business practices and improved competitiveness or productivity among farmers and small-scale entrepreneurs. This corresponds to the logframe outcome.
- **Poverty reduction** – improved incomes for poor and disadvantaged. This corresponds to the logframe impact

The link between the programme logframe and the M4P strategic framework, which is used for each sub-sector and intervention results chain, can be mapped as follows:



Based on these foundations, results measurement is fully integrated into programme and project processes. Samarth-NMDP ensures that:

- from the outset, every intervention has a clear results chain (consistent with the programme strategic framework) and indicators, setting out how the intervention will contribute to systemic change and, ultimately, enterprise performance change and poverty reduction<sup>7</sup>; and
- during implementation, managers and project teams receive the right information at the right time in order to make informed decisions.

## 1.6 A common system for monitoring and measuring results

To ensure results measurement is effective in meeting its core goal of *proving* and *improving* impact, a common approach to monitoring and results measurement is taken across the programme.

To *prove* impact, results measurement must be capable of accurately capturing the full results of a programme. In order to produce credible estimates, the system must be methodologically robust. This requires:

- A clear theory of change, for each and every intervention and each sub-sector (as set out in results chains which feed into the programme strategic framework);
- A set of specific and measureable indicators, both quantitative and qualitative (including a set of standard indicators, which are based on the programme logframe);
- A means of capturing wider systemic change, such as copying or crowding in by those not directly targeted by the programme (a common approach to recording progress towards systemic change);
- A set of robust measurement tools for each indicator (such as scorecards, questionnaires, key informant interviews, and focus group discussions);
- A set of baseline values for each indicator;

<sup>7</sup> For the purposes of results measurement, programme component (output) 2 is considered as a stand-alone 'project' with one intervention. The results chain and measurement plan for component 2 is therefore set out in an Intervention Guide.



- An attribution strategy, specifying how the actual impact of the programme will be ascertained (options include the triangulation of results, use of quasi-experimental methods and control groups, trend analysis, results chains, and key informant interviews); and
- A means of aggregating impact across the programme, without double-counting impact.

To *improve* impact, the system must generate timely and relevant information for management and project teams. This requires:

- A results chain for every intervention, detailing the changes expected to result from intervention activities, all the way up to the poverty reduction level (improvement in the incomes of poor farmers and small-scale entrepreneurs);
- Based on the results chain, a clear understanding of the assumptions underlying the intervention logic (to be tested during implementation);
- Predicted impact for each key indicator in the results chain (to be validated during implementation);
- Continual monitoring and analysis of indicators, not just at the start and end of the programme (including rapid, non-statistically robust information to provide early warning signs);
- A clear process for analyzing and presenting data in a way that is useful to managers and project teams; and
- A culture that supports curiosity, risk-taking, learning, and evidence-based decision-making.

The processes, tools and procedures driving this common approach are explained in the remaining chapters of this manual and in its annexes.

## 2. Samarth-NMDP Target Groups

Samarth-NMDP is a pro-poor market development programme: its overall objective is to reduce poverty in Nepal by increasing the incomes of poor and disadvantaged people within agriculture and other rural markets. However, who are the poor – the target group – for Samarth and how are they recognized within the <sup>10</sup> sectors the programme works in?

Samarth-NMDP defines poverty, and therefore its target groups<sup>8</sup>, as those farmers and small-scale entrepreneurs living on less than US\$2.50 a day<sup>9</sup>. According to latest figures from the World Bank, 72% of the population in Nepal lives on less than US\$2.50 a day<sup>10</sup>. Therefore Samarth-NMDP aims for at least 70% of its beneficiaries to be within this group. Samarth-NMDP also places a particular focus on ‘disadvantaged’ farmers and small-scale entrepreneurs: those groups who, by virtue of their gender/caste/ethnicity/location, are living in poverty but face additional barriers to accessing, participating in, and benefiting from markets. Poverty rates among these disadvantaged groups are higher than the national average and have been significantly slower to decline compared to non-disadvantaged groups: for example, poverty incidence in rural hills of the Mid and Far Western region is double that in the Eastern region, and Dalits have almost double the poverty incidence than non-Dalits<sup>11</sup>.

All sectors are screened and selected based on their pro-poor growth potential. This process involves identifying specific constraints to pro-poor growth in economic sectors with a high poverty incidence. In other words, the sectors Samarth-NMDP works in have significant potential not only for growth, but also for growth that will significantly benefit the pro-poor target groups in the sector to ensure that it is inclusive. These sectors are: Dairy, Pigs, Fish, Livestock Feed, Vegetables, Ginger, Mechanization, Crop Protection Inputs, Media and Tourism.

At the intervention –level however it is not easy to establish whether a given farmer or rural entrepreneur being reached lives on less than US\$2.5 per day. Samarth therefore further identifies the poor within each sector by using various proxy indicators so that make them more readily recognizable, and impact on their income and poverty levels more measurable.

<sup>8</sup> Target group refers to all poor farmers and small-scale entrepreneurs who could potentially benefit; whereas beneficiaries refer to those farmers and small-scale entrepreneurs who have accessed programme-induced innovations.

<sup>9</sup> Per capita daily consumption, upper international poverty line. Precise definitions of ‘poverty’, ‘farmers’ and ‘small-scale entrepreneurs’ are provided in the explanatory note to the Samarth-NMDP logframe.

<sup>10</sup> <http://databank.worldbank.org/data/views/variableSelection/selectvariables.aspx?source=poverty-and-inequality-database>

<sup>11</sup> Nepal Living Standard Survey, 2011-Based on the national poverty line, poverty ranges from 16 percent in Eastern region to 37 percent in Mid and Far Western region; and is 42 per cent for Dalits compared to 23 per cent for non-Dalits.

Annex 2 explains how Samarth-NMDP establishes whether beneficiaries<sup>12</sup> (farmers and small-scale entrepreneurs accessing project-supported innovations) fall within the programme target group by using the Progress out of Poverty Index (PPI)<sup>13</sup> which is included in Annex 5.

### 3. Samarth-NMDP Impact

Simply put, impact is the *direct* (brought about through market players directly targeted by the intervention) or *indirect* (brought about through copying or crowding-in) changes among poor farmers and small-scale which can be plausibly attributed to programme. While impact normally refers to positive changes, it can also include negative (unintended) consequences. An observed change cannot be classified as impact until plausible attribution has been established.

Samarth-NMDP's primary focus is on the poor as producers by targeting smallholder farmers and small-scale entrepreneurs in rural markets. Accordingly, Samarth-NMDP's portfolio includes interventions aimed at the development of input supply systems, improved flows of information for producers and new business models for services providers. As producers, the poor will gain access from the private and public sector in the provision of key products, services and information<sup>14</sup> to help them make more informed decisions, use better inputs and access markets.

However, the benefits of the programme will also extend to the poor as labourers/employees, which again, are likely to be considerable in the sector such as tourism. For instance in tourism, the principal impact channels through the poor as workers (e.g. porters hired by a trekking agency, or staff in a hotel). Programme results measurement processes, including indicators and measurement plans, are therefore constructed to measure the impact on the poor as producers and as labourers/employees, as necessary.

In line with the DCED Standard for Results Measurement, Samarth-NMDP measures two high-level impact indicators:

**Outreach (Scale):** Number of poor farmers and small-scale entrepreneurs who received a financial benefit as a result of the programme's activities, each year and cumulatively<sup>15</sup>.

**Net attributable income change:** additional sales minus additional costs accrued to benefitting farmers and small-scale entrepreneurs as a result of the programme per year<sup>16</sup>.

*Note:* the third recommended DCED universal impact indicator, additional jobs, is not measured since it is a) not easily measured and b) not a useful indicator of change in a rural, especially agricultural, context characterized by multiple sources of livelihood and high levels of informality and seasonality<sup>17</sup>.

Since Samarth-NMDP works to influence market players to provide new/improved pro-poor service offerings within market systems, monitoring and results measurement checks that these new/improved services are in fact pro-poor and that benefits are being distributed to target groups. Early warning checks (see Chapter 13 on early warning) using PPI poverty profiling helps interventions estimate how and when the poor are benefitting. The poor often have restricted access to markets (as producers and labourers) and early adopters of programme-supported innovations may not necessarily fall within the target groups. However, the aim is to push out the 'access frontier' for these services over time to see disproportional benefits accruing to target groups:

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<sup>12</sup> Target groups refers to all poor farmers and small-scale entrepreneurs who could potential benefit; whereas beneficiaries refer to those farmers and small-scale entrepreneurs who have accessed programme-induced innovations

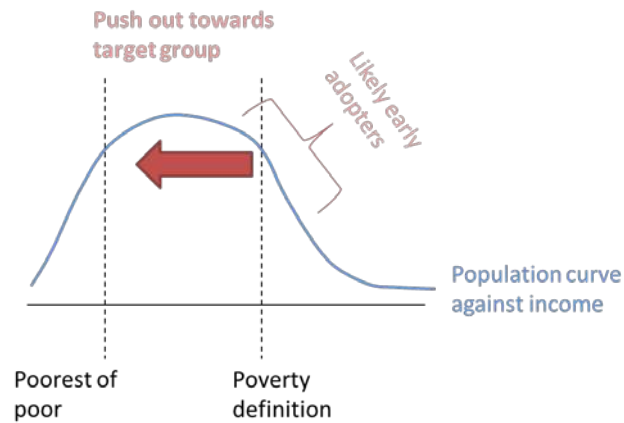
<sup>13</sup> PPI is a cost-effective poverty measurement tool, which provides a statistically sound estimate of poverty rates without the need for complex household expenditure/consumption surveys. <http://www.progressoutofpoverty.org/>

<sup>14</sup> For the purposes of simplifying results measurement terminology, 'services' is used in a broad sense from this point on to refer to all products, training, advice or information

<sup>15</sup> Corresponds to logframe impact indicator "Number of farmers and small-scale entrepreneurs experiencing positive change in annual real incomes"

<sup>16</sup> Calculated by adding up 'net attributable income change (NAIC)' across all programme beneficiaries. Logframe impact indicator: "Average increase in annual real incomes among affected farmers and small-scale entrepreneurs" is calculated by dividing NAIC by total outreach.

<sup>17</sup> Defining a 'job', especially in agriculture, is tricky. In addition, net additional jobs (created minus lost) may well be zero-sum when looking across rural markets, since one indicator of higher economic and human development as countries industrialize is a labour force which moves away from agriculture and into other productive industries.



Samarth-NMDP ensures pro-poor impact by:

- Unlocking incentives/capacity for market players to develop innovations that target specific social, religious and ethnic groups in which poverty rates are particularly high e.g. hill and Terai Dalit groups, in which the poverty rate is well above the national average;
- Unlocking incentives/capacity for market players to develop innovations that target women from poor households, in particular women in the role of managing the family farm and/or family-based income generating or business activities;
- Maintaining a rural focus: the focus of Samarth-NMDP is on rural markets within the Nepali economy where there is an opportunity to stimulate growth, and growth which is especially pro-poor – particularly in agriculture. Agriculture is the main livelihood of the poor who overwhelmingly live in rural areas;
- Regions: across rural regions, maintaining a balanced portfolio in areas where human development is low;
- Criteria used in the selection of projects is all about the level of 'pro-pooriness'. Thus, interventions that offer opportunity to benefits to the poorest of the poor will rank higher than those only likely to benefit the poor (assuming that they are also sustainable)<sup>18</sup>.

### Improving livelihoods and reducing vulnerability

As a result of improved farmer and small-scale entrepreneur incomes, it is expected that rural households will improve their livelihoods and reduce their vulnerability to economic and environmental stresses and shocks. The decrease in vulnerability and improved livelihoods is expected to result from several years of increased income, as households use additional income for practices such as diversifying sources of income, increasing savings, etc. Samarth-NMDP monitors and captures the impact on different livelihood and vulnerability aspects of rural households through clearly structured case studies which allows for a more nuanced explanation of the impact of income increases, on an anecdotal level. This involves investigating, for example, households' increased savings, diversification, increased bargaining power, improved status, increased assets etc. and the reasons for those changes. As a matter of efficiency and practicality the livelihood and vulnerability assessment will be integrated with gender and social inclusion assessment.

### Gender and social inclusion<sup>19</sup>

Samarth-NMDP adopts a gendered M4P systems approach, which aims to not only lead to women's economic advancement (through increased incomes, working towards an outreach target of 50% men and 50% women beneficiaries) but to also further women's economic empowerment as part of its broader focus on disadvantaged groups. The Samarth-NMDP [Gender and Social Inclusion Strategy](#) sets out the programme approach to enhancing equitable market access for women and disadvantaged groups. The core of this approach is to gather research and evidence and present a compelling business case for market players to address women and disadvantaged groups as significant emerging market segments.

<sup>18</sup> Samarth-NMDP therefore expects to reach the 'poorest of the poor' living in extreme poverty (on less than US\$1.25/day), although not exclusively so. This reflects the nature of the M4P approach, since market systems do not neatly distinguish between poverty lines and beneficiaries are likely to be moving in and out of somewhat artificial economic-based poverty definitions.

<sup>19</sup> Adapted from the M4C programme in Bangladesh and Linda Jones' paper on women's economic empowerment in market development programmes.

Women and men, in particular, participate in rural sectors and especially in agriculture in different roles. There is an important trend towards women's greater participation in agricultural management (led in part by male out-migration), resulting in already high participation of women in accessing - but not necessarily equitably benefitting from - services.

The programme seeks to continually improve its understanding on:

- to what extent and how women are benefiting from interventions;
- if interventions affect the extent to which women and men are involved in household decisions, particularly over the use of income; and
- if and how interventions affect women's control over income.

The potential for positive or negative gender impacts are considered at three points in the Samarth management cycle:

- At the sector strategy design stage, when both potential opportunities and risks (see [Chapter 10](#) on assessing and tracking risk<sup>20</sup>) are considered, but with an emphasis to date on ensuring that risks are identified so that the interventions "do no harm."
- Periodically during implementation, when the risks are monitored and discussed using staff observations and tacit knowledge gained through interaction in the sector.
- When assessing the impacts of interventions in a sector.

An integrated assessment of the impacts of interventions on disadvantaged groups with the assessment of the effects on livelihoods will be commissioned in selected sectors on an anecdotal basis using structured case studies. Tentatively, Samarth will conduct 3 case studies per year. Where needed, gender-sensitive data collection methods such as holding women-only focus groups discussion, using of female enumerators to collect information from women will be applied.

Each intervention has disaggregated indicators (see [Chapter 7](#) on indicators) which help projects understand and demonstrate their impacts on disadvantaged groups particularly women. For the logframe, the key impact indicator is defined as *Number of farmers and small-scale entrepreneurs experiencing positive change in annual real incomes* as a result of the programme's interventions, this indicator will be disaggregated by gathering household data during impact assessment on the proportion of people involved in the sector who are women and men and totalling this to report total impact figures. For the net attributable income change indicator, additional household income will be divided by the number of people involved in the sector.

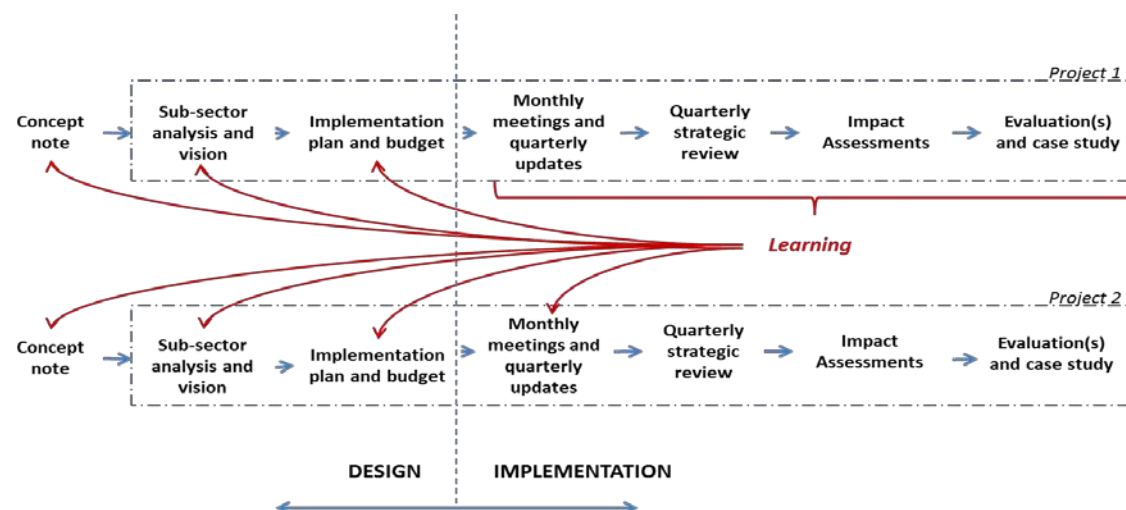
## 4. The Project Process

Each Samarth-NMDP project is selected, designed and implemented according to an established process. The logframe (and [programme-level business case](#)) forms the basic mandate for Samarth-NMDP, against which concept notes are submitted as possible new sub-sectors to work in. If approved, concept notes are developed into sub-sector strategies (see [Annex 15: guidelines for sub-sector analysis and vision](#)), implementation plans, which outline one or more interventions to be undertaken (see [Annex 16: guidelines for the implementation plan](#)) and budgets – which are in turn assessed against criteria in a three-step process. Projects that pass each of these three 'checkpoints' are approved, and begin implementation.

Each intervention starts out as a pilot which attempts to facilitate market players to adopt a pro-poor innovation. If this service innovation is successfully 'adopted', the intervention focus shifts to deepening and broadening the innovation within the market system. Interventions are implemented and continually reviewed against their results chain - with the flexibility for redesign or adaptation, as required, mid-stream. Lessons from implementation are routinely shared across the portfolio teams. Intervention impact is measured at various points in time, projects and their interventions are evaluated, and where relevant, a case study is produced so that lessons can be documented and shared more widely. These lessons feed back into the selection, design and implementation of new projects:

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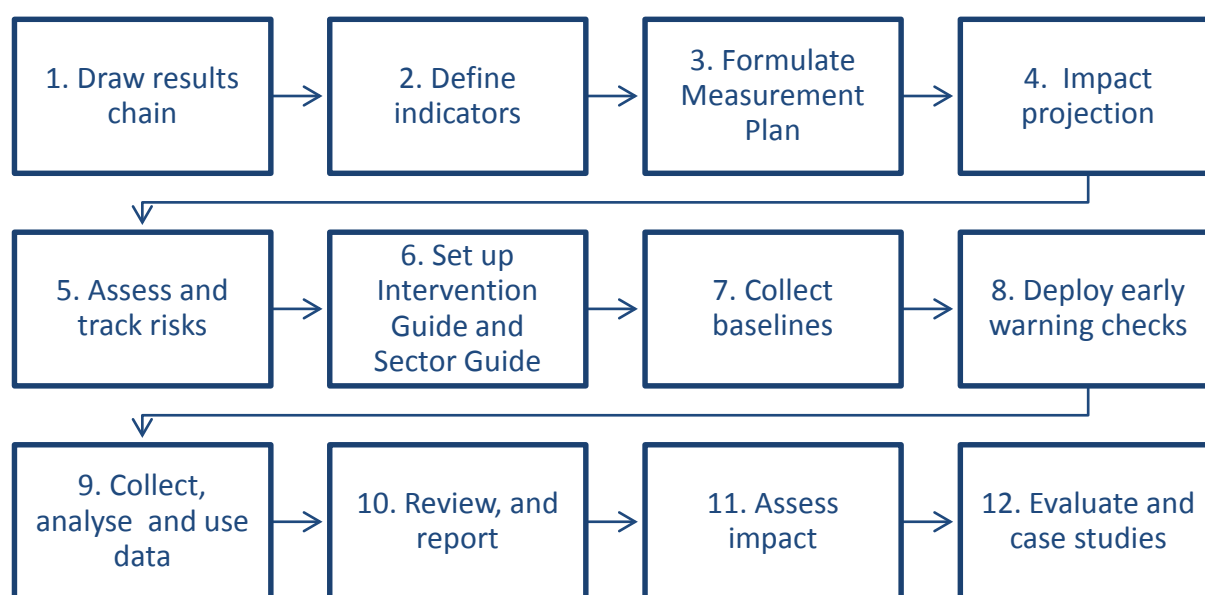
<sup>20</sup> Promoting economic advancement alone - without considering deeper issues of empowerment - could be detrimental to women: for example, when increased paid work leads to overburdening of women or when they are not able to retain and/or have no decision making power over income earned.



A complete project process flow diagram is included in [Annex 4](#).

## 5. Key Steps in Results Measurement

Every Samarth-NMDP project and intervention is designed and implemented as per the Results Measurement System. The System consists of 12 key monitoring and results measurement steps. Note that this is an iterative, rather than a strictly linear process.



- 1) **Draw the results chain.** The results chain is the cornerstone of monitoring and results measurement. Every sub-sector and intervention has a results chain, which charts the causal linkages from intervention activities, through market system change to improved enterprise performance leading to income change – based on the systemic constraints identified during the sub-sector analysis. A typical results chain has 10 to 20 boxes, depending on the complexity of the intervention.
  - Results chains are jointly drawn (and revised) by the project team and the results measurement team.
  - [Chapter 6](#) sets out how to draw and revise results chains. A standard format for the results chain is included in [Annex 3](#).

- 2) **Define indicators.** For each box in the results chain, one or more indicators are defined. These indicators provide the means with which change is recorded and measured. Samarth-NMDP has a set of Standard Intervention Indicators that are measured across all interventions.
  - Indicators are defined by the project team and checked by the results measurement team.
  - [Chapter 7](#) sets out the Standard Intervention Indicators and how to disaggregate. [Annex 7](#) includes the definitions, formulae and measurement tools for the Standard Indicators.
- 3) **Formulate the measurement plan.** Measurement tools or methods are required for each indicator. The choice of measurement tool depends upon the nature of the indicator and the degree of robustness required. Measurement Plans set out the 'when', 'how' and 'by who' of data collection.
  - Measurement Plans are formulated by the project team, with the support of the results measurement team.
  - [Chapter 8](#) describes the measurement plan in more detail. A standard format for the summary measurement plan is included in [Annex 6](#).
- 4) **Make impact projection.** Using evidence/data from the sub-sector analysis, secondary sources and previous experience as a guide, each intervention makes a prediction of the expected change for each box in the results chain. Assumptions underlying the impact projections, sources of assumptions and related calculations should be made explicit. These impact projections are re-validated at the start of each intervention and during implementation.
  - Impact projections are drawn up by the project team and checked by the results measurement team.
  - [Chapter 9](#) describes impact projections in more detail. A standard format for impact projections is included in [Annex 8](#).
- 5) **Assess and track risks.** The ability of projects to achieve a positive impact depends upon a host of factors outside the control of Samarth-NMDP. Each project will therefore carry a certain level of risk, including the risk of negative impact, which is assessed against a 'do no harm' framework to consider potential displacement, environmental and gender effects. Where potential risks are identified, relevant mitigation measures are proposed - allowing projects to be pro-active.
  - Risks are assessed and tracked by the project team.
  - [Chapter 10](#) describes how risks are assessed and tracked. The 'do no harm' checklist is included in [Annex 15](#).
- 6) **Set up Intervention Guide and Sector Guide.** Once a project has been approved, the first step is to set up the Intervention Guide(s). This Guide - one for each intervention - is an Excel workbook which is used to plan and record monitoring and results measurement information throughout implementation. The Guide brings together the results chain, measurement plan, attribution strategy and assumptions and risks into a single 'living' document.
  - Sector Analysts set up and coordinate updates to the Intervention Guide, working closely with the rest of the project team.

Sub-sectors level information is stored in **Sector Guide** once the sub-sectors are approved and become 'live'. This Guide - one for each sector - is an Excel workbook to record information of progress towards systemic change, sector risks, public/private programmes working in the same sector, impact projection and results (numbers only).

- Results measurement team sets up Sector Guide and Sector Analysts coordinate updates to the Sector Guide, working closely with the rest of the project team.
- [Chapter 11](#) explains the Intervention Guide and Sector Guide in more detail.



- 7) **Collect baseline information.** Baselines allow the programme to measure change (through before and after comparisons). A baseline is set for each indicator and, when possible, baselines are collected before the effects of an intervention are felt, which will differ in time depending on the level of results being measured (for example, it may take 12 months or more after the commencement of an intervention before target beneficiaries experience an increase in incomes).
  - Baseline values for market system-level change indicators are usually collected by the project team; baselines relating to beneficiary groups are usually collected by a Samarth-accredited research partner, with the support of the results measurement team.
  - [Chapter 12](#) explains baselines in more detail.
  
- 8) **Deploy early warning checks.** A series of 'early warning checks' are put in place which are designed to catch problems in the incentives of market players, or the pro-poor orientation of new business models being supported through interventions. This allows project teams to spot issues early on and take quick corrective action. Three key 'checks' form the basis of early warning: target beneficiary check, value proposition check and sustainability check.
  - Early Warning Checks are carried out by the project teams, with support as required from the results measurement team.
  - [Chapter 13](#) explains the early warning checks in more detail. [Annex 10](#) includes the data collection tools for the checks.
  
- 9) **Collect, analyse and use data.** Data is collected according to the measurement plan - this data is then analysed to identify any significant challenges or emerging trends.
  - Data for market system change indicators is usually collected by the project team; data for enterprise performance change is usually collected by the project team and/or a Samarth-accredited research partner, with the supervision of the results measurement team. The project team analyses and acts on all data.
  - [Chapter 14](#) explains the data collection tools, and explains how to analyse, and use information and how results measurement feeds into management-decision making.
  
- 10) **Review and report.** In collaboration with the Results Measurement Team, each project team reviews progress against its results chain on a monthly basis. Time is taken to update relevant sections of the Intervention Guide. A more detailed review takes place each quarter (through the quarterly strategic review) led by the Portfolio Managers with support from Results Measurement Manager.
 

At the operational level, fortnightly updates are held to discuss and analyze the current status of the activities and immediate actions to be taken. Monthly and fortnightly meetings are led by Senior Sector Analysts.

Progress updates are prepared on a quarterly basis for each intervention, which are used as a basis to prepare sector summary report which feeds into quarterly programme reporting. Programme results report is prepared annually and made public via website.

[Chapter 15](#) explains the major review and reporting processes. A template for the Quarterly Intervention Progress Update (QIPU) is included in [Annex 12](#).
  
- 11) **Run impact assessments.** Impact assessments seek to provide a robust picture of change, which can be plausibly attributed to the programme. After the baseline, impact-level measurements are made at intervals during the programme's lifetime (after changes in beneficiary groups have been reported). Samarth-NMDP continues to measure impact for up to two business cycles or two years - whichever is longer - following the completion of an intervention.

- Impact assessments are a joint exercise between the project team, Samarth-accredited research partner, and the Results Measurement Team.
- **Chapter 16** explains the impact assessment process in more detail.

12) **Prepare evaluation.** Internal evaluations take stock of how an intervention or groups of interventions have progressed and document the results and learning to-date. Evaluations can be interim, taking place in advance of key decision nodes, for instance to feed into decisions about whether to move from proof-of concept in a pilot to scale-up, or final, which take place when all activities under a particular intervention, or when all impact measurements, have been completed,.

- Evaluations are led by short term technical advisors in coordination with the Results Measurement team and project teams.
- **Chapter 17** explains the internal and external evaluation processes in more detail.

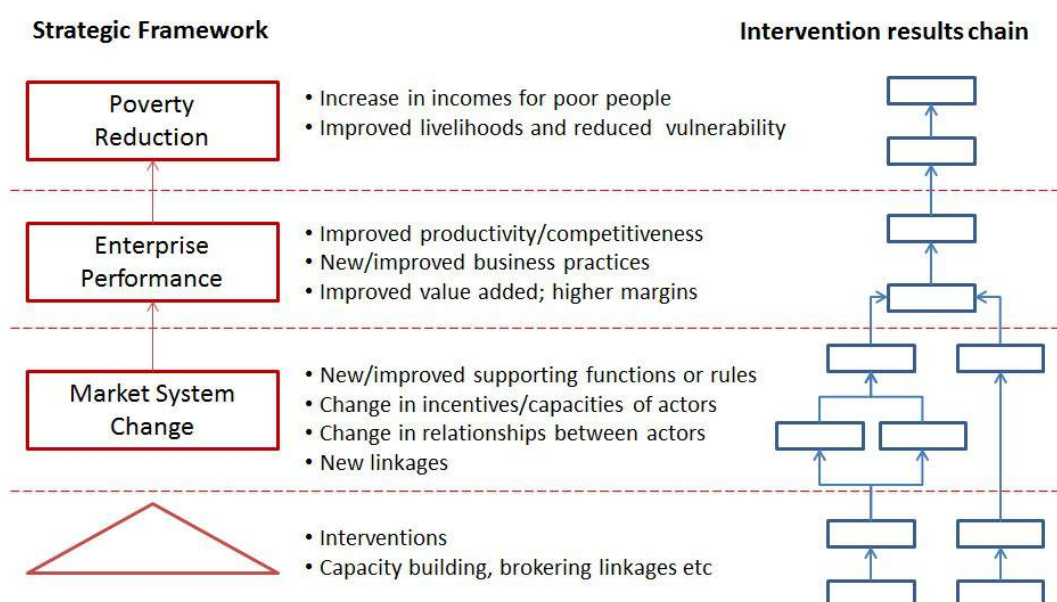
**And write case studies.** For particularly interesting interventions case studies are prepared for donors and the wider development community. Case studies repackage key information contained in results measurement, and draw out the major lessons learned.

- Case studies are led by the communications with support from results measurement teams and project teams where necessary, and can be outsourced as necessary.

## 6. Results Chains

### 6.1 Drawing results chains

Results chains are at the core of results measurement. Every sub-sector that Samarth-NMDP works in - and every intervention - has a results chain, which feeds into the strategic framework, as follows:



These results chains are a key planning and management tool and form the basis for monitoring/reviewing progress and demonstrating impact. A typical Samarth-NMDP results chain has 10 to 20 boxes. These boxes make explicit each step in the logic from activities (through a systemic intervention) to market system change to improved enterprise performance, and eventually poverty reduction.

The format for the Samarth-NMDP results chain is included as **Annex 3**. Every results chain is subject to a *plausibility test*: the link from one box to the next must be logical and realistic and eventually lead to changes

in beneficiary incomes<sup>21</sup>. If the test is failed then the results chain needs to be revised. It may be that the jump between one box and the next is too great, in which case intermediary steps are needed, or that the strategy is not aligned with the expected systemic or enterprise-level change.

To ensure consistency across the programme and ensure that results chains intersect the Samarth-NMDP logframe, all results chains have boxes relating to:

- a) Market players providing new/improved quality services (signs of 'adoption')
- b) The incentives of market players to continue or expand pro-poor innovations (including targeting new customer segments such as women and other disadvantaged groups)
- c) Avenues for replication (crowding-in and copying)
- d) Business practice changes in farmers and/or small-scale entrepreneurs (e.g. buying and using quality seeds)
- e) Enterprise performance changes in farmers and/or small-scale entrepreneurs (e.g. improvements in yield, quality, price)
- f) Net attributable income changes in beneficiary farmers and/or small-scale entrepreneurs.

Results chains at the sub-sector level are initially drawn in the Sub-Sector Analysis and Vision, and results chains for each intervention included in the Implementation Plan. This is a joint responsibility between project teams and the results measurement team.

## 6.2 Revising results chains

A results chain is not set in stone: since M4P interventions evolve quickly, objectives may change and strategies may be adapted. In these situations, results chains will need to be updated to reflect the new focus of the intervention.

Each month, project teams sit down with the Results Measurement Team to review progress against their results chains. These meetings are an opportunity to reflect on overall implementation, on the status of activities undertaken and the appropriateness of tactics being used. Results chains are used to guide this discussion – but a monthly meeting should not result in changes to the results chain, unless absolutely necessary, this will be addressed at the Quarterly Strategic Review.

Every quarter, Samarth-NMDP runs an internal strategic review (see the revised [Quarterly Strategic Review Concept Note](#)). This provides the opportunity for Samarth-NMDP to reflect more widely on the overall sector, and on intervention strategies. Questions are asked such as “are we still trying to achieve the same thing as we were before?”, and “does the logic of our intervention need adjustment?”. After each quarterly review, a justification for any changes to each intervention results chain should be made in the Intervention Guide ‘major changes’ tab (see [Chapter 11](#)). This justification should explain all changes made in the results chain, when they were made, and why<sup>22</sup>.

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<sup>21</sup> Documented research and analysis must underlie the logic of the steps in the results chain(s) to explain how changes are likely to lead to lasting impact

<sup>22</sup> Interventions can change their results chain outside of these formal reviews (for instance at the end of a scoping study or due to an unforeseen event in the market system which causes a strategy change). These changes must be ‘approved’ by the results measurement team

The 'living' results chain sits in each Intervention Guide. The results measurement team should be involved in any changes to the results chain, since this may have implications further along the Results Measurement System (for instance in indicators or aggregated impact projections).

#### Results chain checklist

- ✓ Does the results chain clearly show how the intervention will contribute, directly or indirectly, to changes in the market system and in enterprise performance?
- ✓ Are the links from one box to the next plausible?
- ✓ Does the results chain include boxes for 'adoption', market player incentives, replication, business practice changes, enterprise performance and incomes?
- ✓ Is the results chain logic underpinned by documented research and analysis?
- ✓ Have any changes to the results chains been documented, explaining what changes were made, when, and why?

## 7. Indicators

For each box in the results chain, one or more indicators are defined. These indicators provide the means for change to be monitored and measured.

Indicators can be quantitative (numerical) or qualitative (descriptive). Preferably, each box will have a combination of both quantitative and qualitative indicators. Quantitative indicators are useful because they can be used to analyse trends and measure the scale of change. However, they invariably miss some of the nuance involved in change processes, which can only be captured through qualitative indicators.

### 7.1 Standard Intervention Indicators

Samarth-NMDP has a number of Standard Intervention Indicators (SII). Measuring these indicators across each intervention allows for easy aggregation at the sector and programme level. The SII are derived from Samarth-NMDP's logframe, and driven by the requirements of the early warning checks and the value for money framework.

Standard Intervention Indicators	
<b>Poverty reduction</b>	
Improved incomes	Average net attributable income change (disaggregated by gender)
	No. of beneficiaries recording positive change in annual real incomes (disaggregated by gender)
<b>Enterprise performance</b>	
Performance change	No. of beneficiaries exhibiting changes in competitiveness and productivity e.g. yield, quality, price differential, cost-saving (disaggregated by gender)
Business practice change	No. of beneficiaries changing business practice (disaggregated by gender)
	Per cent of beneficiaries who would recommend to other members of the target group to adopt the new business practice* <sup>23</sup>
	No. of non-treatment target group copying business practice change
<b>Market system change</b>	
Market players provide new/improved quality services	No. of market players providing new/improved services
	No. of market players crowding-in around new/improved services

<sup>23</sup> An \* means that indicator is part of the early warning checks (see [Chapter 13](#)). These indicators are not aggregated.

Market players have incentive to sustain/expand service or rules	No. of target group accessing new/improved services
	Profile of beneficiaries (check disadvantaged groups, poverty profile)*
	Per cent of target group who expect benefits of practice change to exceed costs*
	Net return to market players from delivering services (for commercial service providers only)*
	Likelihood of market players sustaining new practice(s)*
	No. of market players with concrete plans to expand offering*
<b>Systemic intervention</b>	
Activities with market players	No. of and name of market players supported by intervention
	Contributions (financial, non-financial and in-kind) by market players

Each intervention should measure each SII. Note that the SII are not exhaustive: more indicators will be required to measure changes for the same or other boxes in the results chain. [Annex 7](#) provides more detail on the precise definition of each SII.

When defining indicators, ask the question: “are they SMART”? This useful acronym tests each indicator against 5 criteria:

1. The indicator is <b>s</b> pecific	• Precisely defined and unambiguous, reducing the scope for subjective interpretation
2. The indicator is <b>m</b> easurable	• Can be measured or assessed (either by numbers or a description)
3. The indicator is <b>a</b> ttributable	• Can be attributed to the intervention
4. The indicator is <b>r</b> elevant	• Relevant to the exact change in the results chain needing to be measured
5. The indicator is <b>t</b> ime-bound	• Can be collected frequently enough to inform progress and influence decision-making

Indicators are initially set out in the Summary Measurement Plan section (see [Annex 6](#)) in the Implementation Plan: this outlines each indicator and a summary of the timing, tools and responsibilities for data collection and for setting baselines.

## 7.2 Disaggregating indicators

All key indicators at the ‘enterprise performance’ and ‘poverty reduction’ level are disaggregated by gender. The programme also undertakes a poverty profile of beneficiaries to estimate the proportion who are from poor households. It considers farmers and small-scale entrepreneurs to be a poor who are living on less than US\$2.50 a day.

At the market system change level, indicators are not routinely disaggregated, since a) service providers rarely collect information on the proportion of male/female/other disadvantaged customers; and b) disaggregating results by who accesses a service does not always reflect how a service is used.

Indicator checklist	
✓	Does each box in the results chain have at least one indicator?
✓	Does each box in the results chain have a combination of quantitative and qualitative indicators (where appropriate)?
✓	Have all the Standard Intervention Indicators (SII) been included?
✓	Is each indicator SMART?

## 8. Measurement Plan

Before the intervention begins a detailed Intervention Guide (see [Chapter 11](#)) is prepared, no later than one month after project approval. This includes a more detailed Measurement Plan where each indicator is assigned:

- 1) A precise **definition**, which includes any formulae to be used to calculate quantitative indicators and the units of measurement. This helps to avoid ambiguity and ensures consistency in the way that indicators are calculated over time.
- 2) The **'when' of data collection**, which gives a timeline for data collection (e.g. quarterly, annually etc.) and, where possible, exact dates for data collection activities which can be slotted into individual and intervention work plans.
- 3) The **'how' of data collection**, which describes the tools and sampling techniques used to collect information on the indicator, and the people or players to be included in the sample (including any control group).
- 4) The **'by who' of data collection**, which describes the responsibilities for collecting data. In general, project teams are responsible to collect data from market players whereas results measurement teams take the lead in collecting data from beneficiaries.
- 5) The **baseline**, which includes the baseline value for the indicator (if available) or sets out future plans to collect baseline information.

Attribution strategy of each intervention sets out in measurement plan.

### 8.1 Estimating attribution

Samarth-NMDP operates in complex market systems. There are many factors that might affect the various changes the programme aims to cause (particularly when looking at changes in the practice and performance of farmers and small-scale entrepreneurs). In order to assess the impact of its interventions, Samarth-NMDP has to determine the extent to which measured changes are due to its actions, as opposed to other factors.

Samarth-NMDP considers that a change cannot be claimed as impact until *plausible* attribution has been established<sup>24</sup>. Plausible attribution is an approach which aims to balance credibility with practicality when assessing a programme's contribution to change: the emphasis is on generating a credible impact story-line given the resources available to the intervention, rather than on providing scientific proof.

The following methods provide the foundation for assessing the plausible attribution of changes to the programme:

- ✓ Establishing a link from activities all the way up the results chain to poverty reduction. Essentially, this means measuring each level of the results chain to determine that change has occurred and why it has occurred.
- ✓ Taking into account the counterfactual (what would have happened anyway). Essentially, this means investigating the extent to which each change is due to the previous one in the results chain.

Samarth-NMDP uses both these methods for every intervention and at each level of the results chain. In addition to helping understand the extent to which measured changes are attributable to the programme, these methods provide valuable information for management decision-making. Each intervention's approach to establishing plausible attribution is set out in the intervention guide document.

#### 8.1.1 Using results chains for plausible attribution

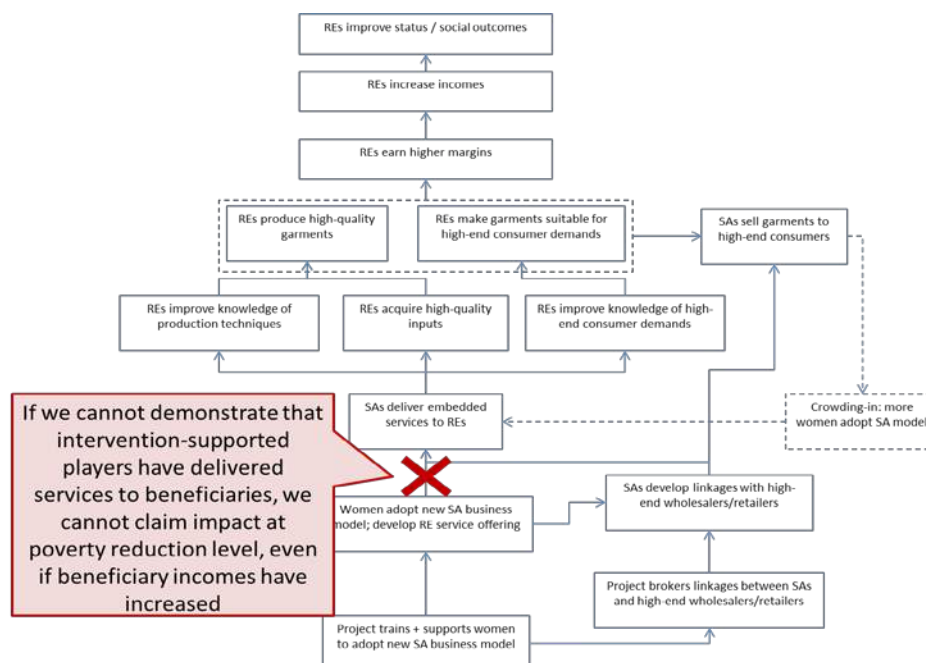
Samarth-NMDP develops clear and logical results chains, and then establishes that each and every one of the expected changes in the results chain has occurred and why it has occurred.

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<sup>24</sup> Building on best practice from other M4P programmes such as ENABLE and Katalyst, and the DCED results measurement standard



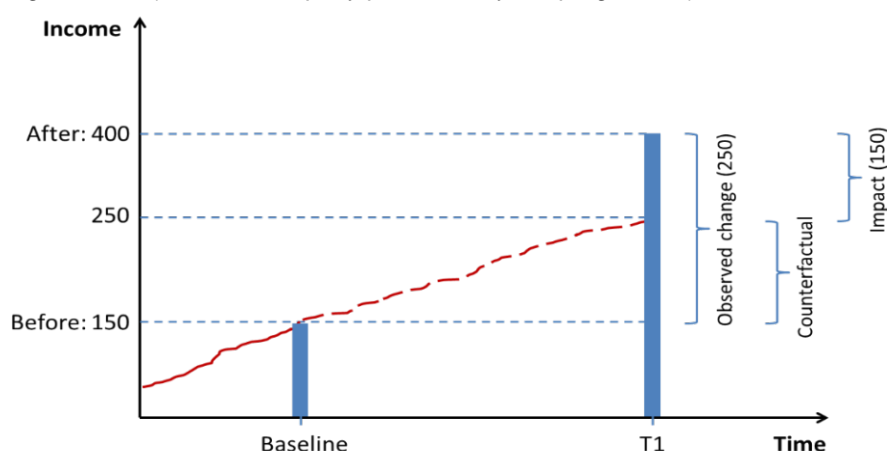
This means that if the chain of results does not happen as expected, Samarth-NMDP assumes that any measured changes in farmer and small-scale entrepreneurs are not due to programme activities:



### 8.1.2 Considering the counter-factual

'What would have happened anyway' is called the "counterfactual." Essentially, this means investigating the extent to which each change is due to the previous one in the results chain. For example, even if the intervention has been successful in facilitating market players to get farmers to buy and use improved quality seeds, it may be that farmers recorded improved yields because of bumper monsoon rains (rather than because of the seed quality) or because of being exposed to another public or private initiative<sup>25</sup>. Each intervention must therefore consider the counterfactual for each change in the results chain.

As a first step, this means thinking about whether a transparent and direct attribution can be established without the need for the counterfactual. This is often applicable where the intervention or market players are introducing a new innovation – such as a new training course or specialised product/service. In these cases, a simple 'before and after' (also known as factual) measure may suffice. For example, "smallholder fish-farmers purchase and use floating fish feed": In this case the attribution to Samarth's work with a feed company to research, develop, produce and market such a product is clear if there is only one possible source of floating fish feed (the feed company partnered by the programme).



<sup>25</sup> Whenever Samarth-NMDP reports impact, if a donor programme, local institution, or individual played a material role in bringing about change their contribution is acknowledged

When attribution is less clear then the counterfactual needs to be established in order to assign attribution to the intervention. The challenge is that it is impossible to know with absolute certainty what the counterfactual is for the beneficiaries which have been affected by an intervention. Therefore, Samarth-NMDP uses methods to estimate the counterfactual. The key factors that affect the choice of the attribution method are:

- What and how much other factors are likely to affect expected changes;
- How significant other factors as compared to the intervention;
- Timeframe and magnitude of changes; and
- An understanding of what the counterfactual is in a given situation.

To estimate the counterfactual and take it into account in measuring attributable change, there are several methods Samarth-NMDP considers to utilise:

Attribution Method	When to use
Before and after comparison plus opinion (BACO)	This method can be used when the change is clearly due to the intervention, there are possibly no external factors influencing the change and/or it is impossible to isolate counterfactual due to overwhelming effect of intervention to target population. The counterfactual can be established directly by asking the market players involved whether, in their opinion, the change would have happened anyway. This is the equivalent of asking 'why' change has happened for each box in the results chain.
BACO plus trend analysis	Trend analysis can be used to identify whether there was any momentum for change prior to the intervention. If the situation was fairly static for several years prior to the intervention, it is more plausible to attribute any consequent changes to intervention. If the situation is consistently changing over the year, the projected difference in the given time period could be considered as counterfactual. However, this method can be used if reliable historical data is available.
BACO plus analysis of secondary data	This method can be used if there is reliable and relevant secondary data available. For example, if the key performance change is the yield, secondary data (local or national) on the average yield of same crop during the same period of time could be considered as counterfactual.
BACO plus hold other factors constant	This method can be used, if there is only one or two external factor(s) influencing the change and reliable information of these factors is available. The effect of these factors (e.g. market price of produces) should be kept constant.
Quasi experimental design study (2XBAC)	The most comprehensive way of measuring attribution is the use of a control group to create a quasi-experimental setting. The representative sample of beneficiaries is surveyed to capture before and after situation. This difference is then compared with the difference of a representative control group. However, this method is only viable when a reliable "control group" <sup>26</sup> can be identified.

<sup>26</sup> A reliable control group consists of people who are similar to those being affected by the intervention but who are not benefitting from the intervention. For example, they may be members of the same target group in another geographic area similar to the one being targeted.

The measurement plan in each Intervention Guide details the exact approach to dealing with attribution, including the counter-factual, which differs depending on the nature and scope of the intervention.

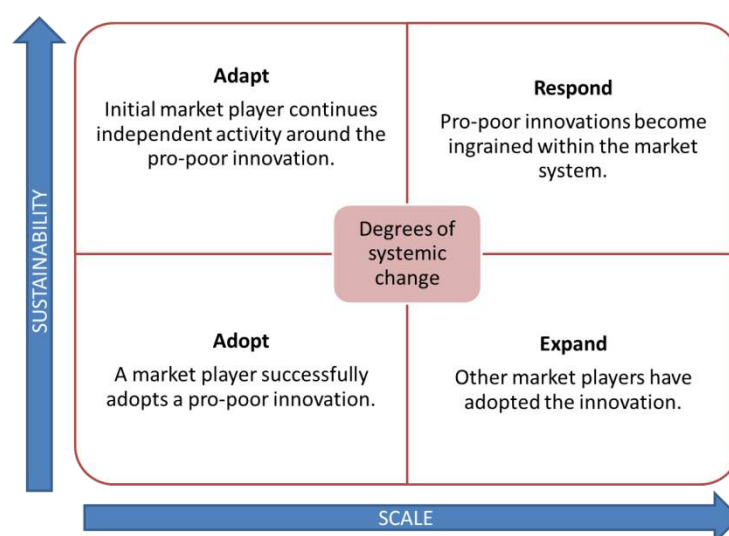
**Plausible attribution checklist:**

- ✓ Has a clear results chain been established, from activities to high-level impact?
- ✓ Has attribution been investigated at each stage of the results chain by asking 'why' change has happened for each box in the results chain?
- ✓ Have the key actors involved been interviewed? Have sources been triangulated to ensure robustness?
- ✓ Has the role of others (public and private programmes) been acknowledged?

## 8.2 Measuring systemic change

Samarth-NMDP works to improve the underlying performance of rural sectors - particularly agriculture - by stimulating systemic change in key market systems. Systemic change is achieved through closing constraints that are inhibiting pro-poor market growth<sup>27</sup>.

To do this, a series of interventions aim to leverage momentum towards growth by facilitating market players to innovate and sustain pro-poor solutions. Since markets and the constraints in them are not fixed, facilitation is a dynamic approach which requires project teams to be aware of and respond to new conditions that emerge through implementation. Facilitators should routinely ask themselves where and how to intervene in order to strengthen any initial signs of systemic change. Samarth-NMDP identifies and classifies four key stages that can be used to benchmark progress towards change in market systems. These can be understood as *degrees* of systemic change that exhibit different levels of sustainability and scale:



This adopt-adapt-expand-respond matrix helps facilitators gauge where they are on the pathway to crowding-in<sup>28</sup>. The matrix is also used for tracking overall progress towards the degrees of systemic change at the programme level<sup>29</sup>.

This 'how to' guide explains how to identify each of the degrees of systemic change, including some of the measurement tools which can be used.

<sup>27</sup>Intervention area is the name for the group of interventions that collectively respond to one systemic change.

<sup>28</sup>Based on the Springfield Centre adopt-adapt framework

<sup>29</sup>Logframe output indicator 1.2: "Number of sectors where there is evidence of progress towards systemic change", corresponds to the adopt/adapt degrees; while logframe output indicator 1.3: "Number of sectors where there is evidence of replication", corresponds to the expand/respond degrees.

## ADOPT

**What is it?** A new market player successfully adopts a pro-poor innovation. This is usually in the form of a new or improved service through rules, policies or legislation aimed at better performing service markets). This service innovation is precisely defined in the intervention's results chain and measurement plan.

As this stage, sustainability and scale are likely to be low. The adoption stage is reached through successfully identifying a partner with the incentives and capacity to change and jointly pilot a viable and practical model to innovate to the ultimate benefit of the poor. Note that this innovation has to be valued by target beneficiaries (poor farmers and small-scale entrepreneurs).

**How we measure 'adoption':** a mix of quantitative and qualitative measures. These examine three areas of:

- **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). Standard Intervention Indicators (see [Chapter 7](#)) that measure viability include: a) net return to market players from delivering services (for commercial service providers only), and b) likelihood of market players sustaining new practice(s). These are part of the early warning system 'sustainability check'.
- **Division of labour:** Market player takes on an appropriate share of the responsibility in the pilot (functions/roles, payment/costs). Samarth-NMDP is not bank-rolling pilot activities that have no developmental benefit or supporting those that do not work to overcome risk aversion. The project team records of leverage (see [Section 8.3](#) on capturing leverage)
- **Satisfaction levels:** Market player is satisfied with the results/learning from the pilot and the beneficiaries are satisfied with the outcomes that result from the introduction of the innovation and are benefiting. Standard Intervention Indicators include: a) number of target group accessing new/improved services, b) Profile of beneficiaries (check disadvantaged groups, poverty profile), and c) per cent of target group who expect benefits of practice change to exceed costs. These are part of the early warning system 'target beneficiary' and 'value proposition' checks.

## ADAPT

**What is it?** The initial market player(s) continue independent activity around the innovation that they originally adopted. The player is keen to improve the performance of the innovation further and works to tailor it, making investments that support its continuous operation and/or move to embed the innovation within its operational norms (e.g. business plan, procedures manual, budgets).

The adaption stage is achieved when a programme deems that early adopters are likely to continue to improve, develop and roll-out the innovation. This signifies a degree of systemic change that is perhaps low on scale, but higher on sustainability.

**Measurement:** a mix of quantitative and qualitative measures. These examine four areas of:

- **Investment and improvements:** Continuation of the *status quo* (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 characterised by partner self-experimentation – i.e. introducing the innovation to new areas (extending pilot locations) and/or new markets without programme support. This is measured by repeating the sustainability checks, including through Standard Indicators.
- **Mainstreaming (commitment) within market player:** Innovation is given an organisational home (institutional structure, branding) and/or player 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.
- **Division of labour:** Market player's responsibilities and contributions towards costs have evolved from the pilot partnership. Samarth-NMDP is not funding recurrent functions/activities and most (if not all) necessary product/service development activities are performed by the market player-tracked by project teams in quarterly basis.

- *Benefit flow remains:* Adaptations to the original innovation have not distorted (or will not distort) the ‘business model’ so that the poor are no longer benefiting. Measured by repeating the ‘target beneficiary’ and ‘value proposition’ checks as part of the early warning during impact assessment.

## EXPAND

**What is it?** A number of other market players have adopted the innovation (or clear variant thereof) as original market players and other early adopters begin to reap benefits. These players may be adopting due to competitive pressures or as a result of a demonstration effect.

This ‘crowding-in’ expands the outreach of the pro-poor innovation and thus increases the scale of systemic change. There are sustainability dimensions as a greater diversity of adoption mainstreams the innovation and brings greater resilience and variety of service offerings to the market.

**Measurement:** a mix of quantitative and qualitative measures. These examine four areas of:

- *Original partners roll-out investment:* Early adopters have rolled-out the innovation to most/all locations where they have a presence. 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. Measured through the Standard Indicator: “number of target group accessing new/improved services” and “number of non-treatment target group copying business practice change”

Copying occurs when the target groups copy the business practice of treatment beneficiaries. These beneficiaries are considered to be indirect beneficiaries. However, if the target groups access the product or services from the intervention supported partners, it is considered as direct beneficiaries. The following steps can be taken to estimate indirect beneficiaries of copying:

- During the impact assessment for direct beneficiaries, ask respondents whether their neighbours copied their new practices.
  - Interview a sample of the neighbours (e.g. 30) to cross check whether they are actually copying the practices and reasons for copying.
  - Check for overlapping among the copiers (i.e. whether one copying beneficiary is copying from two or more direct beneficiary).
  - Use this information to calculate an estimated average copying ratio (the number of copying beneficiary for each direct beneficiary).
- *New players crowding-in:* Other players are copying the original innovation introduced by the early adopters or are trialling versions of the original model that add diversity to the market system and increase choice for the consumer of the service/product. Measured by Standard Indicator: “number of market players crowding-in around new/improved services”. The beneficiaries reached through crowded-in partners are considered as indirect beneficiaries. The following steps can be considered to estimate indirect beneficiary of crowding in:
  - Determine the methods to identify crowded-in market players – generally observation and key informant interviews with intervention supported partners and key market players.
  - Check the reasons for crowding-in to assess attribution.
  - Estimate the number of beneficiaries who received the product and/or services from crowded-in market players
  - Assess behavioural and performance changes of beneficiaries reached through crowded in market players
  - Check for overlapping with direct beneficiaries. (i.e. whether indirect beneficiary is accessing product and/or services from two or more crowded-in market players).
- *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.
- *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.

## RESPOND

**What is it?** The increasingly mainstream innovation triggers a secondary response from players in the wider sector, or in adjacent sectors connected to it. These responses appear in the form of changed or new supporting functions and rules that reflect the original innovation and its widespread adoption. Essentially, the original systemic change has created a new set of market conditions that encourage evolution in and re-organisation of the market.

With new supporting functions and rules modified in interconnected markets, pro-poor innovations become further ingrained within the market system, giving them the characteristic to last and adapt to future market conditions (including shocks). At the respond stage both sustainability and scale indicators are high as the innovation's longevity allows the target group to benefit long after the programme has exited. Facilitators are confident that the innovation can continue to survive in its current form or 'move with the times' as appropriate.

**Measurement:** usually qualitative. This examines two areas of:

- *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 recognise a need to 'fundamentally' change the way they think about "XYZ"?
- *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?

## 8.3 Categorising leverage

Leverage does not just refer to financial resources. There are also non-financial resources which market players can contribute. To help interventions to think about, and more accurately reflect, the range of investments by market players, there are a number of different categories of leverage that can be considered. Leverage is clearly mentioned in the contractual agreement with the market players and is tracked by project team in quarterly basis.

### Financial contributions

Financial contributions are monetized investments by public or private players. These may include, but are not limited to:

- Direct investment by market players in new intervention-supported services, such as purchase of new equipment, setting up of new distribution channels, purchase of materials for demo plots etc.
- Direct investment by market players on one off events which are related to intervention-supported activities, such as communication, workshops, research etc.
- Monetized human resource contributions by market players in support of interventions. See the section on non-financial contributions, below.
- Direct investment in public programmes (e.g. R&D expenditure or infrastructure) in response to intervention-supported activities

### Non-financial contributions

In-kind contributions refer to any non-cash inputs. These may include, but are not limited to, labour/time of key contributing personnel, the use of related assets and equipment (cars, manufacturing plant etc.), materials (books etc.) or infrastructure (use of meeting rooms) already owned by market players for one off or recurring intervention-supported activities. As far as possible, non-financial contributions should be converted in a cash value.

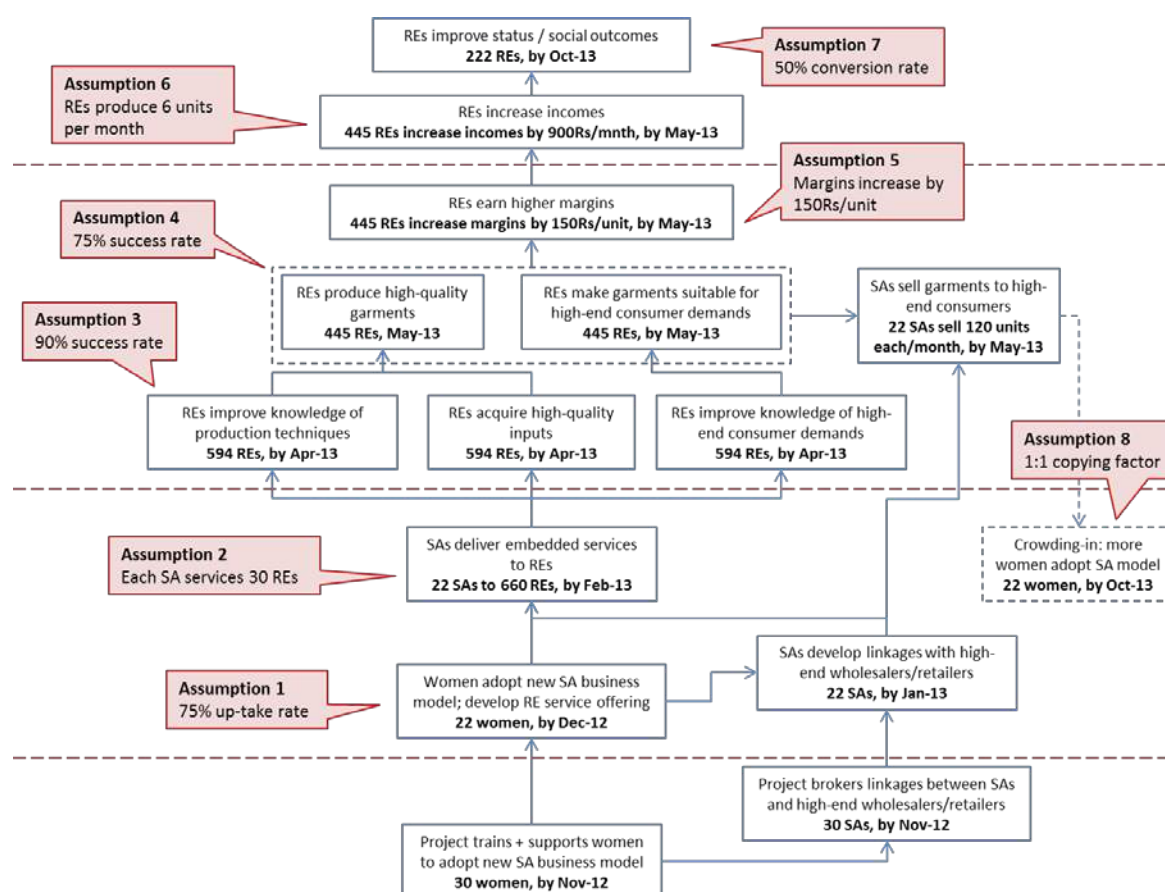
## 9. Impact Projections

Projections are the results we expect from an intervention, by a given time. They are reasoned estimates, not wild guesses, of the changes we can expect in the market system, in enterprise performance and in poverty reduction, brought about by intervention activities.



Projections are made for every box in each intervention results chain, against key indicators. As projections predict the change that will result from the intervention, they are made for the two years beyond the end of the intervention<sup>30</sup>. Each projection must be based on well thought-out assumptions and findings from market analysis and research, field observations, or other credible sources such as government data, other studies by development projects etc.

The assumptions supporting each projection – as well as the calculations made – are outlined in the initial Project Implementation Plan. While there is a standard format for how these are presented in tabular format in the Implementation Plan (see [Annex 8](#) for the impact projection template), to aid in calculations and to test the intervention logic, project teams may wish to superimpose the projections and assumptions onto the results chain, as follows:



During implementation, impact projections should be regularly reviewed (at a minimum twice per year) and updated where necessary to reflect new data collected and clarify any assumptions. This process is led by the project team, but with the close involvement of the results measurement team, since any changes to intervention impact projections will have a knock-on effect to the overall aggregated impact projections for Samarth-NMDP as a whole<sup>31</sup>. The 'living' impact projections for each intervention sit in the Intervention Guide: any changes to the projections should likewise be recorded and justified in the Guide, and discussed in monthly and/or quarterly review meetings. When changes are made to intervention results chains, the project team must also consider whether this has an effect on the impact projection.

<sup>30</sup> In reality it would be expected that income changes will continue (and perhaps grow) beyond four-years, but these are not included in the calculation since impact will be measured by Samarth-NMDP for the two years following the end of intervention activities.

<sup>31</sup> The results measurement team aggregates all projections into expected programme-level impact. These aggregations take into account and correct for overlap within and between sub-sectors. Aggregated programme-level projections are reviewed and updated twice per year: during March and September.

It is important to note that projections are *not* targets. Samarth-NMDP, and the M4P approach more generally, is not about target-hitting and does not promote a ‘target-hitting culture’ at the project level. A focus on meeting quantitative targets risks a mind-set of projects ‘forcing’ through change to quickly reach large numbers of farmers/small-scale entrepreneurs: almost always at the risk of jeopardizing strategies to achieve long-term sustainable market system change, which is driven by the market players themselves.

Impact projections serve a number of important purposes. They are primarily used to gauge the expected impact of Samarth-NMDP investments (in individual interventions, and in sub-sectors as a whole), and feed into portfolio management decisions about where, when and how to intervene to achieve greatest sustainability and scale. Impact projections also inform value for money decisions around cost-effectiveness (see the [Value for Money Framework](#)). At the intervention-level, impact projections help project teams think through when change is likely to happen, which is an important factor in effective measurement planning and progress is monitoring. Projections and the assumptions which they are based on, also help identify gaps in knowledge and flag areas for data collection.

#### Impact projections checklist

- ✓ Are the projections conservative (avoid optimism bias)?
- ✓ Is there enough information to make reasoned estimates?
- ✓ Have critical assumptions been identified, and are they documented along with source of assumption and the calculations?
- ✓ Have projections been reviewed (and updated, if necessary) at least once in the past 6 months?

## 10. Assessing and Tracking Risk

Samarth-NMDP’s approach to risk is based on assessing and tracking risk at two levels. Firstly, project-level risks: these relate to specific technical, partner, and impact issues within individual interventions which may jeopardize the achievement of intended results. For example, the risk that a certain assumption in the impact projection may not hold, or that novel behaviour/practices in market players may not occur.

Secondly, based on the fact that Samarth-NMDP interventions carry with them an inherent level of uncertainty as they try and influence the attitudes and actions of others (market players), there is always a risk that project teams can cause, or contribute towards, *unintended and negative impact*. Samarth-NMDP’s approach to risk includes a comprehensive ‘do no harm’ check. All Samarth-NMDP interventions attempt to avoid causing negative and unintended impact in:

- Market displacement<sup>32</sup>
- Gender and social inclusion (inequitable assets to resources and opportunities)
- Environment
- Tensions that may increase the risk of conflict and instability
- Violating principles of human rights, labour and anti-corruption<sup>33</sup>

The set of criteria for the ‘do no harm’ check is included in [Annex 14](#). This check reflects the fact that the risk of ‘doing harm’ is rarely a black or white issue (each criteria is rated low, medium or high risk), and the fact that – due to the dynamic nature of markets and the motivations/incentives of the ‘real world’ players in them – risks often change over time.

Risk levels are assessed during project design, and reviewed during quarterly team meetings<sup>34</sup>. Sector risks are included in sector guides whereas intervention level risks are contained in intervention guide. Where

<sup>32</sup> Some enterprises may be negatively affected because others are benefiting from programme activities. Displacement is the amount of negative effect on those enterprises harmed by programme activities.

<sup>33</sup> Derived from the UN Global Compact ‘Ten Principles’

<sup>34</sup> Overall risks and risk levels are recorded in the Sector Guide – and risk level are updated, at a minimum, on a quarterly basis.

potential 'high' or 'medium' risks are identified, relevant mitigation measures are proposed - allowing interventions to take pro-active measures to respond to potential unintended and negative impact.

Given that risks are unintended (and often unexpected), this requires some flexibility in results measurement. For example, more rigid measurement tools such as scorecards or diagnostic toolkits are less useful for identifying unintended consequences; they should be supplemented by more flexible tools such as field observation, interviews, and using tacit knowledge.

**Assessing and tracking risk checklist:**

- ✓ Has the project made an initial assessment of risk, including against the 'do no harm' checklist?
- ✓ Are the rating of risks (high/medium/low) based on best available evidence or knowledge?
- ✓ Are the risk ratings reviewed and updated at least once a quarter?
- ✓ For 'medium' and 'high' risks – are appropriate mitigation measures proposed?

## 11. Intervention Guides and Sector Guide

The **Intervention Guide** (the results measurement team sets up the Intervention Guide together with the Sector Analyst, is an Excel document, is developed when interventions become 'live'. More than just a re-formatting of the strategic and operational components of the implementation plan, intervention guides are designed to be easily updated and are therefore to be considered very much 'living documents'. Intervention guides are required to be updated in monthly basis during monthly sector meeting.

Current versions of the Intervention Guide have nine tabbed sheets, specifically:

- Cover page summarising target groups, market players, intervention districts, projected impact and risks
- Intervention story which outlines the rationale for the intervention
- Business model of the intervention
- Intervention results chain
- Measurement plan
- Impact projections and achieved results
- Impact calculation
- Observations dairy
- Major changes

Alongside formal data collection tools, the Intervention Guide allows for tacit information to be captured through the observations diary. To encourage ongoing reflection, information-seeking, and interpretation of 'live' market information, all members of a project team input into this tab. The importance of this tab should not be underestimated as the tailoring of strategy and tactics - from minor tweaks to substantial changes in direction - are often informed by outlier examples or unusual events occurring within the sub-sector or intervention in question. For this, project team members will need to be in-tune with what is happening not only in their immediate project location and with their immediate market player partners, but also in neighbouring areas and with alternative players.

Information gleaned from data analysis is usually presented in a short report which summaries key research findings. There is no set format for this report in Samarth-NMDP. In addition, a brief analysis of the results achieved is recorded in the 'projection and results' tab of the intervention guide.

Senior Sector Analysts are responsible for coordinating and ensuring Sector Analysts maintain the Intervention Guides on a monthly basis.

**Sector Guide** (the results measurement team sets up the Sector Guide together with the Sector Analyst) stores information relating to the sub-sector as a whole. These Sector Guides, which are an Excel document, are developed when sub-sectors are approved and become 'live'.

Current versions of the Sector Guide have nine or more tabbed sheets, comprising:

- Cover page
- Sector summary, outlining the sector strategy and systemic constraints
- Matrix for recording progress towards systemic change
- 'Do no harm' risk assessment
- Sector risk assessment
- List of other public/private programmes working in the same sector
- List of relevant external research on the sector
- Full impact projection (numbers only) for each intervention
- Summary aggregated impact projections for the sector, taking into account overlap

Senior Sector Analysts are responsible for coordinating and ensuring Sector Analysts to update the Sector Guide on a quarterly basis (before each quarterly strategic review – see [Section 15.1](#)).

**Intervention/Sector Guides Checklist:**

- ✓ Has the required tabs housed in the guides?
- ✓ Are the required fields updated periodically?
- ✓ Are the tacit knowledge captured and recorded?
- ✓ Have the major changes recorded properly?

## 12. Baselines

Baseline information is required for all indicators for each Samarth-NMDP intervention: this measures the situation at the beginning of the project, which can then be compared to the situation after the end of the intervention to establish what change has occurred.

Baselines serve a dual role. By collecting before-intervention indicator values it allows change, and thus impact, to be estimated. But the baseline report also provides valuable information that informs intervention strategy. In this sense, the baseline report is like a diagnostic: it helps to hone in on constraints in a given market system and provides detailed, intervention-specific data. This allows the intervention strategy to be fine-tuned to better understand and address these key constraints. Samarth-NMDP collects baseline data at two different levels:

- Indicators measuring market system change (system-level baselines)
- Indicators measuring enterprise performance and poverty reduction (beneficiary-level baselines)

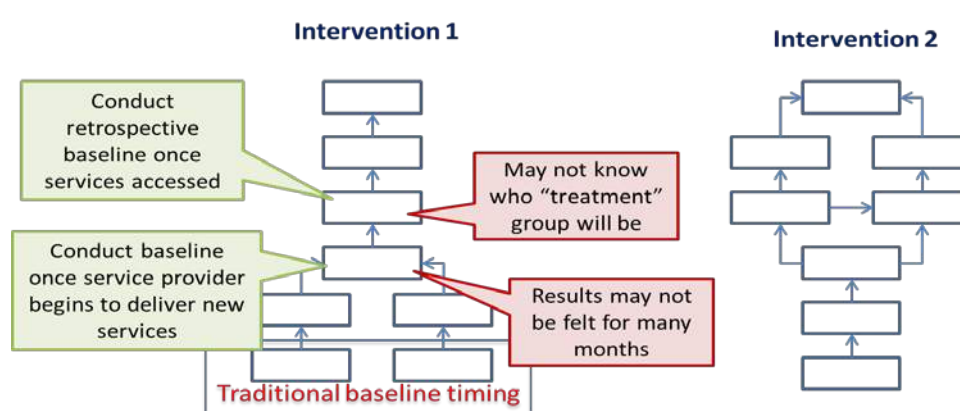
Since Samarth-NMDP impact assessments place a high degree of emphasis on the *sustainability* of impact, baseline information is important at all levels in the results chain, not for the top-level indicators. Sustainability is driven by changes at the market system level, which are manifested in improvements at the beneficiary level – so the two cannot be dissociated. Generally speaking, therefore, baselines measure:

- Existing incentives and capacity (will/skill) of market players and data on their current service offering(s) – e.g. customer base, turnover etc.
- Existing business practices among farmers and small-scale entrepreneurs, e.g. kg. of improved seed used
- Existing competitiveness/productivity of farmers and small-scale entrepreneurs, e.g. yield per hectare
- Existing farmer and small-scale entrepreneur incomes deriving from the particular area of their 'enterprise' the intervention is focused on (e.g. ginger), calculated based on

competitiveness/productivity, e.g. yield times average profit (price received minus costs of production) per kg.

The timing of baseline data collection in M4P is often a challenge: since, unlike other development programmes, Samarth-NMDP cannot directly 'select' who the beneficiaries will be (this is ultimately under the control of the market players and depends on who buying their products, or accesses their services). Therefore, baselines often have to wait until members of the target group start to access new/improved services and become beneficiaries and therefore part of the 'treatment' group. In most cases, beneficiaries are identified through the market players. For example, which Agro-vets the partner company sold to, which farmers the agro-vets sold to.

Samarth-NMDP employs a panel (surveying the same set of beneficiaries over again) rather than a trend (surveying a different set of beneficiaries for baseline and end-line) approach to impact assessment to increase rigour and reduce the need for large sample sizes. This means that one large baseline survey at the start of a project/intervention is usually not possible; that multiple baselines are required up the results chains; and that more innovative rolling baselines (where the baseline is updated each year/at intervals) can help to provide a more accurate 'before' picture:



In most cases, 'retrospective (also known as reconstructed) baselines' will be required at the beneficiary level. These try to understand what the situation was before the beneficiary accessed the new/improved service. Project teams should be aware of the inherent risks in retrospective baseline collection, which are subject to recall bias (inaccurate recollection of past levels of yield, attitudes etc.). However, these risks can be minimised by careful timing of the baseline, which closes the gap between a farmer/small-scale entrepreneur accessing a new/improved service and being asked about their situation in, say, the previous year or in the previous planting/harvest cycle. The risk is substantially reduced in instances where a beneficiary can be surveyed *after* they have accessed a service (e.g. bought improved seeds) but *before* a benefit (e.g. yield increase) has been realised.

## 13. Early Warning Checks

Early warning checks are designed to capture and analyse the immediate effect of an intervention (or series of activities) to determine if results are on track, as per results chain, and to identify any issues with tactics/strategy to take quick corrective action. Early warning checks are made to ensure that results are pro-poor and likely to lead to sustained behaviour change in market players and farmers / small-scale entrepreneurs.

### 13.1 Why early warning?

M4P programmes aim to facilitate change in market systems, for instance by supporting new business models or creating linkages between market players. While interventions can influence how these market system changes might come about, they cannot dictate or exert full influence over the actions of market players. Interventions therefore need frequent information on how market players are operating - in terms of

the services on offer, the incentives for the service offering, and who is accessing these services - in order to monitor whether facilitation is 'on track' to deliver sustainable pro-poor outcomes.

Early warning checks are rapid data gathering and analysis events which reflect the dynamic nature of the market systems in which Samarth-NMDP is working. These checks track trends in the level of capacity of market players, the degree of buy-in or commitment, the viability of pro-poor business models in commercial service providers, and the institutionalisation of practice change. While early warning can be deployed across all Samarth-NMDP interventions, they will be particularly important during pilot interventions which are engaged in testing a business model or a proof of concept.

Each of the checks can be administered on multiple occasions and shouldn't be seen as a 'one off': early warning doesn't just happen at the beginning of an intervention, but is a process that is repeated throughout the intervention life-time (and beyond, for the two years of impact measurement) as part of a process of continuous learning. Checks can be administered separately, or together, depending on the needs of the intervention and its measurement plan. These checks are carried out by project teams in conjunction with the Results Measurement Team.

## 13.2 What are the checks?

This section outlines the three core early warning checks. The tools for the checks (including survey templates and enumerator instructions) can be found in [Annex 10](#).

Check	Trigger	Description
Value proposition check	Market player develops service offering	Check whether target groups are likely to value, and benefit from, the new service (benefit > cost, including any transaction costs).  Identify any perceived barriers to up-take on the side of target groups (e.g. price too high, transaction cost too high)
Target beneficiary check	Target group access service	Check who (poor and disadvantaged groups) is accessing the new service, and whether they intend to continue to access the service and would recommend it to a peer.
Sustainability check	After first testing / piloting by market player	Check whether market players see value in continuing to offer the service, or have plans to upgrade the service or roll-out to new regions.

Each check consists of running a small-scale data collection activity. These checks do not provide statistically robust data, and are not used to report on achievements. Their purpose is for 'learning' – to feed into intervention management and decision-making.

*Summary of process for early warning checks:*

**Value proposition check** (structured interviews or focus group discussion, can be administered at same time as beneficiary baseline in more formal surveys)

- Select sample of target group (poor, mix of men and women (if both are active in the sub-sector))
- Show sample the product / explain service, including how much it would cost and how they would access it
- Ask sample whether they think the product / service would be of benefit to them in terms of improved incomes / economic opportunities
- Ask whether they intend to access the product / service, on the terms described above. If not, why would they not access the product / service (access to cash/credit to pay, price too high, too inconvenient to access, benefits are unclear)



**Target beneficiary check** (rapid surveys, can be administered at same time as beneficiary baseline in more formal surveys)

- Calculate % sample that are women, % other disadvantaged groups, % sample that are poor (using Progress Out of Poverty Index)
- Ask whether they intend to repeat access. If not, ask why.
- Ask whether they would recommend the product or service to a friend / relative / peer.

**Sustainability check** (structured interviews)

- Interview all market players the intervention is working with.
- For commercial system actors, determine the unit sales and profitability of the product / service
- For public actors, determine the source of funds for the provision of the service and assess whether it is likely to continue at the required level. Assess if the service is offered efficiently
- Ask whether, based on initial results from the pilot / testing, they intend to continue offering the service. Ask why (or why not) the service offering will be continued.
- Ask whether they have plans to upgrade the product / service, introduce new varieties, or invest in roll-out to new regions. Ask why (or why not) plans have been developed.

As a matter of efficiency and practicality, the early warning checks can be integrated together with other assessments in the measurement plan.

- Sustainability checks can be integrated with other planned assessments at the intermediary and beneficiary levels at appropriate times. The early signs of sustainability can be assessed by gathering information on opinions and satisfaction of the intermediaries with the new products/services at the early stages, while sales and profit figures can only be assessed at a later stage.
- Target beneficiaries checks can be included in the baseline or impact assessment.
- Ideally, the value proposition checks should be conducted before and after launching the new products/services. For the pre-launching check, it could be integrated with the product/service development activities. Once the concepts of the new product/services are developed, the new concepts should be tested with potential users, so improvements can be made before launching. Since, Samarth-NMDP carries out baseline studies after the target beneficiaries are identified, the after launching checks could be combined with the baseline studies.

## 14. Data Collection, Analysis and Use

To 'improve' interventions and 'prove' whether or not results have been achieved, each box in the results chain is measured using a combination of quantitative and qualitative indicators. Generally, formal surveys aiming to gauge change in performance of the beneficiaries helps prove the impact whereas market players' assessments, mostly by using qualitative measures are useful to improve the performance of the intervention. This chapter explains the data collection tools to measure change, how to interpret, analyse, document and use data which has been collected.

### 14.1 Data collection tools

Tools are needed to measure each indicator. A variety of measurement tools are available including: observation, key informant interviews, in-depth interviews, focus group discussions, and rapid and formal surveys.

The exact choice of tool depends upon the nature of the change being measured, the complexity of change process, and the degree of robustness required. The tools are chosen during intervention design when the Summary Measurement Plan is drafted and refined during start-up as the Intervention Guide is prepared. [Annex 9](#) provides a list of considerations when deciding which tools to use.

A summary of the most common data collection tools are included below<sup>35</sup>.

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<sup>35</sup> Guidance on these tools is taken from the Katalyst Monitoring and Results Measurement Manual

## Observation

An observation is a quick assessment carried out through direct inspection or examination or informal discussions. Observation can take the form of: examination of third party data (e.g. company records); qualitative information resulting from field visits, informal discussions with market players; or observations regarding changes in the market. Observation is low-cost and useful for regular monitoring. However, observations are not easy to verify (unless supported by documented evidence); and their subjectivity means they lack robustness. Samarth-NMDP therefore generally uses observation to measure indicators at the intervention-level and for some market system changes.

*Sampling:* not applicable

*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

## Key informant interviews

Key informant interviews are interviews with individuals who have first-hand knowledge of the issue being addressed through the intervention. These interviews tend to be loosely structured, relying on a list of issues to be discussed. They resemble a conversation, allowing a free flow of ideas and information. Interviewers frame questions spontaneously, probe for information and take notes – which are elaborated on later.

*Sampling:* Sample size ranges from 2-5 individuals. This number depends on the context of the study and type of change being measured.

*Tips:*

- Key informants must have first-hand knowledge about the issues associated with the intervention
- A diverse set of key informants are preferable, since diversity provides a broader range of perspectives and can help to triangulate findings

## In-depth interviews

These interviews gather qualitative (and some quantitative) information and explore the process of change with individuals on a person-by-person basis (as opposed to Focus Group Discussions, which explore change in a group setting). They provide an in-depth analysis of the changes that are taking place and explore attribution. A broad guideline for conducting the interview is required, and the interviewer must have a good understanding of the market.

*Sampling:* 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.

*Tips:*

- 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
- 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

## Focus group discussion

Focus Group Discussions (FGD) explore the process of change and provide deeper understanding of why these changes are taking place. A focus group discussion (FGD) is usually conducted when consensus is needed on a topic, or to get a common view of attendants.

*Sampling:* Usually the Group consists of 8-12 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 which outlines areas where Samarth-NMDP needs information, along with 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; a good recording system should be employed to record the discussion
- FGDs are useful for investigating changes in the economic empowerment of women and disadvantaged groups. Sampling for these kind of FGDs should be carefully thought through, including for the need to set up women-only groups. Further detail on the use of focus groups to measure Samarth-NMDP impact is included in the [Gender and Social Inclusion Strategy](#).

## Rapid survey

Rapid surveys use questionnaires to gather information on quantitative indicators when significant rigor is not needed. Rapid surveys can either be either:

- Pocket surveys, where survey respondents are clustered in a particular geographic area; or
- Lot quality assurance surveys (LQAS), which survey a small number of customers of one or more service providers to provide immediate feedback on service delivery (used primarily in early warning checks).

These surveys can be used to validate the findings of qualitative measures, or to obtain quick information on market system trends where a more rigorous survey is not possible. The findings of rapid surveys can trigger further research. Rapid surveys should not be used to report on changes at the enterprise level, since they are not statistically robust.

*Sampling guide:* The sample size ranges from 20-40. Respondents are selected to get a representative sample by using a pre-defined profile. Sampling can be stratified (to focus on particular disadvantaged groups)

### *Tips:*

- Questionnaires can include both open and close ended questions
- The questions are straight-forward and generally directed at getting facts
- May lead to identification of success stories and mini case studies

## Formal surveys

Formal surveys are conducted to measure changes in enterprise performance and incomes. Other 'special cases' may require Samarth-NMDP to generate specific quantitative information and conduct formal surveys using a statistically significant sample size. Formal surveys are almost always carried out by Samarth-NMDP accredited research partners.

All formal surveys are designed and administered in accordance with accepted best practice. These best-practice criteria are listed below. To achieve a reasonable balance between robustness and cost, some criteria may not always be adhered to for indicators that have not been designated as Standard Intervention Indicators (SII) – these criteria are marked as optional.

- The survey should be predicated on a clear set of hypotheses (informed by the results chain).

- Questions should be easy to understand and unambiguous. The questionnaire should not be too long. A pilot should be performed to test the clarity and length of the questionnaire. *Optional:* the questionnaire should be translated into local languages for respondents who do not have a good command of Nepali. At the design stage, the survey should be translated back into Nepali to check the quality and clarity of the original translation.
- The sample should be drawn from the target group population – purposive or randomly selected, or a stratified sample (if the data is to be analyzed by strata). In administering the questionnaire, care should be taken not to systematically exclude certain groups within the target population, which may bias the results.
- The sample size should be sufficient to generate statistically significant results. For the sample size, the minimum level of certainty required for a credible sample is a margin of error of 10% with a confidence interval of 90% - assuming a 50% distribution of results and an expected change higher than 10%. For a population above 500, a sample size of 60-70 is required to reach this level. This assumes that the sample is random. With this sample size, analysis of a stratum of the population will not yield credible estimates of results for that stratum. When a significant number of strata in a sample are required, it is considered practical to reduce the sample for each stratum to no less than 30. When an intervention has high outreach and/or significant aggregate net income increases relative to the total portfolio, additional rigor is important to ensure these significant estimates of results are credible. In this case, a 5% margin of error and 95% confidence interval can be considered, which would require a sample size of approximately 380. It is important to remember that the baseline sample should be higher than required so that the impact assessment sample is large enough, when some respondents drop out or data from some respondents cannot be used. A rule of thumb is that the baseline sample should be 10% higher than required for the impact assessment, but it should also be adjusted based on experience.
- Common random sampling strategies are:
  - **Random sampling:** choosing respondents from a list using a random sample generator.
  - **Stratified random sampling:** stratifying a sample based on the proportion of the population that falls into each strata – then randomly choosing within each strata.
- Common purposive sampling strategies are:
  - **Snowball:** asking each respondent to help identify additional respondents. This is often used when it is impossible to get a list of potential respondents.
  - **Quota sampling:** ensuring that a specific number of people per given strata are included in the sample. This biases the sample but ensures that data from various groups is obtained.
- A clear set of written instructions should be provided to enumerators and data entry staff. *Optional:* all enumerators and data entry staff should be given comprehensive training.
- Respondents should be informed about the objectives of the survey and how the data will be used. Respondents should be offered anonymity; all data should be kept confidential.
- The questionnaire should include the name of the enumerator, the date and location of the interview, and contact details for the respondent (unless they have requested anonymity). *Optional:* a random sample of completed questionnaires should be checked by the Samarth-NMDP results measurement team.
- After the data has been collated, the data should be cleansed (correct coding and data entry errors, investigate extreme outliers, and check the results for internal consistency).
- All data should be stored securely (with backup).

**Data collection checklist:**

- ✓ Have synergies across measurement tools (where measurements can be combined within or across interventions) been identified?
- ✓ How were respondents prepared for data gathering?
- ✓ How were the questions prepared?
- ✓ Who did the interviews? Who supervised?
- ✓ When the data was collected (dates)?
- ✓ If/how were the interviewers (enumerators) trained?
- ✓ How was the quality of data collection (supervision, back-checks etc.) ensured?
- ✓ How was the data entered or tabulated?
- ✓ Who did the data entry/tabulation and how was the quality of entry/tabulation ensured?

## 14.2 Data analysis

Research processes often produce an array of 'facts and data' but lack clear analysis. The step of interpreting and analysing data is vital to help ensure that results measurement generates *useful* information which supports evidence-based decision-making, allowing interventions to respond in a dynamic way to market conditions.

Consider a project team which has surveyed some agro-vets to examine their knowledge and attitudes about a particular product. Survey responses have been collected and processed with the data entered and tabulated in an Excel file by project team staff. To analyse this data and turn it into information, 'tips' for the project team include:

- *Analyze information throughout research, including during data gathering.* For example, the first round of surveys comes in from a particular district: what is this telling us about change – does the data (only 25% of the agro-vets surveyed were able to accurately describe the benefits of using product XYZ) already signal that agro-vets can/cannot express accurate information about the product?
- *Structure analysis against the key change(s) we want to be seeing.* For example, developing an overall understanding of the motivations and behavior of agro-vets is important, but what needs to be analyzed is the knowledge and attitudes existing in agro-vets about a specific product. The project team should take a specific box in their intervention results chain and the agreed indicator(s) as the 'entry point' for analysis (e.g. 'selected agro-vets demonstrate positive attitudes towards stocking product XYZ')
- *Analysis should include not only problems but also potential solutions.* Avoid producing a laundry list of problems but with no avenues for follow-up/potential solutions identified. Analysis should explore all problems identified and shorten the list to highlight a few key problems that must be addresses/discussed.
- *Make sure there are enough 'facts and data' to underpin the analysis.* If the evidence is weak, then say so, and be careful not to draw conclusions too widely. For example, even if the project team gets a first round of surveys in which show low knowledge among agro-vets about a product, the sample size (of 5 agro-vets) or locality (restricted to one VDC) will be too small to draw wide conclusions. *Triangulate the data using multiple data sources to verify findings and develop a more robust evidence-base for decision-making.* The findings from one data source may prompt questions that need to be investigated further, perhaps using other tools. For example, if a survey shows only modest interest among agro-vets about stocking product XYZ, the project could conduct FGDs/in-depth interviews with a small sample to probe why (if this is not clear from the survey results). This might already have been done by measuring changes in other results chain boxes – combining the results observed at different levels will give a better overall picture of change.

## 14.3 Data use

Information, in turn, is used by project teams to review and adjust interventions under guidance from Senior Sector Analysts and Portfolio Managers. This involves plotting progress against results chains to see if the intervention logic is working as expected, and updating intervention tactics and strategies in results chains as necessary. Impact projections allow the comparison of actual results against projected results to see if the intervention is on track.

Data use also involves being aware of the 'known unknowns': the information we know that we do not know. It is inevitable that data gaps exist in the broad and dynamic market systems which Samarth-NMDP works, and it will always be impossible to know everything about a market system. Interventions need to be cognizant of this. Building a culture to support effective data use (changing and adapting to improve) means accepts failure, realizing these limitations in knowledge, and encouraging a culture of open enquiry and learning.

Results measurement builds in constant learning loops that capture tacit and explicit knowledge and ensure this information is used for management decision-making at both the project and programme level. This helps ensure that:

- Management can fine-tune tactics and make decisions, where necessary, about strategies and the continuing viability of interventions (making go/no-go/change decisions);
- All decision-making is based on evidence;
- Teams are able to make mid-stream adjustments to ongoing activities, adopting a flexible approach which responds to the dynamic market systems in which they work.

Programme/project management and results measurement are therefore two sides of same coin. The table below shows how results measurement tools and processes, both formal and informal, feed into a variety of management decisions:

Results measurement tool/process	Feeds into management decision(s)
Platforms for discussion and exchange of ideas/learning (case studies, thematic briefs, sector briefs)	Decisions on what learning to integrate from other projects and how and when to take on board new ideas to refine own tactics and strategy
Fortnightly portfolio updates	Discussions about current status of each intervention and decisions on next steps to be undertaken
Monthly sector meeting	Discussions about progress of results chain and decisions on refining implementation tactics
Quarterly strategic reviews	Decisions about continuing viability of intervention strategy and overall status of sub-sector constraints
Quarterly intervention progress update	Decisions about which changes in the results chain are happening as expected, and to identify any blockages/'sticking points' (see below)
Internal evaluations	Programme management decisions about whether to scale-up or discontinue an intervention, intervention area or sub-sector project
'Living' Intervention Guides	Primary source of evidence for all project management decisions (based on intervention indicators, leverage, recorded tacit knowledge)
Projections and cost-benefit calculations	Decisions on continuing value for money (economy, efficiency, effectiveness) of interventions and projects
Early warning checks	Source of evidence for proactive decision-making on interventions tactics and strategy (see below)
Impact assessment and baselines	One of the sources of evidence for decisions on whether to scale-up or discontinue interventions/projects; baselines also used as a diagnostic to hone in on constraints in market system.

Results measurement allows programme/project management be both *proactive* (responding to problems before they arise) and *reactive* (quickly responding to problems after they have become apparent).

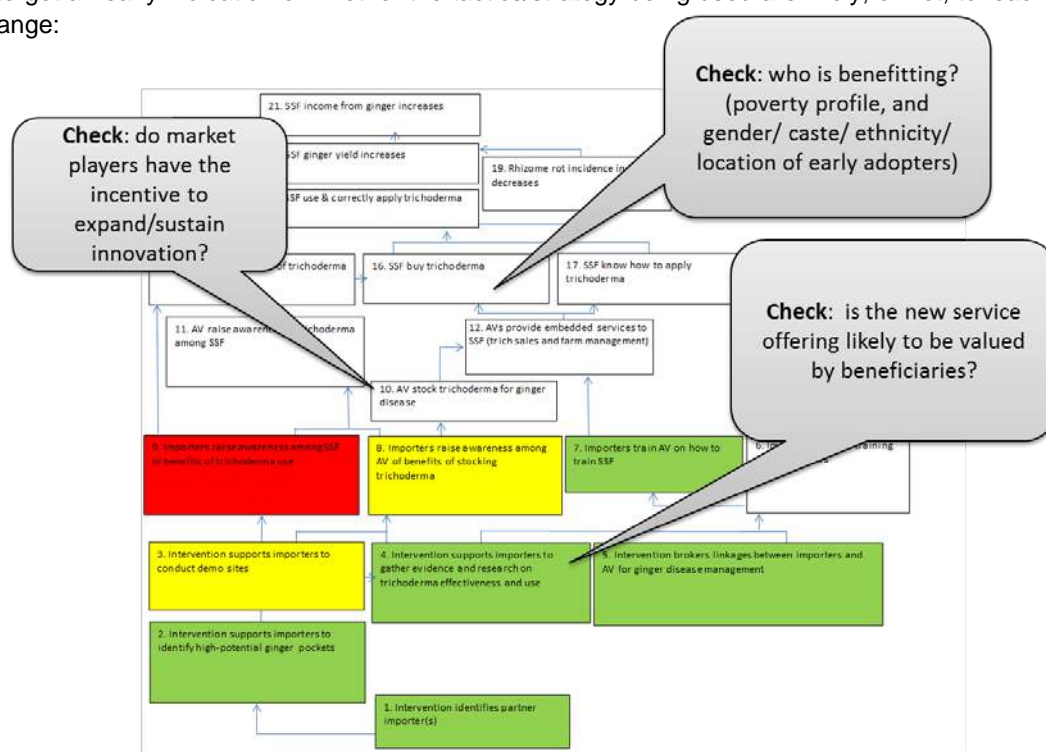


To aid programme/project management, each box in the results is given a colour-coded 'traffic light' rating. This rating is an assessment of expected change to-date, using data collected on intervention indicators as evidence. For results chain boxes where change was expected to have occurred by now (based on impact projections): red indicates no positive change (or a negative change); yellow indicates partial change; green indicates change occurred as expected. If change was not planned to have occurred, the results chain box is left blank (uncoloured). The 'traffic light' rating is assigned by each project team while preparing the quarterly progress update, and is reviewed by the results measurement team.

This 'colour coding' helps managers become made aware of 'blockages' or 'sticking points' (the red boxes) where change, as was foreseen, is no longer possible/likely with the strategy or tactics being used. This calls for *reactive* management, to find out the reasons why there are red boxes, and to 'unblock' them by coming up with alternative tactics or strategies.

It is important to note a red box is therefore not a judgment of poor performance, per se. Project success depends on the ability to adapt and respond (to 'unstick' the red boxes) and not to force through change, regardless. Poor management, and poor performance, comes from ignoring, or not recognizing, where change gets 'stuck'. As a rule of thumb for managers, the lower down the results chain that red boxes appear (particularly at the systemic intervention level), the more likely it is that the problem will be a 'management' one, to do with how the project is set-up, human resource issues, or technical capacity. The higher up the results chain that red boxes appear, the more likely it is that the problem is a 'technical' one, to do with the kind of facilitation tactics being used, or the logic of the intervention strategy as a whole.

A key feature of effective reactive project/programme management is about setting the right kinds of incentives, and not creating a culture of blame. Results measurement information should *never* be used to make assessments about individual staff performance. Indeed, as set out in [Chapter 8](#) on impact projections, Samarth-NMDP attempts to influence the attitudes and behaviour of market players to take on new roles within market systems: ultimately, however, projects do not exercise full control over how market players go about their business (which is why we make projections, and do not set targets). Management is about using monitoring and results measurement to accept and learn from the instances where things don't go as planned. The deployment of early warning 'checks' allows *proactive* management. Even if the intervention has not yet seen any significant change higher up the results chain, early warning checks (such as initial indications of market player incentives, profiles of early adopters/customers, or product testing) allows the project to get an early indication of whether the tactics/strategy being used are likely, or not, to lead to pro-poor change:



**Data use checklist:**

- ✓ Who is going to use the information?
- ✓ What decisions will be made?
- ✓ Are decisions about changes to activities, tactics and strategies made based on evidence (from results measurement)?
- ✓ Is management sending the right kind of messages / setting incentives that are encouraging flexibility and learning, and discouraging blind target-hitting?

## 15. Reviews and Reporting

This chapter describes Samarth-NMDP's major review and reporting processes.

### 15.1 Review

Samarth-NMDP uses four different types of review processes at different time interval. The review processes help track the progress and take informed decisions to improve performance of the programme.

#### **Fortnightly Portfolio Update Meeting**

Led by:	<i>Senior Sector Analysts</i>
Involves:	<i>Portfolio Managers, Sector Analysts and Results Measurement Team</i>
Frequency:	<i>Fortnightly</i>
Output:	<i>Updated portfolio matrix</i>

Each first and third week of month, the Samarth-NMDP teams hold a brief meeting. The meeting provides the opportunity for each Sector Analyst to discuss and analyze current status of key activities of each intervention and next steps to be undertaken. The meeting allows for discussions of challenges faced and sets out tactics to be used.

#### **Monthly Sector Meeting**

Led by:	<i>Senior Sector Analysts</i>
Involves:	<i>Project Teams and Results Measurement Team</i>
Frequency:	<i>Monthly</i>
Output:	<i>Updated Intervention Guide</i>

Progress against each intervention results chain is reviewed on a monthly basis – with a focus on any signs of change at the market system or enterprise performance level, supported by relevant data generated through the results measurement system. A colour-coded results chain guides the presentation of intervention progress. This short review provides the opportunity to reflect on overall implementation, the appropriateness of tactics being used and share any lessons learned. Key project-level challenges and questions to be investigated over the next month and upcoming results measurement activities are also discussed.

#### **Quarterly strategic review (QSR)**

Led by:	<i>Portfolio Managers with support from Results Measurement Manager</i>
Involves:	<i>Project Teams and Results Measurement Team</i>
Frequency:	<i>Quarterly (April, July, October, January)</i>

Output: *QSR meeting minutes*

Each quarter, Samarth-NMDP runs an internal strategic review. The Quarterly Strategic Review (QSR) will draw together the project teams to discuss and review progress towards stimulating market system change over the past three months. On the basis of this discussion the sector strategy is reassessed and potential adjustments are identified– introducing new interventions, modification of intervention or dropping interventions. The meeting gives platform to identify the key questions for investigation over the next three months and beyond, and develop a plan to answer them as well as to reflect on successes and failures, and capture relevant learning.

#### **Annual review**

Led by: *DFID*

Involves: *Portfolio Managers, ASI Project Manager, Results Measurement Team & Project Teams, where selected for review*

Frequency: *Annually, each March*

Output: *Annual Review Report*

This is an external review of overall programme performance over the preceding 12 months. DFID will usually contract a team of reviewers to conduct the annual review, who will interact closely with the project teams, market players, and others, to inform their assessment of progress.

## **15.2 Reporting**

Reporting is necessary for internal learning process as well as for external requirement especially for donor and steering committee, a government led body. Samarth-NMDP prepares different types of reports for internal use and external consumption.

#### **Quarterly Intervention Progress Update**

Led by: *Project teams*

Reviewed by: *Senior Sector Analysts*

Frequency: *Quarterly, calendar year (January-March; April-June; July-September; October-December)*

Output: *Quarterly Intervention Progress Update*

Each quarter, project teams submit a progress update for each intervention. There is a standard format to be used (see [Annex 14](#)) which provides space for a brief description of activities, key results achieved and an operational and strategic assessment. A colour-coded assessment of progress to-date against the intervention results chain is attached as an annex. The progress report is reviewed by the senior sector analyst and feeds into sector summary report.

#### **Sector summary report**

Led by: *Senior Sector Analysts*

Reviewed by: *Portfolio Managers*

Frequency: *Quarterly, calendar year (January-March; April-June; July-September; October-December)*

Output: *Sector Summary Report*

Each quarter, summary report for each sector is prepared by senior sector analysts. The report highlights the key market drivers and opportunity in the sector as well as summarizes key risks. It also gives opportunity to assess the sector level progress towards the systemic change. The report is reviewed by the portfolio managers and feeds into performance management reporting.

## Performance management report

Led by: *ASI Project Manager*

Reviewed by: *ASI Principal Manager, South Asia*

Frequency: *Quarterly, calendar year (submitted to DFID April, July, October, January)*

Output: *Performance Management Report*

Samarth-NMDP reports to DFID on a quarterly basis to summarize programme progress, and particularly to report on the status of ongoing sectors and interventions. Performance management reports are reflective (in terms of reporting progress and identifying obstacles) and action-orientated (recommending actions to overcome obstacles identified).

The report contains overall programme updates (i.e. on operational issues); progress made at each level of the Samarth-NMDP logframe; a work plan for the quarter ahead, including a mobilisation schedule for consultants where required and an expenditure summary.

## Annual results report

Led by: *ASI Project Manager*

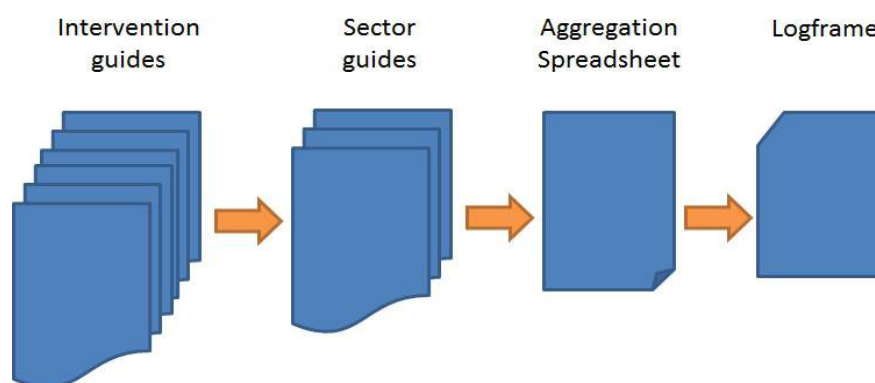
Reviewed by: *ASI Principal Manager, South Asia*

Frequency: *Annually (submitted to DFID every March)*

Output: *Performance Management Report*

Samarth-NMDP submits a detailed report annually to DFID. The report highlights the overall programme achievements in general and against logframe indicators, sector progress towards systemic change, analysis of value for money. It also includes, key changes undertaken during the implementation and summary of risks and learnings.

To report results at a programme-level, results from across interventions are aggregated at sector and portfolio level using the Standard Indicators which feed into logframe indicators. Samarth-NMDP has an Impact Aggregation Spreadsheet which collates impact to report results against logframe.



When calculating the beneficiaries' number, overlap is adjusted to avoid double-counting. Interventions are considered to overlap if both the target segment (e.g. smallholder farmers) and geographic area (e.g. Gorkha) coincide. In the case of overlap, beneficiary from the intervention with the largest outreach is taken. Reported results include an aggregation of direct and indirect results.

## 16. Impact assessments

Impact assessment is the process of capturing the changes in farmers and small-scale entrepreneurs and plausibly attributing them to the programme.

Each Samarth-NMDP intervention is assessed for its impact on target beneficiaries: this involves establishing what change (if any) has occurred, and plausibly attributing these changes to the intervention(s). After the

baseline, impact-level measurements are made at intervals during the programme's lifetime. The exact timeframe for impact measurements will depend on the nature of the change, length of business cycle, and pace of the benefit flow. Generally speaking, the timeframe for changes in behaviour and performance of service providers is relatively short, such as six months to one year. The timeframe for changes in behaviour and practices of farmers and small-scale entrepreneurs will be moderate, such as one year to 18 months, whereas the timeframe for change at the level of sustained income increase will be longer, such as 18 months to two years. However, these timeframes can vary significantly, for example a breed intervention will take considerably longer to realise yield/income benefits for farmers than will an improved vegetable seed intervention. To avoid a rigid 'one size fits all' approach, Samarth-NMDP avoids calling these 'end-line' or 'mid-line' assessments, allowing the programme adopt a flexible approach to the timing and frequency of impact assessments depending on specific sector or intervention.

Samarth-NMDP continues to measure impact for up to two years, or two business cycles, following the completion of an intervention to ensure that changes have been sustained. These measurements will not always be carried out with the same level of robustness (over time, results will be extrapolated based on impact data from the pilot/the initial group of beneficiaries in the panel survey).

Samarth-NMDP collects impact data through various options including:

- Data collection at the market player/partner level to measure volume of transaction of goods with some supporting research, extrapolate from importer-level data to estimate the beneficiary number.
- Data collection at beneficiary level (who access the good or service as a result of project interventions) and extrapolate the data collected.

Initial NAIC calculations are valid for about 3 years (for the year when the initial impact assessment is conducted and two years afterward).

To claim impacts beyond two years, data needs to be further verified with a sample of farmers/small-scale entrepreneurs outside the treatment group to see whether their changes are similar to the group who were impacted during the pilot phase. If the results show that estimated impacts are within 20% of the original estimate, then the more conservative figure will be used to estimate impacts from that point forward. If the results show that estimated impacts are more than 20% different from the original estimate, then additional data will need to be collected to determine a reasonably accurate figure for impacts from that point forward and to determine the reasons for the significant difference from the original estimate.

### Using Samarth-accredited research partners for impact assessment

Samarth-NMDP has developed a small pool of external (non-core team and non-implementing partner) 'accredited' research partners who support enterprise-level impact assessments. These research organizations are used for resource-intensive activities such as the collection of primary data for enterprise-level baselines and subsequent assessments of impact. The use of external research partners allow project teams and results measurement team to focus on data analysis and introduce consistency in Samarth-NMDP results measurement approaches, in addition to considerable cost-saving (no need for each project to set up systems to train enumerators, collect and process data etc.). It also increases objectivity and reduces the risk of bias in measuring impact. Note that the accredited research partners support impact assessments, but they do not replace the core results measurement function and it is still expected that project teams play an active role in working with the research partners to assess and learn from impact (see [Section 18.2](#) on roles and responsibilities).

## 17. Evaluations and case studies

Evaluations take stock of how an intervention or groups of interventions have progressed and document the results and learning to-date.

### Internal Evaluations (Interim and Final)

Led by: *External Technical Assistants (from the Technical Assistance Facility) with support from Results Measurement Team*

Reviewed by: *Portfolio Managers*

Frequency: *Interim – for each key decision node; Final – at completion of intervention/project*

Output: *Evaluation Report*

Internal evaluations take place according to international norms and standards to examine the relevance, efficiency, effectiveness and sustainability of individual interventions or a group of interventions under a particular sub-sector<sup>36</sup>. Evaluations are either interim (taking place at pre-defined moments of time in advance of key decision nodes, for instance when moving from pilot to broadening/deepening) or final (taking place when all activities and/or impact measurements have been completed).

The evaluative process is led by the technical advisors working closely with results measurement team and project teams. An indicative table of contents for each evaluation is as follows:

- *Strategy*, which summarises the strategic approach and sets the intervention/project within the context of the broader strategy or vision for the market;
- *Baseline assessment*, which describes the baseline scenario and highlights the key constraints or weaknesses;
- *Market system change narrative*, which describes the sequence of changes engendered by activities, including a simplified results chain, a summary of key activities, and a description of the key changes (in terms of market system change) taking into account assumptions and risks;
- *Impact Assessment* (included where there has been evidence of enterprise performance change), which summarises the ultimate impact on the beneficiary farmers and small-scale entrepreneurs);
- *Systemic change assessment*, which assesses the degree to which market players can be expected to continue to deliver benefits after the interventions have ended; the extent to which systemic change has been achieved (against the adopt-adapt-expand-respond matrix)
- *A pro-poor and gender and social inclusion assessment*, to determine the contribution to inclusiveness objectives;
- *Attribution assessment*, which summarises the evidence demonstrating a causal link between intervention activities and observed changes (which might include trend analysis, interviews with key informants, quasi-experimental studies);
- *Lessons learned*, which sets out what Samarth-NMDP learned over the course of the intervention, particularly in terms of what made the interventions successful, and also any mistakes made;
- *Next actions and what happens next*, to record decisions made resulting from lessons and experience including design of new interventions and key lessons to prevent re-occurrence of past errors; and
- *Value-for-money assessment*, which assesses the degree to which the project/intervention can be seen as offering value-for-money.

#### **External evaluations**

Led by: *DFID*

Frequency: *Ad hoc*

Output: *Evaluation Report*

External independent evaluations are conducted to appraise programme's performance.

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<sup>36</sup> OECD/DAC criteria for evaluating development assistance



## Case studies

For particularly interesting interventions case studies are prepared for donors and the wider development community. Case studies repackage key information contained in results measurement, and draw out the major lessons learned.

Case studies are led by the communications with support from results measurement teams and project teams, and can be outsourced as necessary. Communication team also produces sector briefs, thematic briefs and videos. This supports an overall drive of Samarth-NMDP towards increasing its profile and influencing the wider development community, especially by showcasing market systems development approach in action and the results and lessons that are being generated in the programme.

## 18. Managing the Results Measurement System

Managing RM System is the shared responsibility between results measurement team and project team. This section describes the resource requirement for effective RM System, including roles and responsibilities.

### 18.1 Budgeting for results measurement

Results measurement needs to be adequately resourced. However, results measurement should also not impose a disproportionately high cost (in either time or money) on Samarth-NMDP interventions. This requires a strict assessment of what needs to be measured, and how often. This section sets out the Samarth-NMDP policy and guidance for incurring monitoring and results measurement costs.

#### Preparing the budget

Based on the experience of other M4P programmes, the 'cost' of good monitoring and results measurement is *at least* 5% of total intervention expenditure. Since it is not always possible to determine specific measurement activities before a detailed monitoring plan has been formulated, during initial design each Samarth-NMDP intervention should reserve 5% of the total budget on a single budget line for 'monitoring and results measurement'<sup>37</sup>. There is no need to include a breakdown of costs at this stage – this will be done during implementation.

Broadly speaking, the 5% will be used to cover two key areas:

- **Monitoring market system changes.** The review, documentation and analysis processes which track how activities have led to changes in the market system. Costs incurred usually relate to:
  - Field monitoring visits to intervention sites,
  - Data collection and processing, including through running small-scale surveys, questionnaires and focus group discussions with system actors, and
  - Review and reporting.
- **Beneficiary-level results measurement.** The assessment of changes in the knowledge, practices, productivity and incomes of farmers and small-scale entrepreneurs. Costs incurred usually relate to:
  - Conducting surveys (rapid, knowledge/attitude/practices) of beneficiary groups,
  - Larger-scale data collection and processing for impact assessment (including for baselines), and
  - Outsourced research

Each project should also consider whether dedicated results measurement personnel is required in the project team<sup>38</sup>. This position should be seen as additional to the 5%, since monitoring and measuring results is a shared responsibility of the whole team, rather than the work of one individual. See the [Section 18.2](#) for more information about roles and responsibilities for results measurement.

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<sup>37</sup> For projects with multiple interventions, 5% of the total project budget should be reserved for monitoring and results measurement

<sup>38</sup> The creation of dedicated monitoring and results measurement staff in interventions will need to be discussed with the Results Measurement Manager to ensure their functions add value to results measurement

## During implementation

The first step after an intervention has been approved is to draw up a detailed measurement plan, which outlines data collection tools, roles and responsibilities. Any formal monitoring and results measurement events which are identified, such as surveys, are planned together with the results measurement team. This is presented in the Intervention Guide.

On the basis of the Intervention Guide, monitoring and results measurement activities are included in the 3-month work plan.

Any intervention activities related to beneficiary-level results measurement, including impact assessments, should be planned in conjunction with the results measurement team. To leverage economies of scale, ensure consistency and increase credibility of reported results, data collection for baseline and end-line impact assessments at the enterprise level are usually conducted by an external Samarth-accredited research partner. The majority of the 5% reserve for monitoring and results measurement is expected to be required for impact assessment. The results measurement team runs checks on the value for money provided by outsourcing research.

Samarth-NMDP interventions are evaluated through interim and/or final evaluations (see [Chapter 17](#)). Evaluations are usually carried out by the results measurement team, or on occasions by an external organisation, such as an accredited research partner. The decision on whether to 'outsource' the evaluation is made by the General Manager. The involvement of 'external' organisations is usually best suited to interventions which may involve controversy and/or when an 'outsider' perspective may be required. Outsourcing evaluations will have a cost implication.

## After intervention activities end

Samarth-NMDP measures the impact of interventions for up to two years, or two business cycles (whichever is longer), following the end of intervention activities. This serves as a check on sustainability and enables the programme to build a better picture of the prolonged impact (both direct and indirect) engendered through the intervention. Depending on the nature, scale and significance of observed change, costs for measuring impact after the end of the intervention may be drawn from unspent funds on the 5% set-aside.

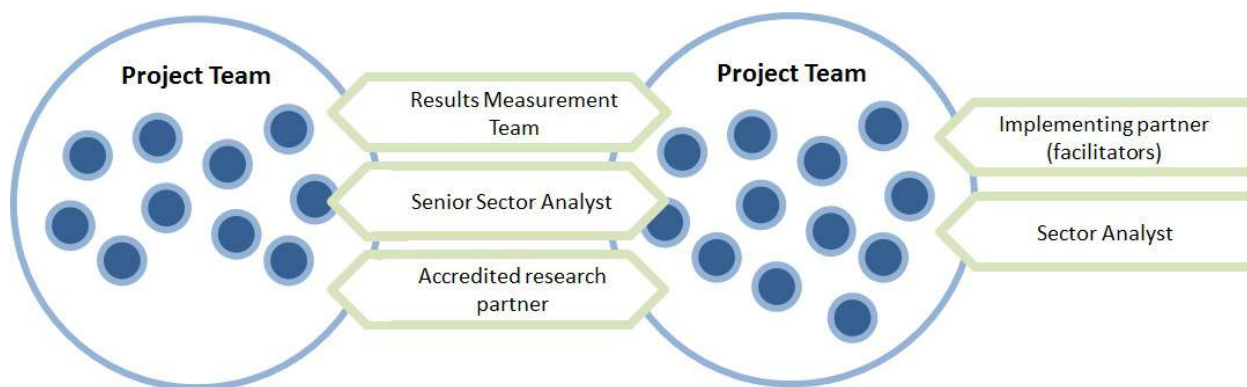
## 18.2 Roles and responsibilities in results measurement

All members of a project team need to be focused on change and long-term results, and not just be accountable for discrete activities. Monitoring and results measurement is therefore part of everyone's job. Project teams need the skills to identify and report on changes in the market system and in beneficiary groups, and to review and adjust tactics and strategies as necessary. Results measurement can only be effective in driving learning and performance if each project team member, at a minimum:

- Understands the purpose of the RM System, and the key terms and concepts in monitoring and results measurement
- Can describe the respective results chain(s) covering their work
- Uses the result chain(s) to review strategic progress and guide operational decisions
- Knows the indicators being used to track progress of intervention(s)
- Is able to carry out basic research / data collection
- Is able to identify signs of project-inspired/autonomous change in the market system
- Can manage and oversee contracted-in researchers
- Is able to distinguish between direct and indirect impact

[Annex 11](#) sets out in a list of core competencies which form the basis for identifying project team learning needs.

However, while everyone has a role to play in monitoring and results measurement, tasks and responsibilities differ. The RM System is supported by a number of different human resources, who are either project-specific (Sector analyst) or who are parts of multiple project teams (the Samarth-NMDP results measurement team, senior sector analysts and external research partners):



The following section sets out the broad responsibilities and tasks for each part of the key project teams.

### Results Measurement Team

Led by the **Results Measurement Manager**, the results measurement team (part of the core team responsible to DFID for overall programme delivery) is responsible for directing the entire Results Measurement System<sup>39</sup>. This involves ensuring that measurement activities are well designed, that the system generates high quality data, analysis and reports, and the information is useful for improving performance and impact, for reporting, and for meeting internal and external information needs. Specific tasks include:

- Setting policy and providing guidance on technical and methodological issues in implementing the system
- Ensuring that staff have the knowledge and skills, and tools and resources to implement the system effectively and efficiently
- Aggregating results information across sectors and reporting against the logframe
- Overseeing all impact assessment processes, including baseline data collection and the selection of accredited research partners and the oversight of accredited research partners
- Coordinating all project evaluation processes
- Advising on the development of results chains, indicators, measurement plans, attribution strategies and impact projections for each intervention
- Providing quality control of all results chains and measurement plans
- Assisting other project team members on technical aspects of results measurement, such as questionnaire design
- Implementing specific information gathering activities, including data collection, data analysis and report writing, where required
- Ensuring that baselines are collected for each indicator in the measurement plans

The ASI Project Manager has ultimate responsibility for the Results Measurement System, for approving all reports, and for ensuring that information is shared and used at appropriate points throughout the project and programme cycle.

### Sector Analyst

As part of the core team, **Sector Analysts** are responsible for the development, strategic management and oversight of all interventions under their assigned sub-sector. To ensure effective performance and to support project and programme learning, the tasks of Sector Analysts involve:

- Developing results chains, indicators, measurement plans, attribution strategies and impact projections for each intervention
- Setting up and coordinating updates to the Intervention Guides
- Designing specific information gathering activities

<sup>39</sup> Project team members dedicated to monitoring and results measurement also form part of the wider results measurement team

- Implementing specific information gathering activities, including data collection, data analysis and report writing
- Using the information generated to feed into strategic decision-making, including through monthly sector meetings and quarterly reviews
- Ensuring that baselines are collected for each indicator in the measurement plans
- To lead the process of documenting learning from interventions, together with portfolio managers, and in doing so to facilitate wider knowledge sharing across Samarth-NMDP's projects

### Senior Sector Analyst

As part of the core team, **Senior Sector Analysts** are responsible to oversight portfolio for improving the quality of programming, and help to foster adaptive management around interventions. Specific tasks to support project and programme learning include:

- Ensuring that high quality intervention update reports are prepared on time
- Preparing the sector summary report which feeds into performance management report
- Assisting portfolio managers to incorporate findings into sector strategies
- Providing quality control of all results chains and measurement plans
- Ensuring timely review of intervention guides and sector guides and these are updated to a high standard
- In collaboration with other team members, produce case studies/ research papers/learning documents

### Accredited Research Partners

**Accredited<sup>40</sup> Research Partners** are external research organisations who support beneficiary-level impact assessments (e.g. administering baseline surveys). The accredited research partners carry out resource-intensive results measurement activities, with specific tasks including:

- The development, finalisation and field testing of questionnaires and training enumerators
- Information gathering activities, such as collecting data, data entry and cleaning, data analysis, and managing this process through quality control and supervision, including back checking etc.

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<sup>40</sup> The Results Measurement Manager is responsible for 'accrediting' an external organisation as a research partner



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## Results Measurement System

### Annexes

**Version 2.0**  
**August 2015**

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## 1. Definition of Disadvantaged Groups (DAG)

Samarth-NMDP defines disadvantaged groups as those who, by virtue of their gender/caste/ethnicity/location, are living in poverty (i.e. already part of the programme target group) but face additional barriers to accessing and benefiting from markets.

The specific constraints related to accessing and benefitting from markets differ between these groups. For Dalits it is caste-based; for Adivasi Janajatis it is cultural rights/language-based; for Madhesis it is identity-based; while for remote regions it is distance-related. For women, it is gender-based, a characteristic that cuts across each of the other constraints. Brief definitions of these disadvantaged groups are provided below<sup>1</sup>.

- *Women.* Due to existing gender relations in Nepal and a patriarchal society, women experience unequal power relations, resulting in their social exclusion. Although the depth of gender discrimination varies between social groups in Nepal, all women are excluded. However, women from excluded communities face caste, ethnicity and location-based constraints in addition to the constraints imposed by their gender. Women constitute 51% of Nepal's population.
- *Dalits.* People who have been suffering from caste and untouchability-based practices and religious, social, political and cultural discrimination form 13% of Nepal's population. Within the Dalit community, there are five sub-caste groups from the hills (Hill Dalits) and 22 sub-caste groups from the Tarai (Madhesi Dalits).
- *Adivasi Janajatis.* Peoples or communities with their own mother tongue and traditional social structures and practices, separate cultural identity, and written or unwritten history form 37% of Nepal's population, with 5.5% Newars and 31.8% Hill and Tarai Janajatis. There are 18, 24, 7, and 10 subgroups respectively among the Mountain, Hill, Inner Tarai and Tarai Janajati groups.
- *Madhesis.* People of plains origin who live mainly in the Tarai and have languages such as Maithili, Bhojpuri, Awadhi, Urdu and Hindi as their mother tongue are considered Madhesis. They include Madhesi Brahmin/Kshatriyas (2% of the population), Madhesi "other" caste groups (13%) and Madhesi Dalits.
- *Muslims.* Muslims are a religious group found predominantly in the Tarai and form 4.3% of Nepal's population.
- *People with disabilities.* Persons with disabilities include those who have long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others. Persons with full disabilities cannot manage daily life without assistance. They include people with total mental, intellectual or sensory impairment such as complete blindness. People with partial disability are persons who have long-term physical and/or mobility impairments, and require regular assistance to manage daily life.
- *People of remote geographic regions.* This covers people living in geographic regions which have distinct difficult terrain for movement, transportation and communication, and difficulties in accessing services (e.g. Karnali has been defined as geographically excluded by the government in the Three-Year Interim Plan). Similarly, in a DDC some locations (VDCs) can experience geographical exclusion due to difficult terrain and remoteness. Within these kinds of geographically excluded regions, people experiencing gender-, caste-, and ethnicity-based discrimination experience further exclusions.

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<sup>1</sup>Definitions taken directly from the DFID/ADB/World Bank publication: "Sectoral Perspectives on Gender and Social Inclusion: Agriculture", 2011

## 2. Identifying target groups

### How Samarth-NMDP identifies target groups

Samarth-NMDP establishes whether beneficiaries (those accessing new/improved services through market players) fall within the programme target group by using the Progress out of Poverty Index (PPI). The poverty line of US\$2.50 serves as reference and indicates the portion of beneficiaries with a high probability to be below the poverty line, and therefore part of the target group. Only those falling within the target group are counted towards programme logframe targets.

During impact assessments, the PPI is administered in accordance with the PPI Standards of Use, which covers areas such as data collection, quality control and reporting<sup>2</sup>. The Samarth-NMDP Results Measurement Team provides training on PPI and works closely with accredited research organisations to ensure adherence to best practice, including to establish a statistically significant sample size. Note that Samarth-NMDP takes a snapshot of poverty levels in surveyed (treatment and, where applicable, control) groups, which is used to extrapolate total target group outreach<sup>3</sup>. Samarth-NMDP does not track changes in poverty levels over time, since a) additional income accruing to individuals (farmers and/or small-scale entrepreneurs) rather than households, is calculated, and b) household income increases cannot be easily attributed to the programme given that rural households have multiple sources of farm and non-farm income.

The programme also uses the US\$1.25 a day and the national poverty line to establish the proportion of the 'poorest of the poor' who have benefitted:

Project teams can also use the PPI during regular monitoring and results measurement activities to help 'improve' impact. Indicators part of the 'early warning' system, particularly the 'target beneficiary check' and 'value proposition check', specifically call for the use of the PPI to estimate whether new service offerings by market players are being valued and accessed by poor farmers and small-scale entrepreneurs. When used for 'improve', rather than impact assessment 'prove' purposes, the PPI does not need to conform to Standards of Use. [Annex 5](#) lists the set of ten PPI questions and scores for Nepal, and the poverty likelihoods according to the score.

When trying to identify whether farmers or small scale entrepreneurs are part of the programme target group, Samarth-NMDP sometimes uses additional tools to triangulate with the PPI estimate. This may include land size or livestock holdings etc. which are associated with poverty incidence (almost 90% of the poor in Nepal have less than 1 ha of land). The results measurement team is also able to assist in developing tools which can quickly estimate poverty likelihood in cooperatives or farmer groups<sup>4</sup>.

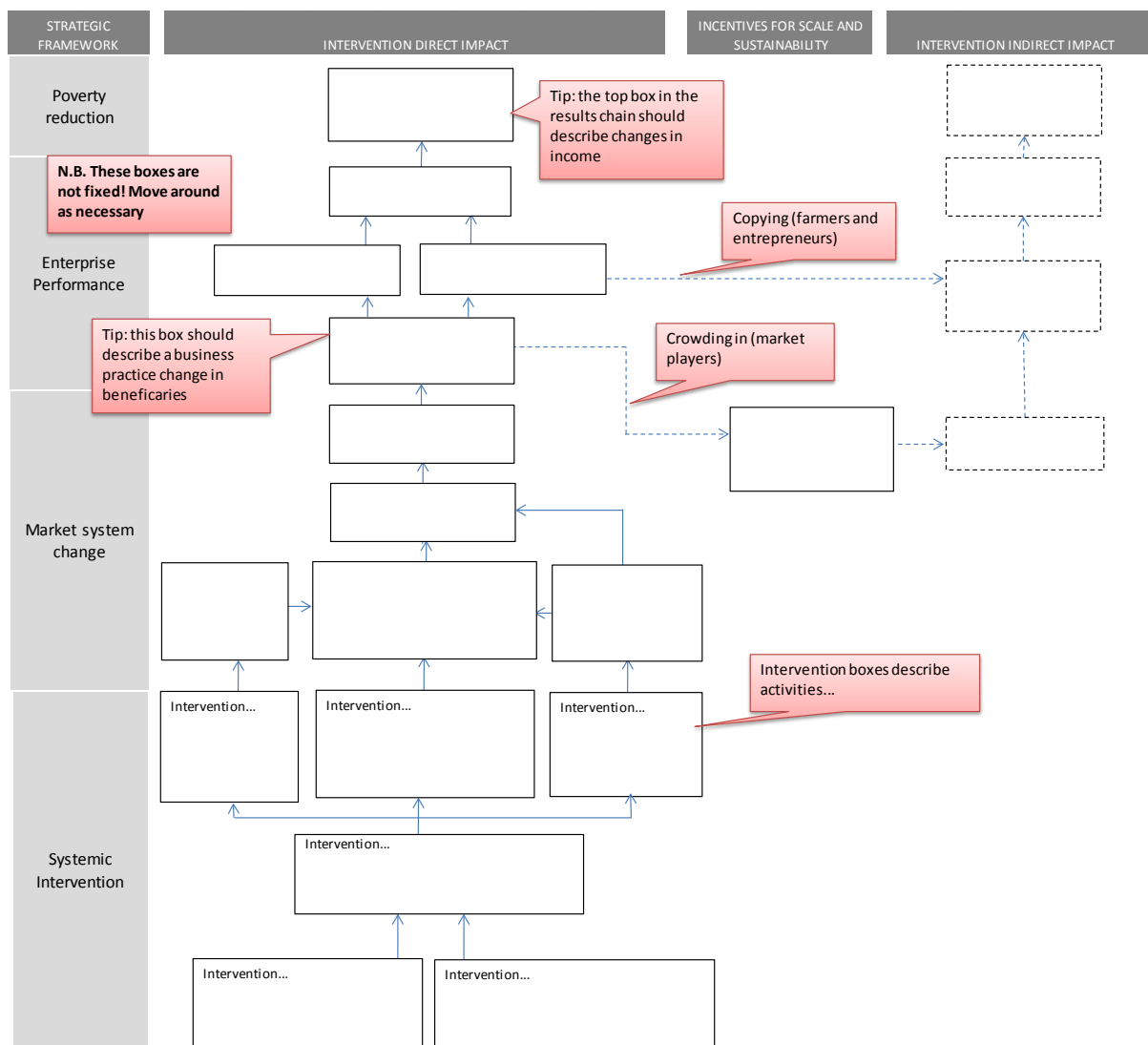
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<sup>2</sup>Basic PPI Standards of Use which lists the minimum standard for appropriate PPI use and reporting

<sup>3</sup>Calculation: PPI poverty likelihood (%) x sample average increasing incomes (%) x total accessing new/improved services (#)

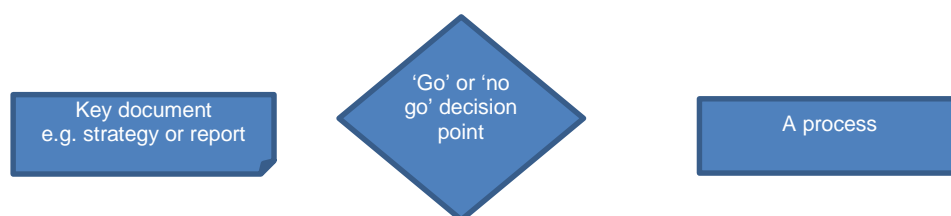
<sup>4</sup>For example, in dairy, a simple tool was developed to estimate the proportion of members of a cooperative who were likely to fall within Samarth-NMDP target groups, based on sources of income, cattle holding, and improved/traditional breeds.

### 3. Template for results chains<sup>5</sup>

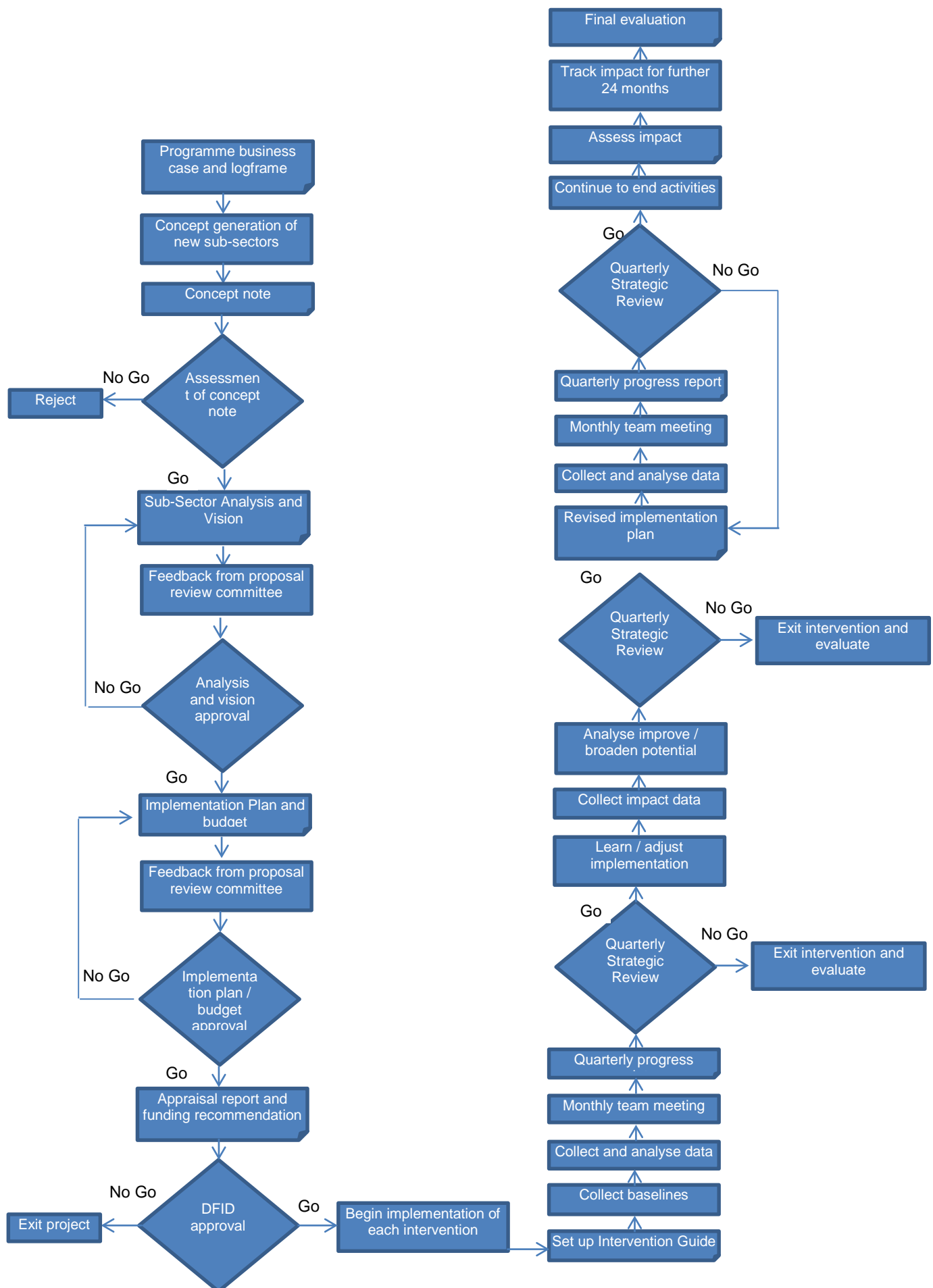


### 4. Project process flow

The **process flow diagram** illustrates how the process is sequenced and where the critical decision points are within the system. There are three main "shapes" in the process flow chart:



<sup>5</sup>Available in Excel format on the Knowledge Hub and the Samarth-NMDP Shared Drive



## 5. Poverty profile using PPI

### 5.1 PPI Scorecard for Nepal

Indicator	Response	Points	Score
1. How many household members are there?	Eight or more	0	
	Seven	6	
	Six	8	
	Five	12	
	Four	19	
	Three	30	
	One or Two	34	
2. In what type of job did the male head/spouse work the most hours in the past seven days?	No male head/spouse	0	
	Does not work, or paid wages on a daily basis or contract/ piece rate in agriculture	0	
	Paid wages on a daily basis or contract/piece rate in non-agriculture	4	
	Self-employed in agriculture	5	
	Self-employed in non-agriculture	7	
	Paid wages on a long-term basis in agriculture or non-agriculture	8	
3. How many bedrooms does your residence have?	None	0	
	One	2	
	Two	7	
	Three or more	11	
4. Main construction material of outside walls?	Bamboo/leaves, unbaked bricks, wood, mud-bonded bricks/stones, or no outside walls	0	

Indicator	Response	Points	Score
	Cement-bonded bricks/stones, or other material	6	
5. Main material of the roof made of?	Straw/thatch, or earth/mud	0	
	Tiles/slate, or other	2	
	Wood/planks, or galvanized iron	6	
	Concrete/cement	7	
6. Does your residence have a kitchen?	No	0	
	Yes	5	
7. What type of stove does your household mainly use for cooking?	Open fireplace, mud, kerosene stove, or other	0	
	Gas stove or smokeless oven	3	
8. What type of toilet is used by your household?	None, household non-flush, or communal latrine	0	
	Household flush	6	
9. How many telephone sets/cordless/mobile does your household own?	None	0	
	One	8	
	Two or more	14	
10. Does your household own, sharecrop-in, or mortgage-in any agricultural land? If yes, is any of it irrigated?	No	0	
	Yes, but none irrigated	3	
	Yes, but some irrigated	6	



## 5.2: Category likelihoods according to Nepal PPI score

### Nepal PPI®: Lookup Tables

The following lookup tables convert PPI scores to the poverty likelihoods below each of the poverty lines:

PPI Score	\$1.25 2005 PPP (%)	\$2.00 2005 PPP (%)	\$2.50 2005 PPP (%)
0-4	100.0	100.0	100.0
5-9	100.0	100.0	100.0
10-14	82.1	100.0	100.0
15-19	67.5	95.2	100.0
20-24	64.8	95.0	99.6
25-29	58.4	90.9	98.1
30-34	45.1	84.6	96.9
35-39	31.2	77.9	92.8
40-44	21.6	69.8	86.9
45-49	12.7	58.6	80.4
50-54	6.4	44.5	65.5
55-59	4.6	36.4	57.7
60-64	2.3	17.7	42.3
65-69	0.8	14.0	34.0
70-74	0.4	7.7	19.4
75-79	0.3	4.5	9.6
80-84	0.2	1.5	7.2
85-89	0.0	0.0	3.2
90-94	0.0	0.0	0.0
95-100	0.0	0.0	0.0

## 6. Summary Measurement Plan

Results chain box	Indicator(s)	Data collection			Baseline
		When	How	By Whom	

## 7. Standard Intervention Indicators (SII): definition and measurement

Result	Indicator	Definitions	Formula	Measurement tools and responsibilities
<b>Poverty reduction</b>				
Improved incomes	Average net attributable income change (disaggregated by gender)	Additional net income resulting from use of new/improved service (constant prices). Net income = revenues from production/adoption minus costs of production/adoption. Disaggregated by disadvantaged groups, including gender. Exact disadvantaged groups in target population defined in Intervention Guide. Poverty profile of beneficiaries using Progress out of Poverty Index (PPI) to estimate proportion living on less than US\$1.25/day and US\$2.50/day.	Sample average (relative to control group). Calculated using change in productivity/competitiveness.	Survey. Enumeration by Samarth-NMDP accredited research partner
	# beneficiaries recording positive change in annual real incomes (disaggregated by gender)	Beneficiaries = farmers or small-scale entrepreneurs accessing new/improved service through intervention-supported system actor.	% in sample recording positive change in incomes (relative to control group, where applicable) x total number of beneficiaries (population size).	Survey. Enumeration by Samarth-NMDP accredited research partner
<b>Enterprise performance</b>				
Performance change	# beneficiaries exhibiting changes in competitiveness and productivity e.g. yield, quality, price differential, cost-saving. (disaggregated by gender)	Productivity used as a proxy for competitiveness and defined as changes in yield (e.g. kg/ropani), quality (e.g. fat content of milk), price differential (e.g. av. price selling in off-season compared to high-season) or cost-saving (e.g. reduced cost of production). Exact performance change defined in each intervention results chain.	% in sample recording positive change (relative to control group, where applicable) x total number of beneficiaries	Survey. Enumeration by Samarth-NMDP accredited research partner or by project team.

Business practice change	# beneficiaries changing business practice(disaggregated by gender)	Changed business practice defined as the use of a new/improved intervention-supported service by beneficiaries. Exact business practice defined in each intervention results chain.	% in sample changing business practice x total number of beneficiaries	Survey. Enumeration by Samarth-NMDP accredited research partner or by project team.
	% beneficiaries who would recommend to other members of the target group to adopt the new business practice	Recommend = beneficiary plans to tell at least one other farmer or small-scale entrepreneur about the benefits of adopting new/improved business practice. Complemented by qualitative information about reasons for telling/not telling.	% in sample	Rapid survey or focus group discussion by project team and/or market player
	# non-treatment target group copying business practice change	Non-treatment target group = farmers or small-scale entrepreneurs who were not beneficiaries (i.e. did not access a new/improved service through intervention-supported actors) but who adopted the business practice change, with a reasonable assumption that this adoption was due to observing a change in the beneficiary group	% beneficiaries who would recommended business practice change x total number of beneficiaries x copying ratio (observed number of target group copying per beneficiary)	Observation, key informant interviews. Research by project team.
<b>Market system change</b>				
Market players provide new/improved quality services	# market players providing new/improved services	Services defined as provision of high-quality inputs, products, training, advice or information to farmers or small-scale entrepreneurs, including as a result of changes in policies or legislation aimed at better performing service markets.	Sample average (% uptake) x total number of system actors supported by the intervention.	Survey or interviews. Enumeration by project team.
	# market players crowding-in around new/improved services	Crowding-in = adoption of the same new/improved service by non-intervention-	Count	Observation, key informant interviews. Research by project team.

		supported market players		
	# target group accessing new/improved services	Accessing = receiving, whether by financial or non-financial means, a high-quality input, product, training, advice or information.	Sample average of number of farmers and/or small-scale entrepreneurs being serviced (sold product, given information etc.) by each market playerx total number of market playersproviding new/improved services= total beneficiaries	Survey or key informant interviews. Enumeration by project team.
	Profile of beneficiaries	Qualitative analysis of target group accessing new/improved services: checking% beneficiaries that are poor; % that are women; % from other disadvantaged groups	Qualitative assessment	Target beneficiary check. Rapid survey or focus group discussion. Enumeration by project team, or by market player.
	% target group who expect benefits of practice change to exceed costs	Benefits of practice change to exceed costs = target group (pre or post-access) assessment that benefit in terms of improved incomes/ economic opportunities outweigh known costs of adopting business practice (inc. transaction costs)	% in sample	Value proposition check. Rapid survey or focus group discussion. Enumeration by projectteam, or by market player (can be as product testing).
Market players have incentive to sustain/expand service	Net return to market players from delivering services (commercial service providers only)	Net return = loss (negative return), breakeven (0% return), small profit (1-5% return), medium profit (6-10% return), large profit (+10% return)	n/a	Sustainability check. Key informant interview or focus group discussion. Run by project team
	Likelihood of market players sustaining new practice(s)	Likelihood = intention to continue to provide service as 'yes, definitely' or 'yes, probably' as opposed to 'no' or 'don't know'	% in sample	Sustainability check. Key informant interview or focus group discussion. Run by project team
	# market players with concrete plans to expand offering	Concrete plans = intention to upgrade or modify service, or roll-out service to new regions or new customer segments as 'yes, definitely' or 'yes, probably'	Count	Sustainability check. Key informant interview or focus group discussion. Run by project team

Intervention activities				
Activities with market players	# and name of market payers supported by intervention	Supported by the intervention = market players currently receiving financial, non-financial or in-kind support from the intervention in its facilitative role	Count and name	Intervention records. Recorded in Intervention Guide 'activity log'
	Contributions (financial and non-financial) by market players	Contributions = financial (money), non-financial (human resource, use of equipment, offices etc) resources invested by system actor in relation to a) specific intervention activities or b) other activities conducted by the system actors related to the achievement of intervention results	Outlined in 'how to' on capturing leverage	Key informant interviews, observation. Collected by project team. Recorded in Intervention Guide 'activity log'

## 8. Impact Projection Template

Intervention title						
Results Chain box	Projection (yearly additional)				Assumptions	Evidence supporting the assumption
	Yr 1	Yr 2	Yr 3	Yr 4		
Intervention...						
<b>TOTAL OUTREACH AND NET ADDITIONAL INCOME</b>	<b>By year:</b> Yr 1: Outreach and net additional income Yr 2: Outreach and net additional income Yr 3: Outreach and net additional income Yr 4: Outreach and net additional income  <b>Cumulatively:</b> Yr 1: Outreach and net additional income Yr 2: Outreach and net additional income Yr 3: Outreach and net additional income Yr 4: Outreach and net additional income					

## 9. Measurement Decision-Making Matrix

Decision	Considerations	Tips
<b>Which data collection tools to use?</b>	Triangulation	Triangulate within tools (cross-checking questions) and among tools (e.g. observation plus focus group discussion)
	Nature of the change	Often, attitudes and behaviour lend themselves to qualitative assessment, while performance can also be measured quantitatively. Interviews offer the option of gathering both quantitative and qualitative information.
	Number expected to have experienced change	Lower numbers: (in-depth assessment, e.g. interviews) High numbers: (in-depth assessment of a few, e.g. interviews, combined with measurement of a larger sample, .e.g. through focus group or survey)
	Ease of observing change	Easy: rely on observation Hard: probe through interviews, focus group discussions or surveys
	Availability of accurate records on change	If market player maintains reliable records, and the project team has access to them, then use – but always triangulate using other tools
	Depth of understanding needed	The more risky, complex or innovative – the more the team will want to track and understand changes
	Ability to use tool effectively	Internal capacity: focus group discussions require careful facilitation, surveys require specific skills in questionnaire design etc. which usually require outside expertise  External context: what will respondents be comfortable with (e.g. individual or group interviews?)



## 10. Early Warning Checks

### 10.1 Sustainability Check

Enumerator instructions:

- Interview all market players developing/delivering service offering
- Interview the market players in a place where they have access to their financial records (commercial players only). If a market player does not have all the information to hand, offer to come back once they have had an opportunity to consult their records.
- Administer the questionnaire. Probe responses and keep a note of the answers in the boxes provided.
- For Q2, if preferred, allow the market player to define profitability and rate of return in whatever way makes sense to them or fits with their usage of the term.

#### Sustainability check: questionnaire

<b>Name of market player</b>	
<b>Address of market player</b>	
<b>Name(s) of respondent(s)</b>	
<b>Telephone number of respondent(s)</b>	
<b>Email address of respondent(s)</b>	
<b>Date</b>	

Q1. How many units of the product / service did you sell/provide, during the trial period (for a new product / service) or in the last 6 months (for an existing product / service)?

--

Q2. How profitable is the product / service? *Note to enumerator: commercial service providers only*

Loss (Negative return)	Breakeven (0% return)	Small profit (1%-5% return)	Medium profit (6%-10% return)	Large profit (+10% return)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q3. What challenges or issues did you encounter in supplying the product / service, if any?

--

Q4. Over the next year, do you intend to continue to provide the product / service?

Yes, definitely	Yes, probably	No	Don't know / not sure
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*Note to enumerator: probe response to Q4 and record answers here*

--

Q5a. Over the next year, do you intend to upgrade or modify the product / service, or roll-out the product / service to new regions or new customer segments?

Yes, definitely <input type="checkbox"/>	Yes, probably <input type="checkbox"/>	No <input type="checkbox"/>	Don't know / not sure <input type="checkbox"/>
---	---	--------------------------------	---

*Note to enumerator: probe response to Q5 and record answers here*

Q5b. Do you foresee any challenges or issues with rolling out the product / service to new regions or customer segments?

## 10.2 Value Proposition Check

<b>Description of product / service</b>	
<b>Target sector</b>	
<b>Target region</b>	
<b>Target gender mix</b>	% female farmers/small-scale entrepreneurs in sub-sector

*Description of product / service to include price, access / distribution details*

Enumerator instructions:

Select a random sample of 25-30 people from the target sector and region (to be agreed among project team, depending on projected outreach). The proportion of women in the sample should be equal to the target gender mix.

The sample should consist of people in the Samarth-NMDP target groups. Use the following observations as proxies for poverty:

- Roof is made of straw/thatch, wood/planks, or earth/mud
- Home does not have a toilet
- Do not own a motorcycle, scooter or motor car
- Do not own a radio, tape/CD player, or television
- Family has three or more children

Show the product to the respondent, or explain the service. Describe what the product or service is for, how the respondent will access the product or service, where and when the respondent will be able to access the product or service, and how much the product or service will cost.

Administer the questionnaire. Probe responses and keep a note of the answers in the boxes provided.

## Value Proposition Check: Questionnaire

### Q1. Respondent details

<b>Name*</b>	
<b>Gender</b>	
<b>Address (village/town, region)</b>	
<b>Primary source of livelihood</b>	
<b>Date</b>	

\* Optional: respondents can choose to remain anonymous

### Q2. Do you think the product / service will benefit you in terms of improved incomes or economic opportunities?

Yes; big benefit <input type="checkbox"/>	Yes; small benefit <input type="checkbox"/>	No; no benefit <input type="checkbox"/>	Don't know / not sure <input type="checkbox"/>
--	--	--	---

*Note to enumerator: probe response to Q2 and record answers here*

### Q3a. Do you intend to access the product / service, on the terms described?

Yes, definitely <input type="checkbox"/>	Yes, probably <input type="checkbox"/>	No <input type="checkbox"/>	Don't know / not sure <input type="checkbox"/>
---	---	--------------------------------	---

### Q3b. If no, why not (tick as many as apply)?

Too expensive <input type="checkbox"/>	Benefits not clear <input type="checkbox"/>	Better alternatives exist <input type="checkbox"/>	Too inconvenient to access <input type="checkbox"/>	Social / cultural barriers <input type="checkbox"/>	Other <input type="checkbox"/>
---	--	---	--	--	-----------------------------------

*Note to enumerator: probe response to Q3a and Q3b and record answers here*

## 10.3 Target beneficiary check

<b>Product / service</b>	
<b>Target sub-sector</b>	
<b>Target region</b>	

Enumerator instructions:

The target beneficiary check is administered alongside the impact assessment baseline survey (population: people accessing the product / service within the last 6 months).

Administer the questionnaire. Probe responses and keep a note of the answers in the boxes provided.

### Target Beneficiary Check: Questionnaire

*Pre-qualification question: has the respondent accessed or purchased the product or service in the last 6 months? Only people who respond 'yes' are eligible to be surveyed.*

See Annex 5.1 for questionnaire

## 11. Core project team competencies for results measurement

Core competency	What this means in practice
Understands the two-fold purpose of RM, and the key terms and concepts in monitoring and results measurement	Can describe the 'prove'/'improve' objectives of Results Measurement, and can accurately identify and describe the purpose of the key elements in the RM system (indicators, results chains, measurement plan, projections, attribution, assumptions and risks). Also understands their specific duties and project team duties with respect to monitoring and results measurement and can describe the content and purpose of monthly/quarterly review meetings, reporting, and impact assessments
Can describe the respective results chain(s) covering their work	Can clearly and concisely explain each intervention and sector results chain, describing how intervention activities will lead/are leading to market system change, improved enterprise performance, and poverty reduction.
Uses the result chain(s) to review strategic progress and guide operational decisions	Decisions on revising, stopping or introducing activities are done in reference to the results chain through identifying 'sticking points', where change, as was foreseen, is no longer possible/likely with the strategy/tactics being used.
Knows the indicators being used to track progress of intervention(s)	Knows both what indicators do and don't measure, but specifically the indicators they are using to track changes in the market system and in enterprise performance. Provides input on whether indicators are sufficient to gauge and can input into whether measurement plans are adequate for obtaining the required data and market information.
Able to carry out basic research / data collection	Able to feed productively into the design and conducting of measurement tasks (working alongside the RM Manager) such as observation, in-depth interviews, key informant interviews, and surveys. Understands different sampling methodologies that can be used and is aware of the strengths and weaknesses of different survey and impact assessment designs.
Able to identify signs of project-inspired/autonomous change in the market system	Can describe the expected / achieved system-level changes for each intervention and is able to pick up initial signs of change (project-instigated or autonomous) in the market system. Outside of planned measurement tasks, teams keep the relevant 'tabs' of their intervention guides up-to-date and there

	is a strong behaviour of constantly tapping-into sources of market information, investigating leads, and feeding back into strategy reviews.
Management and oversight of contracted-in researchers	Able to manage contracted-in research organisations ('accredited research partners'), to clearly communicate the rationale behind survey questions and the kinds of changes we are expecting/not expecting, and to 'shadow' enumerators in the field to ensure they are on-track.
Able to distinguish between direct and indirect impact	Can describe the difference between intervention-supported direct results and indirect results achieved through replication by market players (crowding-in) and beneficiaries (copying)

## 12. Quarterly Intervention Progress Update format

<b>Sector:</b>	[Sector name]
<b>Intervention:</b>	[Intervention code]-[Intervention name]
<b>Intervention Status:</b>	[Ongoing; Scaled up; Scaled down; Parked; Dropped; Completed. Summarise the status in section 4, operational assessment]
<b>Date covered:</b>	[Samarth programme quarter (Apr-Jun; Jul-Sep; Oct-Dec; Jan-Mar)]
<b>Completed by:</b>	[Name of all staff involved in discussing/writing report]

### 1. Executive Summary

- [Summary of key highlights of the intervention in regards to key achievements, learning, failures during the quarter]

### 2. Key activities in the quarter

- [Summary of key activities undertaken during the quarter.]

Activity code	Activity undertaken	Current status	Next step

### 3. Expenditure/Leverage

- [Summary of expenditure undertaken during the quarter. Note any leverage from market players]

Activity code	Expenditure (NRs)	Leverage (NRs)
<b>Total</b>		

#### 4. Key results for the quarter

<b>Market change system</b>	[Summarise key results at the market system-level using AAER matrix to track overall progress towards the degrees of systemic change. Cite data/information from results measurement]  <b>Adopt:</b>  <b>Adapt:</b>  <b>Expand:</b>  <b>Respond:</b>
<b>Enterprise (Smallholder farmer or rural entrepreneur) performance</b>	[Summarise key results for the quarter at enterprise level (changes in enterprise competitiveness / productivity, business practice change etc.). Cite data/information from results measurement]
<b>Poverty reduction</b>	[Summarise key results for the quarter at level of poverty reduction / incomes, if any. Cite data/information from results measurement]

#### 5. Intervention assessment

<b>Operational assessment</b>	[Are activities on track, are activities being executed effectively, are the right facilitation tactics being used? Highlight any key learning.]
<b>Strategic assessment</b>	[Do the assumptions underlying the intervention logic continue to hold, are the results meeting or exceeding projections, are any modifications to the strategy required? Highlight any key learning.]
<b>GESI integration</b>	[Are women and other disadvantaged groups reached by the intervention? Any constraints/opportunity addressing these groups? Highlight any key learning.]
<b>Risk/mitigation measures</b>	[Are there any potential risk which could inhibit the pace of implementation? Are there any mitigation measures put in place?]
<b>Recommendations</b>	[Recommendations at the operational or strategic level for follow-up action]

#### ANNEX: Overall progress to-date against Results Chain [Insert all the results chain boxes]

Results chain box	Results to-date	Projection	Achievements	Comments
	Description of results, referring to indicators	Overall projection (in number) referring to projection of each results chain box	Cumulative achievements in number	Comments or observations on progress

*Note: Colour-coded assessment is of expected change to-date, based on intervention indicators. For results where change was expected to have occurred by now: Red indicates no positive change (or a negative change); yellow indicates partial change; green indicates change occurred as expected. Leave blank if change was not planned to have occurred yet.*

## 13. Intervention Completion Report format

Sector:	
Intervention code:	
Intervention name:	
Start date:	
Completion date:	
Success of Intervention	[Big success; Moderate success; Partial failure; Complete failure; Too early to say; Not enough evidence to say]
Reason for completion	[Failure to deliver results; End of opening intervention; End of scale up phase; Completion of intervention period; Intervention logic doesn't hold true]
Implemented by:	
Report prepared by:	
Report reviewed by:	

1. **Intervention overview:** [Brief story of the intervention]
2. **Objective of the intervention:** [Key purpose of the intervention]
3. **Activities undertaken during the intervention:** [Key activities carried out during the life of intervention]
4. **Results:** [Key results in relation to market system change, enterprise performance and poverty reduction]

Market system change	[Summarise key results at the market system-level, including any indications of sustainability and replication. Cite data/information from results measurement]
Enterprise (Smallholder farmer or rural entrepreneur) performance	[Summarise key results at enterprise level (changes in enterprise competitiveness / productivity, business practice change etc.). Cite data/information from results measurement]
Poverty reduction	[Summarise key results at level of poverty reduction / incomes, if any. Cite data/information from results measurement]

5. **Changes during the intervention:** [Key changes in implementation tactics, intervention logic, strategy, impact projection and why these changes are made?]
6. **Lessons learned:**

Key intervention area	What worked well	What didn't work	What could have done differently



## 7. Risk summary:

Description of risk	Mitigation measure in place

## 8. Expenditure summary:

a. Allocated budget	[GBP]
b. Actual expenditure	[GBP]
c. Variance (a-b)	[GBP] [%]
d. Justification for variance	[Key reasons for underspend/overspend, if the variance is more than 10%]
e. Leverage from market players	[GBP] [% with respect to actual expenditure]
f. Cost benefit ratio	[Ratio of spend to net additional income]

## ANNEX : Overall progress to-date against Results Chain [Insert all the results chain boxes]

Results chain box	Results to-date	Projection	Achievements	Comments
	Description of results, referring to indicators	Overall projection (in number) referring to projection of each results chain box	Cumulative achievements in number	Comments or observations on progress

Note: Colour-coded assessment is of expected change to-date, based on intervention indicators. For results where change was expected to have occurred by now: Red indicates no positive change (or a negative change); yellow indicates partial change; green indicates change occurred as expected. Leave blank if change was not planned to have occurred yet.

## 14. 'Do no harm' checklist

Project 'does harm' in	Risk level (high/medium/low)	How risk is handled (inc. mitigation measures) – mandatory for m/h
<b>1. Displacement</b>		
Encouraging a monopoly by working with just one (or a few) market player(s), which will make it more difficult for other market players to crowd-in	Guidance: Risk will be higher if market is shrinking (little room for growth), or very thin (not many market players / service providers)	Guidance: If risk is significant then the effect is estimated, impact figures are reduced and intervention strategy adjusted accordingly
Helping some market players while others lose out	Guidance: Risk will be higher if market is shrinking (little room	Guidance: Mitigate by developing a clear and realistic strategy for

	<i>for growth), or if project slips into a 'direct support' approach (non-M4P) risk level depends on 'number of players' in sector</i>	<i>replication (improving / broadening initial innovation). Introduce checks to avoid slipping into direct support to firms</i>
Enterprises (farmers and small-scale entrepreneurs) affected by the programme benefit and grow; as a result others suffer and shrink	<i>Guidance: Risk will be higher if market is static or shrinking (little room for growth)</i>	<i>Guidance: When project thinks that displacement is significant, estimate effect and reduce impact figures</i>
Enterprises (farmers and small-scale entrepreneurs) switch from another sector to the one the programme is targeting	<i>Guidance: Risk will be higher if overall growth in rural markets is static or shrinking (little room for growth)</i>	<i>Guidance: Impact figures should take into consideration any benefits forgone by individuals in return for work in the targeted sector</i>
<b>2. Gender and social inclusion</b>		
Enhancing the marginalization of women and increasing the vulnerability of other disadvantaged groups through loss of competitiveness due to the slow or no pick-up of the new market player service offering by these groups (due to inaccessibility, unaffordability, etc)	<i>Guidance: Informed by sound GESI analysis in sub-sector strategy. Risks higher where will/skill of market players to work with disadvantaged groups have not been identified and/or these market players do not see the business case and/or demand from these groups</i>	<i>Guidance: As project does not 'select' beneficiaries, GESI monitoring and results measurement tools (including early warning) are designed to pick up signs of risk being realized. When project thinks that marginalization is occurring, estimate effect and work to strengthen business case and indirect demand (media, etc)</i>
Marginalizing some groups (by gender / caste / ethnicity / location) by specifically targeting others	<i>Guidance: Informed by sound GESI analysis in sub-sector strategy. Risks will be higher where private sector players work predominantly with one group in a context where two or more groups are in conflict and/or in competition for the same or shared resources or territories.</i>	<i>Guidance: As project does not 'select' beneficiaries, GESI monitoring and results measurement tools (including early warning) are designed to pick up signs of risk being realized. When project thinks that marginalization is occurring, estimate effect and encourage balance by facilitating with a greater range of private sector and other market players.</i>
Causing a net loss to women and children in terms of diverting critical farm/household resources (including women's time available for care and sources of nutrition from subsistence farming) towards markets (e.g. women spending less time caring for children due to increased time spent buying input supplies from agro-vet)	<i>Guidance: Informed by sound GESI analysis in sub-sector strategy. Risk will be higher when working in areas where households are already food insecure.</i>	<i>Guidance: As project does not 'select' beneficiaries, GESI monitoring and results measurement tools (including early warning) are designed to pick up signs of risk being realized. In sectors where farm products are consumed as well as sold as commodities, indicators to measure household consumption vs. sale are recommended.</i>
<b>3. Environment</b>		
Practice changes in market players or target enterprises introduce toxic chemicals (e.g. unlicensed/unregulated pesticides) harmful to the environment or hazardous to health into the supply chain	<i>Guidance: Level of risk determined by type of service offering being introduced in market</i>	<i>Guidance: If risk is significant or unknown, then consider commissioning environmental impact assessment</i>
Practice changes in market players or target enterprises lead to increasing air, soil or water pollution (industries)	<i>Guidance: Level of risk determined by type of service offering being introduced in market</i>	<i>Guidance: If risk is significant or unknown, then consider commissioning environmental impact assessment</i>
Practice changes in market players or target enterprises adversely impacts ecosystems (protected areas, biodiversity, habitats)	<i>Guidance: Level of risk determined by type of service offering being introduced in market</i>	<i>Guidance: If risk is significant or unknown, then consider commissioning environmental impact assessment</i>

4. Conflict		
Conflicting interests and perspectives within those affected by the project are likely to intensify or escalate	<i>Guidance: Risk informed by periodic and DFID-led conflict analyses</i>	<i>Guidance: Risk mitigation should be proposed for any level of risk, since situation is fluid and projects need to be prepared in case risk changes</i>
Conflict over land security and tenure escalates as a result of the project	<i>Guidance: Level of risk determined by type of service offering being introduced in market</i>	<i>Guidance: Risk mitigation should be proposed for any level of risk, since situation is fluid and projects need to be prepared in case risk changes</i>
5. Principles of human rights, labour and anti-corruption		
Entrenching/expanding practices of forced labour and child labour through market players adopting or crowding-in around a service offering	<i>Guidance: Level of risk may be unclear at outset of project, and only become more apparent over time as/when project begins facilitation</i>	<i>Guidance: A assessment of high risk or if the risk is being realized triggers a programme-level management discussion around discontinuing work with market player(s)</i>
Market players 'targeted' by project have unsafe and unhealthy working conditions for employees, including inequitable/exploitative terms of employment for women	<i>Guidance: Level of risk may be unclear at outset of project, and only become more apparent over time as/when project begins facilitation</i>	<i>Guidance: A assessment of high risk or if the risk is being realized triggers a programme-level management discussion around discontinuing work with market player(s)</i>
Entrenching/expanding practices of corruption in all its forms, including extortion and bribery	<i>Guidance: Level of risk may be unclear at outset of project, and only become more apparent over time as/when project begins facilitation</i>	<i>Guidance: A assessment of high risk or if the risk is being realized triggers a programme-level management discussion around discontinuing work with market player(s) - the programme has a zero tolerance approach to corruption</i>

## 15. Sub-Sector Analysis and Vision: guideline

### 1. Potential for sizeable and sustainable pro-poor change

This should set out the current position of the sub-sector with regard to its overall relevance to the poor and key markers of economic growth. It should address, among other points:

#### A: Poverty reduction potential

- The position of the poor women and men employed/engaged in the sub-sector (and other excluded groups) including their number, the role(s) that they play, and the benefits they derive
- Noticeable trends with respect to the roles, household risks, and incomes (benefits) of poor women and men
- Geographic concentration of the poor women and men employed/engaged in the sub-sector

#### B: Growth potential

- Overall size of the sub-sector with respect to volume and value of output, demand (real/latent) and supply interactions, and employment numbers (FTEs)
- Previous (past 5 years) and forecast (next 5 years) growth (or access) trajectory of the good (or service)
- Level of competitiveness and/or collaboration witnessed in the sub-sector between like players
- Headline averages (national/regional) in terms of productivity, quality, and market access of relevant players
- Profile of sub-sector dynamism (level of innovation/change/uptake of new practices) and number of new entrants
- Any particular geographic significance or concentration

## 2. Sub-sector structure and performance

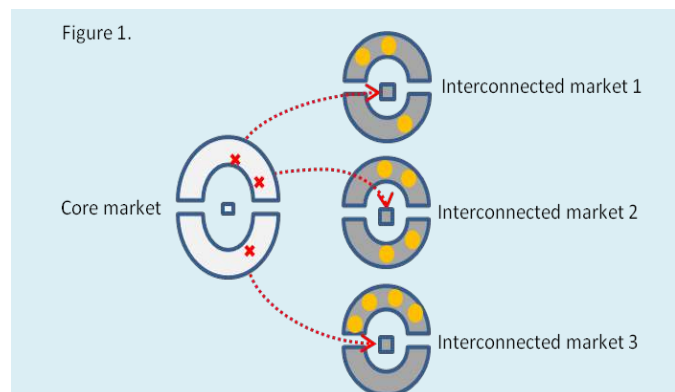
This should set out how the sub-sector is structured with respect to the players and the roles they perform within it as well as a judgment on the functions/rules within the core market system [i.e. ginger, dairy] that are currently being under-performed. It should address, among other points:

### A: Mapping of commercial and non-commercial relationships

- A sub-sector map with the value/service chain (from 'upstream' to 'downstream') at the centre and the interactions with supporting players and rule-setters ('off-stream'). This should detail the basic flow of value added, number of players, commercial interactions between them, embedded interactions where they exist, and any non-commercial interactions between players. Margins (or ranges) at each level would be useful (if available)

### B: Core market performance

- Detail the functions/activities each type of player (value chain player and supporting player [private, public, association]) undertakes and a brief assessment of how they are performing. For each player, detail how aspects of their business model/tactics [i.e. the way they 'do business'] determines the quality of their performance.
- Detail the formal/informal rules of the game that shape the behaviour and practices of players (the political economy within which the value chain sits and the drivers of change within the sub-sector)
- *Picture: Market system diagram highlighting the problematic functions/rules affecting market performance*
- *Box: Costs of production for the proposed target group (i.e. farmer) under current performance and 'improved' performance scenarios.*



## 3. Constraints analysis

Drawing on Chapter 2 above, the constraints analysis involves the tracing back of problematic functions/rules that impact on sub-sector competitiveness to their roots. This takes the analysis deeper into the market system – into interconnected systems – and the underlying causes of player under-performance that NMDP will directly address through intervention. It should address, among other points:

- Investigation of each problematic function/rule (as identified in Section 2) as 'markets' or 'systems' in their own right. For each function/rule:
  - Introduce the sets of players [private, public, association, civil, etc] involved in this interconnected market/system
  - Detail the performance of each type of player within this market/system
  - Detail the reasons **why** players are under-performing [note: analysis shouldn't end with 'limited access to XYZ' or 'lack of XYZ' – we have to understand why there is 'limited access to/lack of XYZ']<sup>6</sup>
  - Summarise the impact that this player under-performance is having on the overall functioning of the interconnected market/system and how this ultimately results in the problems encountered by the target group (poor women and men)
- *Picture (figure 1): Market system diagrams highlighting the problematic functions/rules affecting the performance of interconnected markets/systems, where the red crosses represent the problematic*

<sup>6</sup> This too will be found by looking at the supporting functions and rules that shape player behaviour (incentives) and practice/performance (capacity) in these interconnected markets/systems.

*functions/rules of the core market and the yellow dots represent the systemic constraints located in interconnected markets.*

- *Box: Detail a bullet-point list of further areas to investigate within each interconnected market/system [i.e. the known 'unknowns']*

#### **4. Sub-sector vision statement**

Drawing on the constraints analysis, the vision statement will provide a strategic direction for implementation, containing a clear response which identifies the systemic change(s) to supporting functions/rules required and the affect that they will have on 'correcting' or 'improving' the functioning of the market where your target group is employed/engaged (i.e. in terms of competitiveness, output, and impact on the poor).

##### **A. Systemic change(s) required**

Describe the proposed solution(s) to resolving the systemic constraints identified. Prioritise and group systemic constraints to form one or more systemic changes for your sub-sector. For each systemic change, the descriptions should encompass:

- How the systemic change represents a departure from 'business as usual' in the interconnected markets/systems *[i.e. instead of player 1 doing X, they are now doing Y]* and what partnerships with market players will be necessary.
- A feasibility analysis that informs what interventions may be necessary. Depending on the type of systemic change proposed, may include:
  - Partners' incentives to invest in adopting a new approach/business model and partners' capacities to develop/lead on adopting a new approach/business model (i.e. the willingness, or will and skill, of prospective partners taking into account player track records and histories of enacting change or 'innovating')
  - Thickness of the market (i.e. number of players and ability to crowd-in) and the availability of champions with leverage (i.e. market players with a network of affiliates, franchises, regional/national presence etc)
  - The current level of, and prospects to attract, investment from the private and public sectors
  - Ease of model being taken up in other parts of the country (i.e. is geography and/or reliance on previous 'ground-work')
  - Specific geographic and infrastructure challenges in proposed intervention region as they relate to the systemic change proposed, and the identifiable relationship to market access
  - Conflicting/supporting political economy factors taking into account resistance to change among important players
  - How current or recent donor presence in the sub-sector may negatively impact on the ability of NMDP to take a facilitative market development approach to intervention

##### **B. Impact on core market performance**

- For each systemic change, describe the impact that its enactment/adoption will have on the competitiveness of the market where your target group produces/works/consumes. In so doing, comment on how the poor's own business model (i.e. approach to farming) will change and what the potential is to improve target group performance up to a defined benchmark.
- Assess the feasibility of change from the poor's perspective and consider the factors that might prevent/preclude them from buying-in to the new 'model/system' including their risk, the investments required of them (financing change), and so on. This will inform the nature/design of the activities necessary under each intervention

##### **C. Sub-sector logic**

- *A sub-sector results chain which sets out how the systemic intervention(s) envisioned will lead to changes in the market system, which will in turn improve enterprise performance and contribute to poverty reduction.*

## 16. Implementation Plan: guideline

### Summary

Summarise the systemic change(s) arrived at in the sub-sector analysis:

- Describe how a change in the supporting system will lead to a change in the core market, and the core market working better for the poor and disadvantaged. This should detail the nature of the win-win relationship (market player[s] and project beneficiaries) envisaged as part of the change to be instigated.
- Assign each systemic change a corresponding intervention area name.

### 1. Intervention area strategies

For each intervention area, specific interventions (and within these, indicative activities) need to be elaborated. These interventions will fall under just one intervention area and their accomplishment will sum to the achievement of one defined systemic change in the sub-sector. Intervention strategies will be required that communicate how change is to be facilitated. Intervention area strategies should encompass:

- What interventions are being proposed to encourage the systemic change to be adopted.<sup>7</sup>
- Intervention designs that capitalise on the opportunities open for change, but that are based firmly on the feasibility assessment undertaken in Section 4 of the sub-sector analysis document. Each intervention designed should encompass two key elements, one for piloting/innovation (A), and one for deepening/broadening (scale-up) (B).

#### Intervention phase one: Pilot/innovate<sup>8</sup>

- Exactly how market players are to be found/have been found for each intervention and the criteria upon which they are to be/have been selected. This should cover their capacities and incentives to change their approach, but also detail other criteria that makes them a suitable choice, i.e. history and track record, momentum behind change, their scale/leverage/influence, etc.<sup>9</sup>
- An indication of what the 'offer' made to market players will consist of.
- A set of indicative activities (or groupings of activities, if the intervention targets more than one similar issue) that the project will carry out. Activities will be highlighted as either one-off activities (necessary to kick-start a change) or recurrent activities (where sustainability implications have to be thought through, since they will risk undermining the core business activities of market players).

#### Intervention phase two: Deepen and broaden

- An indication of how responsibilities will evolve/change post-pilot with the first-wave market partner(s). Who will perform and pay for recurrent activities and in what areas might we envisage additional (new) one-off activities performed to ensure that first-wave partners are able to roll-out their new approach and that ownership of the change they have adopted is 'complete'?
- As above, an indication of which market partners (second-wave) might be brought on board for scale-up (broadening activities) and how they might be selected.

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<sup>7</sup>Interventions within the same intervention area must all be sufficiently distinct from one another, showing to be addressing different aspects of the same issue – i.e. working with different market players to achieve different beneficiary practice changes [note: if they are not, then it is likely that two/three interventions can be reduced to one, albeit with different activities necessary].

<sup>8</sup>All interventions start out as a pilot. The pilot phase usually takes place during year one, with year two as the deepening and broadening phase. However, the pilot can be longer or shorter depending on the type of innovation being piloted (for instance, improved animal breeds may take longer than one year to pilot, whereas a crop intervention, say on rice paddies, may take only 3-6 months)

<sup>9</sup>Note: at the stage this document is developed, it is envisaged that facilitators would have already had some initial meetings with prospective partners to gauge interest and talk through the details of collaboration

- Second-wave market partners will likely have different capacities and incentives to participate in the programme, and so an explanation of partnership approach under the broadening mandate will be necessary, highlighting how intervention phase two will not be a mere replication of intervention phase one.

For each intervention design, the sequencing and/or simultaneity of activities that makes sense for the achievement of systemic change must also be detailed in a workplan complete with intervention timelines (by activity line) of when activities are due to begin/end. Intervention workplans are likely better suited to other Microsoft (Excel, Project Manager) or web-based applications, and should be annexed to the intervention plan.

## **2. Intervention results chains, measurement plans and impact projections**

For each intervention the following will be required:

- Intervention results chain that links intervention activities to market system changes to improved enterprise performance to poverty reduction. This follows standard format (see [Annex 3](#)), with separate guidance ([Chapter 6](#) in the Results measurement System User Manual) available to help project teams draw the results chain.
- Summary measurement plan which sets out indicators of change (qualitative and quantitative) and the 'when', 'how' and 'by whom' of data collection. This follows a standard format (see [Annex 6](#)), with separate guidance available ([Chapter 8](#) in the Results measurement System User Manual) to help project teams formulate appropriate indicators.
- Estimations of expected change for each box in the intervention results chain. At the impact level, this should include a summed calculation for outreach and net attributable income change (NAIC) over the four year period where impact will be measured. This follows a standard format (see [Annex 8](#)), with separate guidance available ([Chapter 9](#) of the Results measurement System User Manual) to help project teams make a reasoned estimate of expected impact.

## **3. Intervention costing and value for money calculations**

For each intervention it is necessary to calculate anticipated costs, breaking down the items of expenditure line-by-line, noting where costs will be borne by Samarth-NMDP and where contributions from market partners ('leverage') is expected. Intervention costs should be clearly linked to the activities ('systemic intervention') which has been outlined in each intervention results chain.

These will be summed for each intervention area so that value-for-money (VfM) calculations can be undertaken to realize the net benefits (return on investment) for the work undertaken in each sub-sector. The Samarth-NMDP results measurement team is available to help complete a cost-benefit analysis as part of the VfM calculations.

A budget template in Excel format is available from the Samarth-NMDP Finance and Grants Manager.





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