The Value Initiative

Advancing urban value chain development to help millions of people work their way out of poverty.

technical note

Monitoring and Results Measurement in Value Chain Development: 10 Lessons from Experience

AUTHORS

Alexandra Miehlbradt and Conor Riggs

With input from: SEEP Value Initiative Program Teams in India, Indonesia, Jamaica and Kenya

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About The SEEP Network

The SEEP Network is a nonprofit network of over 130 international organizations that believe in the power of enterprise to reduce global poverty. SEEP members connect in a global learning community to increase their impact in over 170 countries, where they collectively serve over 89 million micro-entrepreneurs and their families. Through SEEP's learning initiatives, microenterprise development practitioners co-create and exchange strategies, standards, and tools for building healthy economies with a sustainable income in every household.

www.seepnetwork.org

About The Value Initiative

From 2008 to 2011, with support from the Bill and Melinda Gates Foundation, the SEEP Network's Value Initiative advanced the knowledge and practice of urban value chain development to stimulate sustainable, large-scale, and poverty reducing economic growth, with a special focus on vulnerable populations. The $6.5 million Value Initiative has two core Practitioner Learning Programs (PLPs):

Urban Value Chain Development

Although value chain development represents an innovative and systematic approach to address poverty, best practices for urban settings have yet to be well defined and broadly disseminated. In response to this need, the Value Initiative provided technical assistance with 3-year grants to four demonstration programs in Kenya, India, Indonesia and Jamaica. The SEEP Network facilitated capacity building, peer learning, and supported knowledge management process and research to advance and build the industry capacity in urban value chain development. The four Value Initiative Programs (VIPs) were implemented with the following partners:

Program Name	Lead Organization	Partner Organizations	Sub Sector	Location
VIP India	ACCESS Development Services	• Jan Kalyan Sahitya Manch Sansthan (JKSMS) • Rajasthan Abhyudaya Sansthan (RAS) • Jaipur Jewelers Association	Jewelry	Jaipur, India
VIP Kenya	Academic Model Providing Access to Healthcare (AMPATH)	• Export Promotion Council (EPC) • Fintrac	Passion Fruit	Eldoret, Kenya
VIP Jamaica	Jamaica Exporters' Association	• The Competitiveness Company • Area Youth Foundation	Ornamental Fish	Kingston, Jamaica
VIP Indonesia	Mercy Corps Indonesia	• SwissContact • PUPUK	Tofu & Tempeh	Jakarta, Indonesia

Business Planning for Sustainability and Scale-Up

The Value Initiative partnered with five organizations to foster learning on innovative business models for sustainable, larger-scale enterprise development that reaches a wider target group of marginalized communities:

- Entrepreneurship and Community Development Institute (Pakistan);
- Fair Trade Forum (India);
- LabourNet (India);
- SDC Asia (Philippines);
- KeBal / Mercy Corps (Indonesia).

For more information about the Value Initiative, including tools, additional learning products, photos and videos, please visit www.seepnetwork.org or contact Yibin Chu, Program Manager of Enterprise Development Community of Practice at chu@seepnetwork.org.

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Acronyms

MRM	Monitoring and Results Measurement
SEEP	Small Enterprise Education and Promotion Network
VIP	Value Initiative Program

Introduction

Monitoring and Results Measurement (MRM) is fundamental to good program management. It provides vital information that programs need to make good decisions in order to maximize impact over the life of a project. Over the last three years, with guidance from the SEEP Value Advisors, the Value Initiative Program (VIP) partners in India, Indonesia, Jamaica and Kenya have worked hard to install and use strong MRM systems in their urban value chain projects. As a team, the VIP partners and advisors have shared experiences in monitoring and results measurement and adjusted both the overall MRM system for VIP as well as the systems in individual projects. The aim of this learning and adjustment was to make MRM both as practical and as useful as possible. The focus was equally on MRM for reporting and for management purposes. We made some mistakes and we had some successes along the way. This paper aims to share our top ten lessons with other value chain practitioners.

In brief, the ten tips are below.

Overarching considerations in monitoring and results measurement and their relation to management:

1. Design the MRM system to support decision making at all levels.
2. Make monitoring and results measurement part of everyone's job.

Practical tips and strategies on how to design an effective monitoring and results measurement system:

3. Choose only a few impact/poverty reduction indicators to use across the whole project.
4. Assess changes at the intermediate levels of results chains.
5. Make qualitative data collection and analysis a key part of MRM.
6. Plan for frequent, small, well-timed assessments rather than fewer, larger ones.
7. Develop an integrated MRM tool.
8. Make staff training in MRM a priority.

Practical tips and strategies for ensuring that monitoring and results measurement is used throughout program implementation to inform decision making:

9. Use formal and informal information regularly throughout design and implementation.
10. Match MRM to the phase of the intervention.

Tip 1 | Design the MRM system to support decision making at all levels.

The VIP team found that a project's MRM system is most useful when it is, first and foremost, designed to support decision-making. This is a shift for projects that focus on MRM primarily for reporting. Designing an MRM system for decision making requires project managers to start with the questions, "What types of decisions do we need to make over the life of the project" and then, "What information do we need to make those types of decisions?" With this as a basis, the practical questions of MRM can be answered: what information to gather, who will gather it and how, when is the information needed, who needs it, how should the information be analyzed and presented to facilitate decision-making, who will analyze and present the information, and how and when it will be used in decision-making.

The design of a project and the culture of an organization are critical to managers' abilities to craft and use an MRM system that genuinely supports decision-making. First, there has to be enough flexibility both within the project and from donors to actually change implementation based on the signals from information on results. If there is no flexibility in the project design, then there is no scope for using findings on results to maximize impact. Second, the MRM system will only be used for decision-making if it is embedded in an organizational culture of honest inquiry and acceptance of failure. Managers and staff who can admit that an intervention didn't work and who are ready to use information on failures to improve, provide the essential foundation for results-based decision-making.

The VIP team found that there are several management practices that encourage the use of information on results for effective decision-making at all levels of the project.

Make use of causal models or results chains. A results chain clearly outlines the series of changes project staff expect, starting with project activities and ending with goal level impacts. The expected changes occur within and among the market players in the targeted value chain and supporting systems. The VIP projects have results chains for each of their interventions. The VIP team found that having this "results chain" reference point more easily enabled two decisions: to determine if the intervention was working and if so why, and secondly, if it was not working whether it should be put on hold, modified or cancelled.

Promote effective and open communication. The VIP projects found it was useful to promote communication among all project staff through formal and informal meetings where staff members discuss findings, challenges and constraints in order to better understand the market players within the value chain and how the value chain is changing.

Managers drive result-based management. The VIP team found that MRM supports decision-making when project managers ensure that it does. The project managers must drive the consistent application and effective use of the MRM system; otherwise it will fall into disuse.

VIP Indonesia: Using Flexibility to Maximize Impacts

VIP Indonesia's Tofu and Tempe project found that, "During the project implementation, flexibility is key for successfully achieving the project's goals." Managers explained that they had to constantly adapt to new information, which meant changes in intervention designs, business models and the sequence of activities.

For example, the project dropped an entire intervention which was focused on promoting affordable cooking stoves when they found that it was not working. The project was assisting a private manufacturer to adapt and market an alternative stove for tofu and tempe street vendors. However, through frequent informal conversations and interviews, the project staff found that the stove did not deliver the required benefits to street vendors.

After producing three prototype designs for an affordable stove and demonstrating them to vendors, staff learned that the majority of vendors did not like any of the prototype designs and preferred liquefied petroleum gas (LPG) stoves already commercially available. Following analysis and discussion of these findings, the project team decided to abandon the stove intervention.

Based on this, senior managers decided to reallocate the budget to other interventions that were showing more promise and were likely to provide more immediate benefits to microenterprises in the tofu and tempe value chains.

VIP Indonesia also made sure to keep SEEP – its donor - informed throughout this decision-making process. Because SEEP was also willing to ground its decision-making on evidence-based results, it supported VIP Indonesia's decision and allowed budget revisions to accommodate the new plan. VIP Indonesia found that this level of openness and willingness to embrace change, from both the project and the donor, is critical to maximizing impact over the life of the project.

Tip 2 | Make monitoring and results measurement part of everyone's job.

The VIP team found that a cornerstone of MRM, and indeed project management, was that all project staff members see themselves not as accountable for activities but as accountable for maximizing long-term results. With this mindset, managers can encourage staff members to find out to what extent the series of expected changes, among market players, is happening as a result of project activities. Staff should see accurately interpreting this information and making appropriate changes to the project/intervention as an integral part of their jobs.

The VIP team found that there are a number of ways to help ensure that all staff members see MRM and results-based decision-making as a core part of their jobs.

Involve all staff in collecting and analyzing information on results. This practice helps staff members to get a first hand understanding of the extent to which the project is having the desired results, and also encourages staff to use information on results as a decision-making tool.

Ensure all staff has an intimate understanding of the project MRM system. This understanding will make them more likely to use the MRM system regularly and consistently. It will also help to ensure continuity of knowledge and practice in the project even if key staff members leave.

Ensure all project staff understand the assessment indicators and what they mean. This understanding is the foundation for effectively analyzing results.

Include monitoring, results measurement and analysis of results in staff job descriptions and performance reviews. Too often, MRM is an after-thought in formal human resource management. Including it as a key part of project staff's formal responsibilities will emphasize its importance.

Ensure managers give clear messages. All staff must hear consistently that MRM is a core part of project implementation and that all staff members are accountable for assessing and analyzing results.

Ensure staff members have sufficient time and resources for MRM. Monitoring is often the first task dropped when things get busy. Staff members are more likely to involve themselves in monitoring and results measurement when projects are designed so that staff have the time and resources they need for their MRM responsibilities. It's also helpful to build in time for staff members to catch up on monitoring, results measurement and analysis tasks when they get behind.

VIP Indonesia: Integrating MRM with Project Implementation

VIP Indonesia managers first realized the importance of including all staff in MRM during the inception phase of their project. At the time, managers noticed that some staff were working in the field every day, but did not clearly understand how their day-to-day activities related to the overall project logic and goals. VIP Indonesia managers realized that to maximize results, they needed to make the best use of staff's limited time by ensuring that staff related their field observations to the whole project, not just a single aspect such as sales data.

Consequently, VIP Indonesia managers clearly outlined their expectations that all team members would be responsible for MRM activities from the very beginning of the project. MRM duties were explicitly included in each team member's job description. These also stated that all team members would be expected to work in the project office and in the field, ensuring all members would be exposed to the realities of the market, interact with value chain players and observe the results of project activities. All staff members were trained in basic MRM in-house by the MRM Officer, who had received formal MRM training prior to the project.

Furthermore, VIP Indonesia's MRM Officer developed a comprehensive MRM manual that had all project indicators embedded into results chains for each intervention, clearly labeled for easy reference when in the field. The manual was also tailored to each project team member, highlighting the specific interventions and/or market players that were most relevant to their work within the project.

During the pilot phase of the project, all team members brought their tailored MRM manuals with them each day when they went into the field. This helped them to understand specifically which project result(s) and indicator(s) related to their work that day, and how different market players within the value chain influenced anticipated results in the chains. After returning from the field, team members then filled in their observations and any information collected into the project's MRM database in a manner that explicitly tied each record to the relevant result(s) and indicator(s) across the project's results chains. The MRM Officer then checked this data weekly, providing quality control and gaining a complete understanding of the project's progress and results.

Tip 3 | Choose only a few impact/poverty reduction indicators to use across the whole project.

This lesson emerged from the need to balance rigor with practicality. An honest assessment of what is critical and what is less important is vital when designing an MRM system. Indicators in results chains must reflect an understanding of **what is optimal given what is practical**. Staff should ask themselves *"Is each piece of information essential to decision making?"*

The VIP team found that the easiest way to make a mistake in this regard is to choose too many quantitative impact indicators. Of course, projects want to understand their impact, so it is tempting to include lots of quantitative indicators of impact on the target group. However, in practice, gathering information on quantitative impact indicators and using that data to estimate overall impacts is challenging for a whole variety of reasons. These include:

Too Much of a Good Thing: Impact Indicators and The Value Initiative Program

The VIP team experienced firsthand the challenges associated with requiring too many impact indicators across its partner projects. At the onset of the program, SEEP required the partner projects to collect data on seven quantitative impact indicators, disaggregated by sex. These indicators were required in addition to internal indicators chosen by individual partner projects. The impact indicators were: number of enterprises and workers who benefit financially, number of enterprises and workers who get access to a new product or service, net additional income, percentage change in income, poverty status (using poverty assessment tools), returns to labor (income per hour) and number of jobs created. For each indicator, partner projects were required to gather data both on enterprise owners and on workers, effectively doubling the number of indicators.

Across four partner projects, collecting and analyzing data on all seven indicators by sex proved to be extremely complicated, for reasons including agreement and communication on common definitions of indicators, lengthy surveys for data collection, and large volumes of data that required significant time and resources for cleaning and analysis.

Ultimately, the VIP team agreed that the number of quantitative impact indicators was essentially unmanageable and that it significantly increased confusion in MRM activities across the VIP projects. Having fewer quantitative impact indicators would have given both partner projects and the VIP advisors more time to focus on more important aspects of MRM such as qualitative and intermediate indicators as well as analyzing and using information.

Definition and Calculation. When indicator results will be aggregated across interventions or projects, the definition of indicators must be extensive, precise and uniform. The indicators must be calculated in precisely the same way using data that has been gathered in a consistent manner. Ensuring this consistency is a challenge, particularly with different people involved in measurement and calculation, and can increase confusion amongst team members.

Complexity. The greater the number of categories of target beneficiaries in a project (e.g. producers, workers, vendors), the more complex it will be to gather uniform data across the categories. As complexity increases, so too does the time, energy, and resources required to adequately measure and calculate these data.

Data collection. Each additional indicator included increases the difficulty of gathering this information. Gathering data on impact level indicators among informal producers and workers is difficult.

Attribution. Even if an indicator is clearly understood and data can be collected, attribution is more challenging to trace at the impact level than at intermediate levels of results chains.

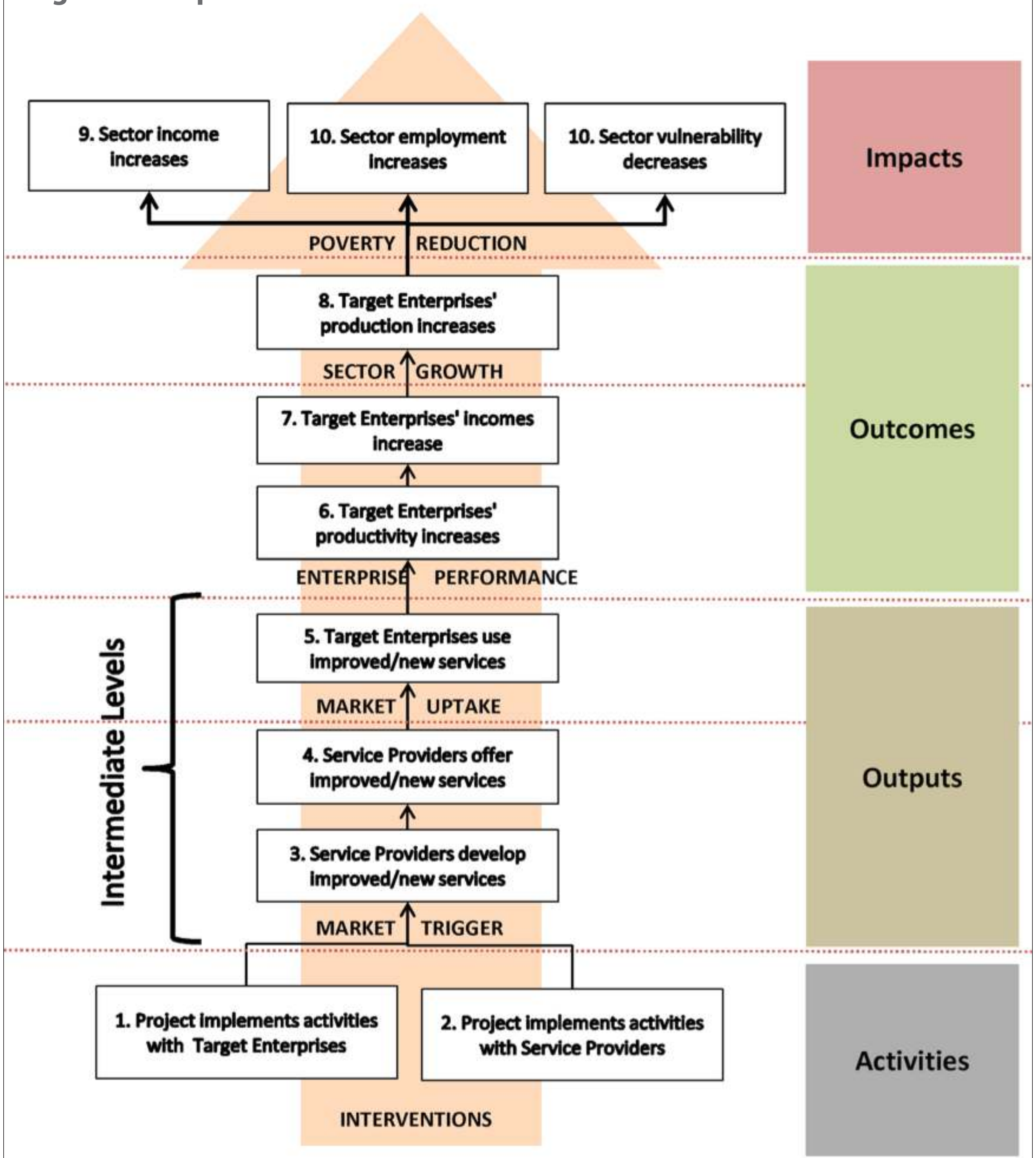
For these reasons and more, the VIP team found that when it comes to quantitative impact indicators, **three is key.** Using more became unmanageable. The team did find, however, that complementing these few quantitative impact indicators with qualitative ones was very useful.

Tip 4 | Assess changes at the intermediate levels of results chains.

Projects often focus on impact indicators, such as enterprise performance, sector growth, and poverty reduction. However, intermediate indicators, such as behavior changes of service providers and target enterprises' use of new services, are critical to effective MRM, especially during intervention piloting. Observation of expected changes in intermediate indicators firstly lets project managers know if they are on track. In other words, are the assumptions underlying an intervention proving to be true and, therefore, is the intervention likely to result in expected impacts.

Assessing the results of intermediate indicators, coupled with investigating why changes are happening, is also a good way for managers to examine attribution, in other words to analyze if goal level changes are likely due to project

Figure 1. Simplified illustrative results chain



VIP Kenya: Identifying Critical Success Factors

During the pilot phase of its project, VIP Kenya organized a series of community service provider forums. These regular forums brought target farmers together with key service providers, such as traders and tree nursery owners, to discuss project activities, share experiences and assess the degree of cohesion and support for the farmers amongst these service providers. These meetings were also a means to understand the commitment levels of each service provider to strengthening and maintaining the productive linkages with the target farmer groups necessary to achieving benefits for both farmers and service providers.

Based on the early forum meetings, VIP Kenya found that some of the initial service providers were not sufficiently committed to working with farmers and other service providers. As a result, VIP Kenya engaged and invited additional service providers into the project, who demonstrated greater interest in working with the farmers and existing service providers. Once these committed market players had been identified, VIP Kenya was then able to use the community service provider forums to discuss and assess its exit strategy. This entailed discussions with farmers and service providers that explored whether the project's expected results at the levels of service providers supporting farmers and farmers using those supporting services were likely sustainable at least a year before the conclusion of the project.

activities or to other factors in the value chain. It is not useful to measure changes in target enterprise profitability or sales if the project has not assessed if these changes are likely due to the project. By supporting each intermediate link in an intervention's results chain with verifiable data, the project is able to make a strong case that any results observed at higher levels of the results chain, such as enterprise performance or sector growth, are at least in part caused by project activities.

Assessing intermediate results also helps managers determine if new business models and ways of working in the value chain are likely to last and, therefore, help target enterprises sustainably.[1] Consequently, well-defined intermediate indicators are essential to understanding if the project's activities are actually leading to sustainable changes for the target enterprise group and related low-income populations.

Over time, understanding intermediate results can also play a critical role in helping project managers determine the potential and timing of scaling up interventions. Careful investigation of intermediate changes can help project managers judge issues like the commitment of businesses in the value chain to new ways of working and the potential for growth among various types of value chain businesses. Understanding these types of issues will help project managers determine if a new business model in the value chain might be widely adopted and, therefore, if it makes sense to scale up an intervention to encourage more value chain businesses to adopt the new business models. Consequently, giving sufficient attention to the intermediate levels of results chains is key to delivering the real payoffs of a value chain development approach – wide adoption of new ways of operating that benefit the target population.

1 DCED Results Measurement Standard, Implementation Guidelines, p.19

Tip 5 | Make qualitative data collection and analysis a key part of MRM.

Qualitative and quantitative data are necessary complements in effective MRM and reporting. Quantitative data broadly provides comparability and scale, while qualitative data explores how and why certain behaviors occur among value chain players. For a value chain project, while quantitative results on target enterprise performance are typically presented as the "end results" of the project, qualitative data is critical not only to describe the experiences that led to those quantitative outcomes, but also to indicate the extent to which systemic changes in the market are likely to occur in the future. Typically, however, the two are rarely planned with the same degree of rigor.

Value chain programs often only realize the need to complement their quantitative data analysis with qualitative aspects near the conclusion of the program. As a result, the planning and collection of qualitative data is rushed and quality suffers. The VIP team found that it is better to integrate both qualitative and quantitative monitoring and results measurement into planning at the intervention design phase.

In practice, distinguishing individual beneficiaries' compelling stories from findings that clearly tie qualitatively measured outcomes to the project's results chains can be tricky. To do so effectively, it is important to determine what qualitative information will help project staff analyze if specific changes in a results chain are happening, to what extent, why and how. It is then important to give equal attention to planning how to gather this information as for quantitative indicators. With this type of early planning, the qualitative data collected and made available for analysis is more likely to be useful and relevant to results measurement and reporting.

VIP Jamaica: Planning Qualitative Data Collection to Address Program Context

VIP Jamaica's Ornamental Fish value chain project operated within a highly restrictive socioeconomic context. The project addressed high unemployment concentrated amongst young men in Kingston, worsened by widespread crime that consistently puts Jamaica at the bottom of global security rankings. These conditions have bred a "culture of distrust" in which individuals are reluctant to explicitly describe their profitability and income situations for fear of gang-related targeting and hesitate to work with others they don't know well. However, Jamaica's small economy necessitates aggregating production wherever possible, especially for products marketed internationally such as ornamental fish. Further, the ornamental fish industry typically has high expectations concerning trustworthiness, reliability, discipline, passion, dedication and teamwork amongst producers.

This context called for MRM methods that could capture the perceptions, experiences, and degree to which attitudes and behaviors were changing amongst the target ornamental fish producers. Given the industry expectations of producers, VIP Jamaica managers recognized that they needed to understand target producers' mindsets in a number of ways, including the desire to collaborate versus compete with other producers, willingness to share information with other producers, discipline in production, willingness to trust others, and an ability to recognize common ground for collaboration. Only by understanding these perceptions could the project team understand if results were sustainable across its target enterprise groups. VIP Jamaica recognized that focusing on qualitative data collection was the most effective way to capture these perceptions. Consequently, VIP Jamaica designed and managed their MRM system with a core focus on qualitative data collection and analysis supplemented with quantitative data on target enterprise performance and sector growth.

Tip 6 | Plan for frequent, small, well-timed assessments rather than fewer, larger ones.

Traditionally, many development projects have planned a few large assessments over the life of the project, typically one baseline, one mid-term evaluation and one final evaluation. The dates of these assessments are fixed at the design of the project. The VIP team found that this practice does not work well for value chain projects. Instead, it is easier and more useful to assess results through a series of frequent, smaller, mixed-method studies and informal information gathering. These smaller assessments need to be scheduled to match the timing of expected changes based on the results chains as well as the realities on the ground. This is true both for baselines and for subsequent assessments.

Baselines: In a value-chain project, the individual target enterprises are usually not known in advance. In addition, the project aims to work with value chain players and institutions that show a commitment to investing in new ways of operating. Consequently, managers may change the area where the project focuses based on which value chain players and institutions show significant interest and buy-in. When a project conducts a large baseline before interventions have been started, managers often find that those interviewed are not those who ultimately end up being involved with and benefiting from interventions. Several of the VIP projects had to redo baseline studies because of this issue. The VIP team found that it is instead better to wait until it is clear which value chain players will work with the project and which target enterprises are about to take advantage of new opportunities and then focus the baseline on these enterprises. For example, baseline information can be gathered when target enterprises purchase a project-promoted piece of equipment or attend a project-promoted training. At this stage, it is clear the target enterprises are taking advantage of the opportunity but have not yet benefited from it.

Subsequent assessments: If the project waits too long to assess the results of interventions, then problems may be caught too late to adjust implementation to maximize impact. The VIP partner projects found that frequent small assessments enabled them to gauge the results of interventions regularly and adjust planning accordingly. The project managers reported that frequent small assessments were also generally easier to manage than the larger surveys the projects conducted because they required less time and skill in information gathering and analysis.

Assessing Changes per Intervention: The VIP team found that it is easier to assess the results of each intervention separately and then aggregate those impacts to understand the overall project impact, rather than try to measure results across all interventions together. In practice, most value chain projects find that interventions go forward at different rates and value chain players pick and choose among the new opportunities available as a result of different project interventions. Projects that plan for intervention specific assessments will be better placed to get useful information earlier in their projects than those that plan to only assess all interventions together. De-coupling interventions also has the added benefit of allowing projects to move ahead quickly with those interventions that work immediately, while taking time to work on those for which gaining market acceptance is more challenging.

VIP Projects: Assessing Interventions Separately

During project design, all the VIP projects expected there to be significant overlap in the target enterprises for each intervention. In addition, they expected that the synergy among the interventions would be important to generating overall impacts. During implementation, the partner projects found that this was true, but only to some extent. They also found that many target enterprises did take advantage of the opportunity from one intervention but not another. Some interventions reached many enterprises, while other reached fewer. More significantly, the projects found that the interventions moved forward at very different rates, with some producing benefits quite quickly while others required a lot of adjustment before they started to produce results among value chain players.

Consequently, it was useful to assess the results of each intervention separately, timing information gathering to the pace of individual interventions. The VIP team found it was easier to devise ways of adding up the impact of individual interventions and/or incorporating ways to assess the synergies among interventions into later studies, rather than always try to assess all interventions together. Most importantly, assessing individual interventions provided the VIP project managers with vital management information on the extent to which each intervention was generating the expected results. This information was important to adjusting interventions and focusing resources on those interventions having or likely to have the greatest impacts.

Timing of Assessments: All the VIP projects felt constrained by fixed assessment schedules tied to donor funding cycles. The VIP project managers found that some target enterprises had not had enough time to experience the benefits from interventions before assessments had to be conducted. At the same time, it was essential both for the projects and for the donors to get some accurate information on the extent to which interventions were actually benefiting (financially and non-financially) the target enterprises early enough in the project to make adjustments and further funding decisions.

While the VIP team did not find a perfect answer to this dilemma, both the projects and SEEP found that the problem could be reduced by planning a series of assessments of the benefits to target enterprises, rather than just one larger study. An early assessment of the benefits to target enterprises can be conducted with the early adopters of a new opportunity as soon as a handful of those adopters are expected to have benefited. This allows the project managers (and the funder) to gauge, as early as possible, if the intervention is really resulting in financial and non-financial benefits to the target group. This information is critical for deciding whether to adjust, terminate or continue with an intervention. A subsequent assessment can capture the results of a somewhat larger sample of target enterprises in the pilot group and be scheduled based on the findings from the early adopters for when a reasonable sample of target enterprises are expected to have benefited from the intervention. This assessment can provide more rigorous evidence of the extent of benefits and, thus, provide the basis for deciding whether to scale up an intervention or not. Finally, one or several smaller assessments can be conducted during the scale up phase to check if target clients are still benefiting to the expected degree.

Tip 7 | Develop an integrated MRM tool.

An integrated MRM tool combines all of a project's relevant monitoring and results measurement instruments for one intervention into a single file and for all interventions into a single folder. Having all results information for each intervention in one place in the same format helps project staff to track progress within and across interventions, record monitoring data in a single location, and to identify constraints and challenges both prior to and during implementation. The VIP team found it useful to include the following in an integrated intervention MRM tool:

- Brief description of the intervention;
- Intervention results chain;
- Intervention monitoring and results measurement plan;
- Indicator tracking based on the results chain and MRM plan;
- Scale tracking and calculation;
- Reporting log for informal data collection (both quantitative and qualitative; see Tip 8 for more information).

The individual intervention information can then be combined in an overall project tracking tool. This integrated project-tracking tool should include a master results measurement plan across all interventions, key indicator tracking across all interventions, and scale tracking and calculation that aggregates across all interventions. In practice, project

VIP Indonesia: Designing and Using an MRM Tool

Even if a fully integrated MRM tool is not designed at the onset of a program, it can be effectively developed over time. VIP Indonesia developed an integrated MRM tool in stages, using separate Excel spreadsheets in one overall file. Initially, the MRM tool included results chains, intervention MRM plans, and monitoring forms for informal data each in a separate Excel spreadsheet but combined in one file. Project staff found that the MRM tool significantly aided results knowledge management and intervention delivery throughout implementation.

Later, VIP Indonesia recognized that incorporating all its monitoring instruments into the MRM tool would improve the value of the tool as a "one stop shop" for its MRM data. The addition of indicator tracking charts provided easy assessment of the project's progress in its interventions. VIP Indonesia included a table to track overall progress toward project targets across outcome indicators. The table organized data so that progress could be observed by reporting period as well as overall to date. The inclusion of periodic outcome data enabled VIP Indonesia to observe changes in the scale of target enterprises' access to new products and services over time.

Scale tracking calculation tables were also incorporated into the MRM tool to automatically estimate the full outreach of the program in its final year. These tables automatically calculated the estimated number of direct and indirect beneficiaries experiencing behavior changes, and projected future scale figures, based on the data coming in from the field. Therefore, project tracking was based on the indicators found in the relevant results chains while remaining grounded in actual data collected. Project staff reported that the MRM tool increased the ease of tracking while reinforcing understanding of the overall project models and associated indicators.[2]

MRM can be recorded in a series of linked Excel files (one for each intervention) or a database that is linked to individual intervention data fields. The integrated project-tracking tool describes overall project findings and automatically updates project-wide results based on the data that is entered by team members as they work on each individual intervention.

The VIP team found that using an integrated MRM tool had the following benefits:

Harmonizes Project Logic and Incoming Findings. Combining key intervention design documentation such as results chains and intervention MRM plans with databases for information collected during implementation enables simple cross-referencing of the intervention logic and incoming data. This increases the likelihood that decisions made throughout implementation are grounded in the project's design and deviations from that logic can be documented for future investigation.

Increases Accountability. An integrated system increases the project's accountability. Interventions, and therefore the results chains, are likely to change over the course of implementation. Managing updates across the MRM documents and ensuring that all staff members work off the latest versions is crucial to effective measurement of impacts over the life of the project.

Maximizes Staff Awareness and Participation. As discussed in Tip 2, ensuring that all project staff are involved in assessing results is critical to success. The MRM tool is a key means to that end, ensuring that all staff members have access to the same updated documents and comprehensive results information.

2 Mercy Corps Quarterly Update June 2011

Tip 8 | Make staff training in MRM a priority.

Despite advances in recent years, monitoring and results measurement in value chain development remains a relatively new focus. Consequently, while knowledge in this area is being generated and disseminated at an increasing pace, skills in "good practice" MRM in value chain development projects is usually limited amongst project managers and staff. To address this gap, the VIP team found it critical to incorporate skills training on MRM into the overall program design and budgeting.

There are several opportunities for skills training in MRM for value chain development projects. The Donor Committee for Enterprise Development (DCED) maintains a list of available courses at http://www.enterprise-development.org/page/training-courses.

The earlier project staff are able to get training, the greater the returns to the project. Capacity building early on is likely to improve the logic of results chains, upgrade measurement planning, and minimize common mistakes in MRM design and implementation. Early training also leaves time for staff to practice new skills and reinforce learning before monitoring of interventions must be carried out.

Capacity building in MRM is only likely to be effective when managers provide opportunities to incorporate this learning into project design, implementation, and readjustment over time. It is helpful for recently-trained team members to share their new knowledge as soon as possible with the rest of the team. In discussion with the team, managers can then decide if new MRM strategies or tools will be incorporated into the project.

While training is very useful, it is not sufficient to build adequate capacity in MRM. On-the-job guidance for staff is also needed to ensure that they gain the needed skills and experience over time.

VIP Indonesia: Leveraging training toward effective MRM

VIP Indonesia discovered that early training set the tone for the project's MRM functions. The project's MRM Officer received specialized training in the DCED Results Measurement Standard early on in the project life.[3] This helped her to develop robust MRM tools, train the rest of the project team on effective MRM techniques and, most importantly, establish expectations regarding the important role of MRM in project decision-making. External technical support was important during this initial period in assisting the development of the project's MRM system and providing additional guidance on effective MRM techniques.

Just as important, the MRM Officer at VIP Indonesia was well-supported by both the project- and senior-managers. After the training course, project MRM systems, tools, and practices were modified or changed entirely to conform to the good practice in MRM that the MRM Officer had learned through training. Further, VIP Indonesia managers were willing to genuinely use the newly adopted systems, tools and practices for decision-making throughout the project. Ultimately, the effectiveness of the project's MRM systems is due to management uptake as much as formal training and a dedicated MRM Officer.

3 See http://www.enterprise-development.org/page/measuring-and-reporting-results for information on the DCED Results Measurement Standard.

Tip 9 | Use formal and informal information regularly throughout design and implementation.

There is no stark line between the information needed for design, the information needed on value chain players and context during implementation and the information needed for monitoring and results measurement. Instead, the VIP team found that information gathering and analysis should be considered a continuous process that underpins design and implementation leading to better decision-making both before and during a project.

Ensuring that information on value chain players, context and results continuously informs decision-making requires an organizational system that regularly channels information into decision-making processes. The VIP team found the following practices useful in establishing and maintaining this type of system effectively:

Use all types of information. The VIP projects found that both information gathered through formal studies and information gathered through staff's regular and informal interaction with value chain players was important for making decisions.

Record information gathered informally. The VIP projects developed simple formats for staff to record MRM-related observations and information after events or interactions in the field over the course of implementation. These mini-reports were incorporated into regular reviews of intervention and project progress and complimented formal MRM data collection.

Gather information frequently. VIP project staff found that they could incorporate information gathering into project activities. This integrated information gathering was not complicated or arduous. Rather staff used quick, simple ways to gauge reactions to project activities and behavior changes among value chain players. The project managers found this frequent information useful in tracking progress and determining quickly and efficiently when changes to implementation were required.

Analyze information clearly. The VIP projects found that information had to be clearly analyzed and presented in order for managers to act on it. For formal information from surveys in particular, all staff cannot be expected to pore over raw data. One staff member in each project, often with outside assistance, was in charge of analyzing the data and presenting the overall results and findings to the other staff and managers.

Review findings regularly. The VIP projects found it useful to schedule regular meetings to discuss findings on results and project progress. Some of the projects included key project partners in these meetings. Having a regular meeting schedule ensured that information was frequently incorporated into the decision making process.

VIP Jamaica: Informal Information Gathering and Use

Given the challenging context and geographically compact area in which it operated, VIP Jamaica focused on developing strong relationships with the target ornamental fish farmers. Farmers were highly unlikely to speak with project team members without established relationships built on trust from the outset of the project. This trust was built on frequent informal interactions, in particular with two field staff. Informal, one-on-one relationship-building was also critical to identifying appropriate and interested buyers for ornamental fish.

Rumors and gossip amongst farmers, buyers, government officials, both affiliated and unaffiliated with the project, and even project staff were also valuable to VIP Jamaica, enabling team members to learn about perceptions of the project, its interventions, and its effectiveness across all the actor groups. This understanding of stakeholder perceptions could then inform project decision-making.

VIP Jamaica used a combination of emails and web-based Google Docs spreadsheets to record and organize information gathered informally by team members. When a team member returned from the field, s/he was expected to send a summary email to the project team, or record a summary of the day's experience in the online spreadsheet and send a notification email to the team.

Project staff then used these informal records to produce short, easy-to-read reports. These reports informed a weekly, formal team meeting in which the previous week's findings and targets were discussed and new targets were set in a "promise table" for achievement in the following week. The information from the informal records helped the managers decide which interventions were working well, which interventions needed adjustment, and how to adjust interventions. A relatively small project team enabled short targets to be set each week in order to hold the team to a high standard.

Tip 10 | Match MRM to the phase of the intervention.

The VIP team found that the information needed for decision-making changes with the phase of the intervention. During the pilot phase the most important things to find out are:

- Do target enterprises benefit as expected?
- Is the new way of working in the value chain sustainable?
- (If so) What are the critical factors that make a new way of working effective and sustainable?

Information on these issues enables a project manager to determine if it makes sense to scale up an intervention, and, if so, what to look out for when promoting wider uptake of new behaviors and business models. During the scaling up phase, the focus shifts. The most important things to find out are:

- What is the outreach of the intervention? How is it growing?
- Are the new ways of working in the value chain becoming the norm?
- Are target enterprises still benefiting as expected?

Information on these issues helps a project manager to determine how best to encourage uptake of new behaviors and business models at the same time as checking that new ways of working continue to benefit target enterprises.

How does this shift affect monitoring and results measurement? Traditionally, many projects plan to track indicators at the same intervals throughout the project, for example quarterly. But the VIP team found that instead, assessment schedules and intensity should often shift over the life of an intervention depending on the phase and the findings.

During the pilot phase, intensive information gathering on the relatively few value chain players and target enterprises involved is important to understand the extent of benefits to target enterprises and the sustainability of new behaviors. This involves frequent contact with value chain players and target enterprises to understand if and how they are changing their behaviors and to what extent they are benefiting from that. Generally, if a project plans to compare a participant group with a "control group," it is during the pilot phase that this is most feasible and most useful. During the pilot phase, it is relatively easy to distinguish between enterprises in the target group who are likely to have benefited from an intervention and those who have not. In addition, during the pilot phase, managers need an accurate assessment of the benefits of an intervention to the target enterprises in order to decide whether to scale up the intervention.

Once a project moves to encouraging wider uptake of a new opportunity and/or behavior, assessment focuses more on measuring the outreach of the intervention. At the pilot phase, it is often possible to count the target enterprises reached. But during the uptake phase, outreach is much higher and counting individual target enterprises is no longer an option. Instead, the VIP projects had to develop ways to estimate the outreach of an intervention. For example, some projects could count the number of service providers working with the project and ask these service providers how many target enterprises they were serving. Projects also worked on understanding if any other target enterprises were copying those reached directly. If so, the project could establish an approximate ratio of the number of target enterprises that copied each direct enterprise reached. The VIP team found that measuring scale and indirect outreach at the uptake phase requires staff to shift from more traditional results assessment tools to an "investigative reporter" mode. Projects worked to develop innovative ways to track the diffusion of new behaviors and business models through the value chain.

While assessing the benefits to target enterprises can be less intensive in the scale up phase, it is still important to check through small measurements that target enterprises continue to benefit to the expected extent. If they do not, this is a signal to conduct more information gathering to determine why not. If they do, the project can continue to focus on encouraging adoption of new behaviors.

Conclusion

The experiences of the Value Initiative Program partners in India, Indonesia, Jamaica and Kenya have been a valuable opportunity to learn and share lessons in MRM for value chain development. SEEP and the Value Initiative Program partners hope to have contributed to a growing consensus on effective MRM for value chain development.

Through their projects, the VIP partners learned that MRM must be practical in order to be effective. Our desire to understand the results of project interventions can lead to a monitoring and results measurement system that is too complex and disconnected from project implementation; it's easy to underestimate the work required to get, analyze and use information. Instead, an MRM system must be practical and well integrated with other aspects of running the project.

The VIP partners found that effective MRM involves a skilled team committed to collectively using MRM as a means to help make good decisions to maximize benefits for target populations and promote pro-poor growth in the wider value chain. Monitoring and results measurement is everyone's job, not the work of just a few. It is important that all project staff understand the connection of their activities through various intermediate changes to goal level impacts. It is equally important that all project staff monitor progress by analyzing the extent to which those expected changes actually happen as well as why or why not. Providing all staff members with formal training opportunities in MRM and conducting regular, in-house skills development is crucial to ensuring MRM is a useful and used tool.