

# MONITORING AND RESULTS MEASUREMENT IN KATALYST

## Sector Logic

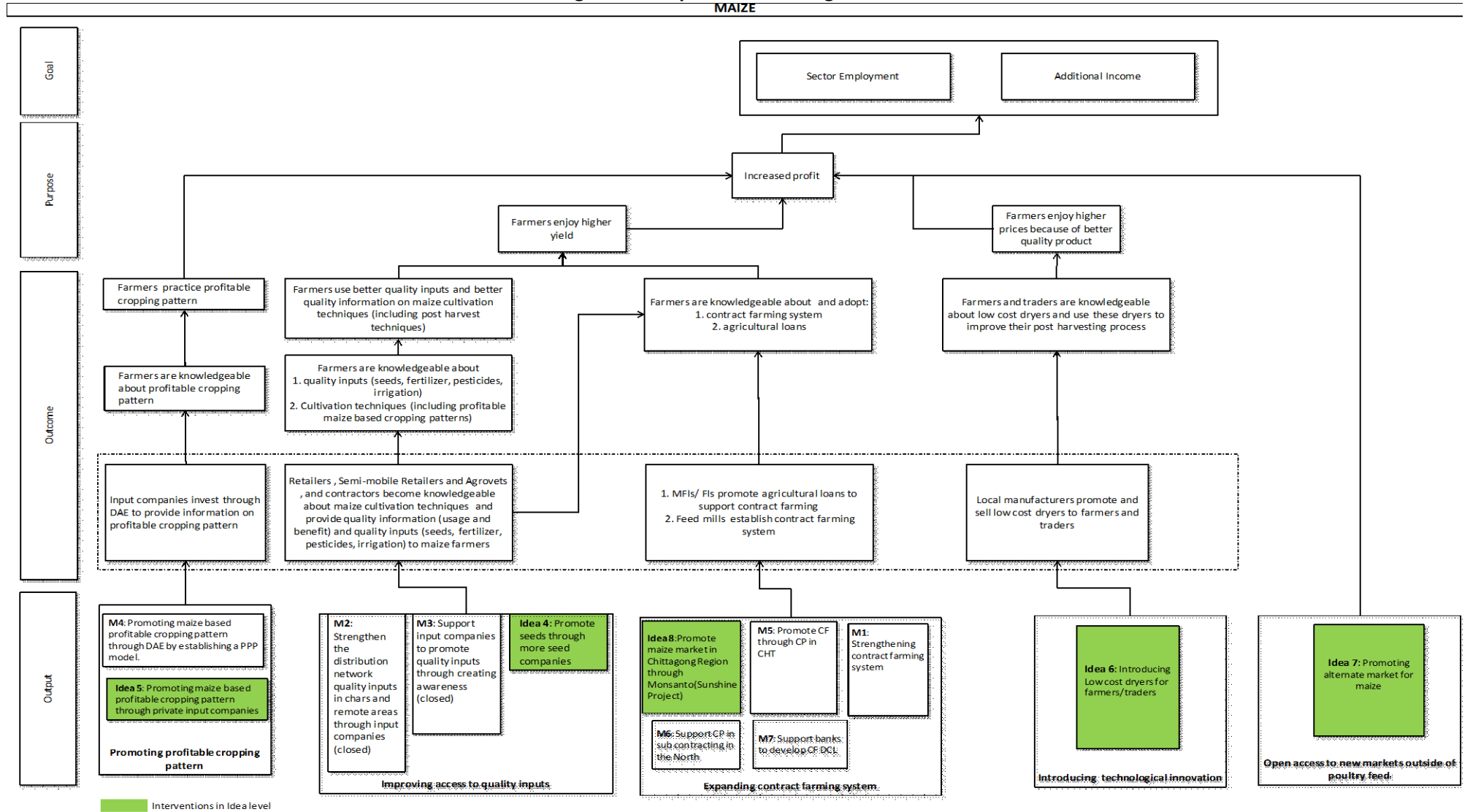
Within each sector under Katalyst scope, there are several strategic objectives; which in terms are defined into intervention areas. Relevant interventions are grouped together under a single intervention area with the goal of achieving a strategic objective.

The following table summarizes the changes to the previous Market Logics with relation to the current Sector Logic.

**Table 1: Relation between Market Logic and Sector Logic**

Old levels (Market Logic)	What it used to contain	New level (Sector Logic)	What it contains
Poverty level	Additional Jobs created and income generated	Goal	Beneficiaries employment statistics and additional income generated
Sector	Change in overall sector performance	Not mentioned in the new structure	
Enterprise performance	Number of benefiting enterprise exhibiting change	Purpose	Number of benefiting enterprise exhibiting change
Was not mentioned in the old structure		Outcome level	Outreach exhibiting change (usage and access)
			Service providers exhibiting change in behaviour and performance
Intervention related	Intervention area	Output	Intervention area
	Interventions under each area		Interventions under each area

Figure 1: Sample for Sector Logic



## Impact Logics

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

### **Intervention Impact Logic**

While the intervention impact logics summarize expected changes resulting from Katalyst activities all the way through to poverty reduction, the main aim is to provide details on Katalyst activities, and their expected results at the outcome and purpose levels. The organization of the different levels of the impact logic has gone through several important changes. While the previous structure was more focused on groups corresponding to the different market players, the new system aims to adhere to the levels spelled out in the project logframe. The levels and changes are summarized in the following table.

**Table 2: Intervention Impact Logic Levels and Expected Changes**

Levels		Expected Systemic Changes
Previous system	Current system	
Poverty Reduction	Goal	Pro-poor increase in income
		Increased net income for SMEs
Impact at the Enterprise level	Purpose	Improved SME performance/competitiveness (usually changes in productivity, price, or expanded markets)
	Outcomes	Changes in SMEs' behaviour and practice
Service Market Outcomes		
Service Market Outputs	Outputs	Changes in the behaviour of service providers
	Activity Results	This denotes the immediate result of an activity or a group of activities. In most cases this will indicate changes in the capacities of service providers
Activities	Activities	The main activities that Katalyst carries out to strengthen supporting services and functions leading to service market outputs

The current levels, as mentioned in the table above, have direct correspondence to their logframe counterparts. The Service Market Output level from the previous structure has been split into Activity Results and Outputs. The present Outcomes level retains the contents of the earlier Service Market Outcome level, along with some additions from the Enterprise level. What was previously known as the Enterprise level is now distributed into Outcomes, Purpose, and Goal levels. The Goal level also includes the Poverty Reduction issues.

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

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

### Impact Logic Preparation Guidelines

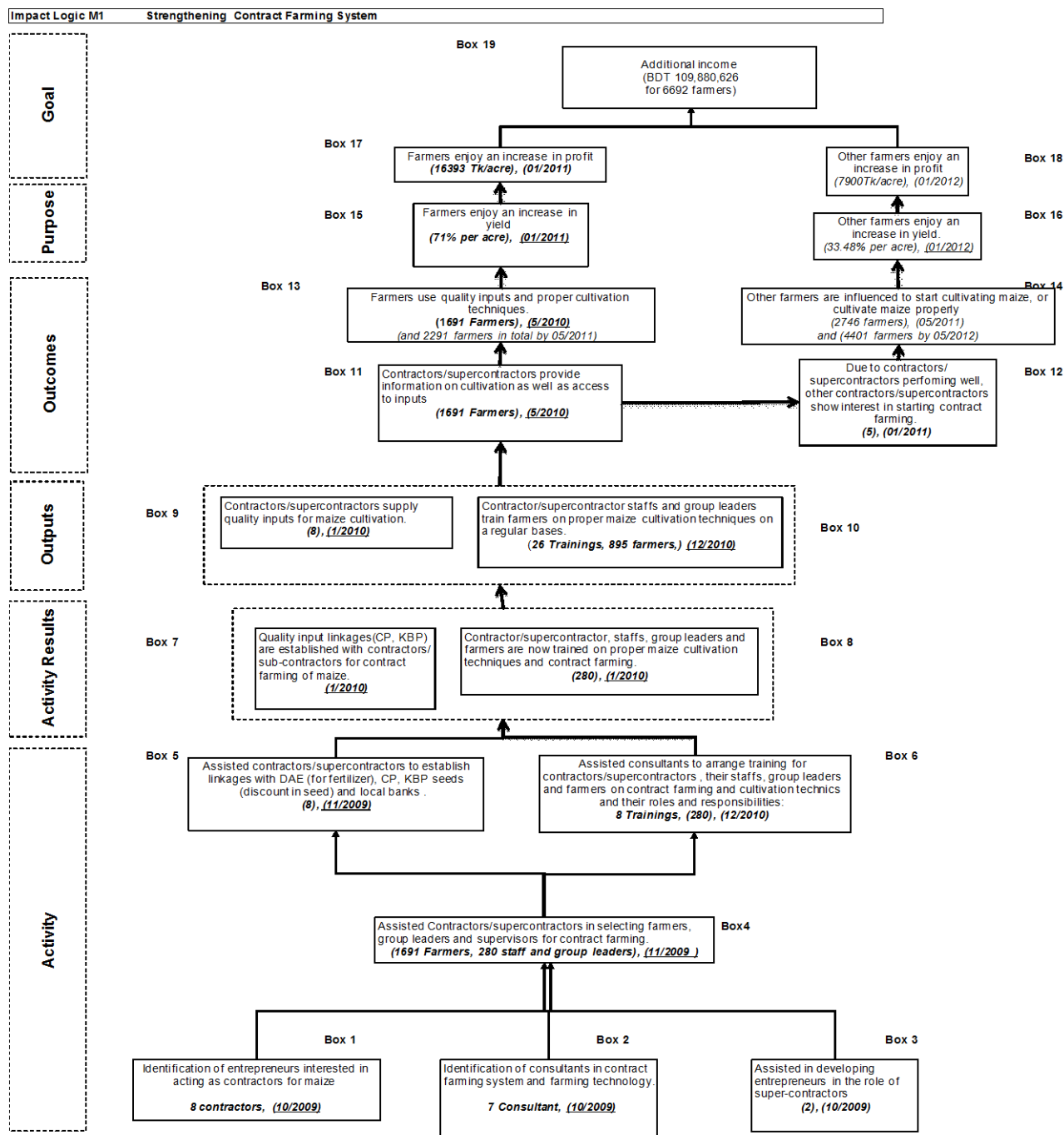
The following is a basic guideline for drawing an intervention impact logic. Note that it is a general guide; sector teams may make small changes as appropriate, provided they are approved by the MRM manager.

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

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

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

Figure 2: Example of Intervention Impact Logic

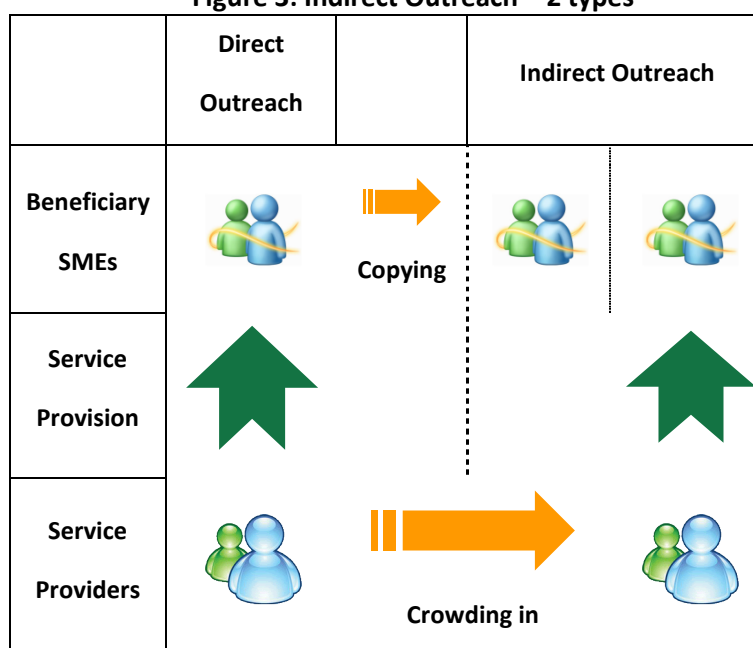


**Checklist for Developing Impact Logic**

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

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

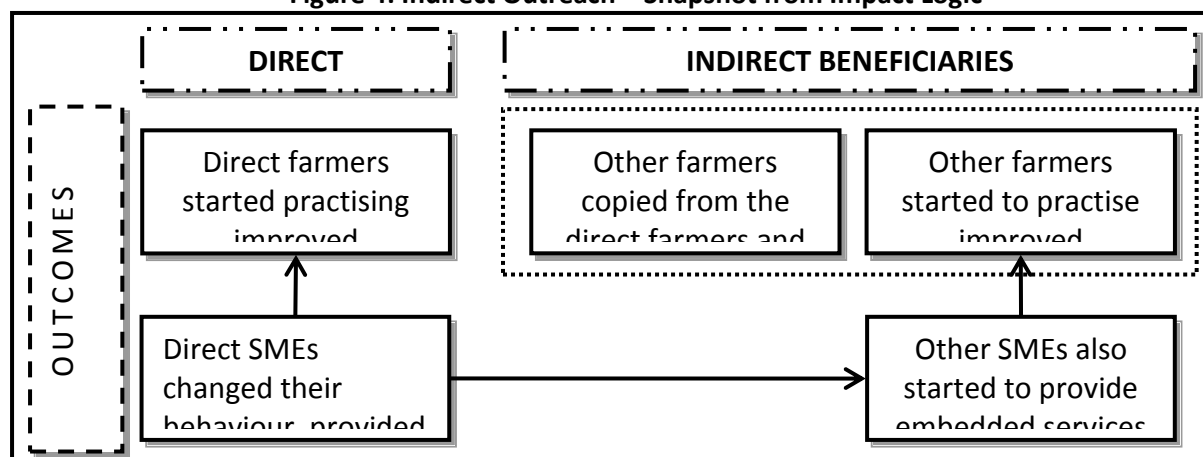
Figure 3: Indirect Outreach – 2 types



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

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

Figure 4: Indirect Outreach – Snapshot from Impact Logic



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

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