

Monitoring and Measuring Results in Private Sector Development

Good practices for SDC to ensure that their implementing partners comply with the DCED Standard for Measuring Results

1 Background

The DCED Standard for Measuring Results is considered an appropriate framework for programs to monitor and measure results, thus improving their intervention design, increasing sustainable impact and reporting results that are credible. The development of the DCED Standard for Measuring Results has been supported by SDC and is being applied by programs active within Private Sector Development, many of them applying the Market Systems Development (MSD) approach.

The objective of this paper is to provide guidance on good practices with respect to the process, roles and responsibilities for SDC program managers during the program design and implementation to ensure that programs can and will effectively use a monitoring and results measurement system that complies with the DCED Standard.

This paper briefly introduces the DCED Standard (what is it, why is it there) whereafter this paper focuses on the roles and responsibilities of the SDC program managers: steering the implementation partners to develop and use an appropriate monitoring and results measurement system. The paper follows the SDC project management cycle and specifies the challenges and tasks for each of these stages of the project management cycle. These monitoring and results measurement practices naturally link to and sometimes overlap with the good MSD practices described in the [SDC good practices paper](#)¹. A summary of MRM tasks is provided in annex 1.

This paper has been written by Hans Posthumus under the Back-Stopping Mandate - Focal Point Employment and Income, managed by Helvetas Swiss Intercooperation. Structured interviews have been held among those SDC program managers who oversee programs in MSD that apply the DCED Standard. A four-day training workshop with selected program managers from the West Balkans and Caucasus provided a better understanding of the experiences, challenges and success factors that influence the steering, and thus the performance, of the programs. Highly valued feedback to the first draft version was provided by Peter Beez (SDC), Stefan Butscher (SDC), Markus Kupper (SC), Aly Miehlsbradt (MCL), Jim Tanburn (DCED), and Maja Ruegg (HSI).

This paper is in a draft format. More feedback is sought to improve this version, to ultimately result in a good practices paper that can be used by SDC and its collaborators. Implementing partners are strongly invited to review the paper and provide their opinions.

Readers are invited to provide their feedback via SDCs E+I network or mail hans@hposthumus.nl

¹ SDC: Managing MSD/M4P projects, Internal guidance document for SDC head office and cooperation office staff

2 Table of Content

1	Background	1
2	Table of Content.....	2
3	Introducing the DCED Standard for Monitoring and Results Measurement.	3
4	Roles and responsibilities of SDC program managers	4
5	Tasks of the SDC program manager.....	5
	<i>Phase 1 and 2: Program Idea and Entry proposal</i>	<i>6</i>
	<i>Phase 3: Tender process</i>	<i>8</i>
	<i>Phase 4 and 5: Inception phase - resulting in a program document (4) and credit proposal (5)</i>	<i>11</i>
	<i>Phase 6: Steering and monitoring the program – implementation phase</i>	<i>13</i>
	<i>Phase 7 Evaluation.....</i>	<i>15</i>
	<i>Phase 8: Preparing for the next phase.....</i>	<i>15</i>
	Annex 1 Checklist of important tasks and outputs per phase...Error! Bookmark not defined.	

3 Introducing the DCED Standard for Monitoring and Results Measurement.

The DCED Standard is designed for Private Sector Development programs (PSD). It is a quality control standard to ensure that programs develop and use a customized Monitoring and Results Measurement (MRM) system. An appropriate MRM system will help the program to design better interventions, learn from implementation and ultimately lead to more sustainable impact and be able to report that impact in a credible way to SDC and other stakeholders. Such a MRM system has five key characteristics.

Enabling flexibility

PSD programs, especially those applying the MSD approach, have to be flexible. The portfolio of sectors² may change over time. The sectors are selected and screened, leading to a sector strategy that is reviewed and adjusted periodically. Interventions are the result of a continuous search for opportunities, innovations and partners. They are designed throughout the implementation phase, not at the start of the program. Interventions are rarely implemented without adjustments: learning what works and what not, leads to adjustments. This implies that the monitoring and results measurement system needs to accommodate this flexibility. Recently, the term ‘adaptive management’ is being used to reflect the type of management that is needed for MSD programs.

Process oriented

The Monitoring and Results Measurement system should thus enable the program to continuously monitor and measure results, and tailor these assessments to the sector strategy, intervention logic and the implementation stage. A typical MSD program would have multiple levels: the portfolio of sectors, the sectors and the interventions in those selected sectors. The MRM system thus specifies the process (how do we monitor and measure results), rather than prescribing only which impact indicators need to be measured when.

Results oriented

The focus of the MRM system is on the management aspect; monitor and measure impact in order to use that information to adjust the intervention design, to upscale the interventions, to adjust sector strategies or to adjust the program portfolio. Collect data that help to understand and help to improve program performance: achieving more impact using resources more effectively. That means assessing attribution. Reporting ‘changes only’ without a clear link to interventions can’t be used to steer the program, nor can it state anything about the impact that the program has achieved.

Promotes learning

In PSD, and especially MSD, one searches for opportunities and introduces innovative market driven solutions. That implies taking risks. One needs to monitor closely the activities and the resulting outputs and outcomes. Therefore the program needs to create a culture of honest enquiry among staff to find out what works and what doesn’t. Staff members need to analyze the results and use that information to adjust or develop new interventions that lead to more impact.

Integrated system

MRM is a management function. MRM needs to provide information to management, to help management to review interventions and strategies throughout the program implementation period. MRM is thus a continuous function that can’t be outsourced, and is best integrated in the program management. Implementation staff monitors and analyses changes, supported by MRM specialists who have the expertise and can assure the quality of the process. Therefore the program needs to have the capacity to do so, in terms of systems and resources, both human and financial. Building that capacity needs to start right from the beginning.

² This document uses the term ‘sector’ in this document, others might give preference to the terms ‘system’ or ‘market’.

Information about the DCED Standard for Measuring Results is available from the [DCED website](#). On the website, the [latest version of the Standard](#) is available in various languages as well as [short introductions](#) to the DCED Standard. There are [guidance papers](#) and [case studies](#), as well as an [overview of programs](#) that have been audited. There is an overview of [consultants and auditors](#) who are experienced, and sources for [training courses](#).

4 Roles and responsibilities of SDC program managers

SDC outsources most of its PSD programs to implementing agencies. Usually those programs are tendered, and national and international agencies (or consortia) develop proposals and when they are awarded the tender, they implement the SDC programs. The implementing agency is thus responsible for managing the program, aiming to achieve the maximum sustainable impact given the allocated resources.

The SDC program managers³ are responsible for the design of the program and the tender preparation. Once awarded to the implementing agency, they are to steer the implementing agency. They are not to manage the program – that is responsibility of the implementer. The implementing agency has the expertise and resources to implement, the SDC program managers are to ensure they do so most effectively. SDC program managers are thus experts in managing the process.

Partnerships

The relationship between the SDC program manager and the implementing agency should be one of a partnership type. Each of the partners brings in specific expertise. Each of the partners has specific responsibilities. Each of the partners has specific tasks. Together, they achieve impact. This partnership needs to be managed.

- *The SDC program manager needs to guide the implementing agency.* Clarity is needed on what SDC aims to achieve. Clarity is needed on what and how results are reported. Clarity is needed on the roles and responsibilities of both partners; the SDC program manager and the implementing agency.
- *The SDC program manager needs to create the conditions for the implementing agency to operate.* To ensure that the implementing agency has the necessary human and financial resources to implement the program. To ensure the implementing agency has a clear mandate to implement.
- *The SDC program manager needs to ensure the implementing agency builds its capacity to implement.* Capacity to manage MSD programs and interventions (analyse, develop and implement). Capacity to monitor and measure results (assess, analyse, use and report).

The SDC program manager thus needs to play different roles during this partnership. If SDC program managers don't specify what they want, implementing agencies are bound to give them something else. Given the demand and supply gap that exists in most countries for staff that are experienced in both MSD and MRM implementation, the program manager can't take the capacity to deliver for granted. The SDC program manager needs to verify progress, needs to support and needs to challenge its partner.

³ This document uses the term program managers, often International Staff or National Program Managers, based at the SDC country offices.

The SDC program manager's intensity of involvement changes over time. For most programs and implementing agencies, the SDC program manager will be more involved in the beginning: to provide clarity, to create conditions and to verify that the implementing agency builds the capacity to deliver. Most of this is addressed during the design and inception phase. The investment by the SDC program manager in these early stages pays off in the form of less intensive involvement during the implementation phase, and more importantly, a more effective program achieving more sustainable impact.

Advantages of a DCED compliant MRM System.

For SDC program managers, the main advantage of a functional MRM system is that the SDC program manager obtains information about the progress of the program, and more importantly, about the likelihood of achieving the targeted impact.

An appropriate MRM system reduces uncertainty for the SDC program managers. Uncertainty is a key characteristic of MSD. In MSD, the program searches for opportunities to develop market driven solutions. It is unknown what will work and what will not work. In MSD, achieving sustainable impact takes time. New business models are introduced, and new services are being offered by market players. Target beneficiaries may use them, and as a result, increase performance, and generate more income. All of this takes time, but it is too risky to assume that 'one day impact will be reported'. This document helps to deal with the uncertainty.

A proper MRM system helps the program to assess the likelihood of sustainability of the interventions, to monitor progress of the interventions and outcomes, to use that information to improve the program interventions, to be able to estimate the potential impact, and be able to report credible impact.

5 Tasks of the SDC program manager

SDC distinguishes several steps in its program management cycle (PMC) : from the program idea (1) resulting in an entry proposal (2), to the tender process (3) starting with the inception period (4) leading to a program document and credit proposal (5). Program managers steer and monitor the implementing agency during the program period (6), that is completed by the evaluation (7) and possibly concluded by preparing for the next phase (8).

Structured tasks.

This chapter provides the reader with answers to the what, why and how questions on MRM for each (or a combination of) of the phases of the PCM cycle; from idea to evaluation. The list has a dual purpose: to provide guidance to the SDC program manager '*what to ask for*', but also to ensure that the implementing agency addresses the (asked for) issues on time. Often, implementing agencies face challenging tasks, and MRM is 'postponed'. This list ensures that the MRM system receives sufficient attention on time. It provides an anchor for the discussions that should take place between the implementing agency and the SDC program manager.

MRM Expertise

SDC program managers are process managers, not specialists in PSD, MSD or MRM. They often don't have the time to become specialists, yet they are to steer those programs effectively. This document gives guidance on what and how to steer, it doesn't also build the capacity of the SDC program managers to become specialists. If need be, SDC program managers may need to hire additional expertise, in the form of backstopping, coaching or additional technical assistance.

Phase 1 and 2: Program Idea and Entry proposal

There are three main questions that need to be answered:

1. For which programs is the DCED Standard most appropriate?
2. Do I apply the DCED Standard in full or do I exclude certain elements?
3. How does the DCED Standard fit with the (SDC-) Cost Benefit Analyses?

Q1 For which programs is the DCED Standard most appropriate?

Themes and approaches

- The DCED Standard is designed for Private Sector Development (PSD) programs in the broadest definition of PSD: programs that are active in market systems development (MSD) or value chain development (VCD), programs that aim for financial inclusion (FI) or promote green growth (GG), programs that aim to improve the business enabling environment (BEE), programs active in vocational training (TVET), as well as challenge funds (CF).
- The DCED Standard has been applied most in market systems development programs. Most PSD practitioners will argue that it is not possible to manage a MSD project without an integrated MRM system that enables flexibility, is process and results oriented and promotes learning. The DCED Standard offers a framework to develop such a tailor made MRM system. Therefore other programs such as those active in vocational training, business enabling environment and challenge funds, increasingly apply the DCED Standard as well.
- The DCED Standard can be applied to other development programs (like education, health, governance) that are based upon a theory of change and are results oriented. For those programs the DCED Standard needs some adjustments, ideally in to be made in coordination with the DCED secretariat.

Program size and duration

- To be able to use the MRM system for reporting, learning and improving, one needs to invest and build the capacity of the program. The bigger the program and the longer its implementation period(s), the higher the return on investment. There are probably very few programs that have such a short duration or are so tiny that the MRM investment is not justified.
- The MRM system is part of the management information system; it is a tool to manage interventions and steer the program. That MRM system can't be applied to only one part, e.g. one component of a program, but is applied across all components and sectors. The DCED Standard is flexible enough to accommodate variations in the MRM system across components if needed.
- If the program enters a new phase but hasn't applied a DCED compliant MRM system in the present phase, one should analyze if and how the program would have benefited from such a MRM system, what the challenges are of shifting systems, and how feasible it is to shift from the present system to a MRM system that enables is compliant with the DCED Standard. Key aspects to be analyzed are:
 - the learning culture and review systems

- the organizational structure and the human resources
- the financial resources
- the desire of resistance to change
- the reporting (indicators that take into account attribution)

Q2 Do I apply the DCED Standard in full or do I exclude certain elements?

Compulsory and recommended compliance criteria

- The DCED Standard includes many compulsory compliance criteria ('musts') but also includes a few recommended compliance criteria. Most of these recommended compliance criteria link back to systemic change: how to measure and how to report it. Most MSD programs will target systemic changes, hence it is likely that these program will benefit more if they apply the recommended compliance criteria too. It helps the programs to define how systemic change will be achieved, and how that will be assessed and reported. This of course requires more efforts and more resources from MSD projects that target systemic change, than from programs that don't aim to achieve systemic change.

The DCED Standard as a framework to apply or a menu to pick from

- The DCED Standard provides a framework that to guide implementers on key MRM aspects. These building blocks are considered to be 'the minimum'. One can't remove any of these elements. Programs that wish to apply a MRM system that complies with the DCED Standard should comply with all compulsory control points, and ideally comply with all recommended control points.
- Most practitioners find the results chains (control point 1) very instrumental and relatively easy to improve intervention logics, while measuring impact (control points 3) and thus dealing with attribution (control points 4), more challenging. However, a program that doesn't assess attribution, can't learn and improve as much as it should, nor can it report attributable impact. One can't take out any of the mandatory compliance criteria, it's not a menu to pick from.

Q3 How does the DCED Standard fit with the (SDC-) Cost Benefit Analyses?

- The DCED Standard promotes the use of cost benefit analyses at various levels (interventions, sectors, programs) for management and accountability. The framework offers a practical tool for the program to learn, analyse and improve, all to achieve maximum impact with the given resources. The DCED Standard requires programs to track costs (control point 6) and report impact and costs together (control point 7). It does imply that programs, and thus SDC, need to accommodate that budgeting and expenditure reporting can be (re-) grouped per component, sector and interventions.
- The Cost Benefit Analysis (CBA) compares the Costs (of the program and its interventions) with the Benefits (the impact at target beneficiary level), which should help to assess the effectiveness of the program and its interventions. The DCED Standard will enable the program to design a MRM system that enables the program to measure the attributable impact, hence providing valuable inputs to estimate the benefits (B) for the CBA. If a program wishes to apply the CBA it needs also to develop a MRM system that enables the program to assess attribution. If the CBA does not take into account attributable impact, such as increased net additional income, the CBA is probably not reflecting reality.

Phase 3: Tender process

There are three main questions that need to be answered:

1. Why should compliance with the DCED Standard be included in the tender documents?
2. What needs to be included in the tender documents?
3. How do I assess the proposals?

Q1 Why should compliance with the DCED Standard be included in the tender documents?

- If you decided (at the entry proposal phase) that the implementing agency should develop a MRM system that complies with the DCED Standard, they should be notified as early as possible. It will inform them that you want the program to learn and improve, and that you want them to report credible impact. It forces them to design an appropriate MRM system that is integrated and will be used for steering the program. They need to think through how to integrate MRM within the organisational structure, the sector analyses- intervention design- and review- processes, the target setting (log frame indicators) and reporting (attributable impact), as well as defining the required financial and human resources. Hence, the implementing agency must incorporate the MRM system in the tender proposal.

Q2 What needs to be included in the tender documents?

- One needs to balance between too detailed requirements and not being specific enough. Not specifying sufficiently what you want increases the chances that tenderers propose something else than what you want. Over-specifying the requirements implies that one leaves too little room to the implementing agency to propose and design the MRM system during the inception phase. It is impossible to design the MRM system in detail during the tender phase, simply because too little is known and time is too limited.
- The tender documents should specify:
 - That the MRM system needs to comply with the DCED Standard, and whether this includes the recommended compliance criteria or the compulsory compliance criteria only.
 - When DCED audit(s) shall be conducted, and how these reports are shared with SDC. Request a system-in-place audit within one year, and a system-in-use audit in the second or third year, depending on when beneficiary level impact is expected to occur. Ensure that audits are repeated, as they remain only valid for 2 years.
 - A specification of the topics listed below. This list focuses on MRM but includes some natural overlaps with more generic and MSD specific program design requirements.

What	Why	How
Theory of Change	Without a compass you're bound to go everywhere except where you should have gone	<ul style="list-style-type: none">• The Theory of Change (TOC) is ideally reflected in a results chain or hierarchy of objectives. It is limited in detail, not specifying the activities, only stating outcomes and impacts.• Do not include sector strategies and sector results chains; they will follow after the analyses during the inception phase.

Intervention principles	To ensure that the chosen approach and intervention principles will be applied in practice	<ul style="list-style-type: none"> • Focus on the process and the principles including criteria for decision making (the how), not the program activities (the what) – that is left to the implementing agency to develop during the inception and implementation phase. • Request them to specify how they will select sectors; the selection criteria, the selection process, the fact finding process and the resources needed.
Management structure	Ensure a flat organization with enough flexibility to adjust over time	<ul style="list-style-type: none"> • A flat organization with minimal silos stimulates learning and flexibility. Three layers (team leader, heads of sections and implementation staff) or two layers (the team leader who steers the teams) is enough. • Integrate the MRM component: a MRM manager, possibly with a few MRM focal points placed in or linked with intervention teams depending on the size of the program. Ensure that MRM is included in the responsibilities of the implementation staff. • Give guidance to the range of positions that you envisage and allow for flexibility. Emphasize that sufficient and competent staff are the key success factors of MSD programs. Avoid decentralizing sections because that hinders creating one learning culture and limits scale effects. • Programs grow over time: the number of interventions (and possibly sectors) will grow over time. Reflect that growth in your staff plan (gradually grow).
Reporting requirements	Focus on what you want, leaving flexibility to the program how to deliver	<ul style="list-style-type: none"> • Specify only a few impact indicators. That will help the program to focus. Specify that these indicators (will) have targets that must take into account attribution (e.g. number of target beneficiaries that increase their net attributable income, not just the number of people reached) • Specify what needs to be measured and reported, and what not (systemic changes, cross cutting issues, etc.). Too often programs are requested to report too much. • Request them to specify how and when they will report these impact indicators, and how and when they will make projections for these indicators.
MRM system	Ensure that the MRM system is integrated and capable to provide management information	<ul style="list-style-type: none"> • Specify the objectives for the MRM system: learning, managing and reporting. • Request them to specify how MRM will be integrated and how MRM will be used for decision-making. • Request them to specify how MRM will be

measuring changes and will be reporting results.

Human resources	Staff is your key asset. Staff with PSD and MRM experience are in high demand	<ul style="list-style-type: none">• Specify the competences that staff need with respect to MRM, especially the team leader and the head of MRM.• State that the staffing structure needs to ensure that implementation staff have sufficient time for MRM tasks.• State that it is necessary to train and coach all staff on MRM. Request them to specify their approach and budget for staff development.
Financial resources	Without a separate budget, MRM is bound to get squeezed	<ul style="list-style-type: none">• State that MRM expenditures (mainly outsourced MRM tasks) needs to be budgeted for separately and should not be included in other budget lines.• Request them to specify if and how they plan to identify and contract 'third parties'.
Process milestones	Specify what needs to be done during the inception phase	<ul style="list-style-type: none">• Request a plan for selecting sectors, and how sectors will be analysed and strategies will be defined during the inception phase.• Request a MRM work plan that specifies how they will design and develop the system and the required human resources during the inception phase.

Q3 How do I assess the proposals?

- This document only highlights typical MRM aspects that need to be assessed.
- The proposal should incorporate the requests made in the tender documents. Not addressing these requests hints at limited understanding of the requirements, or even non-conformance to the principles of MRM as described in the DCED Standard.
- To assess the most appropriate proposal and implementing agency, it is necessary to review the proposal: did they respect what was stated and provided what was requested in the tender documents?
- Assess the competences of the proposed key staff. If a program is going to be managed by a team leader and an MRM manager that lack those competences, the program will not be successful. How do they view MRM: as a reporting tool only, or as a tool to learn, improve and achieve more impact? Assessment should be done through in depth interviews and possibly assessment tests. The SDC procurement system does not allow for such assessments at present, so the program manager must be creative.
- Proponents that have limited experience complying with the DCED Standard (as an implementing organisation) can still qualify if they address their potential weaknesses in the proposal (more backstopping, more training, more coaching). A realistic plan can be more convincing than only a reference to previous experiences.
- The list above should form the basis for the assessment. A few (MRM-related) considerations to consider when assessing the proposals below.

What

Questions

Does the proposal reflect a

- Does the proposal reflect a true understanding of the

<p>true understanding of the MRM system?</p>	<p>MRM principles? Is it a context-specific proposal incorporating program specific MRM aspects? Or is the proposal written by professional proposal writers using buzzwords?</p>
<p>Is the proposal realistic and ambitious?</p>	<ul style="list-style-type: none"> • Are the deliverables realistic, or do they try to 'sell' by promising too much? Are the targets taking into account attribution? Is the number of planned interventions realistic and in line with the available resources and time line? • Is the MRM system the most appropriate? Did they balance between 'should know' and 'no need to know'? Did they make choices: 'what can be measured' and 'what must be measured'?
<p>Process or product oriented?</p>	<ul style="list-style-type: none"> • Are they merely presenting a number of products (sector assessments, sector strategies, intervention plans, baseline surveys, impact assessments, etc.) or do they describe thoroughly a number of processes (principles, stages, conditions, involvements, implications) that they will define in more detail in the inception phase? • Is the proposal a blue print presented by planners presumably ready to be implemented, or is the proposal a realistic work plan developed by searchers who build the program capacity to implement, learn and achieve results?⁴

Phase 4 and 5: Inception phase - resulting in a program document (4) and credit proposal (5)

- The inception phase is crucial for laying the foundation for the program and it's MRM system. The tender document included a plan that sketched what the implementing agency would do (and how) during the inception phase. This plans needs to be further operationalized and implemented during the (short) inception period, resulting in a project document and credit proposal, to ensure that the implementing partner is ready to start the implementation.
- *How do I ensure that the program implementing agency uses the inception period to our maximum benefit? What do I need to request for, what do I need to do? When should I be informed, when should I be involved, what needs my approval, and when not?*
- Below an overview of what needs to be done, why and how; what the implementing agency should do, and what the SDC program manager needs to do.
- At the end of the inception phase the program should have:
 - Appropriate sector analyses and sound strategies for the initially selected sectors
 - Guidance on how the program designs, implements and reviews interventions
 - A logframe with realistic targets (or a plan for making projections and adjusting it)
 - An operational MRM system, with sufficient guidance reflected in the MRM manual

⁴ Reference is made to Easterly's articles on 'planners versus searchers'

- Able staff members and an appropriate capacity building plan.
- Clear and agreed understanding about the roles and responsibilities of the SDC program manager and the implementing agency.

What	Why	How
Screening and selection of sectors.	To ensure a practical selection process to identify the potential sectors to achieve results.	<ul style="list-style-type: none"> • Discuss the proposal in the tender document and agree on your involvement in the process (be involved - be informed - approve). • Be involved in - and approve - the sector selection.
Sector analyses and strategy formulation.	To ensure an appropriate practical analysis that leads to strategic decisions.	<ul style="list-style-type: none"> • Request a work plan that specifies how the sector analyses are done (what, why, who, how and when for each cluster of research), how the strategy is formulated (who, when, how and why) and how that information will be structured in the report. • Discuss the proposal and agree on your involvement in the process (informed – involved – approves). • Be involved in - and approve - the sector strategies and sector results chains.
Intervention design and management principles.	To ensure a common understanding with and within the implementing agency	<ul style="list-style-type: none"> • Request, discuss and approve a guidance note that specifies how the implementing agency will search for partners and interventions, how they screen potential partners, how they will form partnerships, and what they will (not) do and will (not) finance during the intervention (criteria, process).
Developing projections for the selected sectors	To define realistic targets for the headline indicators and matching targets and resources.	<ul style="list-style-type: none"> • Discuss and agree how and when projections will be made for the impact indicators, that are to be based upon the sector strategies and project resources, and discuss and agree how and when they will be reviewed. • Agree and if need adjust be the logframe indicators and targets
Designing the MRM system	To set the parameters of the MRM system; what should it do and how much may that cost.	<ul style="list-style-type: none"> • Define, discuss and agree on what needs to be measured; the impact indicators and other key aggregatable indicators, as well as qualitative indicators that are necessary to understand the results and assess the likelihood of sustainability. • Define, discuss and agree on how these indicators will be monitored, measured, aggregated and reported (rigor, frequency, reporting formats) • Define, discuss and agree on the necessary human and financial resources to be allocated to MRM.
Developing the MRM system	The MRM system defines also staffing needs and the	<ul style="list-style-type: none"> • Discuss with the team leader how (s)he will drive the MRM process, its integration and using MRM for management decisions. How to create a culture of

	intervention design process	learning? <ul style="list-style-type: none"> Request, discuss and approve the outline of the manual that will describe the MRM system; monitoring and assessing impact process, staff roles and responsibilities, process for reviewing interventions and strategies, the aggregation system, reporting and document flow. Request, discuss and approve the MRM manual (to be completed at the end of the inception phase)
Developing the capacity to implement the MRM system	Staff members make the system work: hiring and coaching is key to success.	<ul style="list-style-type: none"> Request, discuss and approve staff profiles for key positions based upon competencies Discuss and approve the recruitment procedures⁵ Request, discuss and approve a staff development plan that outlines how staff will be trained and coached (in MRM). Provide a non-objection statement for proposed staff members.
Roles and responsibilities of the implementing agency and SDC program manager.	Create the conditions for steering the implementing agency.	<ul style="list-style-type: none"> Discuss and agree for each strategic management decision whether or not the SDC program manager needs to be consulted, informed, involved or needs to approve decisions. Operational management remains the responsibility of the implementer and is excluded from that list of decisions. Discuss and agree on when and how the above will be done in practice (process, products, timing).

Phase 6: Steering and monitoring the program – implementation phase

- The project document has laid the foundation for the project operations, including the MRM system. During the implementation phase, the MRM system will need to be tested, reviewed, and adjusted. The program needs to ensure it designs and maintains a healthy MRM system that continues to meet the design specifications.
- How do I ensure that the program implementing agency uses our resources to our maximum benefit? What do I need to do? What should I be assessing? What needs to be reviewed over time?*
- Below an overview of what needs to be done, why and how; what the implementing agency should do, and what the SDC program manager needs to do. These can be summarised as:
 - Ensuring that the program effectively reviews its interventions and strategies
 - Ensuring that planning and reporting focuses on results
 - Ensuring there is a functional MRM system that is being used for management decisions
 - Ensuring that the relationship between the implementation agency and the SDC program manager supports contributes to better program performance

⁵ It is more effective not to request for proposed candidates for all positions in the tender phase; there is insufficient time and that time is better spent to identify candidates for key positions only.

What	Why	How
Reviewing the portfolio of sectors and interventions	Be involved at crucial events, refrain from interfering at operational levels	<ul style="list-style-type: none"> • Discuss the periodic sector strategy reviews and assess the effectiveness of these reviews, do not repeat the review itself. • Discuss and approve changes in the portfolio of sectors and sector strategies • Ensure that the implications of the changes are presented (projections and resources).
Planning and reporting	To ensure program resources are used to achieve most impact	<ul style="list-style-type: none"> • Request, discuss and approve Yearly Operational Plans that include an overview of the projected results and allocated resources per sector • Request, discuss and approve annual reports that present the achieved results (using qualitative and quantitative indicators) along side the intervention costs, aggregated per sector.
Testing and maintaining a functional MRM system	To assess if the MRM functions as designed	<ul style="list-style-type: none"> • Discuss and assess if the system functions as planned: does planning lead to better implementation, is MRM truly integrated, is MRM efficient, are intervention and sector reviews effective, is the program learning from implementation? Assess and discuss if the MRM assessment indicates the need for (more) external support from MRM specialists, and if so, support this. • Ensure that the MRM system is reviewed internally at least once per year, and if need be adjusted, including changes in processes, products and staff positions. • Request for formal audits by the DCED: a system-in-place audit within one year, a system-in-use audit in the second or third year, depending on when impact at target beneficiary level is expected to be measured. Discuss the audit reports and ensure the recommendations will lead to an improved MRM system.
Manage the relationship between the implementing agency and SDC program manager	To ensure that learning takes place and leads to better results	<ul style="list-style-type: none"> • Meet regularly at the program implementing agency's office. Regularly can be anything between fortnightly and quarterly, is driven by the need to discuss, and is likely to be more intensive at the start and less intensive afterwards. The issues to be discussed are those mentioned above and are related to strategic management. The objective of these meetings is to have a better understanding of the challenges of the program. • Ensure the reporting meets the quality and time requirements of the SDC as agreed during the

inception phase. Review periodic and other thematic reports and give (preferably verbal) feedback to the implementing agency.

- Respect and if need be adjust the partnership tasks and processes. Probably over time trust is being gained and steering can be more at arms' length during the later stages of the implementation phase.
- Create an open atmosphere that stimulates dialogue and learning from each other. Focus on processes, not activities and products. Put issues on the agenda for discussion; don't give instructions how to solve it.
- Be a role model: use MRM tools to discuss progress, e.g. discuss interventions using their results chains. When reviewing distinguish between facts, analyses, decision and learning in the discussion.

Phase 7 Evaluation

- The program needs to be evaluated on the OECD⁶ criteria. The evaluation should inform SDC with sufficient information about the program performance in the present phase to design the next phase, or not.
- *How do I ensure that the program is evaluated on relevance, effectiveness, efficiency, impact and sustainability, making optimal use of the outputs produced by the MRM system?*
- Below an overview of what needs to be done, why and how.

What	Why	How
Define the objectives and processes	To inform the evaluators on the program and the MRM system	<ul style="list-style-type: none"> • Develop the terms of references, specifying that the evaluation needs to make optimal use of the MRM system output (impact assessments, sector reviews, etc.) and should not attempt to 'repeat' them. • Ensure that the evaluators are informed about the program, the MRM system, and of the program documentation that is available to them. Ensure they review the DCED audit report, and don't assess the MRM system (that the DCED audit has done) • Ensure that the report includes an assessment that leads to learning; what worked, what didn't and why (not), and how that learning is to be used in the program (when continued).

Phase 8: Preparing for the next phase

⁶ The Organisation for Economic Co-operation and Development (OECD)

- If there is going to be a new phase this needs to be decided early enough (one year before the ending of the present phase) to ensure that program doesn't suffer from uncertainty. Uncertainty leads to putting operations on hold and risks that staff resigns, setting the program back if and when the next phase starts.
- *How do I ensure that the next phase will make maximum use of the lessons learned in the present phase? How do I ensure that the present MRM system remains appropriate in the next phase?*
- Below an overview of what needs to be done, why and how

What	Why	How
Inventory of program-wide lessons learned	To create a common understanding of what works, what not, and why, and how that learning will be used.	<ul style="list-style-type: none"> • Provide guidance to, and be involved in, the development of the end-of-project document and ensure that during this process the program performance is assessed (using the previous evaluation process and evaluation report).
Define the scope of the new phase	To ensure that the new phase will be appropriate to the present context.	<ul style="list-style-type: none"> • Set the parameters for the new phase based upon the previous phase: theory of change, impact indicators, scale, time frame, portfolio of sectors, and human and financial resources.
Define the MRM system requirements	To ensure that the present MRM system will be appropriate in the new phase.	<ul style="list-style-type: none"> • Assess if and how the present MRM system needs to be adjusted to be able to perform in the new phase (processes, resources, responsibilities, etc.)