Katalyst’s Monitoring and Results Measurement System

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DCED Seminar on Trends and Results in PSD
Session 4, Tuesday 17 January 2012
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2. Overview of the MRM System
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1. Katalyst: the project
## Katalyst: the project

<table>
<thead>
<tr>
<th></th>
<th>Phase I</th>
<th>Phase II</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Donors</strong></td>
<td>DFID</td>
<td>SDC</td>
</tr>
<tr>
<td></td>
<td>SIDA</td>
<td>CIDA</td>
</tr>
<tr>
<td></td>
<td>The Netherlands</td>
<td></td>
</tr>
<tr>
<td><strong>Implementers</strong></td>
<td>Swisscontact, GTZ-IS</td>
<td>Swisscontact, GIZ-IS</td>
</tr>
<tr>
<td><strong>Duration</strong></td>
<td>Oct '02 – 15 Mar '08</td>
<td>16 Mar '08 – 15 Mar '13</td>
</tr>
<tr>
<td><strong>Budget</strong></td>
<td>CHF 26 million (USD 29m)</td>
<td>CHF 51 million (USD 58m)</td>
</tr>
<tr>
<td><strong>Line Ministry</strong></td>
<td>Ministry of Commerce</td>
<td>Ministry of Commerce</td>
</tr>
</tbody>
</table>
## Katalyst: the project

<table>
<thead>
<tr>
<th>Phase II</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Approach</strong></td>
<td>Facilitative market development (M4P)</td>
</tr>
<tr>
<td><strong>Geographic orientation</strong></td>
<td>National</td>
</tr>
<tr>
<td><strong>Current sectors</strong></td>
<td></td>
</tr>
<tr>
<td>(14 sectors already exited)</td>
<td>Maize</td>
</tr>
<tr>
<td></td>
<td>Potato</td>
</tr>
<tr>
<td></td>
<td>Vegetables</td>
</tr>
<tr>
<td></td>
<td>Jute</td>
</tr>
<tr>
<td></td>
<td>Fish</td>
</tr>
<tr>
<td></td>
<td>Prawn</td>
</tr>
<tr>
<td></td>
<td>Furniture</td>
</tr>
<tr>
<td><strong>Goal</strong></td>
<td>USD 280m additional net income for 2.3m farmers and MSME</td>
</tr>
</tbody>
</table>
# Logframe

<table>
<thead>
<tr>
<th>Narrative Summary</th>
<th>Primary Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goal</strong></td>
<td>By end of 2013, Katalyst has contributed to an accumulated net income increase of USD 280 million for 2.3 million farmers and small businesses, providing full time labour equivalents in employment for 450,000 poor people.</td>
</tr>
<tr>
<td><strong>Purpose</strong></td>
<td>2.3 million farmers and small businesses exhibit changes in production, productivity or price of their products.</td>
</tr>
<tr>
<td><strong>Outcome</strong></td>
<td>4.1 million farmers and small businesses show changes in business practices (skills, efficiency, technology, environment protection, social responsibility). 2/3 of the 15,000 service providers addressed directly or indirectly by Katalyst show a significant and sustainable change in performance, innovation, capacity, relationships and/or investments.</td>
</tr>
<tr>
<td><strong>Outputs</strong></td>
<td>At least 70% of the 80 relevant services promoted by Katalyst will continue to be delivered to farmers and small businesses 1 year after terminating project support.</td>
</tr>
</tbody>
</table>
Defining pro-poor market focus

**Pro-poor potential?**
High numbers of poor or disadvantaged groups
(poor close to markets: producers, workers, consumers)

**Pro-poor growth potential?**
“Stepping up” (productivity/market share)
“Stepping out” (new markets, jobs, opportunities)

**Pro-poor intervention potential?**
Feasibility of stimulating systemic market change
Challenges: size

- 1 portfolio
- ~ 30 sectors
- ~ 70 intervention areas
- > 200 interventions (~ 80 active)
2. Overview of the MRM System
The Monitoring and Results Measurement System

Log frame

**GOAL**
Net income increase

**PURPOSE**
Competitiveness

**OUTCOME**
System change

**OUTPUT**
Services, Rules

**ACTIVITIES**

- Employment, Income
- Productivity
- Market system impact
- Systemic Changes
- Interventions

- Enterprise Income
- Costs, Quality, Volume
- Use of Practices
- Access to Services
- SMEs Awareness
- Partners Capacities
- Facilitation

**EXTERNAL**
Impact assessment
- Case study
- Regular reports
- Aggregation
- Sector review meetings
- Comprehensive Sector Strategy
- Intervention report
- Intervention plan
- Concept note

**INTERNAL**
Interim assessment
What it needs – the costs of good management

1 Director, 2 Group Managers, 8 staff

External inputs

Approximately 6-8% of financial resources

Estimated 15% of human resources

June 2010-11: 39 impact assessments, 16 studies
# MRM Processes & Documents

<table>
<thead>
<tr>
<th>Process</th>
<th>Documents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehensive Sector Strategy</td>
<td>CSS: Sector study + constraint analysis, Sector logic</td>
</tr>
<tr>
<td>Concept Note</td>
<td>CN: Intervention ideas, Proposal</td>
</tr>
<tr>
<td>Intervention Plan</td>
<td>IP: Partner identification, Planning</td>
</tr>
<tr>
<td>Sector Review</td>
<td>SRM: Implementation, Monitoring</td>
</tr>
<tr>
<td>Meetings</td>
<td>IIR: Field study, Early sign of impact</td>
</tr>
<tr>
<td>Interim Intervention Report</td>
<td>IA: Impact Study after 1 year, Impact study after 2 years</td>
</tr>
<tr>
<td>Impact Assessment</td>
<td>IR: Review experiences and data, Case studies</td>
</tr>
</tbody>
</table>

- Raising data of target groups, First projections, Detail projections per intervention, Baseline study *
- Revise projections *, Precise projections *
- Impact data *
- *) aggregating data considering overlaps
3. Research and Measurements

- Impact and Outreach
- Poverty Profiles
- Program Costs
- Employment
- Gender
- Systemic Changes
Impact and Outreach

Not feasible with 200 interventions

Statistical Significant Sample Size?

Incorporating Qualitative Aspects
Monitoring Pre-Impact
Triangulation of Information
Impact and Outreach

- Quantitative & Qualitative Information
- Questionnaire Pretesting

**Sampling:**
- Locations
  - Stratified
    - Proportionate
    - Disproportionate

Respondents within a Location
- Service Providers: Purposive & Snowball
- Farmers & mSMEs’: Snowball
## Impact and Outreach

<table>
<thead>
<tr>
<th>Sector</th>
<th>Locations</th>
<th>Sample Size</th>
<th>Type of Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural Distribution</td>
<td>9 Sub-districts</td>
<td>108 Treatment 80 Control</td>
<td>Intervention Baseline</td>
</tr>
<tr>
<td>Seed</td>
<td>18 Sub-districts</td>
<td>150 Treatment 150 Control</td>
<td>Intervention Baseline</td>
</tr>
<tr>
<td>ICT</td>
<td>20 Sub-districts</td>
<td>800 Treatment 200 Control</td>
<td>Intervention Impact Assessment</td>
</tr>
<tr>
<td>Packaging</td>
<td>10 Sub-districts</td>
<td>500 Samples</td>
<td>Intervention Impact Assessment</td>
</tr>
</tbody>
</table>

There are around 500 Sub-districts in Bangladesh.
Research Methodology: Difference in Difference

<table>
<thead>
<tr>
<th>Income</th>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Treatment</td>
<td>Control</td>
</tr>
</tbody>
</table>
Research Methodology: Difference in Difference

Difference Observed after intervention

Difference-in-Difference

Difference Observed before Intervention
Overlaps

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

Outreach Contribution of the fertilizer sector
## Aggregation in practice: results

<table>
<thead>
<tr>
<th>Phase projection (unadjusted total)</th>
<th>Farmers and MSME: 2,397,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase projection (adjusted for overlap)</td>
<td>1,827,000</td>
</tr>
<tr>
<td>Achieved June 2011 (aggregated)</td>
<td>1,033,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Phase projection</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase projection</td>
<td>255m – 320m</td>
</tr>
<tr>
<td>Achieved June 2011 (aggregated)</td>
<td>133m</td>
</tr>
</tbody>
</table>
All indicators on the national household survey are ranked according to how strongly they predict poverty levels. The full list of 400-1000 indicators is narrowed to the 100 most powerful ones.

Using both statistics and expert judgment, a 10 indicator scorecard is constructed.

Each possible response is assigned point value based on the original national survey responses. The total score (summing from 0 to 100) is then linked to probabilities of falling above or below the poverty lines.

Credits: Grameen Foundation
Program Costs

Type of information from accounting:

• Direct expenditures per sector (contracts)
• Project costs attributable to groups: broken down to sectors
• General overhead costs: distributed proportionally according to personnel costs per sector
## Program Costs

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Sector cost as % of total cost</th>
<th>Ranking according costs</th>
<th>Incremental for Period XY: 'X' to 'Y'</th>
<th>Sector cost as % of total cost</th>
<th>Ranking according costs</th>
<th>Cumulative Till Time Point 'Y'</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural Supply Chain</td>
<td>1.7%</td>
<td>4</td>
<td>0.9%</td>
<td>1</td>
<td>Highest</td>
<td>Highest</td>
</tr>
<tr>
<td>Rural Distribution</td>
<td>1.0%</td>
<td>2</td>
<td>1.9%</td>
<td>3</td>
<td>Highest</td>
<td>Highest</td>
</tr>
<tr>
<td>Jute</td>
<td>2.5%</td>
<td>5</td>
<td>2.5%</td>
<td>4</td>
<td>Highest</td>
<td>Highest</td>
</tr>
<tr>
<td>Pvt. Healthcare</td>
<td>1.2%</td>
<td>3</td>
<td>3.5%</td>
<td>6</td>
<td>Highest</td>
<td>Highest</td>
</tr>
<tr>
<td>Tourism</td>
<td>5.4%</td>
<td>11</td>
<td>3.8%</td>
<td>7</td>
<td>Highest</td>
<td>Highest</td>
</tr>
<tr>
<td>Irrigation</td>
<td>3.9%</td>
<td>8</td>
<td>4.0%</td>
<td>8</td>
<td>Highest</td>
<td>Highest</td>
</tr>
<tr>
<td>Packaging</td>
<td>5.3%</td>
<td>10</td>
<td>4.3%</td>
<td>9</td>
<td>Highest</td>
<td>Highest</td>
</tr>
<tr>
<td>Maize</td>
<td>6.7%</td>
<td>15</td>
<td>5.4%</td>
<td>10</td>
<td>Highest</td>
<td>Highest</td>
</tr>
<tr>
<td>Furniture</td>
<td>7.0%</td>
<td>16</td>
<td>5.5%</td>
<td>11</td>
<td>Highest</td>
<td>Highest</td>
</tr>
<tr>
<td>Seed</td>
<td>3.6%</td>
<td>7</td>
<td>6.1%</td>
<td>12</td>
<td>Highest</td>
<td>Highest</td>
</tr>
</tbody>
</table>

**Ranking according costs:**

- Highest
- Lowest

**Cumulative Till Time Point 'Y':**

- Highest
- Lowest

**Incremental for Period XY: 'X' to 'Y':**

- Highest
- Lowest

**Sector cost as % of total cost:**

- Rural Supply Chain: 1.7%
- Rural Distribution: 1.0%
- Jute: 2.5%
- Pvt. Healthcare: 1.2%
- Tourism: 5.4%
- Irrigation: 3.9%
- Packaging: 5.3%
- Maize: 6.7%
- Furniture: 7.0%
- Seed: 3.6%
Employment Effects

• Along the value chains
• Selection of value chain part
• Breakdown in specific tasks
• Multiplier study

• In the wider economy
For measuring impact pertaining to gender, Katalyst categorizes interventions in 3 different categories:

• Category 1: Interventions where the primary outreach is male, how female household members benefit as a result of their male counterpart’s benefit.

• Category 2: Interventions where there is female participation, because of their traditional role in the sector.

• Category 3: Interventions which are piloted to include female participation in non-traditional roles.
Systemic Change

At the heart of M4P!

Crucial to achieve scale and sustainability!
Assessing progress to systemic change

- **SUSTAINABILITY**
  - independent tailoring, investment

- **ADOPT**
  - initial 'innovation' → buy-in, viability

- **ADAPT**

- **RESPOND**
  - functions, rules and interconnected markets crowd in (depth)

- **EXPAND**
  - other players, areas or sectors crowd in (breadth)

- **SCALE**
### Systemic Change: Example

**Adopt**
- LTSL incorporated 4 of the trained MSVs as dealers and 14 of them as sub-dealers who are continuing to sell quality seed in their own shops.
- LTSL increases their MSV network in other regions.
- LTSL increases information booths in other areas.
- LTSL increases their coverage with more mini packets.

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**Adopt**
- LTSL built capacity of 55 MSVs in identification and usage of quality seed, and later involved them in demonstrations and field days through 219 resource farmers, in the presence of opinion leaders. 6 workshops and 540 community meetings were arranged to promote the use of quality seed where the MSVs and resource farmers were involved (13550 marginal farmers were informed about proper cultivation techniques).
- The new channel helped LTSL to sell 2250 kgs of vegetable seed and 27 MT Hybrid rice seed in 2008-09.
- LTSL setup 4 information booths for farmers in local *boots (where seeds are sold)* in Bogra and Rangpur.
- LTSL and ARM introduced *mini packs* of quality seed in order to reach additional small and medium farmers; LTSL trained X distribution channel actors in X community meetings and Y homestead demos. ARM involved X lead farmers in their distribution channel.

**Respond**
- Other companies utilize MSVs for selling seeds.
- Other companies use information booths to give info to farmers and promote their seeds.
- Other companies launch mini packets of quality seeds.

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**Expand**
-...
Thank you