

Introducing a global MRM System in an Implementing Organization

An Experience Report

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INTRODUCTION

Since the beginning of the new millennium, the pressure from various donors has increased to show quantitative evidence that development aid creates value for money. With the emergence of comprehensive market development programs in the early 2000's, the demand for adaptive management of projects in dynamic markets increased. Under these premises, The Donor Committee for Enterprise Development DCED established a working group which started a process to define good practices for Results Measurement. This effort resulted in the launch of a unique standard in 2008, applicable to a wide range of projects, in the following named the DCED Standard.

This report details how Swisscontact successfully built up a comprehensive system of results measurement aligned with the DCED Standard for Results Measurement during the last years, allowing to learn, adapt and optimize project interventions and to present quantitative and qualitative achievements to its donors and the public.

THE DCED STANDARD FOR RESULTS MEASUREMENT

The DCED Standard is a popular framework that adds value when working in complex, rapidly changing environments.

The core elements are impact logics/results chains for each intervention, quantitative and qualitative indicators for each step of the results chain, measurement plans with suitable attribution strategies and measurement methods for all indicators and approaches to capture systemic changes in terms of sustainability and scale. It stresses the use of measured results in management decision making.

The credibility of reported results depends on the quality of results measurement. Projects can be audited on compliance with the DCED standard based mainly on documentation, the criteria are transparent.





A SHORT CHRONOLOGY: SWISSCONTACT'S ROAD TO A GLOBAL MRM SYSTEM

In April 2000, Swisscontact started a Business Development Services (BDS) project in Bangladesh commissioned by SDC. The former British UKAid joined SDC as donor and the project was converted into a Market Systems Development Program with Swisscontact and GIZ-IS as implementing consortium. This project was branded as “Katalyst” and ran from April 2003 until March 2018.

Katalyst became a laboratory for designing and testing approaches among others for monitoring and results measurement (MRM). In October 2003, a concept for analysing markets and measuring results was adopted by the donors of the project. This was the starting point for the development and putting into practice of a comprehensive MRM-framework which reached its maturity in Katalyst's second phase (2008-2013). MRM consultants also engaged in the DCED Working Group for Results Measurement and contributed at various stages to ensure the transfer of experiences from and to Working Group. Of course, already in earlier years, results were measured in projects of Swisscontact according to their specific needs. Since the early 1990's, templates were in use for consolidating outputs and outcomes of the different projects. Katalyst showed that the DCED Standard was suitable to consolidate not only outcomes but also impacts of different interventions, sectors and even approaches. This led to the decision by Swisscontact's management in 2012, to set up a system for Monitoring and Results Measurement (MRM) aligned with the DCED Standard, first for Swisscontact's own projects within its Development Program, co-financed by SDC, then for mandates interested and ready to apply the MRM system, aggregating impacts on organisational level.

The MRM system was set-up in 2013 as an investment project of the Development Program of four years, the basic set-up was as following: projects were supported by regional MRM advisors until they could run an appropriate MRM-system on their own.

All projects had to include the necessary resources (internal MRM officers, tools, measurement activities, support by advisors and possible audits) in their planning. The advisors in turn were supported by a coordinator at Head Office through trainings, regularly updated MRM-guidelines and a platform for virtual exchanges and tools (Community of Practice).

To date the MRM framework developed by Swisscontact has become general requirement for project implementation by Swisscontact and is applied in almost all projects. Since 2013, statements with consolidation of quantitative data on organization level are being created for Swisscontact's annual report. With the years, more complete and reliable data could be integrated. In 2018, a web-based tool was created, where projects can enter their data and automatically a set of graphics displays different interpretations of the data, for internal controlling as well as for external reporting.

Katalyst

Katalyst is considered to be one of the most successful market development projects. During 2002 and 2018 the Katalyst project benefited 4,75 million SMEs and farmers with an income increase of USD 724 million through access to better services, more advanced technology, higher quality inputs, and more effective representation.

The project was funded by different donors over time with the main donor consortium always consisted of SDC and UKAid, joined at different times by SIDA, CIDA, EKN and DANIDA. Throughout the duration of the project, the Ministry of Commerce (MoC) of the Government of Bangladesh partnered these donors and provided the project with consistent and valuable support.

<https://www.swisscontact.org/en/projects/katalyst>



REQUIREMENTS TO SET UP A GLOBAL MRM SYSTEM

1. RESOURCES

Given the decentralised location and the number of projects – around 100 – it was clear from the beginning that implementation of a coherent MRM-system across all projects could not be handled by a Head Office team nor in a short time. Therefore, MRM advisors were recruited in each region coordinated by Head Office, and in each project, resources were assigned for MRM: as a rule of thumb, one full-time position per one million Swiss Francs of annual project budget. Experience shows that a budget for MRM (including staff costs) within a range of 5 to 10% of the annual project volume is reasonable. Efficiency can be increased by combining data collection and measurements across different interventions. Therefore, in large projects with many interventions the percentage of MRM costs is usually somewhat lower than in small projects.

2. STRATEGIC CLARITY ON OBJECTIVES

This points to a very important condition for a comprehensive MRM-system: strategic clarity on objectives and approaches is needed on every level. Working groups elaborated the basic logics (theories of changes) for the various types of projects and then the common indicators. The MRM advisors were either actively involved or continuously informed on this work: they had to know about the underlying logics of the projects to be able to support the project teams. The crucial step in the MRM framework aligned with the DCED Standard is to establish convincing results chains for each intervention and it is one of the very crucial tasks of an MRM advisor/coach to guide the project team towards a convincing logic.

3. ADVISORS WITH FACILITATIVE SKILLS

This points to the profile of the MRM-advisors which is quite demanding: they should be familiar with and interested in social research, know about basic statistics, data management and processing, able and motivated to provide consulting and training services, knowledgeable of approaches applied by Swisscontact. An MRM advisor has to be familiar with a systemic/facilitative project approach in different areas and must be capable to moderate the elaboration of the elements by the project team. This combination is rather rare and from the beginning therefore a continuous capacity development was foreseen consisting of regular external and internal trainings, virtual discussions, and a Community of Practice.

4. TECHNICAL KNOWLEDGE

A quick start of the organization-wide implementation was possible due to the work done in some key projects such as Katalyst: examples, training programs, documentation, processes were readily available with little adaptations. The common technical knowledge was integrated in internal MRM-guidelines which have been updated regularly and are available in a didactical and modular form in English, Spanish and French. Familiarization of new staff with Swisscontact's MRM-system has been an ongoing task on regional level for local staff and at Head Office for international and head office staff. Nowadays, a briefing on MRM is an integral part of the onboarding process of all new staff. Sound technical knowledge will also help to take the right decisions on the measurement related level of rigour and effort appropriate for each case. These decisions are influenced by the demand from donors and the available resources. In general, a rigorousness to allow a steering of the project and to provide credible evidence of impact is strived for. A systematic MRM does not only draw from knowledge but does also produce knowledge. Particularly in complex and innovative projects, new insights are gained by a careful MRM.

SUCCESS FACTORS TO SET UP A GLOBAL MRM SYSTEM

1. TOP LEADERSHIP SUPPORT

The presentation of quantitative results in projects such as Katalyst convinced the top management of Swisscontact that the result of Swisscontact's work could be illustrated also through key indicators. The management of Swisscontact also recognized that in competitive biddings the reference to a solid MRM that guarantees quality project implementation and adaptive management is an asset. Furthermore, it was recognized that robust results provide a valuable input into a controlling system, where value for money would be an important element, which in turn would be again a strong argument to donors. The acknowledgment that an internal standard for MRM was required and that the DCED Standard provided a practical framework resulted in a strong leadership support by the Management Team of Swisscontact. It was articulated through internal directions and the allocation of resources in the annual budgets.

2. PROJECT MANAGERS BUY-IN

With the decision of the top management to invest in the area of MRM, Project Managers had to be convinced. In some projects, resources were their concern, particularly where donors were not interested. Also, the time to prepare interventions was sometimes felt to slow down implementation activities. It occasionally also required a change in management style, towards decisions based on results that involve implementation as well as MRM-staff. To get the project managers on board it was important to highlight the benefits for steering and project performance by colleagues who already used the system. In all annual regional seminars, a session on MRM was integrated, where experiences with the MRM framework were shared. Finally, the focus was on rather young projects, where processes and instruments were not yet rigidly established.

3. DCED (PRE-)AUDITS

Important opportunities for learning were the pre-audits and full audits for compliance with the DCED Standard: primarily for the staff of the audited projects but also for advisors and similar projects. In most cases they were conducted by external auditors/consultants ensuring an independent view and potentially fresh inputs. They are a useful tool to motivate project staff and management also in rather small projects, where it showed that even with limited resources a good compliance with the DCED Standard can be achieved.





VALUE AND BENEFITS OF A GLOBAL MRM SYSTEMS

1. ON PROJECT LEVEL

The more robust and timely available results allowed better decisions, and the joint elaboration of intervention logics and indicators with the implementation team strengthened the participation and acceptance of decisions. The project management became more adaptive to the dynamic environment and could consider early signs of changes before a heavy external evaluation showed the achievements of objectives of the project. The complete documentation facilitated the re-construction of earlier decisions and made discussions rather based on facts than on perceptions. The exchange of project logics and results among projects benefitted new projects and deepened the mutual learning process above all in choosing a good approach.

2. FOR THE ORGANISATION

Communication of the achievements of projects became easier and confidence on the robustness of project results had increased. The aggregation of results allowed to show potential donors and the interested public an overall value for money. Qualitative results and success stories could be complemented by reliable figures. The standardized MRM-system helped to reduce inception processes such as training of personnel and discussions about the right approaches, hence increasing the efficiency of a project. Whereas other approaches to measurement might be more thorough but less practical, Swisscontact's experience confirms Voltaire's statement that "the perfect is the enemy of the good". A suitable knowledge management definitely helps to increase adoption and learning and increases the efficiency of MRM within an organisation.

3. TOWARDS DONORS

At external monitoring and evaluations, the provision of systematically collected results helped in the dialogue with the evaluators and donors. Discussions were less based on "gut feelings" or sympathies for certain topics but rather on jointly established logics, outcomes and impact. Showing the ability to implement a robust MRM helped in the positioning among donors and supported Swisscontact's reputation as a result oriented and able implementer. This was underpinned by Swisscontact projects achieving high scores in DCED audits, such as recently in 2020 for our [Promoting Private Sector Employment \(PPSE\) programme in Kosovo](#): a medium-sized MSD project scoring 97% in MUST and 94% in RECOMMENDED criteria.

Finally, robust results are important for donors to show their constituencies reliable impact of their projects. The Swiss Federal Audit Office (SFAO) audited the use of federal funds by Swisscontact and stated in January 2020: "SC's approach to managing and measuring results is consistent. This was defined in internal guidelines and was followed in the projects submitted for review. (...) For the projects and sub-projects analysed, the SFAO noted the reliability of the source data both at SC project manager and local partner level. It noted the good traceability of the data used for reports throughout the information chain. The internal and external reports produced by SC with reference to projects, whether at the local, regional or global level, are consistent and transparent."



CONCLUSION

The development and implementation of an MRM system aligned to the DCED Standard across virtually all projects of Swisscontact has proven to be beneficial: for positioning the organisation towards donors, for mutual learning and for steering the projects. In some projects it meant a change of the management style from expert knowledge to participative observation and discussion of results. It remains a continuing task to train and motivate staff to analyse and use the quantitative and qualitative results in a systematic way.

Nowadays MRM is an integral part of project management for Swisscontact with an MRM unit in Switzerland as well as regional advisors and project-based experts in the field. As new approaches, tools and methodologies are continuously evolving, the development and update of Swisscontact's global MRM system is an on-going process that continues to respond to the dynamic environment we are working in.