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Economic Cooperation and Development

A Primer
on
Results-Based Management

SECO Economic Cooperation and Development

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Table of Contents

1 MANAGEMENT FOR DEVELOPMENT RESULTS 4

1.1 Background 4

1.2 Fundamentals 5

2 PROJECT/PROGRAMME CYCLE MANAGEMENT (PCM) 7

3 PLANNING 8

3.1 Background 8

3.2 The Logical Framework Approach (LFA) 8

3.3 Logical Framework Matrix 10

4 FROM PLANNING TO IMPLEMENTATION 13

5 MONITORING AND REPORTING 15

5.1 Monitoring – Keeping in Touch with Reality 15

5.2 Indicators - The Foundation of Monitoring 16

5.3 Trends, Contribution and Attribution 17

5.4 Reporting – With Focus on Outcomes 19

6 EVALUATION 20

7 BIBLIOGRAPHY 22

7.1 Documents of SECO 22

7.2 Other development agencies documents 22

8 CASE STUDY: LOGFRAME MATRIX AND INDICATORS 23

Table of Figures

Figure 1: The Results chain 5
Figure 2: Principles of Results-based management 6
Figure 3: Project/Programme Cycle Management (PCM) at SECO 7
Figure 4: Project/Programme Cycle Management (PCM) 8
Figure 5: Planning with the logframe approach 9
Figure 6: The Logframe Matrix 10
Figure 7: Hierarchy of Objectives 11
Figure 8: Interaction between Logframe and Risk Analysis 12
Figure 9: From Planning to Implementation (and beyond) 13
Figure 10: Yearly Plan of Operation (YPO) 14
Figure 11: Activities schedule 15
Figure 12: Monitoring Table 16
Figure 13: Monitoring Indicators 16
Figure 14: Quality Criteria for Indicators 17
Figure 15: Trend, Contribution and Attribution Analysis 18
Figure 16: Quality Criteria for Annual Reports 19
Figure 17: DAC Evaluation Criteria 21

1 Management for Development Results

1.1 Background

Since the beginning of the 1990s the scope of international cooperation has widened, the levels of intervention have increased, and new modes of cooperation have come to the forefront. At the same time, widespread unease at the sometimes meagre results of aid and relatively ineffective bilateral and multilateral development cooperation has led to calls for improvements in aid effectiveness.

Aid agencies have been challenged to achieve concrete, measurable and sustainable development results. This focus on results is relevant for three reasons. First, it is important that developing countries realise the extent to which external aid can help them change their situation. Second, donor countries and their organisations must know whether the funds they have provided are making lasting improvements that are accountable to the taxpayers and parliaments of the respective donor countries. Third, the focus on results will help organisations to learn from them and eventually improve on the design of future projects and programmes for the benefit of the target groups.

A series of international conferences have been held since 2000 with the aim of converting these calls for greater aid effectiveness into reality. During this process, the international community of donor and developing countries has agreed on three fundamental commitments:

- The **Millennium Development Goals** adopted by the UN General Assembly in 2000, and signed by 150 governments, set the objective to achieve 8 concrete and measurable goals and 21 targets by the year 2015.
- The guiding principles of **Managing for Development Results (MfDR)** in projects, programmes and policies by all actors (i.e. the governments of developing countries, multi- and bilateral funding agencies, as well as NGOs) was endorsed at several conferences and international roundtables (Monterrey 2002; Rome 2003; Marrakech 2004; Hanoi 2007; Accra 2008).
- The 2005 **Paris Declaration on Aid Effectiveness**, in which developing countries, multilateral organisations and donor countries agreed on five basic principles for development aid, created a binding framework and defined a new “international aid architecture”.

The “Paris Declaration on Aid Effectiveness” seeks to improve the effectiveness of development aid at various levels, and commits donor and recipient countries to:

- **Ownership:** Partner countries (developing countries) take control of their development policies and strategies, and coordinate the development measures.
- **Alignment:** Donors align their aid with national development strategies, institutions and procedures.
- **Harmonisation:** Donor countries coordinate their activities and ensure that they are transparent and effective.
- **Managing for development results:** Decision-making processes are improved and resources are managed with the focus on development results.
- **Mutual accountability:** Donors and partners are accountable for development results.

Actors in international development have been called upon to put the principles of the Paris Declaration into practice. This means that the principles of managing aid for results must be applied to the entire cycle of project or programme management. A brief introduction as to

how this can be done – with a particular focus on SECO Economic Cooperation and Development – is given in this script. Despite their being numerous useful concepts and tools for results-based management, this paper only introduces the logical framework approach. The reason for this being that the logical framework remains - at least till now - the most commonly used management tool for the design, monitoring and evaluation of international development projects and programmes.

1.2 Fundamentals

What is Results-based management?

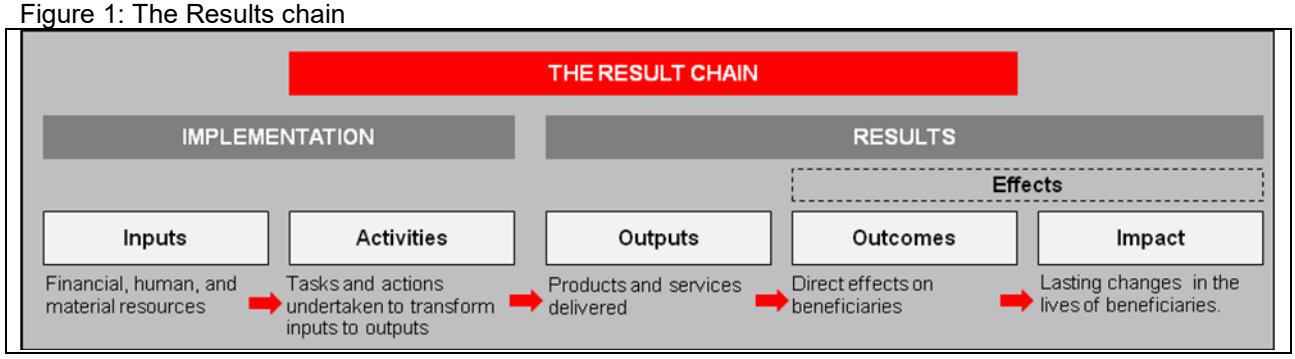
Results-based management is simultaneously (i) a management approach and (ii) a set of tools for strategic planning, monitoring and evaluating as well as for organisational learning and improvement.

Cause and Effect Relationships

At the core of "results based thinking" is the concept of the results chain, a schematic illustration of the intended causal relationships between various elements of an intervention over time (see Figure 1).

The results chain clearly shows the plausible, causal relationships among the elements, while also clarifying the various cyclical processes and feedback loops planners need to be aware of. The basic rationale is to plan from right to left by initially focusing on impacts and intended outcome and then identifying the outputs, activities, and inputs required to achieve them. Tracking performance then goes from left to right, feeding information back to inputs and activities to make necessary adjustments and improvements thus leading to better results.

Figure 1: The Results chain



Focus on Outcomes

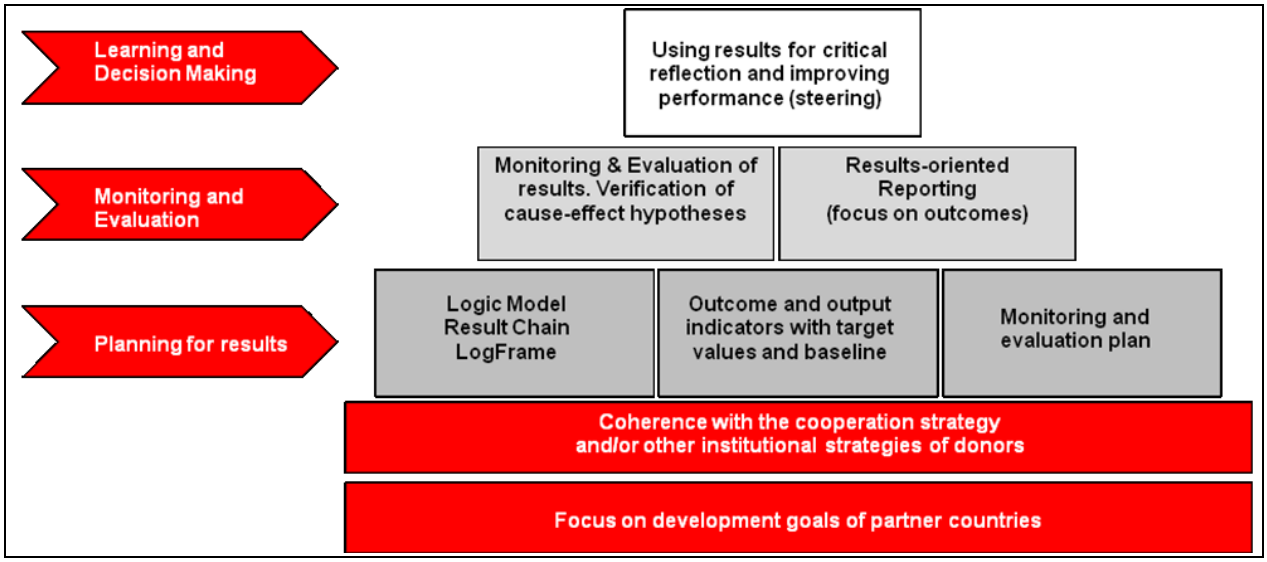
The core of results-based management is its focus on desired outcomes. Outcomes represent the intended and direct effects of an intervention. Enhanced outcome-orientation first of all aims to improve the relevance and effectiveness of aid. Managing for development results hence means going beyond the traditional focus on input delivery and activities and focuses on the achievement of outputs and especially outcomes.

While it is important to have a vision of desired impacts and to include the measured impacts of an intervention in the management cycle wherever possible, this is often not realistic on a daily scale. It is therefore recommended that the focus lies on outcomes during the project implementation, whereas impacts should be included both during project planning and evaluation.

Coherence with development goals and strategies

The basis of results-oriented management is a systematic focus during both planning and implementation on the development goals of the partners and partner countries (see Figure 2). The framework is given by national MDGs, national development plans, sector development policies, PRSP (poverty reduction strategy paper), etc. The donor's cooperation strategy and country programmes should therefore aim for an "alignment" with national and international development goals and form the reference for the results-oriented management of individual projects.

Figure 2: Principles of Results-based management



Planning for Results

The planning of a project and/or programme should use a logic model that presents the hypothetical causal relations between performance (the production and provision of the services and goods, i.e. outputs, which the project/programme delivers) and results at outcome and impact level. Objective and measurable indicators as well as targets for these indicators should be set for outputs, outcomes and impacts. Already during planning a monitoring and evaluation plan has to be set up which defines tasks, methodologies, deadlines and responsibilities for monitoring and evaluation.

Monitoring and Evaluation

There is a continuous monitoring of performance and results with periodic evaluations. This also requires continuous data collection using the identified performance indicators and evaluating them against the set targets. Moreover, a s*ystematic verification of the cause-effect hypotheses* which the logic model is based on is undertaken (see also Chapter 3.3). Report- writing focuses not only on product and service delivery, i.e. outputs, but especially on the outcomes achieved.

Learning and Decision Making

The insights gained from monitoring and evaluation form the basis for the formulation of lessons learned and recommendations for action not only for the following planning period but also for future projects in the same sector.

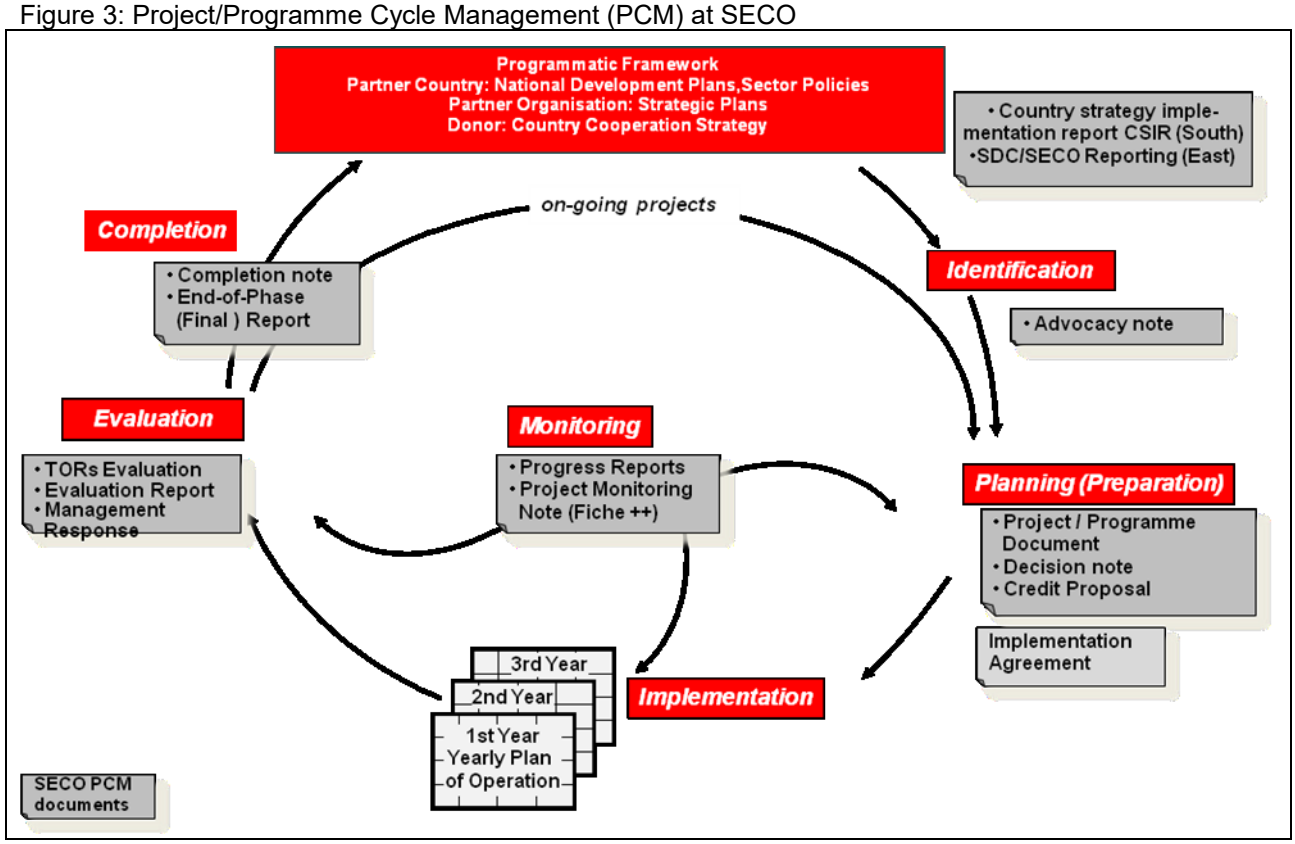
2 Project/Programme Cycle Management (PCM)

PCM is an integrated management system based on an understanding of the cycle of a project or programme. Most development projects will involve specific main phases. A system linking key documents on the basis of a logic model - that has been agreed on and is applied by all partner organisations - allows for effective information and knowledge management throughout the entire project cycle and is a crucial precondition for results-oriented management. PCM defines the following core components for each phase of the project cycle:

- ***Management tasks:*** processes, methods, responsibilities
- ***Actors:*** donors, executing organisation, partners, target groups
- ***Key documents:*** documents for decision-making
- ***Guidelines and quality standards:*** in-house rules and guidelines, as well as reference documents from international organisations.

Even though each organisation defines the core elements of PCM according to its own needs and requirements (e.g. Figure 3 shows the key documents of SECO) the main phases of a project/programme cycle should be similar across most organisations in the field of international development.

Figure 3: Project/Programme Cycle Management (PCM) at SECO



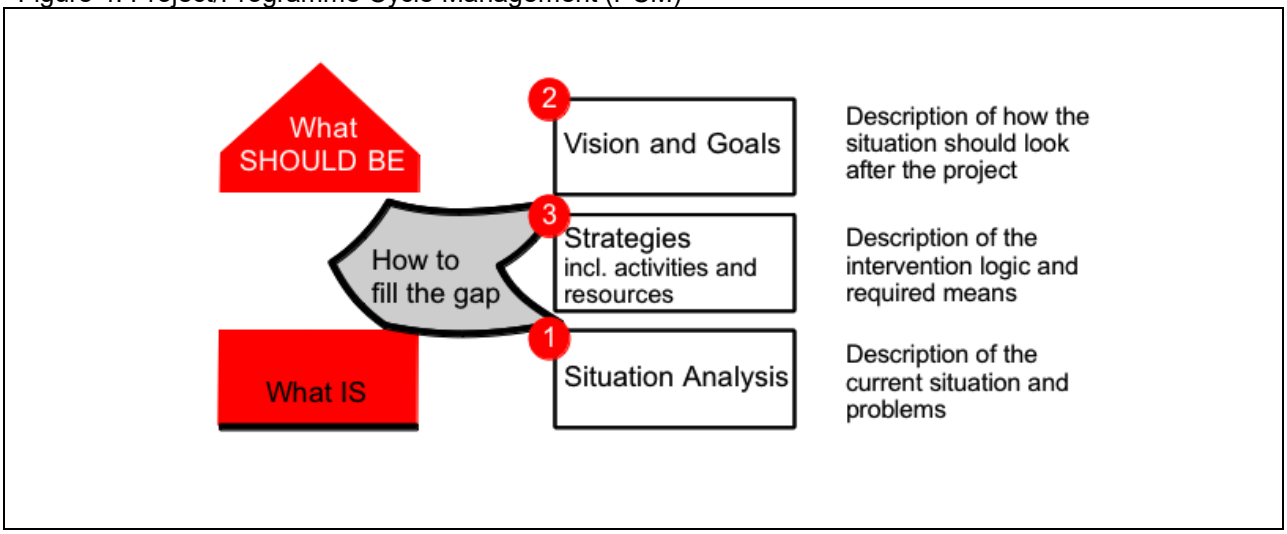
3 Planning

3.1 Background

Development projects (or programmes in the sense of complex projects) are bundles of activities that are oriented towards achieving an objective. They intend to solve specific problems or to improve unsatisfactory situations.

Planning a development project involves looking at the situation as it is now, designing how the situation should look in the future as well the strategy on how to get there. Put in simple terms, project plans always include the three core elements described in Figure 4.

Figure 4: Project/Programme Cycle Management (PCM)



3.2 The Logical Framework Approach (LFA)

The logical framework approach (LFA) is an analytical and management tool, which helps planners and managers to:

- establish a logical hierarchy of means by which objectives will be reached,
- identify the potential risks in achieving objectives, sustainable outcomes and impacts,
- present a summary of the project/programme in a standard format, and
- monitor and review the achievements of a project/programme during implementation and evaluation with pre-defined indicators.

A distinction is usefully made between what is known as the Logical Framework Approach (LFA) and the Logical Framework Matrix. The **approach** involves problem analysis, stakeholder analysis, developing a hierarchy of objectives and selecting a preferred implementation strategy. The product of this analytical approach is the **matrix** (the Logframe), which summarises

- what the project intends to do,
- what is the project's theory of causality in achieving certain development results, what the key assumptions are, and
- how outputs and outcomes will be monitored and evaluated.

Two main stages of LFA: Analysis and Planning

Drawing up a Logframe has two main stages: analysis and planning. These are carried out progressively during the identification and formulation phases of the project cycle:

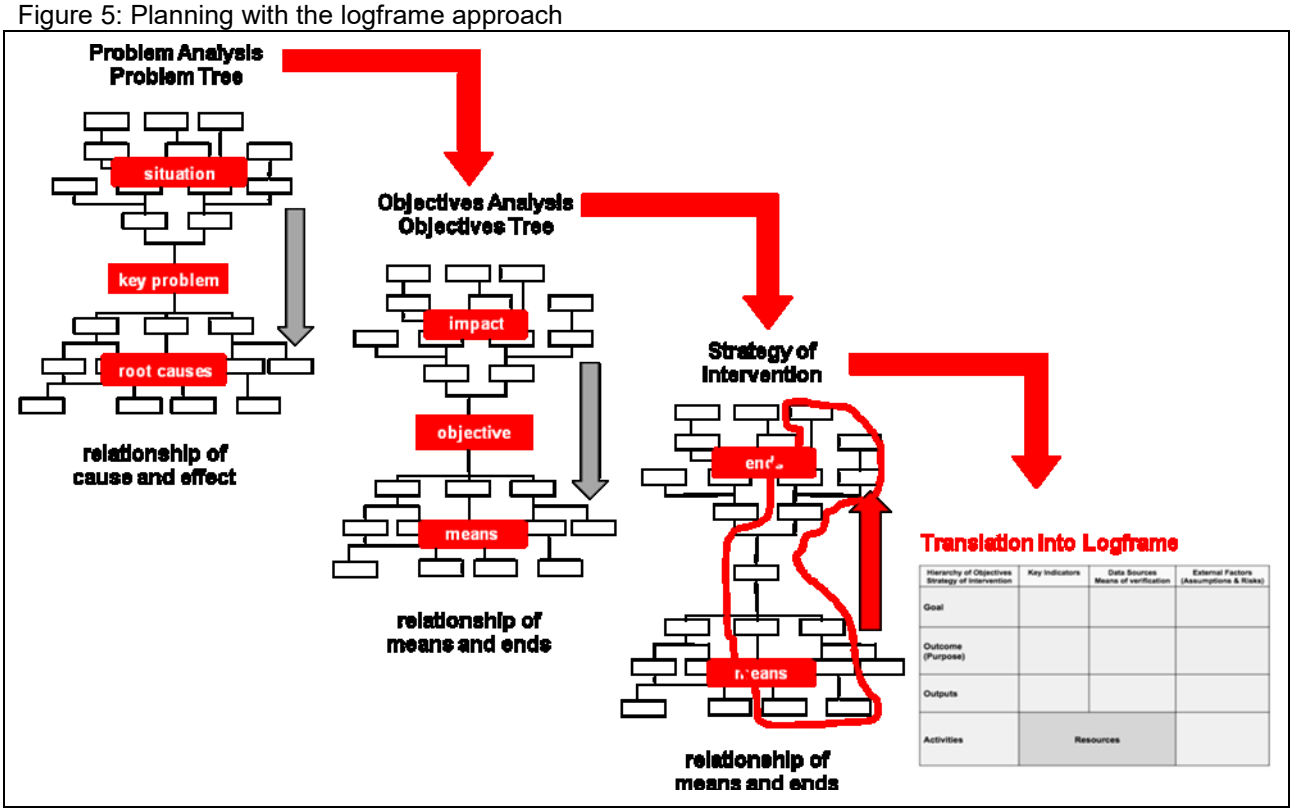
There are four main elements to the **Analysis Stage**, namely:

- stakeholder analysis (= profile of the main “players”),
- analysis of problems and potentials including cause and effect relationships,
- analysis of objectives (mental image of an improved situation in the future) including means and ends relationships to achieve the objectives, and
- analysis of strategies (comparison of different options to address a given situation) including means and ends relationships within the strategies.

This analysis should be carried out as an iterative learning process, rather than as a simple set of linear “steps”. For example, while stakeholder analysis must be carried out early in the process, it must be reviewed and refined as new questions are asked and new information comes to light. In the **Planning Stage** the results of the analysis are transcribed into a practical, operational plan ready to be implemented. The results of the analysis stage are used as the basis for preparing the Logical Framework Matrix (logframe). In additional to the development of the logframe, the following tasks are also conducted at this stage:

- scheduling of main activities,
- defining resource requirements and preparing a budget, and
- developing a project organisation and defining an appropriate monitoring and evaluation (M&E) system.

Figure 5: Planning with the logframe approach



3.3 Logical Framework Matrix

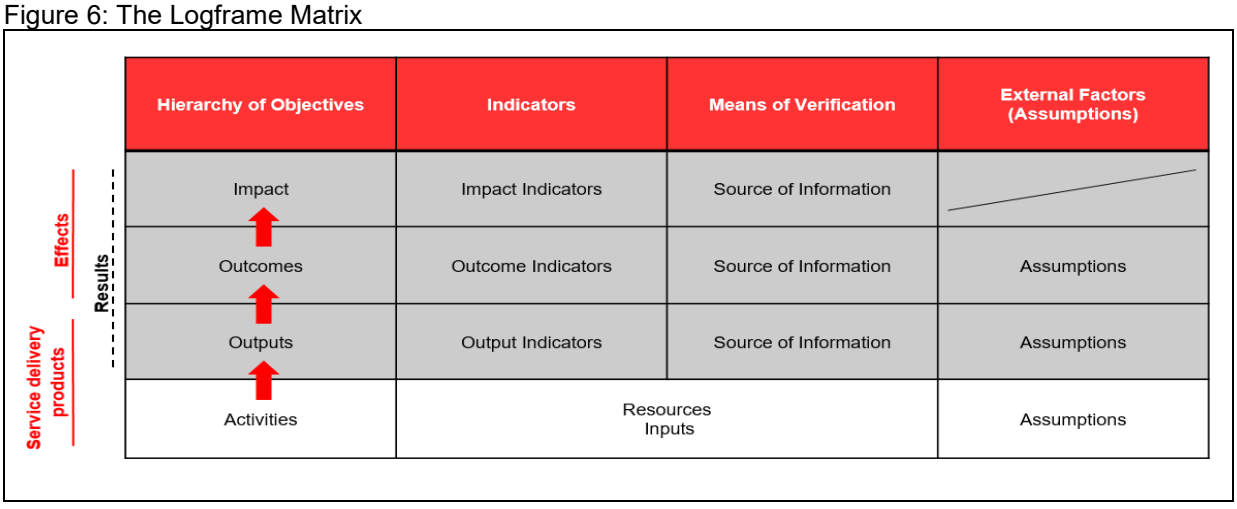
IMPORTANT NOTE: For a better understanding of the topics described in this chapter 3.3. and chapter 5.2 a practical case study has been developed which can be found at the end of this paper **(Case Study: Logframe Matrix and Indicators)**. This "best-case" scenario for a logframe matrix and indicators should help to transfer the theoretical concepts outlined here into their practical use. Studying the case study parallel to the chapters on the logical framework matrix (Chapter 3.3) and Indicators (Chapter 5.2) is therefore recommended.

Logical framework matrices are the most commonly used format for planning and presenting a summary of project strategies. A logframe can be seen as a simplified model presentation of how the results of a project or programme are linked. This does not mean that the complexity of projects or programmes is ignored but that for easier communication, monitoring, evaluation and steering purposes a standardised presentation is applied.

In essence, the logframe presents the causal link between an intervention (activities, outputs) and its effects (outcomes, impact). The intervention consists of the services and goods produced through a project or programme's activities and delivered to the target group. It is useful to break the effect down into direct results (called outcomes) and lasting changes in society (called impact). Lastly, the logframe also contains a description of the context, i.e. factors that could influence the project and the assumptions made in the project design.

The Logframe matrix has four columns and usually four or five rows, depending on the number of levels of objectives used to explain the means-ends relationship of the project (see Figure 6).

Figure 6: The Logframe Matrix



The vertical and horizontal logic

The vertical logic identifies what the project intends to do and clarifies the causal relationships (column 1). In a next step, important assumptions beyond(!) the project's control are specified in column 4.The horizontal logic defines how project objectives specified in the project description will be measured, and the means by which the measurement will be verified (columns 2 and 3). This provides the framework for project monitoring and evaluation.

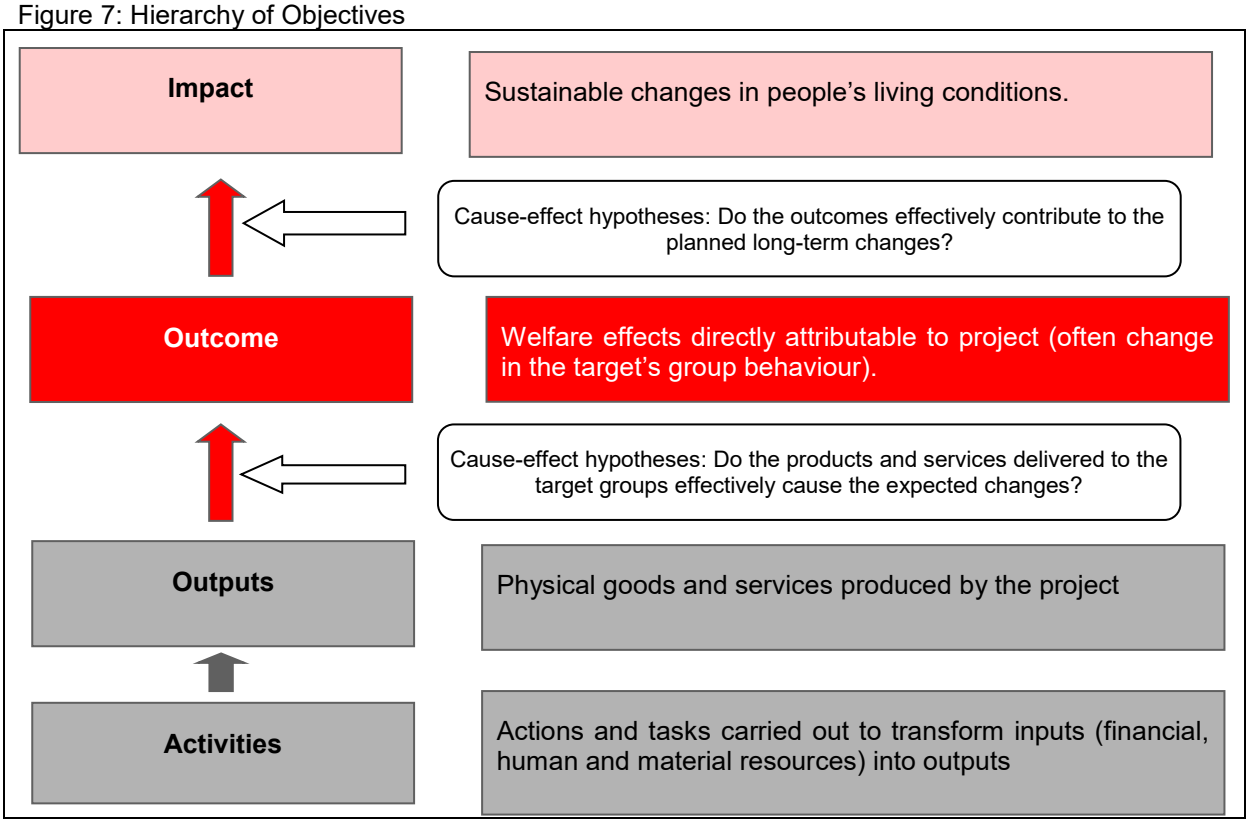
First column: Hierarchy of Objectives

The hierarchy of objectives (column 1) is the core component of the logic model of a project or programme as represented in the logframe matrix and at the same time the basis for results-based or results-oriented planning and project management (see Figure 6).

In the lower part of the logframe matrix (levels of activities and outputs) we define the activities, which are needed to produce the services and goods (or "deliverables" or outputs) provided to beneficiaries or target groups (see Figure 7). Here we also define the inputs or resources needed to implement the activities. The project organisation or implementer must be able to take on full responsibility for this 'production process'.

The upper part of the logframe matrix describes the effects that the delivery of the outputs has on the beneficiaries or target groups (target system). It is divided into two fields: outcome and impacts. At outcome level we describe the direct and immediate results, which the project's outputs are to have on the target system. These immediate results should be formulated as concretely as possible at the planning stage so that they can be verified by means of measurable indicators. The impacts should present sustainable changes in the target group's living conditions, that should, however, still be closely linked to the intervention itself.

Figure 7: Hierarchy of Objectives

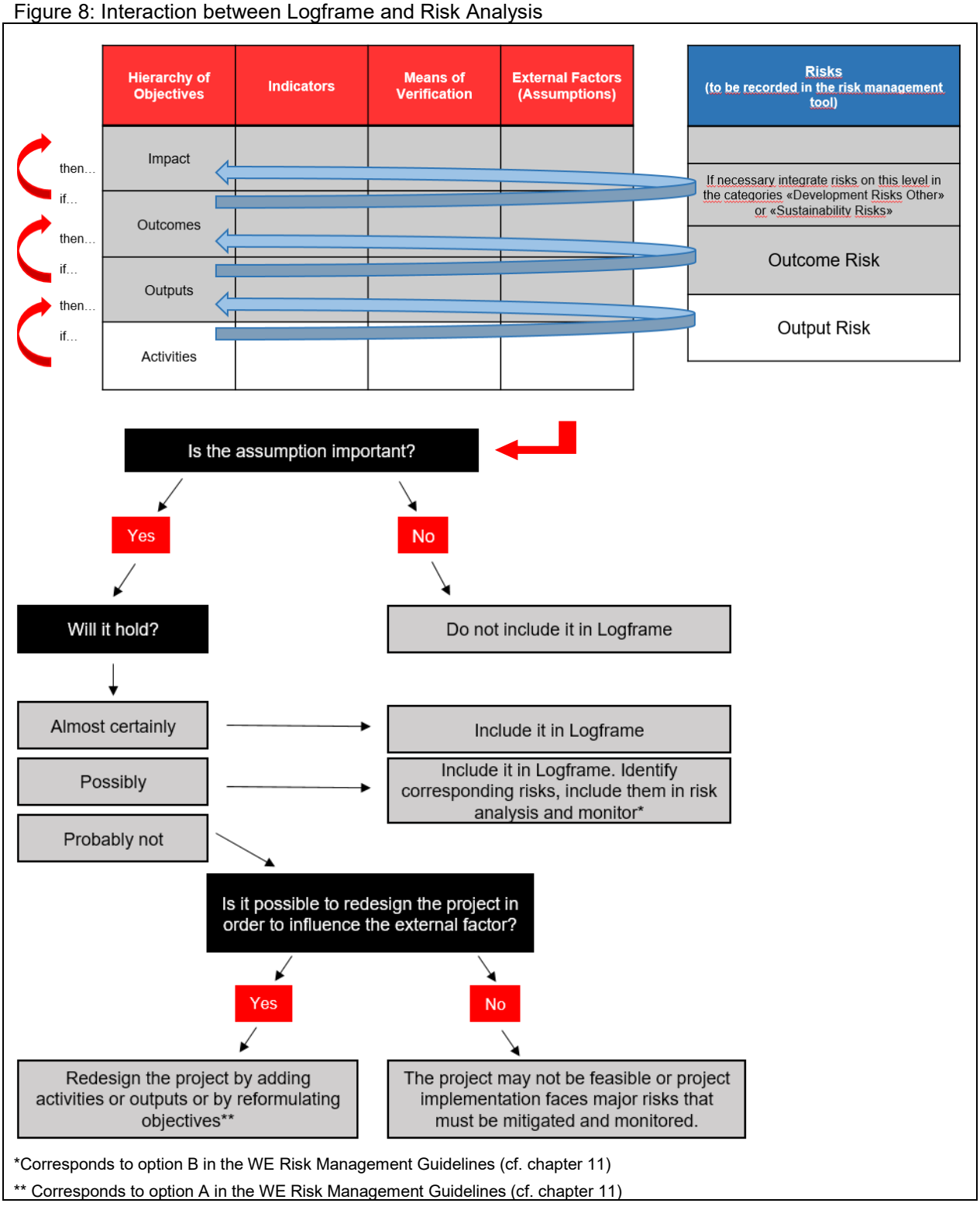


Fourth column: External factors (Assumptions)

Assumptions refer to conditions which could affect the progress or success of the project, but over which projects have no direct control (see Figure 8). Examples are price changes, rainfall, land reform policies, or non-enforcement of supporting legislation. The fourth column is done after the first column as it forms an integral part of the intervention logic (or the strategy of intervention) and has to be formulated together with the hierarchy of objectives.

A **risk** is a negative statement of what might prevent objectives being achieved. An **assumption** is a positive statement of a condition that must be met in order for project objectives to be achieved. Note that if it is already clear that an assumption will probably hold it should be included into the logframe. If it is already clear that an assumption will very likely **not hold**, the intervention logic (i.e. hierarchy of objectives) of the logframe matrix has to be redesigned (see Figure 8). If it is known that an important assumption does probably not hold, the outcomes (and impacts) of a project will also not be achieved.

Figure 8: Interaction between Logframe and Risk Analysis



*Corresponds to option B in the WE Risk Management Guidelines (cf. chapter 11)

** Corresponds to option A in the WE Risk Management Guidelines (cf. chapter 11)

Second and third columns: Indicators and Means of Verification

Once the strategy of intervention and assumptions has been drafted (columns 1 and 4 of the matrix), the next task is to identify the indicators that might be used to measure the progress and achievement of objectives (column 2), and the source of that information (column 4). Because one reads across the matrix when analysing indicators and means of verification, this is referred to as the horizontal logic.

In considering how the achievement of objectives might be measured/verified, one is required to reflect on the clarity of objective statements, how feasible they will be to achieve, and how they might be more specifically defined. This is part of the iterative nature of the analysis.

Indicators should be defined during the planning phase, i.e. to establish a baseline, and must be in place by the early phases of project implementation at the latest. The indicators of a logframe should also be used for the development of a monitoring system. In other words, the indicators identified for the logframe should not be different from the indicators used for the monitoring system. The methodology for developing useful indicators is dealt with in Chapter 5 in more detail.

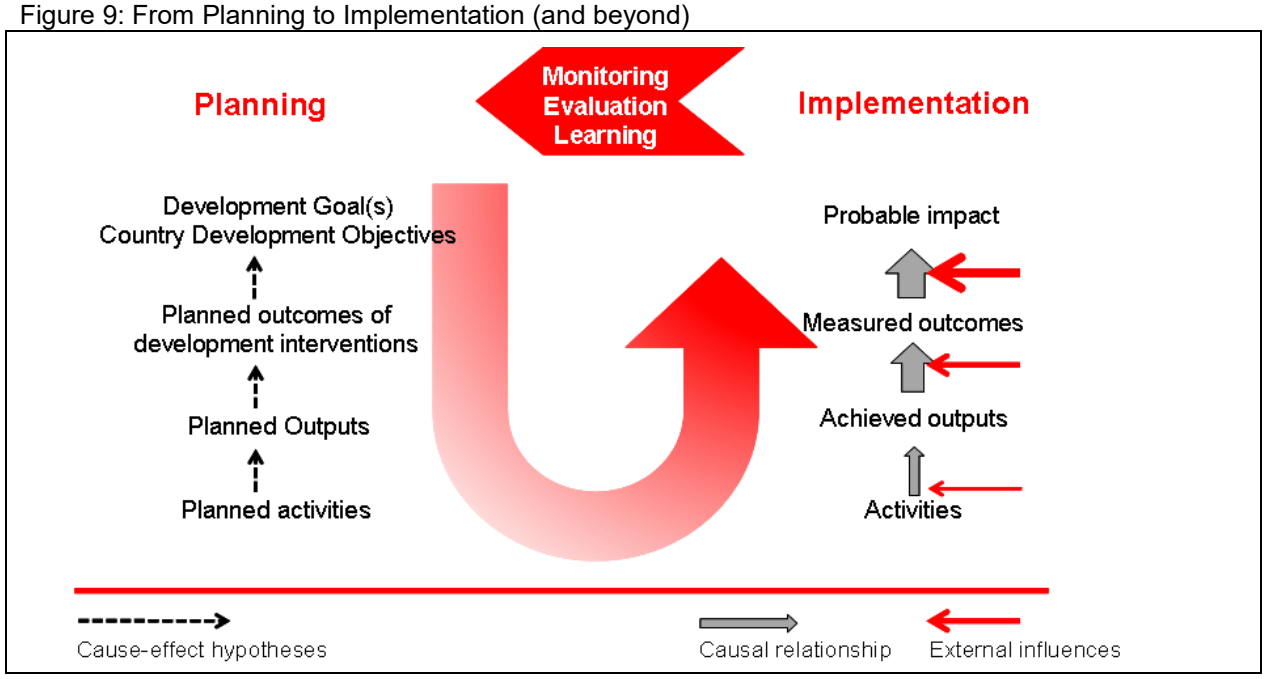
The Completed Logframe

The planning steps carried out up to this point give a completed logframe. During the project-planning phase many logframes are done in a "quick-and-dirty" manner that unfortunately often makes them not very useful for implementation, monitoring and evaluation of projects and or programmes. A good and useful logframe needs time and several discussions with all stakeholders (see Chapter 8).

4 From Planning to Implementation

A logframe approach should not only be used during the planning phase at the beginning of a project/programme, but must be applied throughout the implementation, monitoring and evaluation of a project/programme (see Figure 3 and 9).

Figure 9: From Planning to Implementation (and beyond)



Furthermore, for implementation purposes the logframe matrix is broken down into a yearly plan of operation (YPO) at the beginning of the project and adjusted annually throughout implementation by the implementing organisation. The YPO should be seen as a management and operational instrument for the executing organisation. Before implementation starts, a good YPO should already:

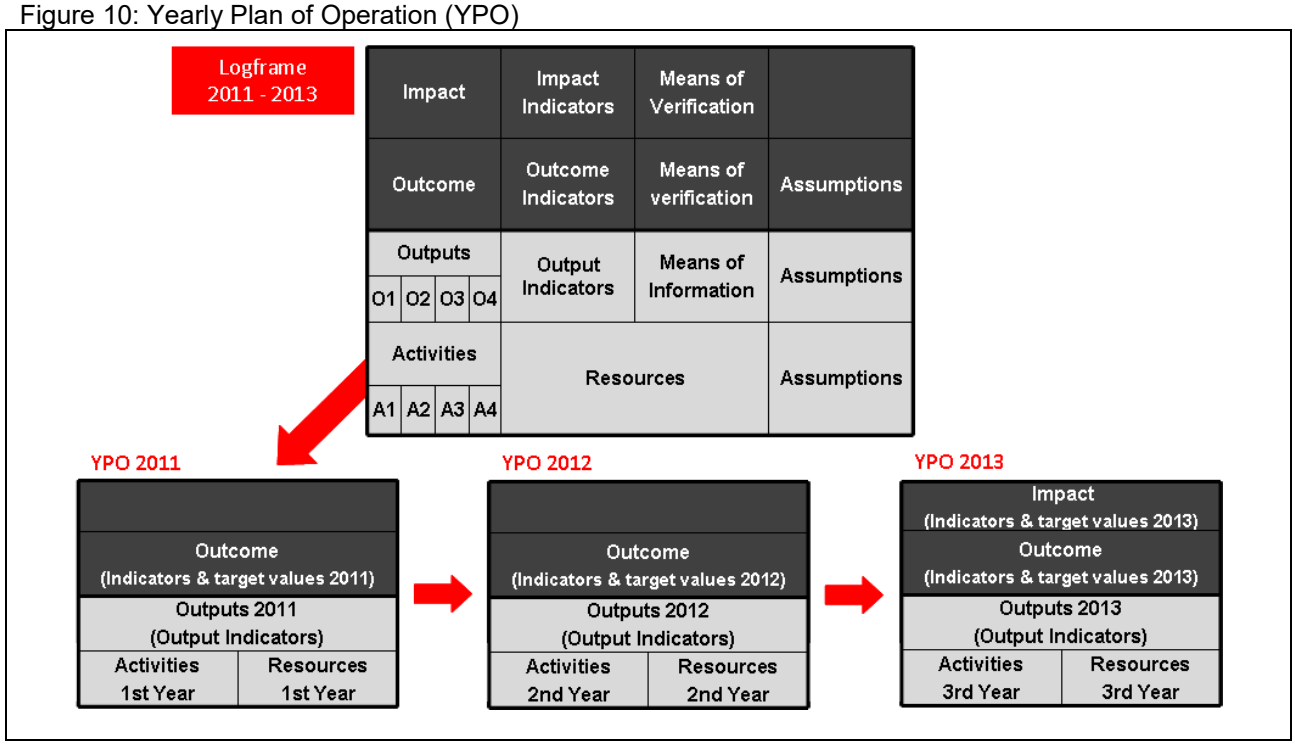
- **set objectives for each year**, i.e. clear targets (with indicators) have to be set for outputs and outcomes (and possibly impacts) for each year of the implementation phase.
- **provide a detailed description of activities for each year,** i.e the activities that are associated with each output are defined in the following terms: activities, duration, milestones, responsibility, time budget, and financial budget.

The annual updates of the YPO should:

- **make use of the lessons learned,** i.e. experiences from the previous year are analysed and integrated into the updated annual planning. As a general rule, the defined outcomes (and impact) at the beginning of the project should remain during the whole project. The most important changes refer to the outputs and the corresponding activities.
- **include a context analysis**, i.e. changes in the context are analysed and taken into consideration.

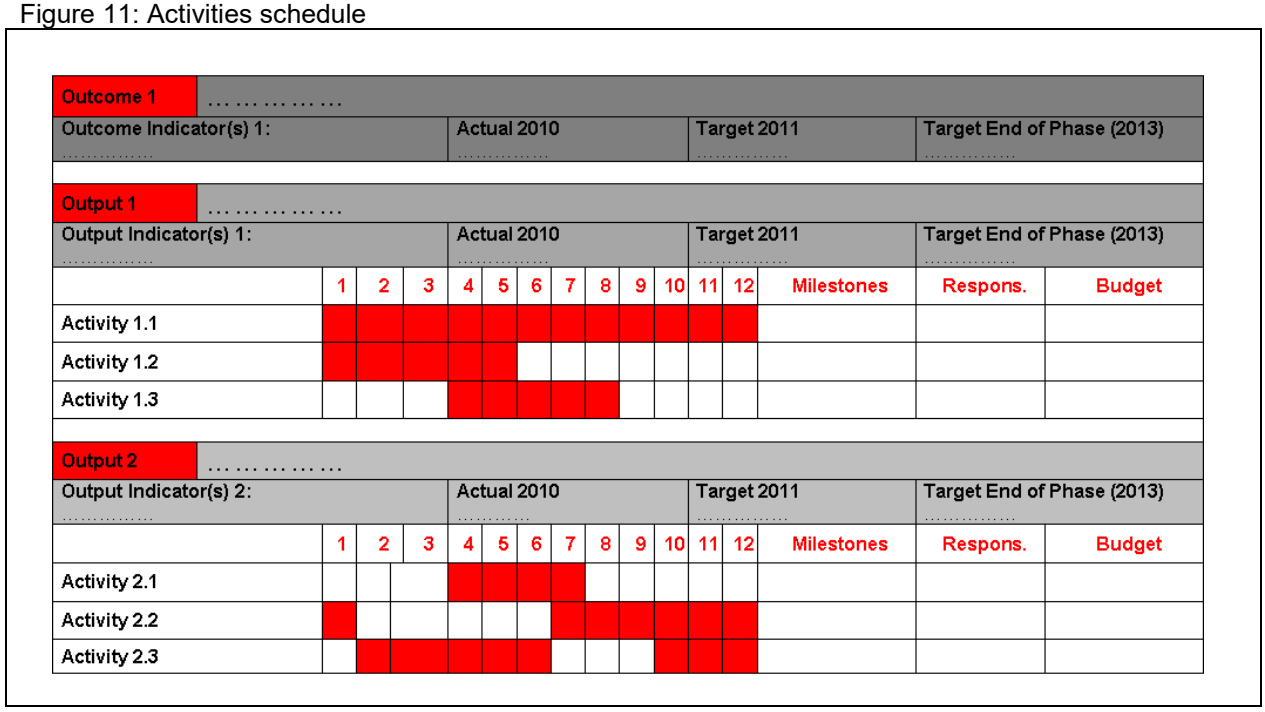
Figure 10 illustrates the logical connection between the logframe matrix at the level of the project/programme planning and the yearly plan of operation at the level of the implementing organisation.

Figure 10: Yearly Plan of Operation (YPO)



At the core of the Yearly Plan of Operation is the **activities schedule** (see Figure 11). The annual activities schedule is generally approved by a steering committee. This decision is the mandate for the executing organisation to execute the project over the following year in line with the annual plan.

Figure 11: Activities schedule



Outcome 1	……														
Outcome Indicator(s) 1: ……				Actual 2010 ……				Target 2011 ……				Target End of Phase (2013) ……			
Output 1	……														
Output Indicator(s) 1: ……				Actual 2010 ……				Target 2011 ……				Target End of Phase (2013) ……			
	1	2	3	4	5	6	7	8	9	10	11	12	Milestones	Respons.	Budget
Activity 1.1															
Activity 1.2															
Activity 1.3															
Output 2	……														
Output Indicator(s) 2: ……				Actual 2010 ……				Target 2011 ……				Target End of Phase (2013) ……			
	1	2	3	4	5	6	7	8	9	10	11	12	Milestones	Respons.	Budget
Activity 2.1															
Activity 2.2															
Activity 2.3															

5 Monitoring and Reporting

5.1 Monitoring – Keeping in Touch with Reality

Monitoring is an ongoing observation function that uses the systematic collection of relevant, selected data to provide the project or programme's management and, most importantly, stakeholders with indicators about the progress being made and the objectives being reached. But monitoring and evaluation should not only be seen as controlling project progress but also as a participative learning process for the stakeholders involved.

Recently, the demand for showing (and proving) the effectiveness of aid has increased in the context of the international debate on aid effectiveness. The key issue in this debate is whether the resources used for international development aid show relevant results. It puts pressure on development agencies in donor countries to introduce or strengthen mechanisms that enable them to demonstrate the outcomes and impacts of their projects and programmes. In methodological terms, this means shifting the focus of monitoring and evaluation from the level of the delivery of services and goods (outputs) to the level of effects (outcomes, impact).

The monitoring system is closely linked to the yearly plan of operation. Whereas the yearly plan of operation breaks down the logframe for ex-ante yearly planning of resources, activities, outputs and outcomes (and possibly impacts); the monitoring system breaks down the logframe for ex-post (yearly) monitoring of outputs and outcomes (see Figure 12 for an example). Whereas outputs should always be planned and monitored on a yearly basis, both ex-ante yearly plans of operation as well as ex-post monitoring systems do not necessarily have to report on outcomes (and impacts) every single year. This obviously depends on the project design. Moreover, the monitoring system should directly feed into the evaluation of the project after project implementation.

Figure 12: Monitoring Table

	Base-line 2010	Target 2011	Actual 2011	Target 2012	Actual 2012	Target 2013	Actual 2013
Impact: Percentage of students going to university.	**5%**					20%	**10%**
Outcome: Percentage of students achieving high scores in secondary finals.	**10%**			15%	**10%**	25%	**20%**
Output: Training Courses for Teachers in secondary schools on new teaching methods.		5	**4**	10	**10**	10	**8**

5.2 Indicators - The Foundation of Monitoring

Indicators specify how the achievement of project objectives will be measured and verified. They register changes with regard to specific or partial aspects of the situation or condition to be checked and provide concrete and objectively verifiable data on facts that indicate changes. Indicators are "features which can be measured or at least described precisely in terms of quantity and quality respectively, and which show a change in situation" (SECO Indikatorenhandbuch). Indicators are established in response to the question: 'How do I know whether or not what has been planned is actually happening or has happened?'

Figure 13 contains the information needed to establish an efficient monitoring system with indicators at all levels of the hierarchy of objectives of the logframe matrix (i.e. outputs, outcomes and impact). Note that the indicators identified for the monitoring system should be in line with the indicators identified for the logframe matrix.

Figure 13: Monitoring Indicators

Indicators	Targets	Baseline	Source of information, method	Resources & Responsibilities
What is the measure to verify whether progress in outputs/ outcomes/impact takes place?	What are the indicator targets to measure whether the planned results are achieved?	What is the baseline - our starting point - for outcomes/impact?	What methods do we use for data collection? At what frequency?	Which resources are necessary? Who is responsible for collecting and analysing the data?

Whereas most logframes and monitoring systems contain a set of indicators (column 1, Figure 13) and targets (column 2, Figure 13), columns 3 to 5 are most often ignored during the planning phase, but are equally important. A baseline is necessary to identify if any progress has been made at the level of outcomes and impact. For outputs a baseline is not necessary as these are usually products and services delivered by the project/programme and would not take place in absence of the project/programme.

Planners have to keep in mind that all indicators have to be measured and analysed within time and budget constraints. Data collection for indicators hence has to be planned as a specific activity within projects. Where possible, use indicators that can be measured with already available data sources (secondary data). It is beyond the scope of this introduction to results-based management to provide an overview of the available primary and secondary, qualitative and quantitative data collection methods. But several very useful handbooks have lately been written on data collection that can be referred to (see also the references given in the Bibliography of this document).

Most importantly, indicators should fulfil certain quality criteria that are outlined in Figure 14. Especially, the defined set of indicators should be as small as possible to be collected easily at reasonable costs (i.e. practical), but should still provide sufficient relevant information about the project for monitoring and evaluation (i.e. sufficient). An example of a set of indicators that has been set up quickly but with some problems as well as a set of high-quality indicators is given in Chapter 8.

Figure 14: Quality Criteria for Indicators

Each Indicator	**Relevant**	The indicator covers a relevant and significant aspect of the objective (output, outcome/ impact).
	Attributable	The indicator is unambiguously attributable to the objective to be measured. There is a direct link between the objective and the indicator.
	Precise & Measurable	The indicator is precise and can be measured reliably. If two persons use the same indicator independently from each other they will get the same results.
Indicator Set	**Practical/Doable**	The data can be collected easily, on a timely basis and at a reasonable cost
	Sufficient	The set of indicators related to the objective is sufficient to measure the intended objective

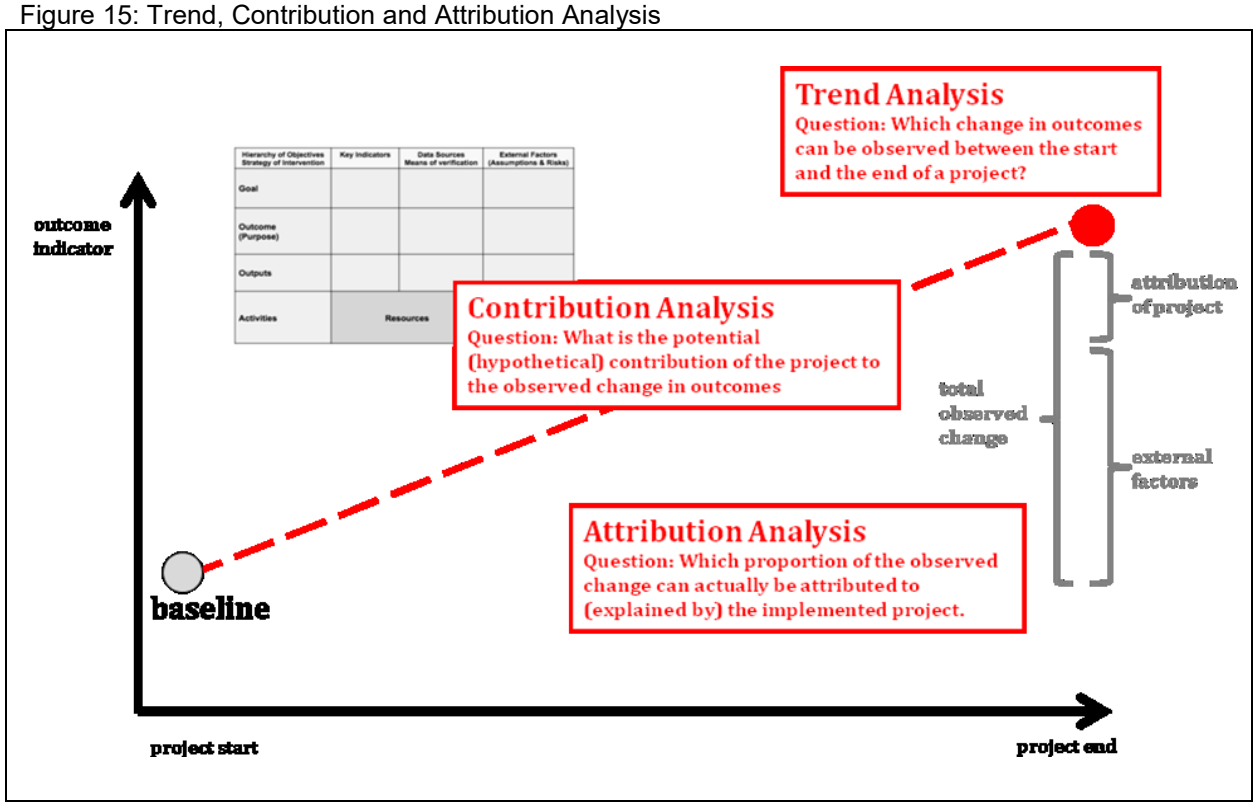
5.3 Trends, Contribution and Attribution

The indicator set of a monitoring system should be measured against a frame of reference. This allows for conclusions on achievements to be made with reference to other projects/programmes and or countries. At best the achievements can be indirectly or even directly linked to the activities and outputs of a project or programme. Thus judgements can be made as to the contribution or even the attribution of a project/programme to the measured changes.

Baseline: The concept of a baseline refers to the situation at the beginning of a project (see Figure 15). The simplest form of a baseline is the collection of data for the key outcome indicators. More and more donor agencies require baseline data to be included in project proposals as a precondition for financing. Comparing the measured values of these indicators after a period of time with the baseline data allows an assessment of the progress made in outcomes (see remarks on trend analysis) and ultimately by the project (see remarks on contribution and attribution analysis). Without baseline data it is very difficult to find out what changes the project has brought about at the level of outcomes (and impact).

Benchmarking: means comparing the measured change (see baseline) with a given set of standards. Benchmarking involves comparing deliverables or objectives to be achieved with fixed standard values. Specialised international UN organisations and/or national ministries set standards in many areas and these can be used as benchmarks for the individual projects and programmes. Also, the performance of past projects of SECO can be used as benchmarks.

Figure 15: Trend, Contribution and Attribution Analysis



Trend Analysis: Trend analysis aims to demonstrate whether there was an observed change of outcomes. This means comparing the outcome indicator from before the project started to the outcome indicator from after the project had been completed (see dotted red line in Figure 15) to evaluate the change that has occurred during project implementation. To achieve this goal a baseline has to be established at the beginning of the project. Each monitoring system should be able to conduct a trend analysis, i.e. say something about the change that has taken place. Without a trend analysis a contribution and attribution analysis will become almost impossible.

Contribution Analysis: A trend analysis only tells us whether a change in an outcome indicator has occurred but cannot evaluate whether the project had actually contributed to this change. Hence, contribution analysis aims to demonstrate whether or not the project could be one of the causes of the observed outcome change (see logframe in Figure 15). Contribution analysis relies upon chains of logical arguments (i.e. the logframe matrix) and measured changes (i.e. the trend analysis). Contribution Analysis should be an integral part of any evaluation and (annual) monitoring reports.

Attribution Analysis: Whereas contribution analysis can conclude on the potential and hypothetical contribution of a project to an observed change, attribution analysis aims to assess the (exact) proportion of observed changes which can really be attributed to the evaluated project or programme and which change was caused by other, external factors (including projects/programmes by the government or other donors). For example in Figure 15: whereas the observed change over time seems to be large the change that can be attributed to the project is rather small. Attribution analysis involves building a counterfactual. This is usually always possible for the outputs and often possible for the outcomes of projects. However, it is mostly difficult to build a counterfactual for the impacts of a project/programme (and has therefore been called the “attribution gap” among many donors). Evaluators should, however, still be asked to analyse the attribution of a project to a measured change in outcomes and/or impacts within the final evaluation report.

5.4 Reporting – With Focus on Outcomes

Reporting is an integral part of monitoring and this is where the executing organisation gives a (yearly) update to the donor and national partners (government, partner organisations, civil society) on project implementation and progresses made. Such reports should include the following aspects:

- They account for the **deliverables (outputs)** produced with the funding provided with reference to the planned financing (activities) and deliverables (monitoring system)
- They provide information about the **outcomes** these deliverables have produced with reference to the planned changes in outcomes (monitoring system)
- They refer to and make explicit use of the initial **logframe** matrix. This also includes changes in the envisaged cause-effect relationships and assumptions made in the intervention logic (logframe matrix).
- They bear witness to the **experiences** in terms of successes and difficulties and the **learning processes** during project implementation.
- They discuss **conclusions** for the next period of implementation and formulate recommendations relevant to practice intended for use in planning the next period (yearly plan of operation for next year).

The first three points of this list should explicitly refer to and make use of the logframe matrix and monitoring system established at the beginning of the project. Any progress report should only and explicitly use the information of the monitoring system in place.

The demand for projects to be managed for results has brought about a shift from former reporting practice, where the focus was on listing the activities that had been carried out and the deliverables, towards a new orientation on providing information about outcomes. Figure 16 provides a checklist for a useful (annual) report for all stakeholders involved.

Figure 16: Quality Criteria for Annual Reports

General criteria	**Readability and structure:** The report is well structured, uses adequate means of visualisation and is well readable. The report is not longer than 20 pages to be read by many stakeholders.
	Objectivity, critical reflection and learning: The report is impartial and critical. Problems and deficits are clearly addressed. The report documents critical reflection and the search for solutions. Learning processes are made visible.
Criteria relating to the logframe	**a. Project/Programme Outcome:** The report documents and discusses changes at outcome level by means of outcome indicators. Changes at outcome level are quantified by comparing baseline data, target values and actual achievements. Attribution to project outputs is assessed.
	b. Production and Delivery of Outputs: The report documents and discusses in a summarised way the delivery of outputs by comparing planned outputs with outputs delivered.
	c. Context analysis: The report analyses the project-specific and general context. Risks are identified and measures to address them are discussed. Cause-effect hypothesis and assumptions of the intervention logic are re-assessed.
Financing criteria	**Financial information:** The report provides information on budget and financial resources spent. The report also explains how economically resources / inputs (funds, expertise, time, etc.) are converted into outputs/outcomes: (i) Are things done in an economically sound manner? (ii) Are the inputs reasonable in relation to the outcomes achieved?

6 Evaluation

Evaluation is the systematic, critical and objective assessment of an on-going or completed project/programme. It analyses not only the project's/programme's results but also its design (cause-effect hypothesis and assumptions made) and implementation. The aim of an evaluation is to determine the relevance of the objectives, the effectiveness and efficiency of the project/programme, as well as its impact and sustainability (see Figure 17). An evaluation should also provide information that enables an incorporation of lessons learned into the decision-making process of future implementation as well as future development projects/ programmes. The key to a useful, "good quality" evaluation is a good logframe matrix (see Chapter 8) and monitoring system during project implementation. It is very difficult (and sometimes even impossible) for an evaluator to assess the effectiveness and efficiency of a project without a baseline, targets, indicators and the progress measurements of these indicators.

Three types of reviews/evaluations can be distinguished within SECO:

- ***Internal review:*** decided by the head of operational units, conducted by SECO programme officer or by the implementing agency.
- ***External evaluation:*** decided by the head of operational units, conducted by external consultants.
- ***Independent evaluation:*** suggested by the evaluation function, approved by the external Evaluation Committee and conducted by external consultants.

Evaluation criteria

The DAC definition of evaluation contains five criteria: relevance, effectiveness, efficiency, sustainability and impact, which are discussed in more detail in Figure 17. All of these criteria should be assessed within an evaluation report.

Figure 17: DAC Evaluation Criteria

Relevance

The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities and partner' and donors' policies.

The extent to which the activities and outputs of the programme are consistent with the intended objectives (outcomes/impact) to be achieved.

Effectiveness

The extent to which the development intervention's objectives were achieved, or are expected to be achieved at output, outcome (and impact levels).

Due to the difficulty of measuring effectiveness at impact level and depending on the purpose of the evaluation, it may be decided to focus the evaluation on outputs and outcomes only.

In addition, an evaluation of the major factors influencing the achievement or non-achievement of the objectives should be undertaken.

Efficiency

A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results. This point is often the most difficult to evaluate as benchmarks are often missing.

The results are usually measured at output level, as outputs can easily be observed and measured and are in the control of the development intervention. If possible outcomes should, however, be included in this analysis as well.

Impact

Positive and negative, intended or unintended, lasting (and indirect) changes brought by a development intervention (at outcome and impact level).

Effectiveness evaluation differs from impact evaluation in that it focuses on the measuring of intended (and therefore positive) results of an intervention (mostly at output and outcome levels).

In a best-case scenario an impact evaluation allows not only for an assessment of the contribution of a project but also for its attribution (see Chapter 5.3).

Sustainability

The continuation of benefits (at all levels of the logframe matrix) from a development intervention after major development assistance has been completed. The probability of continued long-term benefits.

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8 Case Study: Logframe Matrix and Indicators

This case study has been slightly adopted in order to have a good practical learning example.

Project Brief

Training Programme for Tertiary Education Institutions in the Banking Sector

Country	xy
Overall Grant	~ CHF 1'000'000
Duration	24 months

The project „Training Programme for Tertiary Education Institutions in the Banking Sector" is one of six projects of the same donor with different partners in the financial sector.

The objective of the programme is to help the financial sector to become a more effective actor in the economic development of the country by providing services in accordance with international standards thus leading to economic development and improvements in people's living standards.

The projects within the programme are:

Project partner	**Name of the project**
State Bank	Technical Assistance and Training Workshop on Bank Restructuring
State Security Commission	Capital Market Training Programme
Bank Training Centre	Improvement of Training for Bank Staff
Banker Associations	Training for Bank Directors
Banking Colleges	**Training Programme for Tertiary Education Institutions in the Banking Sector**
Housing Bank	Technical Assistance for Demonstrating Best Practice

The two Banking Universities BI and BC have about 500 teaching staff and 20'000 students. The project offers eight training modules of one or two weeks each. It is envisaged that 50 staff members from each university will participate in all of the eight training modules.

The titles of the training modules are:

- Teaching Methods for Bank Trainers
- Commercial Bank Management
- Business Strategy Development and Planning
- Risk Management
- Credit Management
- The Lending Process
- Marketing
- Investment Management

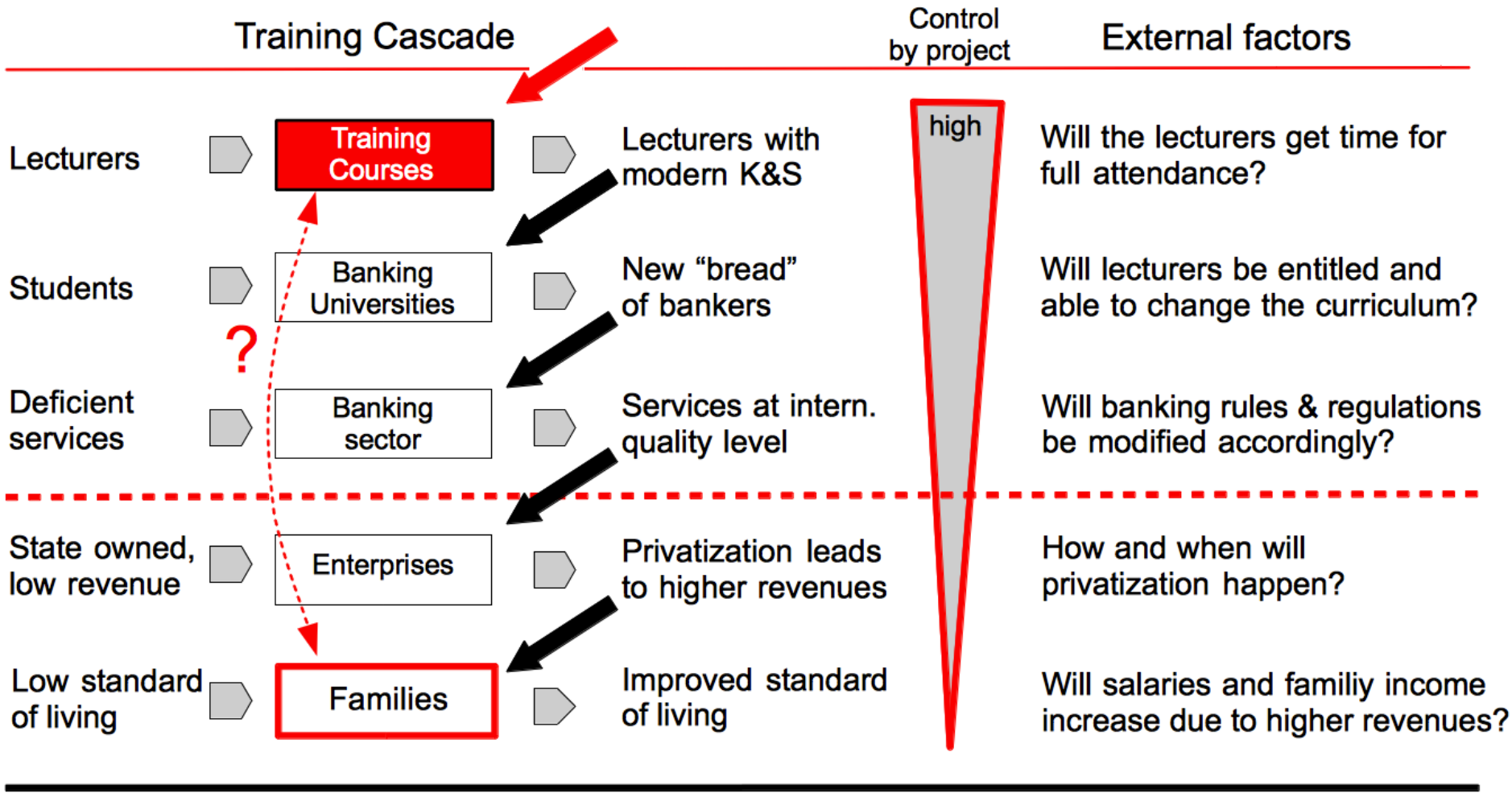
The initial logframe matrix (including envisaged indicators) as set up by the project team is shown on the following two pages.

Initial Logframe Matrix of the Project			
Strategy of Intervention	**Key Performance Indicators**	**Means of Verification**	**External Factors (assumptions)**
Impact	**Impact Indicators**		
1. Improvements in banking industry capabilities and practice necessary for the banks to become more efficient intermediaries and thus spur the country's structural adjustments towards a market economy and privatisation of enterprises. 2. The transition will lead to sustained economic development and improvements in people's living standards.	More uniform comprehension of banking concepts and terminology: concepts and terminology will be more uniformly defined in the industry and government.	- Updates of government's strategy for the banking sector - Minutes of discussions in policy for a (e.g. Bank Restructuring Workshops) - State Bank of the country assessments - Documents appraising financial sector developments of the country (e.g. PRSC)	
Outcomes	**Outcome Indicators**		
1. The knowledge and skills base of Higher Banking Institute (BI) and Banking College (BC) instructors will be improved 2. Both institutions are more capable of teaching the concepts and professional tools included in the Project training syllabus at levels consistent with global standards in commercial banking practice.	- Knowledge and skills base expanded and enhanced: instructors demonstrate full understanding of concepts and tools covered in the training project. - More uniform skills level: levels brought to more uniformly high standards, improving BI/BC effectiveness. - Improved teaching capabilities: enhanced knowledge and skills base reaches BI/BC students - Market recognition of BI/BC expertise: improved expertise will enhance the reputation of both universities and thus their ability to attract and teach students. - BI/BC course participants will have sufficiently improved their capacities as bank staff trainers to improve the professional capacities of students.	- Successful module examination results - Successful results from case study discussion and problem resolution - Module training feedback reflects perception that the training will significantly improve BI/BC instructor professional capabilities - Program feedback from BI/Bc instructors reflects their ability to teach what they learned in the Project. - Project Appraisal mission roughly one year after Project end will assess program participant skill level improvements and their assessment of project effectiveness.	- External economic environment remains favourable to a process of continued policy reform and coherent decision making - State Bank xy effectively implements Banking Sector Roadmap

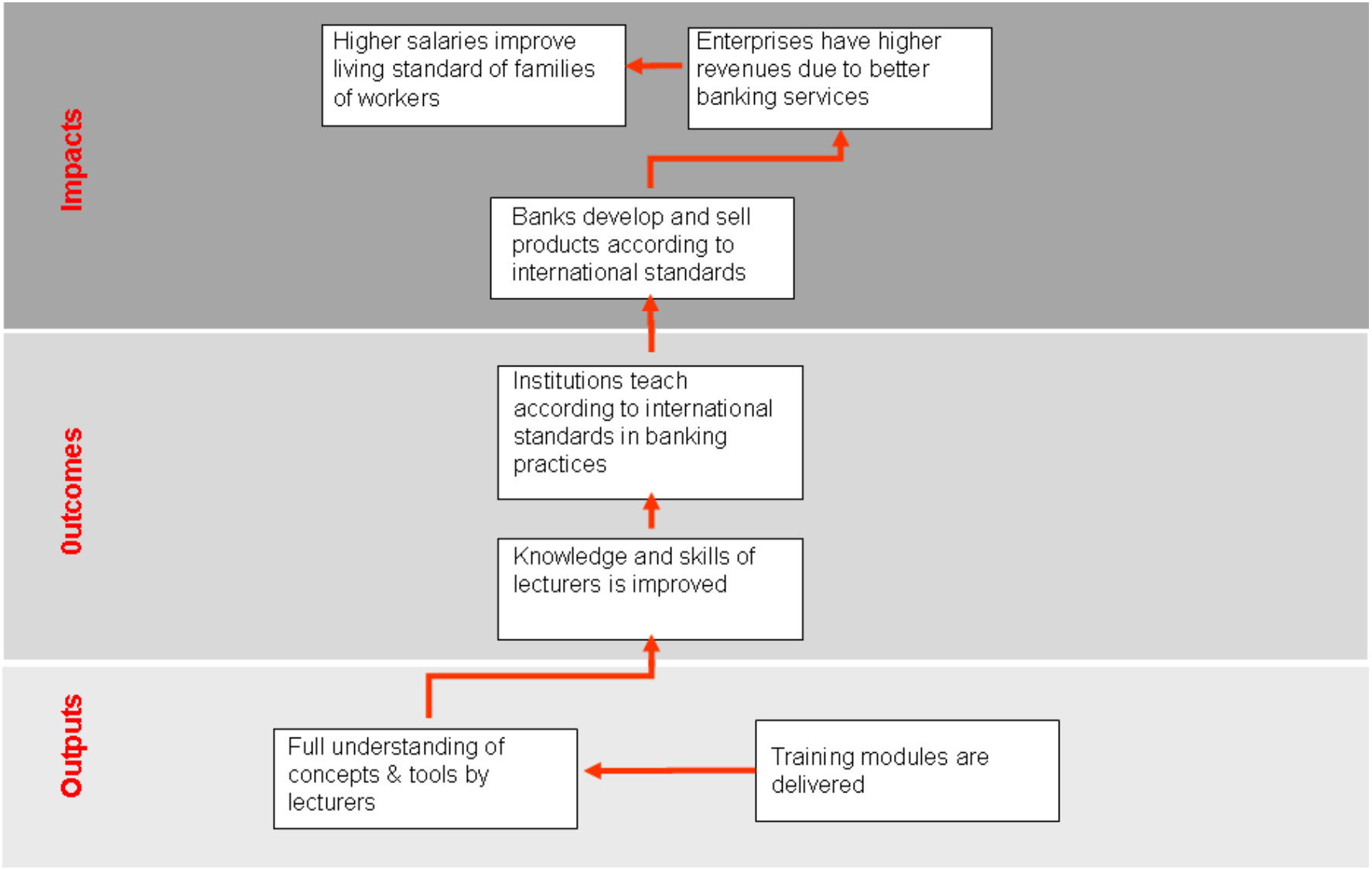
Initial Logframe Matrix of the Project			
Strategy of Intervention	**Key Performance Indicators**	**Means of Verification**	**External Factors (assumptions)**
Outputs	**Output Indicators**		*Note*
1) Pre-training Project mission conducted. Project Implementation Plan included in resulting Inception Report, with staffing and schedules, recommendations regarding the overall project and individual modules, and assessment of the initial skill levels of the program participants. 2) Close and effective working relationship between the provider and university Project counterparts established. 3) Creation of reading materials, presentation overheads, handouts, case studies, and other teaching materials and tools. 4) Translation and delivery of all written materials two weeks in advance of module delivery. 5) Effective delivery of the training modules and good absorption by trainees.	- Mission results and Plan are elaborated to the satisfaction of donor and both universities - Reports to donor and BI/BC prepared to the satisfaction of recipients. - Training Materials finalized and training delivered according to calendar. - Positive feedback from participants on course content, relevance and effectiveness.	- Inception report, regular progress reports. - Program feedback from participants - Interviews with BI/BC staff and collaborators and assessment of training team competences - Instructional materials and training of trainers - Results of the appraisal mission	- BI/BC can assure that all selected participants are given sufficient work time to complete the program per the Project schedule, without distraction from normal work responsibilities. - Participants are intellectually prepared to master the training material and are motivated to learn (i.e. adequate selection of participants). - Training topic and material technical levels are accurately gauged such that participants can absorb substantially everything and there is very little coverage of knowledge and skills already present in the participant group. - BI/BC instructors receiving Project training will continue to function as trainers and thus as vehicles for passing on knowledge and skills. - Proof reading of training material by BI/BC such that quality is ensured - Basic working environment (computers-printers-supplies etc.) maintained and enhanced in line with future requirements - Information technology backbone at BI/BC upgraded before the first training

The underlying results chain (intervention logic) of this project as well as the results chain followed in this logframe matrix is presented on the next two pages, followed by a critical review of this particular logframe matrix (and chosen results chain).

Results chain of Training Projects (in general)



Initial Results chain of LogFrame Matrix



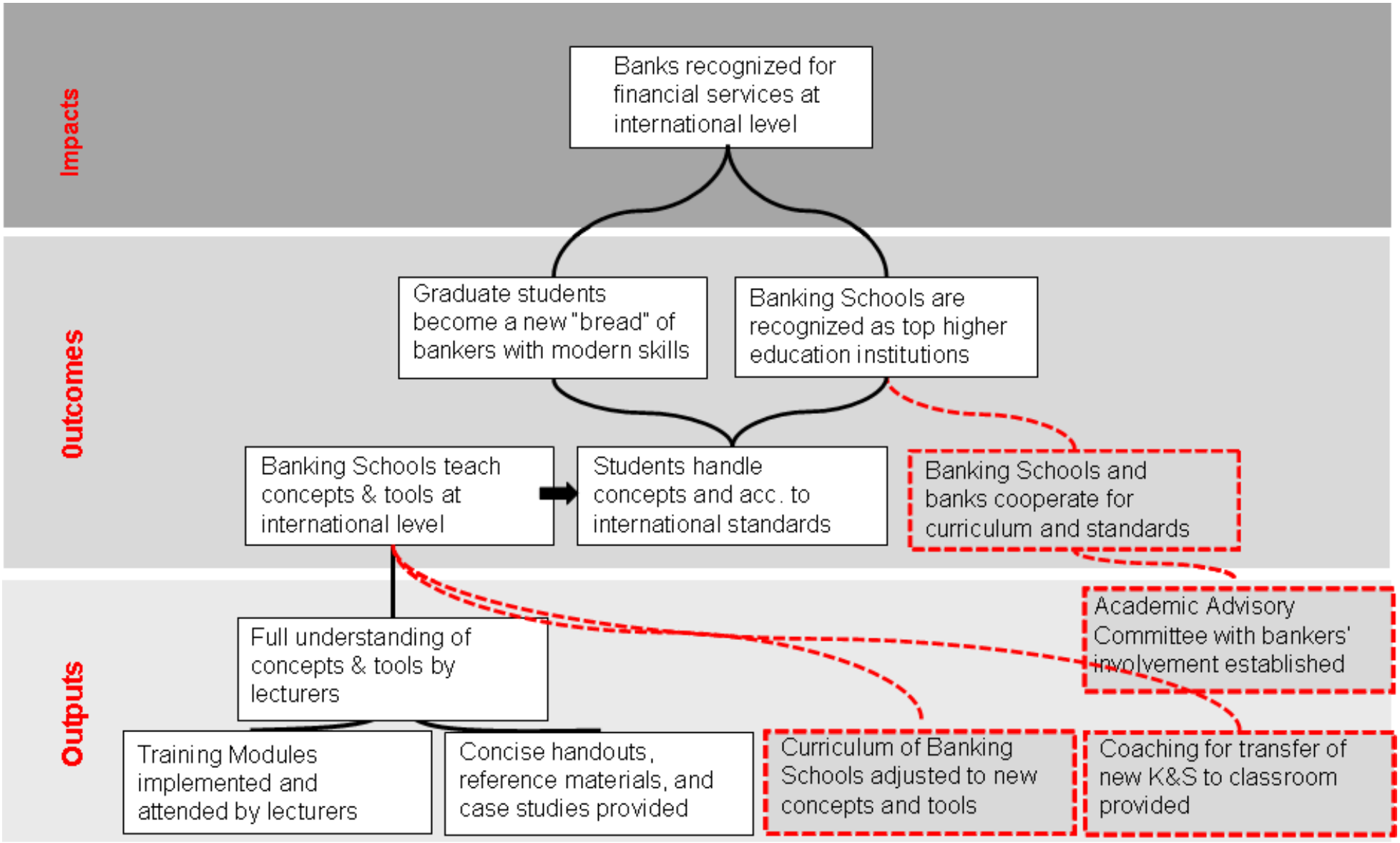
Checklist LogFrame		✓~✗	Observations
Hierarchy of objectives	All outputs define tangible products or services.	✗	Outputs 1 and 2 are too detailed and related to project management and not to the results chain. Outputs 3 -5 are written as activities. Easy to reformulate as outputs.
	All outcomes describe immediate and direct effects of outputs.	✗	Outcome 2 is fine. Outcome 1 is an output, because it deals with the increase of knowledge and skills by the end of the training. What is totally missing is an outcome related to the improvement in knowledge of students.
	All cause-effect hypotheses between the levels of objectives are logical and plausible.	~	The cause-effect hypotheses between output and (properly reformulated) outcomes are direct and plausible. Seemingly some possible or even necessary chain links are omitted between outcomes and impacts. For instance, what is the role of the students/graduates between the teacher training and the expected enhanced capabilities of the banking industry?
	The project will be able to make a considerable contribution to the goal or impact statement.	✗	Impact statement 2 is very far-fetched. The further training for university lecturers sector has probably very limited impact on the standard of living of people in the country. There are too many impact levels in between.
Assumptions	All assumptions are external factors.	✓ ✗	The two assumptions at outcome level are external factors. Three assumptions at the output level are internal factors: If the level of participants and level of the training do not match, something is wrong with the training design.
	All important risks are considered and formulated as assumptions.	✗	Without mentioning it, the project designers seem to assume that the: • lecturers will be authorised to modify the curriculum • graduates will get bank jobs • graduate will have a say in the banks regarding services, policies and regulations
	All assumptions are probable and there are no “killer” assumptions.	✓	The remaining assumptions are probable. As in the banking sector rules and regulations play a crucial role, the assumption that State Bank xy will implement the Banking Sector Roadmap within a certain time frame, needs a close monitoring.

Checklist LogFrame		✓~✗	Observations
Indicators	Each result has at least one **relevant** indicator with set **targets.**	✗	For most objectives - with the exception of Impact 2 - an indicator is available. For none of the indicators targets are available. Due to the missing numbering it is difficult to see, how indicators and objectives are linked
	Indicators are **precise** and **measureable.**	✗	Most indicators are formulated in such a vague way that a precise and objective measurement seems to be impossible. Some indicators even look like additional objectives, rather than indicators for previous mentioned objectives in the hierarchy of objectives.
	There are direct links (**attribution**) between objectives and indicators.	~	For most cases there is a direct link, but not always. For example, there is no direct link between impact 1 and its indicator. Using the correct terminology does not sufficiently indicate that the banks will become more efficient intermediaries for the enterprises.
	The indicator set is both **practical** and **sufficient.**	~	In general indicators seem to be both practical and sufficient. However, most indicators are presented in such a vague and imprecise way that it is difficult to assess this criterion.
Means of Verification	There are direct links between each indicator and its means of verification.	✗	Due to the missing numbering it is difficult to see the source of information for each indicator.
	Verification of data relies as much as possible on already existing mechanisms and resources.	✓	In the case of the impact indicators the verification of the indicators seems to be based on official documents. For the other indicators (outcome and output) it seems reasonable that the project develops its own monitoring tools.
	Proper budget is made available for data gathering	N.A.	Without project budget this criterion cannot be checked.

Already a first glance at the Results chain reveals that the project probably promises much more than it will be able to deliver. In highly regulated settings like state controlled schooling and banking, training of university staff alone will most probably have limited effects on the performance of the banking sector. To expect – verifiable - positive effects on the enterprises and the living standard of the population will be next to impossible. What is taught at schools – also at the tertiary education level – is standardised by the state approved curriculum, and how banks are allowed to work is defined by specific rules and regulations issued by the concerned authorities, with probably limited impact of “better-educated” students. Furthermore, the LogFrame seems to assume that the syllabi of the training modules delivered by the project will find its way to the classrooms of BI/BC, but the project does not do anything for making this transfer happen. Also, the LogFrame seems to assume that better teaching staff will automatically transfer into better skilled students.

In the following we provide an improved result-chain and logframe matrix for the project at hand.

Improved Results chain for LogFrame Matrix



IMPROVED Logframe Matrix of the Project			
Strategy of Intervention	**Key Performance Indicators**	**Means of Verification**	**External Factors (assumptions)**
Impact	**Impact Indicators**		
• Banks are recognized by their customers for delivering financial services according to international standards. • Banking Schools BI/BC are recognized by students, banking industry and authorities as top higher education institutions in banking	• 75% of the clients are satisfied or very satisfied with the services of the bank • Increase of applications to BI/BC 15% higher than application increase to other business schools • Number of contacts with banks and authorities seeking cooperation with BI/BC increases yearly by 15% •	• Annual customer survey • Statistics on enrolment of Tertiary Education • Yearly reports of BI/BC (chapter to be included)	
Outcomes	**Outcome Indicators**		*Outcome to impact*
1. BI/BC teach banking concepts and tools according to international standards and apply learner-centred teaching methods 2. BI/BC students/graduates handle concepts and terminology according to international standards 3. BI/BC and banks cooperate regarding the curriculum and standards (banking concepts and tools)	1.1 New concepts correctly and consistently applied in handouts and learning materials. 1.2 Each lecturer produces or substantially modifies 2 case studies and business games per year. 1.3 Speaking time of lecturers is max. 70% 2.1 New concepts correctly applied in final exams. 2.2 Minimum 90% pass rate for all students taking the final exams 3. At least one meeting per year with selected banks regarding curricula and new concepts/standards	1.1 Assessment of randomly selected samples of handouts and case studies/business games by 2 independent experts 1.2 Compilation of Case Studies and Business Games 1.3 2 months before the end of the last training module, randomized classroom observation at BI/BC 2.1 Assessment of randomly selected exams by 2 independent experts 2.2 Exam register 3. Yearly planning of BI/BC	• State Bank xy implements Banking Sector Roadmap • Graduates are employed by banks in influential positions

OC 2: In the results chain the students are the link between BI/BC and banks.

OC 3: Introduced to have a more realistic chance for success.

IMPROVED Logframe Matrix of the Project			
Strategy of Intervention ⓘ	**Key Performance Indicators** ⓘ	**Means of Verification**	ⓘ
Outputs per outcome	**Output Indicators**		
For outcome 1: BI/BC teach banking concepts and tools according to international standards **For outcome 2**: BI/BC students/graduates handle concepts and terminology according to international standards			
1.1 Modules implemented to the satisfaction of directors and course participants (lecturers) according to agreed plan 1.2 Lessons complemented with concise handouts and references 1.3 Lessons enriched with case studies and business games that can be applied in BI/BC as well 1.4 Learner-centred teaching methods applied and modelled in all courses **1.5 Full understanding of concepts and tools demonstrated by lecturers** 1.6 Coaching for lecturers provided for the transfer of the newly acquired skills and knowledge to classroom	1.1.1 5'000 person training days = 50 days of training attended by 50 BI +50 BC lecturers 1.1.2 80% of the lecturers are "satisfied" or "very satisfied" with each module. 1.2 1 handout per module with all related tools and a reader or commented bibliography 1.3 16 case studies or business games (∅ 2/training week) 1.4 40% of time classroom used for learner-centred methods **1.5 90% of the lecturers attending the courses receive a certificate of completion** 1.6 50% of teachers ask for voluntary coaching. 80% of them are satisfied or very satisfied with the coaching service provided.	1.1.1 List of participants 1.1.2 Standard questionnaire at the end of each module 1.2 Compilation of handouts and teaching materials 1.3 Compilation of Case Studies and Business Games 1.4 Randomised classroom observation during training modules 1.5 Mark sheet 1.6 Coaching agenda and anonymous, independent survey	• BI/BC select participants who can bring about change due to their standing in the faculty. • BI/BC give participants enough time for attending the courses and doing the self-study. • Participants remain at BI/BC after the training.
For outcome 3: BI/BC and banks cooperate regarding the curriculum and standards (concepts and tools)			
3.1 New curricula for training modules developed together with BI/BC and representatives of banking sector. 3.2 Academic Advisory Board with representation of the banking sector institutionalised	3.1 Signatures on new curricula for BI/BC. 3.2 At least 2 meetings of Academic Advisory Board per year	3.1 Record of original curricula 3.2 Minutes of meetings of Academic Advisory Board	• Authorities permit and encourage changes in curricula.

Observation: Teaching and learning are the two sides of the same coin. Therefore we can define together the outputs for the two outcomes