



# Introduction

We are proud to present this series of booklets titled "Guidelines to Programme Cycle Management in the Solidaridad Network". Each booklet describes one or two steps of the Solidaridad programme cycle and can be read and consulted in random order. This introduction booklet gives an overview of the programme cycle as a whole and a short explanation of every individual step. This introduction booklet is the first of the series of booklets that will be published throughout 2012.

With the introduction of PROMIS, the new programme management information system, and the adoption of the DCED standard principles, promoting a more structured approach to result measurement, the Solidaridad network has reached a crucial milestone in its programme cycle management (PCM).

The series of booklets propose a common approach to PCM, and explain the link between the programme cycle and our programme information system PROMIS. The booklets also include practical tips and guidelines on good programme management, as well as principle of sound result measurement as promoted within the DCED standard. The booklets are designed for all staff in the Solidaridad network, to instruct, introduce and hopefully to inspire you to improve programme management.

Introduce

The booklets introduce all steps of the Solidaridad programme cycle and include guidelines and practical tips for every step.

Instruct Throughout the booklets you will find information on key procedures, formats and the link to PROMIS.

Inspire

You will find inspiring examples of proven as well as innovative methods and tools that can be used for planning, fundraising, monitoring and evaluation of programmes and projects.

### A common approach: aligning procedures in the Solidaridad network

Solidaridad's international network of nine regional centers throughout the world became a reality in 2010. Over the last years the Solidaridad network has developed into a specialized organization for sustainable development with a long track record as a force for innovation. The network as a whole bears responsibility for developing and implementing policies related to programme implementation within specific commodities. Our local partners - with their knowledge and experience rooted in their own societies- are actively involved in the policy making process and given responsibility for carrying out the projects.

A feature of Solidaridad's organizational culture and strategy is its capacity to learn, anticipate and respond to new trends and market opportunities. Planning, monitoring and evaluation are the backbone of a learning organization like Solidaridad. They are important instruments for improving the quality of our work and increasing transparency.

Planning and coordinating programmes across the network of the nine Solidaridad offices around the world, is a complex task. The purpose of this series of booklets on programme cycle management is to introduce a common set of explicit procedures and to align practices on management across our RECs. By doing so, we can together improve on our network planning and monitoring of implementation, with the ultimate aim to achieve more impact in our work.

### To make our PROMIS a reality, we need you!

We would like to invite you to share your comments and ideas for improvement of these booklets with us. By actively sharing and jointly learning from our experiences, we can improve the quality of our work and make our PROMIS a reality!

### Our programme cycle

In the graphic below you see an overview of the different steps in an interventions life cycle, which is called the Solidaridad programme cycle. Every programme and project has a start and an end, and most programmes and projects within our Solidaridad network are following the same sequence of steps during their lifetime. For example, we need to have funding before we can contract a partner, and a final report before we can close a project. The steps in the Solidaridad programme cycle are quite logic and common, and most RECs are already (implicitly) working according to these steps.

Table 1: Solidaridad Programme Cycle



### How does the programme cycle relate to PROMIS?

There is a close connection between the Solidaridad programme cycle and PROMIS, our web based management information system. PROMIS provides us with key management information (financial and non-financial PCM data) that is used to make well-informed management decisions within every REC, but also to aggregate this information across RECs within our Solidaridad Network.

Every step in the Solidaridad programme cycle requires registrations in PROMIS. For example, when we've contracted a business partner (step 4 of the programme cycle), we need to register this in PROMIS (e.g. contract, schedule payments). In the booklets you find reference to the respective relevant data (fields) in PROMIS.

#### How does the programme cycle relate to the DCED-standard?

DCED stands for 'Donor Committee for Enterprise Development'. This committee developed a standard for measuring achievements in private sector development (PSD). The DCED standard gives tools for effective result measurement to calculate attribution and claim impact. Early 2012 the Solidaridad network, recognized the standard as a good and solid tool that could help Solidaridad as an organization to improve on planning and monitoring and facilitate good result measurement. The standard promotes an approach where the question of impact is at the core of result measurement.

Most of the steps in the Solidaridad programme cycle are related to these principles. For example, when we are planning a new project (step 2 of programme cycle), we should design a result chain, including indicators of change. The principles for result measurement will be further explained in detail in the coming booklets, but for a good understanding of our Solidaridad programme cycle and overview of DCED principles you find reference to these in this introductory booklet.

### Step 1: Programme development and Fundraising

The first step of the programme cycle describes programme development & fundraising. The term programme is typically used for a cluster of projects with one common objective and a specific source of funding. Many times, programmes in the Solidaridad Network are developed for specific donors and formulation follows their requirements and formats. Programmes are mostly multi annual and formulated on a general level, with overall objectives, expected overall results and themes or topics to be addressed during the course of the programmes.

Only after a programme has been approved, specific projects can be developed and contracts for implementation established with partners at REC level. The steps to be taken for the formulation, implementation and evaluation of a specific project are described under steps 2-6 of the programme cycle. The overall programme (step 1), follows its own cycle of implementation, monitoring, evaluation and final reporting towards the donor.

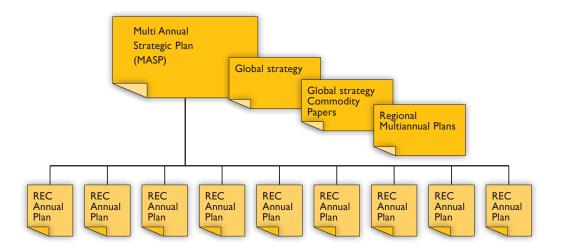
A programme is entered in PROMIS under the heading 'Fund', and can be managed by one REC or distributed among various RECs. The initiative for the development of a programme can come from a specific REC, or from the Network secretariat.

Step within Solidaridad programme cycle			oorting documents formats	PRO	PROMIS step		Relation to DCED	
► Pi	tep I rogramme evelopment and undraising	<ul><li>+</li><li>+</li><li>+</li><li>+</li></ul>	Multi annual strategy plan (MASP)  Global strategy commodity papers  Regional plan Annual plan  Donor programme proposal  Annual programme	<ul><li>+</li><li>+</li><li>+</li></ul>	Fund provider Funding Funding schedule Funding availability	•	Sector/context Analysis	

### Programming: Input for programme development

Planning of programmes should always be linked to the overall multi annual strategic plan (MASP) of Solidaridad network and the related annual plans on regional level. The set-up and content of these documents is described below.

The MASP is developed at network level, with input from each REC and the International Programme Coordinator's. The MASP describes the shared vision of the RECs, the global ambition in sustainable chains and aligned institutional objectives. The MASP first of all identifies opportunities and threats based on a context analysis. Main questions answered in the MASP are: What is our overall mission? What innovative strategies are expected to meet present and future developments? Who and where are the poor? What hampers the poor to change/benefit? How can we address that constraint?



A second reference for programme development are the *global strategy commodity papers* that form part of the MASP and articulate global objectives per commodity, proposed strategies, key actors, target groups and multi-annual budget.

The third part of the MASP, the regional multiannual plans describe the regional institutional contribution to the shared global objectives and strategic choices per commodity. Plans are based on sound knowledge of countries and sectors, therefore, in many cases, a specific sector context analysis is done in preparation.

The annual plan is an operationalisation of the MASP. Every REC has its own annual plan describing strategic choices per commodity, priority outputs including concrete targets on annual basis, proposed partners and an annual secured budget. Programme development should be part of the annual plans. For a reflection on changing market dynamics impacting our programmes and alignment purposes all regional directors jointly review the annual plans.

### **Fundraising**

Fundraising activities are coordinated at the Solidaridad network secretariat. All leads and running relationships with donors are communicated with the coordinator. When additional funds need to be raised and new donors contacted that are not yet part of the established annual regional plans, approval by the network executive director is required before contacting a possible donor. This is to assure alignment and coordination of all fundraising activities network wide.

A format for proposals for fundraising is available (including a sheet to calculate required capacity and budget) and can be used in case the donor does not require a specific format. In any case, it is recommended to align strategies, objectives including targets, and indicators with existing practices based on the DCED and the PCM practice described in these booklets.

In PROMIS funds raised will be made available through Funding Schedule on an annual base by the Financial Controller of the REC that raised the fund. It will then be distributed to the RECs, departments and projects through Funding Distribution and approved both by sending and receiving party. Before, during and after distribution in contracts, funds can be earmarked to be spent on a specific programme only. Changes in earmarked funds are always traceable. Thus network wide it is clear what budget is available where for what programme.

The introduction of PROMIS does provide us with the opportunity to improve, reliably register, schedule and report on our funds distribution. PROMIS also facilitates exchanging funds between regions, which ties in well with our strategic ambition to increase our regional fundraising opportunities.

### Step 2: Project formulation

The second step in the Solidaridad programme cycle describes the process of project formulation. This phase starts once strategic choices at network and regional level have been made and documented (MASP) and a programme has been formulated, approved and funded.

New project opportunities can be identified by the team of a specific REC, business partners or other stakeholders. Projects can be implemented either by a business partner or by a REC itself (called 'own project' in PROMIS). It is the task of the responsible Project manager at a REC to oversee the process of project formulation and to control the quality of the proposal.

Project ideas and plans are described in project proposals. Usually the project partners will develop the proposal. The project proposal typically includes a narrative description of the context, concrete objectives, and a budget. On top of that, every project should also have a result chain including indicators of change, a detailed activity plan, a monitoring plan. The project manager will usually facilitate the development of a results chain, since implementing partners might not yet be familiar with this approach. The sector context analysis and (donor) programme proposal are important reference documents when developing the project proposals and the result chain.

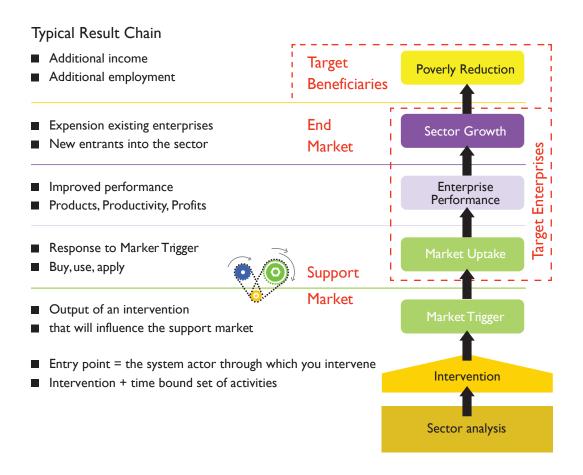
Solidaridad encourages a participatory approach in the project planning process, including a multistakeholder consultation. Especially the development of the result chain(s), describing the logic of the proposed intervention(s) needs to be done in close collaboration between the REC and their partners.

	Step within Solidaridad programme cycle		porting documents formats	PRC	PROMIS step		Relation to DCED	
<b>&gt;</b>	Step 2 Project formulation	* * * *	Programme proposal Project proposal Monitoring plan Assessment/review format	<b>&gt;</b>	Funds distribution Project Maintenance	<ul><li></li></ul>	Sector/context Analysis Articulating the Result Chain Universal Impact Indicators	
						,	Develop own indicators of Change	

### What is a result chain?

A result chain is a realistic causal impact model explaining how a proposed project would trigger a change. Each step in the logic of a project is made explicit, from intervention (activities) to impact. This enables project staff and other stakeholders to 'think through' the intervention process, clarifying assumptions and agreeing on logic together – so that each person knows what their contribution is to the achievement of the final objectives monitor progress in achieving that logic: are the anticipated changes actually happening, or not?

The result chain is specifically useful for planning and measuring achievements in private sector development, since it specifies the market triggers, market uptake, enterprise performance, sector growth and the ultimate impact on poverty reduction. Since the results chain is key in programme cycle management, this will be further explained in the separate booklet on project formulation.

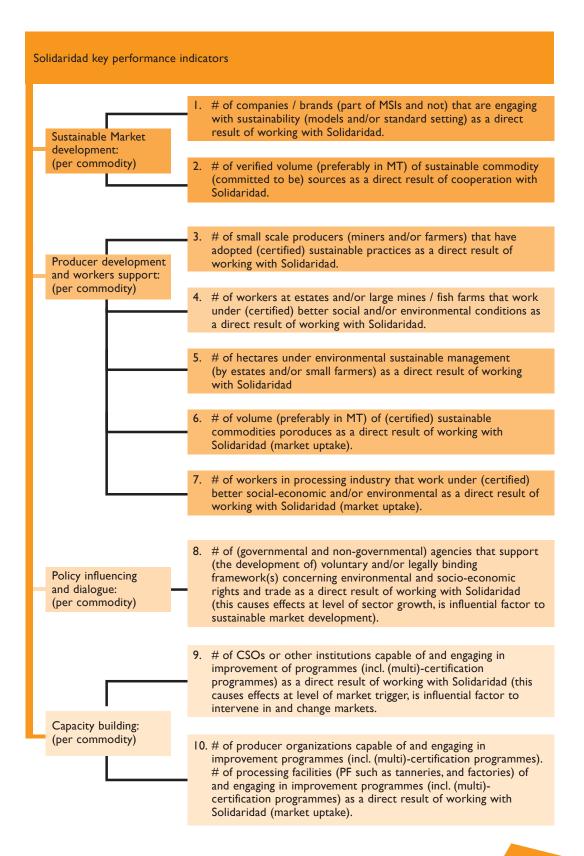


### What are the Universal Impact Indicators?

The DCED Standard recommends projects aimed at private sector development to plan and to report on achievements relative to three universal impact indicators:

- Number of target enterprises benefited (e.g. outreach)
- Net additional income generated
- Net additional jobs (employment) created

The Solidaridad network decided to adopt the universal impact indicators described above. Additionally, Solidaridad has decided on a list of additional indicators that are recommended for use per commodity in all projects.



Having a set of shared indicators is considered important to ensure that we are all working towards same goals. The indicators are also included in the assessments in PROMIS. Of course a project does not necessarily aim for impact at all levels. Sometimes a project has one very specific goal only, and this is acceptable as well. The KPIs will be further explained in the booklet on Project Formulation.

### What is a monitoring plan?

The project proposal should include a monitoring plan that fulfills the donor information needs and is in line with the guidelines on monitoring as described in these booklets (see step 5), and the PROMIS manual.



## Step 3: Business partner selection

Solidaridad projects aim for change in sustainable value chain development. We work with private sector partners and institutions to influence and change market conditions resulting in a systemic change. Business partners are therefore usually chosen because they are expected to trigger a change in a certain sector. Many of the Solidaridad partners are so called "first movers", who try to contribute to more sustainable land use and poverty reduction in the long term.

The third step in the Solidaridad programme cycle describes the process of business partner selection. A business partner is any party involved in a project with whom a contract relation is established. There are two types of business partners we work with (as defined in PROMIS):

- Implementing partners (this can be a partner organisation or a consultant)
- Donors or RECs

Every business partner can be classified either as a private partner, governmental partner, or a partner NGO.

	Step within Solidaridad programme cycle		oorting documents formats	PROMIS step		Relation to DCED	
•	Step 3	•	Partner Checklist	•	Business Partner	•	Market trigger
•	Business partner selection			•	Partner Assessment		

When projects are developed with new implementing partners or existing partners who have not been assessed for at least four years, these partners must first be assessed before they can be contracted. A careful assessment of business partners is important, because partners share responsibilities and risks during the implementation of a project with us. To assess a business partner the staff members will verify a partner's credibility and capacity based on the partner checklist. This will be further explained in the booklet on Business partner selection and Contracting.

In PROMIS, a difference is made between an assessment of an implementing partner and a consultant. When the assessment on the new partner is positive and approved, the results of the assessment are registered in PROMIS, the business partner will be selected and the project enters the next phase (programme cycle step 4: Contracting)

### Own implementation projects

As Solidaridad we often work with implementing partners, but we also implement some projects ourselves within a REC, for example trainings. In PROMIS we call this 'own implementation projects'. In general we can say that Solidaridad implements when no other partners or service providers are available. By implementing ourselves we try to build capacities of others, who will take over the role of implementer in time.

### Step 4: Contracting

The fourth step in the Solidaridad programme cycle describes the process of contracting a business partner. This phase starts when funds are available and after a successful process of business partner(s) selection. During the phase of contracting, the responsible project manager at the REC will verify available funds in PROMIS, approve the actual project proposal and draft a contract in PROMIS.

	Step within Solidaridad programme cycle		oorting documents formats	PRO	MIS step P		Relation to DCED	
<b>•</b>	Step 4	•	Contract	<b>•</b>	Funding availability	•	Measurement plan	
•	Contracting	•	Project proposal	•	Contract (types and procedures)			
				•	Project summary			
				•	Schedule payments			
				<b>&gt;</b>	Schedule assessments (Progress reports, Field visit)			

In PROMIS we distinguish four types of contracts:

- 1. Standard contract: this contract is used for any agreement with a business partner who is to receive funds from Solidaridad for the implementation of a project or to deliver a service.
- 2. Extension budget / period contract: we use this contract as addendum to an existing contract when the project budget is raised or the project period is extended. This is only to be used when the project activities and expected results stay the same. When new activities are added to an ongoing project, it is better to make a new contract for these activities (in PROMIS)
- 3. Reduction budget contract: contract used when funding allocated to a contract will not be fully used and is to be reallocated.
- 4. Operational fee contract: this contract is used only by Financial Controllers to register the operational fee (HR and operational costs) at REC level available for the project. This enables us to distinguish the operational fee from the funds available for project implementation.

In PROMIS we distinguish three contract procedures:

- Consultancy: Advice or facilitation by an external consultant. It does not concern core activities for instance training of farmers or setting up multi stakeholder initiatives. It can be done by an individual or a company.
- Own project implementation: Core activities are executed by a REC.
- Partner project implementation: Core activities are outsourced by REC to a partner.

After approval and signing of the contract (hardcopy), the contract will be finalized in PROMIS. The phase of contracting ends when all contracting information including the project summary is registered in PROMIS. This also includes essential information for financial administration (scheduling payment schedules) and monitoring (scheduling contract assessments). Several contract assessments are scheduled as part of the contract:

- A project summary which contains details on objectives, strategies, key partners and targets.
- The progress reports monitor key performance at outcome level, i.e. expected changes with the persons and organisations we are targeting. The last scheduled progress report also functions as a final report (see also step 6 'Evaluation'). Progress reports are scheduled during the entire contract period and preferably at least every 6 months.
- Monitoring or field visits need to be scheduled as part of the contract, if applicable.
- Contract closure is a final check list that is scheduled to be completed by the end of the end of the project activities (contract).

All progress data should be entered into PROMIS. Some quantitative data can be aggregated in PROMIS and reports can automatically be produced by donor, REC, department, region, country, year and programme. This will be further described in the booklet on Implementation and Monitoring.

Although the Solidaridad network is not using a standard contract format, there are certain guidelines to which any contract should comply. The contract guidelines and PROMIS administration will be described in more detail in the booklet on Contracting.

### Baseline & Definition of Key Performance Indicators

A baseline assessment is preferably carried out before starting the project activities. A baseline is an analysis describing the situation prior to the start of a project, against which progress can be assessed or comparisons made after completion of the project. In the contract it is defined who will be responsible for executing the baseline. Based on the baseline the target values for the Key Performance Indicators can be established. Often these will form part of the contract.

Within Solidaridad network, we strongly encourage baseline information on all indicators to be gathered before the project starts. During the process of project formulation (step 2) you might have collected baseline information already, as part of your sector context analysis/country baseline. However, it might be necessary to update and validate this information before starting the project. If no baseline measurement is possible, this should be justified in your monitoring plan. In that case, you can also consider collecting secondary data or conducting a retrospective study that compares the present with a previous point in time in order to assess changes. You can read more about baseline and definition of key performance indicators in the booklet on Implementation and Monitoring.

### Step 5: Implementation and Monitoring

The fifth step in the programme cycle is all about the implementation, administration and monitoring of the project. This phase starts once the contract is signed and the payment request is received from the business partner (step 4). Main steps are the payments to business partners, monitoring and reporting. These steps are briefly described below.

Step within Solidaridad programme cycle			oorting documents formats	PROMIS step		Relation to DCED	
<b>&gt;</b>	Step 5 Implementation & Monitoring	•	Payment Request Form Project Plan	<ul><li>.</li><li>.</li><li>.</li></ul>	Payment request Payment Assessment: Progress report Field visit	<ul><li>*</li><li>*</li><li>*</li></ul>	Baseline study  Monitoring and measurement plan  Data collection measuring changes in indicators  Tracking programme costs  Monitoring on indicators used for management

### Payment request

A payment request should be conform the installments agreed upon in the contract and can only be submitted after all reporting requirements are met. The financial report by the implementing partner should at least provide insight into expenditure, progress and a forecast. Approving a payment request in PROMIS (which can only be authorized by the director) means all requirements have been met and the payment request has been approved and signed (hardcopy paper). PROMIS does not allow for payments without approval of a payment request,

#### Monitoring

Monitoring refers to a process of systematically collecting information on the progress of the project, based on the result chain and indicators of change as defined in the project proposal (see also step 2 on project formulation).

Every project should be monitored on a continuous basis throughout it's lifetime. Based on the monitoring information, you should be able to know whether your project is still on track and successfully working towards achieving the planned results, and if not the responsible project manager should decide timely to intervene and adjust for example project activities, planning or staffing.

It is strongly recommended to regularly check and update the intervention results chain, since there might be internal and contextual factors influencing the likelihood that you can realistically achieve your planned outputs. There might also be unexpected benefits that positively influence your project in a way that you did not anticipate on before the start of the project.

Updating your results chain also helps you to estimate to what extent your project outcomes are contributing to changes in terms of enterprise development and performance, sector growth and ultimately poverty reduction. (See also Step 6 on attributable change).

### Monitoring system

The Solidaridad network recommends (in line with DCED standard) for each REC to develop a monitoring system that defines for each results chain:

- What information will be gathered for each key indicator?
- How the information will be gathered (survey, interview, focus group discussion etc.) and analyzed?

  Usually a measurement plan also explains how targets are calculated and what assumptions are used.
- When each indicator will be measured or assessed and by who?
- Why. A monitoring plan should provide a clear overview of how the information should be used for reporting.

The basis for this is already described in the monitoring plan that forms part of the project proposal. Further development of the system takes place at the start of the project.

Monitoring is a shared task between project staff and management. Monitoring requires clear responsibilities, adequate planning, appropriate skills and sufficient human and financial resources. The project manager is accountable for the development and implementation of the monitoring system, including downward accountability and feedback on reports received.

### Reporting

Projects are generally carried out with external funding, which must be made accountable by the RECs. Responsible staff members are required to report to funding agencies (or donors) in time and according to the donors reporting requirements.

Within the Solidaridad network, progress reports should be produced by implementing partners during the entire contract period of a project and preferably at least every 6 months (or with other time interval as agreed in the contract). The progress reports monitor key performances, expected changes within the persons and organisations we are targeting, and the universal impact indicators on outreach, income and employment (see also Step 2 on project formulation). The last scheduled progress report also functions as a final report (see also step 6 on evaluation). All progress data should be entered into PROMIS.

Apart from written progress reports, monitoring is done by Solidaridad project staff through field visits. Staff members may visit project partners and beneficiaries several times before, during or after the implementation of a project to support development and implementation and verify progress. After each field visit, a short report needs to be written with the most important findings and entered into PROMIS.

In the booklet on Monitoring, examples will be given of state-of-the-art baseline assessment and monitoring methods, as well as tools for participatory data collection, like real-time reporting through SMS or social media, and other new-media techniques like for example video diaries.

# Step 6: Evaluation

The sixth step in the programme cycle describes the process of contract closure and evaluation.

Step within Solidaridad programme cycle			oorting documents formats	PROMIS step		Relation to DCED	
•	Step 6	•	Final project report (partner)	•	Progress report assessment	•	Estimating attributable changes
	Evaluation	•	Final report assessment (Programme Manager)	•	Contract closure	•	Capturing wider changes in the system / market

#### Contract closure

After completion of the project, the project partner (business partner) writes a final project report. This report includes a technical part on the achievement of objectives and a financial part showing the actual amounts spent compared to planning.

The responsible project manager will use the report to make a final assessment using the report assessment format. The report assessment includes recommendations for future (annual) plans and projects. This has to be registered in PROMIS.

In PROMIS, the contract can be closed formally when all requirements for reporting, archiving and financial management have been met. The programme administration and monitoring through PROMIS stops here. But additional analysis and learning from project challenges and successes can take place by means of an evaluation process.

#### **Evaluation**

Besides the regular final report assessment, it is valuable to initiate an additional evaluation by an internal and/or external evaluator. Evaluations can be planned regardless of whether this is an explicit donor requirement or not. It is recommended to prepare the evaluation in collaboration with the PM&E coordinator at the secretariat in the Netherlands. There are a number of topics and criteria that should be studied in all evaluations (which are also in line with DCED, OECD, and DAC criteria):

- Relevance Are we doing the right things?
- Fifectiveness Are we doing the right thing well (are we doing things right)?
- Fificiency / Cost Benefit -Are we reaching the best return on investment?
- Impact What positive and negative, expected and unexpected, intended and unintended changes have taken place and do we expect in the long term?
- Sustainability (or: durability): Has the programme been designed and executed in such a way that its activities will not stop when the programme has ended. Have sound exit strategies been developed?
- Cooperation with partners How successful have our partnerships been?
- Internal organisation and management

Evaluations should make use of qualitative and quantitative information, which can partly and preferably be an aggregation of monitoring information collected throughout the project. Evaluations should preferably also include a post-intervention assessment using the same indicators as used for the pre-intervention baseline assessment.

The focus of an evaluation is not only on whether the expected outcome and impact been achieved but also to increase understanding about the underlying process and intervention mechanisms that have successfully lead to a certain impact (Result Chains / Theory of Change) and whether the observed changes have actually been caused by the project (attributable change).

This is another way of increasing our understanding of and improving the intervention results chain, and is considered to be very important for internal learning and a perfect opportunity for feedback to all stakeholders of the project (downward accountability). The PM&E coordinator is responsible for dissemination and organizational learning based on project evaluations.

### Attributable Change

There are situations where projects cannot fully proof that the measured changes were attributable to their work (e.g. 'attribution gap'). The changes can also be a result of collaborating or complementing projects, or in some situations the underlying process (result chain) has not been clear enough to attribute the changes to the intervention (and changes would have taken place anyway, also without an intervention).

Solidaridad network finds it important to be transparent about the attribution gap and emphasizes the importance for every project to have a clear and reasonable approach to assess the attribution at every step in the results chain and acknowledge other's contributions to the changes observed.

### Capturing wider changes in the system or market

Because projects on private sector development aim to affect entire systems or markets, benefits are likely to be wider than just among the direct recipients or partners; this may be, for example, because the overall environment has improved or because other enterprises or organizations (at various levels of the results chain) copy the innovators and early adopters. This effect is called "crowding in", "copying", "spontaneous replication" or the 'ripple effect'. The Solidaridad network would like to encourage collecting case studies and stories on how our projects sometimes turn out to have a triggering effect on a (micro-) system or market.

In the booklet on Evaluation you will find more guidance on the evaluation criteria described above, how to assess attributable change and best practices from the Solidaridad network in (evaluations of) private sector development.

# Colofon

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