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Transforming Example Quinoa Sector Monitoring, Evaluation and Learning (ME&L) Plan

Approved Date: March 31, 2015

Version: I

DO Number & Name: I, Rural Population Included in Modern Example Economy

IR Number & Name: I.2, Improved Status of Rural Population

Sub-IR Numbers & Names: I.2.1, Improved Child Health, and I.2.2, Transformation to
Increase Smallholder Farmer Income

Estimated Life of Project: June 1, 2015 to May 31, 2019

Total Project Estimated Cost: \$18,500,000

Project Manager Name & Office: Old McDonald, Office of Economic Growth

Project M&E POC: Judy Appleseed, Office of Economic Growth

I. Introduction

This Project serves as the approach by which USAID/Example expects to accomplish IR 1.2.2 Transformation to Increase Smallholder Farmer Income. The overall project purpose is to enable people engaged in Example's agriculture sector to benefit from sustainable economic growth. The project will accelerate sustainable and inclusive growth in the agriculture sector. It will focus on the two major factors contributing to food insecurity: 1) The inability of farmers to effectively engage in economic activities, and 2) Low productivity in the quinoa value chain.

Increased productivity will be achieved through enhanced access to and availability of quality inputs, providing technical assistance to farmers, creating and expanding market linkages, and strengthening the ability of farmers' associations to organize.

USAID/Example aims to ensure uniformity in the M&E approach and the data reporting across all different implementing mechanisms. An independent M&E mechanism will be procured to collect baseline data, conduct performance monitoring of key indicators, conduct evaluations, and support knowledge management. In addition to this, the M&E contractor will support the establishment of a GIS based monitoring system that can be linked with activities from other offices and donors.

2. Theory of Change and Implementation Logic Model

The development hypothesis of the Project is based on the assumption that the agriculture sector provides the best foundation for achieving short-term inclusive economic growth and addressing critical development needs. Over 85 percent of the population is involved in the agriculture sector. A 2014 assessment found significant possibilities for commercial export of quinoa, as well as available finance for quinoa-related growth, but that barriers to smallholder farmer involvement included lack of quality inputs, persistent use of outmoded technologies, and inefficiencies in value chains linking smallholder farmers to markets.

The first area of activities under the project will be around quality input provision and support for new technologies. This will be conducted through technical assistance provided to the Rural District Agricultural Extension Program of the Government of Example. Through provision of technical assistance and ongoing mentoring, as well as a peer learning program for agriculture-focused civil servants and district administration offices, USAID/Example will support more effective outreach and sustainable support for farmers' technology uptake, in line with the Government of Example's *Super Excellence Plan 2015-2019*. Through bulk purchase of improved seeds and by brokering agreements with private sector agribusiness firms, USAID/Example will reinforce the availability of high-quality inputs for quinoa and other agricultural products.

The second activity under the project will support more effective and sustainable farmers' associations that reinforce farmer education and improve value chain linkages. Through strengthened farmer groups and associations farmers will be educated on farming as a business, production practices and be linked with services such as finance and group marketing opportunities. As farmers realize the benefits associated improved production practices and technologies, the facilitated market linkages will provide incentives to

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Comment [1]: Activity with capacity development.

continue to increase quality and quantity of production. As farmers become more confident in their ability to sell and recognize the results of increase production and efficiency of implementing technologies, they will have increased incentive to expand operations. Access to finance for expansion and improvements will be facilitated through farmers' organizations, thus generating increased demand for financial services.

3. Plan for Project Monitoring, Evaluation, and Learning

The key indicator for project-level M&E, selected in conjunction with guidance from Feed the Future and in accordance with USAID's M&E policies, is smallholder farmer incomes. Targets for the indicator is an average of \$170/year increase in smallholder farmer income, including at least \$100/year among adult women only households and at least \$80/year among farms less than .3 *blinis* in size by 2018. All monitoring data will be shared among implementing partners and with local stakeholders such as the Example Ministry of Agriculture, District Offices, Farmers' Associations, and other donors, including through annual formal meetings convened under the auspices of the District Governors.

The first activity under the project, on strengthening Rural District Agricultural Extension Offices, will incorporate into its activity M&E plan appropriate performance indicators to reflect expected changes in the performance of those organizations. These will include behavior-based assessments of the skills of Agricultural Extension Officers, as well as an adaptation of the Government of Example Public Management Standards regarding RDAE Office budget management and execution. The activity will also introduce a process of farmer rating of extension services via incentivized cell phone polling, and will support RDAEOs to aggregate and track this information for their districts.

The second activity under the project, on strengthening farmers' associations, will incorporate into its activity M&E plan appropriate indicators of the associations' performance organizationally and on the key metric of sustainable, fee-based finance, in accordance with the ADS recommendations on measurement of capacity development. This will include use of the Organizational Performance Index (OPI) as an annual assessment of farmers' associations, as well as quarterly tracking of the percentage of association costs borne by smallholder quinoa farmers' fees. This activity will also track unpredicted outcomes of the value chain facilitation approach through conducting semi-annual Most Significant Change reviews with each supported farmers' association (for more information, see the Complexity-Aware Monitoring Discussion Note).

Through the M&E contract, annual data on the key indicator will be collected. The M&E contract will also support targeted annual surveys of farmers and rural families that are used to track selected systems indicators of value-chain relationships. This will include frequency of engagement by smallholders with different types of market actors (aggregators, middlemen, input suppliers); farmers' perception of usefulness of extension offices; and farmers' perception of the usefulness of associations. The survey data will be disaggregated by caste, farm size, and gendered household type. This data will inform the annual portfolio review with respect to wider changes in the target districts, and used to

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Comment [2]: Measurement of activity incorporating capacity development in line with recommended measurement approach.

add rigor to assertions of contribution between achievements under the two activities and shifts in the key indicator.

It is anticipated that the annual portfolio review and iterative adjustments to workplan and activity M&E plans will represent the primary vehicle through which the monitoring will inform programmatic activities. Following each portfolio review, all activity implementers will be asked to submit updated workplans including adjustments from prior plans or targets, with any adjustments linked to monitoring findings. Such adjustments may also be requested at other times, as monitoring data is gathered, but will at minimum be undertake and justified annually.

Discussion for Use of this Example – a Note to Readers

As outlined above, this project M&E Plan monitors progress at multiple levels of a results chain – smallholder farmer income at the highest levels, extension service skills and ratings as well as farmer association performance at intermediate levels, and sundry outputs (training and mentoring provided, facilitation activities conducted, etc.) at lowest levels. Key to using the plan correctly for adaptive management is to understand how the parts relate and which aspects are likely to remain more fixed compared to which aspects are likely to change as the activities comprising the project are adapted to better fit the changing context. Specifically, the highest-level indicators of the project – those that define the purpose it is set to accomplish, namely the smallholder farmer incomes – would not be expected to change, as changing those would literally represent a change to the purpose of the project. Their targets would also not likely change absent a major shift in the country context.

As the measures move down to the lower levels, tracing the theory of change, there will be an increase in flexibility over the selection of indicators and of target setting. This is because these aspects of the project logic are less certain and more dependent on a shifting local system around the USAID-supported programming. For example, if training Agricultural Extension Officers is not seen to affect farmer rating of extension services, this may imply that the project logic is wrong and needs updating, and effort would switch from training extension officers to doing outreach to farmers around how they can take advantage of extension services or otherwise addressing their enduring concerns. In this case, the indicators on behavior-based assessment of Extension Officer skills would be downplayed or discarded entirely as the project's logic is updated.

At the lowest level of indicators, capturing inputs and outputs, these should be expected to change at several points across a multiyear implementation period as the context shifts and as different approaches gain or lose efficacy. As in the example above, if there was a shift away from training Extension Officers, then output indicators of number of officers trained would be discarded as no longer relevant.

One way of distinguishing between where indicators should stay fixed and where they should be expected to change is to differentiate between the logic of the outcomes (how certain changes would lead to other changes, for example that growing and exporting quinoa would improve smallholder farmer income) and the logic of the intervention (how certain USAID-supported actions should translate into certain intermediate outcomes through their interaction with the local stakeholders, for example that training will assist farmers' associations to be more effective representatives of their members). In general, it is much easier to have confidence in the outcome-to-impact logic than it is the activity-to-outcome logic.

In addition to tracking the indicators in the project, the project M&E Plan also defines ways of tracking how the local system relevant to the project is shifting – in this case, through the annual indicators of interrelationships within the quinoa value chain. Those changes in the local system serve as important ways to gauge how the context is shifting. The Project M&E Plan also incorporates some complexity-aware monitoring approaches that shed light on how change

happens, validating or challenging the project's underlying logic, and also help to capture unpredicted changes sparked by USAID-supported programming.

Taken together, an understanding of how the local system is changing and data from the complexity-aware approaches on how change is happening under the project can be used to maintain the relevance of the project programming, update the theory of change and adapt the programming appropriately. Such adaptations would likely change the inputs and outputs, and potentially shift some of the intermediate outcomes expected as well, keeping the project fixed on its purpose and the intended changes to be achieved (and indicators of those changes) as defined.