PFRC
Public Finance
Resource Centre

# PFRC Guide to the Monitoring, Evaluation and Learning of Interventions

This MEL (Monitoring, Evaluation and Learning) Guide is intended to support internal teams, implementing partners, and programme stakeholders by outlining recommended approaches, tools, and processes for MEL activities across the PFRC programme. It does not constitute a legally binding agreement between Adam Smith International (ASI) and any supplier, implementing partner, or the end client.

The contents of this guide, including all referenced methodologies, templates, and practices, are for programme management and learning purposes only. They are subject to ongoing review and may be updated or amended by ASI at its discretion. In the event of any inconsistency or conflict between this guide and the terms set out in formal procurement documents, contracts, or agreements (e.g. Terms of Reference, Subcontract Terms and Conditions, or procurement documentation), the latter will take precedence.

This guide is not intended to create any enforceable obligations on ASI or the end client and should not be interpreted as such by third parties.

## Table of Contents

## 1. Purpose of the Guide

This document gives an overview of requirements for Monitoring, Evaluation and Learning (MEL) on interventions contracted through the Foreign, Commonwealth and Development Office (FCDO)-funded Public Finance Resource Centre (PFRC).[1] Steps in the process of developing and implementing an intervention-level MEL framework are laid out, tools explained, responsibilities outlined and links to templates are highlighted.

This is a living document and will be updated as our experience and understanding increase.

This document gives an overview of the general approach to PFRC MEL, followed by sections which focus on embedding the approach through the main MEL tools used by PFRC. These are listed below and described in more detail in the following table:

- Theory of Change
- Logframe
- Reporting
- Learning through regular reflection sessions.

Responsibility for implementing the approach is split between the PFRC MERL Team and the team responsible for intervention implementation. This is summarised in Section 6. Annexes then give references used, definitions, tips on developing capacity from the literature and an extract of the logframe template.

| Documentation | Key characteristics | Responsibilities |
|---|---|---|
| **Theory of Change (ToC)** | ◆ Shows pathways of change for the project<br>◆ Developed during inception phase. Agreed with Post.<br>◆ It is usually updated annually in reflection sessions. | ◆ An initial draft will be developed by PFRC MERL Lead, aligned with PFRC ToC. It will be discussed, enriched and agreed with the implementation team, based on the Political Economy Analysis (PEA) and the Approach Paper.<br>◆ Implementation team will be responsible for regularly updating the ToC based on PEA, increasing understanding and contextual changes. Changes will need to be agreed with Post and PFRC MS. |
| **Logframe** | ◆ Details objectives, indicators, assumptions, milestones and targets.<br>◆ Developed during inception phase. Agreed with Post.<br>◆ Milestones and targets may be updated annually in agreement with Post and PFRC MS. | ◆ An initial draft will be developed by PFRC MERL Lead, aligned with project ToC and PFRC logframe, with standard indicators where possible. It will be discussed, enriched and agreed with the implementation team, customising indicators and targets to the intervention context.<br>◆ Implementation team keeps it updated, based on PEA, increasing understanding of implementation, and contextual changes. |
| **Reporting** | ◆ Format and content agreed in inception phase and added to the Contract Management Plan | ◆ PFRC Managing Supplier will provide reporting template and guidance.<br>◆ Implementation team provides regular reports according to the agreed timetable. |

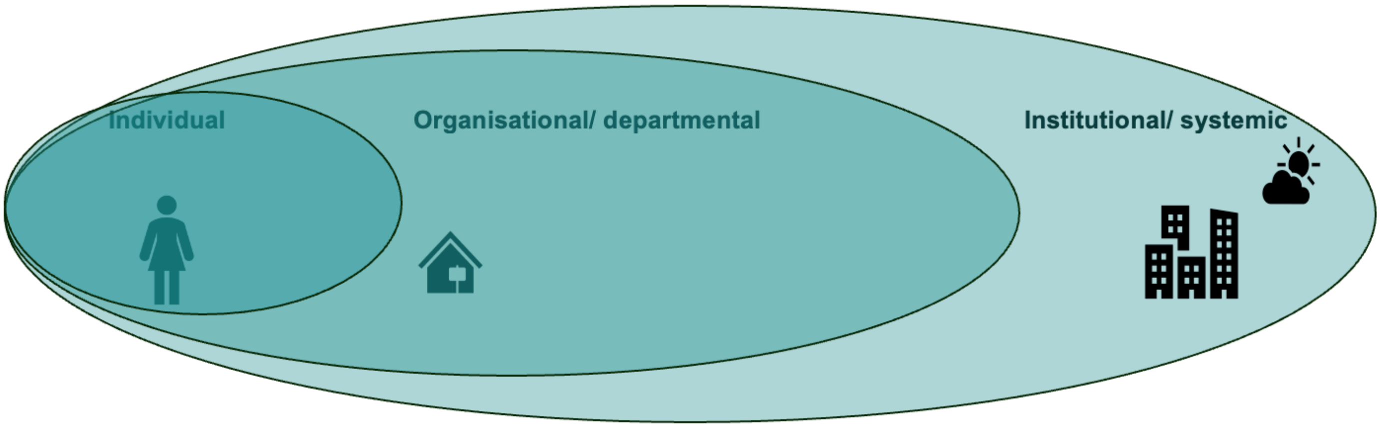
[1] **Note**: This document refers primarily to medium and long-duration interventions. Short-duration PFRC assignments as implemented directly by the PFRC Managing Supplier and tend to be primarily focused on the conduct of Political Economy Analysis (PEA), scoping or reviews. A more streamlined approach is therefore generally applied for short-duration intervention MEL.

| Documentation | Key characteristics | Responsibilities |
|---|---|---|
| **Reflection** | ◆ Approach to project learning is outlined in the approach paper by the implementation team. | ◆ Reflections sessions, led by the PFRC MERL Lead to be held post-inception, 6-monthly during implementation and as part of the exit strategy. A report (produced by the MERL Lead) will summarise findings, lessons and actions agreed with the implementation team. |

## 2 The PFRC approach to measuring capacity development

The PFRC delivers primarily through demand-led Technical Assistance (TA). There is much debate in the literature about the definitions of TA, capacity building and capacity development. Within the PFRC, the working definition of technical assistance (from Cox and Norrington-Davies 2019) is "knowledge-based assistance to governments intended to shape policies and institutions, support implementation and build organisational capacity."

In terms of analysing capacity development more specifically, the PFRC framework takes a broad view, looking at capacity at 3 levels: the **individual**; the **organisation** or department that the individual works within; and the wider environment in which that organisation or department operates, referred to here as **systemic**.




*PFRC Approach to Measuring Capacity Development*

This framework is at the heart of our approach to MEL.[2] It supports the analysis of different elements of capacity development and provides valuable insights into project design, management and results. We will apply this framework across the PFRC where feasible and constructive.

**NB** Capacity 'for what?' should always be defined. It is important to take into account that written regulations, mandates, laws and processes may differ to what takes place on a day-to-day basis: the 'should be' that is documented is almost always different to the 'as is'.

[2] The framework draws heavily on the work of the UN and others - see reference list at the end of the document.

| Level | Meaning | Developing Capacity |
| --- | --- | --- |
| **Individual** | The knowledge, skills, attitudes and behaviours that a person holds and uses.<br><br>Includes more intangible - but important - aspects such as motivation, ambition, and values. Also includes the biases and assumptions that influence behaviour, for example around age, class, gender, sexual orientation, disability, religion etc. | Often referred to as capability, developing capacity may blend coaching and hands-on support; it may include a series of training sessions and workshops with a group of staff to increase their knowledge and skills, i.e.<br><br>• Training (with groups)<br>• On the job training (individual)<br>• Coaching and mentoring |
| **Organisational/ departmental** | The processes and systems, management structures, and resources that govern and guide groups or teams of individuals. For example:<br><br>• leadership and culture<br>• incentives and rewards<br>• strategies, values and vision<br>• recruitment, compensation, performance policies<br>• planning budgeting and management systems.<br><br>As well as the systems there are more intangible aspects relating to organisational culture and behaviour such as trust, morale, relationships, and communication styles. This includes organisational patterns of behaviour, and language. | Addresses organisational capacity, including systems and processes. Often starts with conducting an organisational assessment to understand the current capacity, culture and needs of the organisation.<br><br>Based on this needs analysis, there may be support given to, for example, co-develop a new strategy, new tools or a draft update on a policy or procedure. (This may be complemented by a series of training sessions for staff on tactics for implementation – individual capacity). |
| **Institutional/ systemic** | The national policies and legislation; the institutional framework and relationships between the institutions; societal norms and conventions; the labour market and economy; and class and power structures. | A long-term intervention may include working at this level across several departments, strengthening cooperation between organisations and/ or seeking to update national laws and policies. It could also consist of a series of Technical Assistance projects. This implicitly recognises the importance of addressing wider institutional constraints.<br><br>This can include the twinning of institutions or triangular cooperation[3]. |

[3] Triangular cooperation involves a counterpart organisation, a pivotal partner with relevant domestic experience of the issue, and a facilitating partner who connects the partners, supports the partnership, with finance and/ or technical expertise.

# 3 Embedding the PFRC Approach

Given that the PFRC primarily delivers through technical assistance, the objectives for each PFRC intervention or project should align with the capacity development framework set out in the previous section.

In practice within the PFRC, the long-term **impact** of a project will most often relate to the benefit to the macro-fiscal situation at the national level.

The **outcomes** will often relate to the implementation of specific reforms supported, as a result of capacity being operationalised at the departmental or organisational level. This may include training or coaching materials developed under the project being used by another institution such as the Civil Service Training College.

With many PFRC interventions the impact and outcome might be fixed or influence by an FCDO business case. In such situations, setting **intermediate outcomes** can provide a useful statement of what changes this intervention can expect to see at the end of implementation.

The **outputs** will usually relate to:

i) improvements in individual skills (individual capacity)
ii) co-development of procedures, tools, guides, policies, etc. (departmental capacity)
iii) inter-departmental coordination (systemic capacity)
iv) social value

The corresponding indicators, milestones and targets will also align to these levels.

For example, one output might relate to the capacity developed at the individual level (through training and mentoring activities). A second might relate to the organisational capacity developed through the delivery of frameworks, guidelines, process designs, or new structures related to tax administration. A third output might relate to the co-development of draft legislation, or agreement between organisations on data sharing.

## 3.1 The Theory of Change (ToC)

The ToC for each intervention will be produced by the MERL Lead, working in close cooperation with the implementing team:

- The PFRC MS MERL Lead will develop an initial, skeletal draft of the ToC
- The ToC will be developed in a series of conversations with the implementing team during the inception phase, articulating pathways of change and the complementary assumptions. The pathways, and the assumptions will often be enriched or deepened by the Political Economy Analysis
- The ToC will be submitted to FCDO-Post by the PFRC MS MERL Lead for final approval by the end of the inception phase.

The ToC should:

- Be linked with the overall PFRC ToC
- Be fully grounded in the Political Economy Analysis,
- Reflect the in-depth understanding of the intervention and context that exists within the intervention team
- Reflect the strategic approach to delivery of the intervention (usually as expressed in the Approach Paper produced by the implementation team during inception)
- Include action to address Gender Equality and Social Inclusion (GESI).

**The ToC** starts with the definition of the problem that the project is aiming to address, followed by a one-page diagram supported by two to four pages of text. The diagram links the activities (or groups of activities) that the intervention will manage, through the outputs that will be delivered, through to the longer-term changes that the intervention will contribute to, i.e. the outcomes. The narrative gives more details on the core problem the intervention is addressing as well as the story of change, describing the pathways that link activities through to outputs and outcomes. It weaves in the assumptions that underpin the pathways of change, and make explicit what needs to be present in the environment for the activities to contribute to an outcome, and the outcomes to contribute to the impact.

## 3.2 The Logframe

Once the ToC impact, outcomes and outputs are drafted, they will be inserted into the standard FCDO logframe format. Logframes are essential for monitoring progress, and form the basis for reporting on that progress. They also serve as the basis for the FCDO Annual Review process.

An initial draft logframe will be developed in the inception phase by the PFRC MS MERL Lead. This will be further developed in a series of conversations with the Implementation team, informed by the political economy analysis, discussed with post and finalised, usually as part of the inception completion. An extract from the logframe template is contained in an Annex.

Using the most appropriate indicators in the logframe and monitoring of progress is a vital part of project management and requires full inputs from the implementation team. Indicators (how progress will be measured), milestones (showing progress over time) and targets (the indicator value at the end of project) need to be drafted in the conversations between the PFRC ME MERL and implementation teams, and agreed with FCDO. As well as the deliverables specific to the project, a standard indicator related to social value and the quality of delivery is included – shown as output 4 in the template.

Information on performance against indicators needs to be collected to understand the results that the activities are delivering, what is working well and what might need to be changed, started or stopped. Beyond these decisions at the project level, performance information should be reported to PFRC MS to enable programme-level comparison, aggregation and learning.

**Impact indicators.** At the **impact** level, the indicators are usually related to national statistics and to the overall macro-fiscal situation.

The PFRC has produced a list of good quality indicators that are relevant to PFM and tax projects. Extracts from that list are given below and the full, current version is given HERE. Most indicators will be available from national statistical offices, or international organisations such as the IMF. Three or four of the most appropriate indicators from this list will be chosen for the impact and for each outcome, depending on the project goals and environment.

| Objective | Indicator Examples |
|---|---|
| **Economic performance** | ● Overall PEFA score<br>● Overall TADAT Score<br>● Budget deficit (GGE – total revenues) in absolute terms<br>● Budget deficit as a percentage of General Government Expenditure (GGE). |
| **Income collected by government** | ● Total tax revenue, disaggregated<br>● Total, direct and indirect tax revenues as a percentage of GGE and GDP<br>● Measure of tax effort i.e. tax collected as a share of estimated tax revenues with full compliance<br>● Total number of taxpayers |
| **Debt service** | ● Gross financing needs as percentage of GDP (debt service);<br>● Total Public / Government Debt (GBP) |
| **Tax: TADAT Performance Outcome Areas** | For example:<br>1. **Integrity of the Registered Taxpayer Base**<br>● number of taxpayers, disaggregated |

| Objective | Indicator Examples |
|---|---|
| | ● % of ‘registration sweeps’ carried out on schedule<br>● Number and % of previously non-registered taxpayers registered<br>● Projected annual revenue increase due to fresh registrations (of previously non-registered) |
| **PFM: based on PEFA Pillars** | For example:<br>● **Budget reliability.**<br>● Aggregate expenditure outturn versus aggregate budgeted expenditure (%)<br>● Variation in-year in composition of expenditure by function, economic or administrative classification (%) |

There is also, as standard, a qualitative analysis of the implications of changes in terms of the socioeconomic realities of different groups such as men and women, high and low wealth/ income, urban and rural, and excluded groups.

**Outcome indicators.** The **outcome** level states the strengthened processes and systems in use, new or updated policies and laws in use, and improved organisational performance statistics, separated into tax revenue, PFM and transparency. For each change, a qualitative analysis (integrating Gender Equality and Social Inclusion) of actual/ expected consequences of take-up of / change will be given. The level of counterpart satisfaction with the technical assistance provided will also be measured, as well as the perception of citizens, or taxpayers, wherever appropriate. Changes at this level arise through the systemic utilisation of strengthened capacity, systems and laws by counterpart institutions.

As well as the quantitative indicators (strengthened processes and systems in use, policies and laws in use, organisational performance statistics), and the qualitative analysis of actual/ expected consequences of change, it might be appropriate to include more specific standard indicators (e.g. on an individual PEFA pillar, or a specific performance outcome – see list above). Further indicators on gender responsiveness and budget transparency specifically may also be useful – see below.

| Objective | Indicator Examples |
|---|---|
| **Gender Responsiveness of Public Financial Management Systems (GRPFM)** | ● The extent to which the government prepares an assessment of the gender impacts of proposed changes in government expenditure and revenue policy<br>● The extent to which robust appraisal methods, based on economic analysis, of feasibility or prefeasibility studies for major investment projects include analysis of the impacts on gender. |
| **Budget transparency score** | ● Participation: are there formal and meaningful opportunities for the public – including the most disadvantaged – to engage in the national budget process?<br>● Oversight: are oversight institutions – the legislature, the national audit office, independent fiscal institution(s) – in place and enabled to function properly?<br>● Transparency: is comprehensive budget information from the central government available to the public in a useful time frame? |

For each change, a qualitative analysis (integrating Gender Equality and Social Inclusion) of actual/ expected consequences of take-up of / change will be given. The level of counterpart satisfaction with the technical assistance provided will also be measured, as well as the perception of citizens, or taxpayers, wherever appropriate.

In some cases, a more qualitative tool for assessing progress can add value. Where an intervention is working across a definable department or organisation, using both individual capacity development and the co-development of tools and processes, with significant resources and over a significant period of time, a more qualitative tool for assessing progress can add value. A template for an assessment of organisational health or maturity is outlined below. Such a maturity matrix splits the department into different elements and assesses the current status of each. This tool would normally be completed during the inception period as part of the PECA analysis and updated regularly to show progress.

**Organisational maturity assessment.** This matrix is designed to give a summary of key aspects of a counterpart organisation or department's health, or maturity. Wherever possible the exercise should be completed in collaboration with the counterpart. At the very least it should be shared.

The initial assessment documents an agreed position: it can also be used to agree priority areas for action. A repeat assessment should be carried out periodically to analyse and summarise progress. This assessment should be linked to the intervention logframe as a means of evidence of progress.

The matrix is split into rows and columns:

- The headings for the rows have been developed using inputs from a variety of sources - see the references in the Annex for details. The authorising environment deals mainly with the broader institutional framework within which the organisation operates. Much of this information in practice will come from the PEA. The other aspects will come from interviews, surveys, documentation reviews, analysis of reports and other information that relates to the counterpart organisation. The matrix will be customised for different organisations and situations. Further rows can be added for additional aspects of the organisation's character that add understanding or depth to the analysis.

- The columns are intended to indicate the current level at which the counterpart organisation (the Revenue Authority, the Directorate General Budget, the Debt Management Unit etc.) currently stands. These are split into 4 as follows:
    - Good practice
    - Fit for purpose
    - Developing
    - Basic (sub optimal)

The matrix can be completed as part of the baseline data gathering, and integrated into reporting. This may be as a separate document, of the steps from developing to good practice for example, can be built in as milestones in the logframe.

**The Matrix** (with example characteristics given in blue)

| | Components | Good practice | Fit for purpose | Developing | Basic (sub-optimal) |
|---|---|---|---|---|---|
| **Authorising environment** | Country context, organisational mandate, stakeholders and institutional networks (formal and informal) | | | | |
| **Leadership and Strategy** | Authority to formulate and implement strategic and operational plans aligned with national priorities. Ability to shape a relevant, appropriate internal organisation structure to deliver the plans. | | | | - Plans not aligned with nation priorities<br>- Structure determined externally |
| **Performance management** | • Plan for, resource and prioritise results, including budget management<br>• Develop clear roles and responsibilities and business model(s)<br>• Manage performance including impact, outcome, outputs and inputs<br>• Culture of learning and good practice | | | | - Few job descriptions<br>- Culture does not reward recognition of failure, innovation |
| **Operational management** | • Organisational systems are cost- and value-conscious and enable transparency and accountability.<br>• Academic/ technical qualification standards are set for categories of recruits, ability to recruit and dismiss staff, to establish and operate staff training/ development programmes; and the ability to negotiate staff remuneration levels support adaptability in responding to needs | - Clear HR policy, recruitment strategy in place and appropriately resourced<br>- Transparent standards of recruitment and dismissal in use | | | |

**Output indicators.** At the output level, changes in the knowledge and skills at the individual capacity will be measured. The co-development of policies, frameworks, tools and analyses will also be measured.

Output level measures the following:

- Building individual capacity - changes in the knowledge and skills at the individual capacity,
- Building organisational capacity - co-development of policies, frameworks, tools and analyses,
- Intervention management practices - standard indicator related to social value (diversity of the implementing team) and the quality of delivery.

**Building individual capacity.** Technical assistance projects such as those managed through the PFRC often use a combination of techniques and approaches in working with counterpart organisations. This section aims to share good practice in how the effectiveness of such activities can be measured.

Good practice in building individual capacity involves setting learning objectives (with counterparts, counterpart organisation leaders). That blended learning may include some combination of training, coaching and mentoring.

**Training** is the transfer of knowledge and skills, often in a formal setting. Good practice in training involves setting learning objectives, developing materials, an agenda, a plan for delivery etc. Training can be a one-off event or a planned series of sessions, either in person or online. If there is to be a series of sessions, overall objectives should be set for the series, as well as individual ones for the sessions. Training sessions may be supplemented by/ interspersed with other activities such as practice of new techniques or knowledge, working through a real-life case study or individual reading or preparation.

**Coaching** aims to improve the performance of an individual at work. It is often based around a series of meetings or calls over a defined period of time where the coach asks questions designed to provoke reflection and suggested solutions from the person being coached. Objectives should be set around specific skills and goals to be achieved through coaching, such as:

- improving performance against organisational targets
- supporting the application of new skills or practices
- preparing and supporting people through change

For success an individual needs to be open and ready to be coached.

**Mentoring** takes place when a more experienced colleague shares their knowledge to support the development of an inexperienced individual. It calls on the skills of questioning, listening, clarifying and reframing that are associated with coaching and tend to be longer term than coaching arrangements. An effective mentoring relationship is where there are learning opportunities for both participants, encouraging joint sharing and learning.

In measuring the development of capacity, the *effectiveness* of the training should be the focus, rather than the inputs and process (i.e. how many people were trained, how many hours of training were delivered, how many training sessions were completed etc.).

The model below gives a structure that supports understanding what has changed as a result of the capacity development. It is based on work by Donald Kirkpatrick in relation to training and is well established as good practice. It was developed using training specifically, but the principles are also applicable to coaching and mentoring.

The model focuses on four different levels of response, starting from a training or coaching event and continuing through to the longer-term benefits. The levels relate to the immediate response, what has been learned as a result, how that learning is used (changing behaviour) and the final level 4, of how that changed behaviour improves departmental performance.

| | Description | Potential Indicators |
|---|---|---|
| **a. Reaction** | Focus on the event and immediate feedback from counterparts/ learners. Was the training or coaching engaging and relevant? More specifically:<br><br>i. Relevance of training: objectives, materials<br>ii. Materials: quality and clarity<br>iii. Methods used/ presentation: delivery and pace<br>iv. Facilitator/ coach: knowledge, skills and approachability<br><br>This level is most commonly measured by a questionnaire administered at the end of the session, but can also involve interviews and focus group discussions, often later. Open-ended questions should be included e.g. are there any suggestions for improving the delivery, was there any content that should have been included but wasn't? | ○ Participant satisfaction with/ perception of:<br>    ○ relevance<br>    ○ materials<br>    ○ presentation<br>    ○ facilitation<br>○ Capacity development goals: participant perception of whether the immediate/ reaction-level goals were met.<br>○ Completion rate (% participants who completed session/ series)<br>○ All data needs to be disaggregated by participant – age, gender, disability, seniority/ position etc. |
| **b. Learning** | Focuses on the extent to which the participant has absorbed the training or coaching content. Have participants acquired the intended knowledge, skills, attitudes, confidence and commitment? This uses learning outcomes, defined beforehand.<br><br>Measured by testing knowledge, perceptions before and after. Can also use participant presentations, group work, reflective essays. Again, open questions should be included such as 'are you confident in your ability to perform in your job following the training' and 'if not, what else would enable you to feel confident'? | ○ % improvement in score (before and after test of knowledge)<br>○ Participants perception of their own changed knowledge, skills, confidence<br>○ Capacity development goals: participant perception of whether the goals relating to learning were met.<br>○ All disaggregated by participant – age, seniority, gender, disability etc. |
| **c. Behaviour** | Establishes the extent to which the counterpart/ trainee is applying their acquired skills when back in their working environment – the purpose of the training or coaching. Can – and do – the participants apply their new skills and knowledge in their day-to-day work?<br><br>Measured by keeping a log/ behaviour diary, carrying out observations, interviews or specific assessments. It is useful to involve participants' managers (or colleagues) in this, for example in assessing the log, and using their own observations and feedback. | ○ % of participants showing changed behaviour e.g. % of senior MoF staff demonstrating applied knowledge and leadership in revenue administration reform processes<br>○ Measure of degree of behaviour change<br>○ Participant perception of whether the capacity development goals relating to behaviour were met.<br>○ Manager satisfaction with participant behaviour change<br>○ Participants perception of the degree to which behaviour change is related to training or coaching |

| | Description | Potential Indicators |
|---|---|---|
| | | ○ All disaggregated by participant – age, seniority, gender, disability etc. |
| **d. Results** | Focus on improvements in the processes and outputs of the department or organisation. Has there been a positive improvement in the performance of the organisation or department?<br><br>Measured by standard operational performance metrics agreed before the capacity development starts. | ○ Change in performance e.g. volume of work or service provided, productivity, quality, revenue, decrease in costs or errors, customer satisfaction etc. |

The table below illustrates typical indicators we will most often use in the PFRC at the levels of output and outcome.

| Typical Indicators | | |
|---|---|---|
| **Output** | Reaction | ○ Capacity development goals: participant perception of whether the coaching/ training was relevant, well-facilitated<br>○ Completion rate (% participants who completed session/ series)<br>All data needs to be disaggregated by participant – age, gender, disability, seniority/ position etc. |
| | Learning | ○ % improvement in score (before and after test of knowledge)<br>○ Participants perception of whether the goals relating to learning were met.<br>○ Participants perception of their own changed knowledge, skills, confidence<br>All data needs to be disaggregated by participant – age, gender, disability, seniority/ position etc. |
| **Outcome** | Behaviour | ○ % of participants showing changed behaviour<br>○ Participants perception of whether they are applying their new skills, knowledge and confidence<br>All data needs to be disaggregated by participant – age, gender, disability, seniority/ position etc. |
| | Results | ○ Change in departmental performance measures (e.g. greater efficiency, better customer satisfaction, decreased error rates) |

## 4 Learning: Reflection Sessions

On PFRC we distinguish between reflection and learning:

- **Reflection** comes after an event, an activity, a trial, and involves the people involved sitting together, thinking about what was planned, what actually happened and why the difference. It is typically an internal (i.e. intervention team) process, carried out after an event or an activity, around a single issue and used to inform immediate tweaking of activities. It is an important component of the adaptive approach required of medium- and long-term interventions.
- **Learning** involves a deeper level of thinking, based on more data (that comes over time, or from more activities or projects), more reflections, and makes more robust recommended actions. Using that aggregated data and strategic questions to guide the process, this may involve revisiting the theory of change, the assumptions that underpin it, or addressing a specific strategic question. Such reviews will result in more high-level actions, e.g. a direction change or discontinuing an activity.

The principle mechanism for reflection will be reflection reviews, the first of which will take place at the end of inception. Following that, facilitated reflection events will take place every 6 months led by the PFRC MS MERL Lead (with the technical lead as a participant) to facilitate a deeper review of progress, challenges and potential action. This aims to supplement the adaptive approach of the Implementation team which addresses operational issues, with a deeper, more strategic review addressing higher level questions. This process may be informed by a PEA update to reflect the latest situation.

The PFRC MERL team will lead the process, structuring it around a series of **interviews** with stakeholders including as the team involved in implementation, counterparts, PFRC staff and FDCO (post). A **workshop** will be held with the implementation team on the findings of those interviews, to share and validate. The findings will be collated in a **report** and shared with the implementing team and FCDO. The relevant stakeholders (the implementing team, PFRC MS and Post) will then use the findings to draft actions, a timetable and responsibilities is response to the findings, that will strengthen the project and PFRC systems and procedures. The implementing team will be required to report to PFRC MS in the next Quarterly Report which progress against the recommended actions.

Reflection reports will be utilised for developing programme-level learning papers and broader adaptation at programme level. In some cases, a **deep dive** study on one particular aspect of implementation across several projects might be selected to follow up on.

Each project will have a reflection plan designed for its specific circumstances. An example of the questions for the initial post-inception phase reflection is given in the box below. This will be tested, updated, and the plan for regular, 6-monthly reflections detailed on the basis of this experience. The final reflection forms part of the project exit process, and will be documented in the completion report.

**Post-inception phase reflection.** Given the development of thinking through the design, contracting, startup and completion of the inception phase, this is an opportunity to reflect on the process to date, and to address overarching questions such as:

- **The core problem**
  - Was the problem defined clearly?
  - Are all the stakeholders aligned on the understanding of the problem we are trying to solve?
  - Does that understanding reflect the realities on the ground?
- **Work done to date**
  - What has gone well so far, and what did not go well?
- **Feedback**
  - What would you do differently next time? (on intervention design, on inception as relevant)
  - What could (PFRC MS/ Post/ Counterpart) do better to work with/ support you?
  - How satisfied are you with the support that PFRC provides? (Extremely dissatisfied, Dissatisfied, neither satisfied nor dissatisfied, Satisfied, Extremely satisfied)
  - How satisfied are you with the quality of deliverables? (Extremely dissatisfied, Dissatisfied, neither satisfied nor dissatisfied, Satisfied, Extremely satisfied)

## 5 Reporting

Information regarding progress against the milestones needs to be shared regularly with the PFRC as part of the regular project reporting such as the quarterly report, to the PFRC PMU. Reporting details are given in the contract management plan.

Regular reporting it is required every quarter, giving progress against each of the indicators at the output level of the logframe. A summary of the reflections, and adaptations to programme activities and schedules, should also be given in the quarterly report.

The annual report should include progress against the milestones across the whole of the log frame, as well as reflections from both the internal reflection processes, and the MERL team-facilitated sessions.

It could be useful for the intervention MEL team to develop a **MEL calendar** for the life of the project with dates for reporting, reflection sessions, milestone updates, the Annual Review led by FCDO, any external evaluations etc. A **reporting schedule** with report contents, timing, distribution and assigned responsibility may also be useful for the implementation team to prepare. The indicator reference table referred to above, is another important part of internal documentation.

# 6 Responsibilities

Responsibility for developing the MEL system lies primarily with the PFRC MS MERL Lead, with significant and substantial inputs from the implementation team who will use the ToC and logframe as fundamental reference points. Aligned with that, responsibility for using the system to analyse and report on progress lies primarily with the intervention Supplier.

The table overleaf gives a summary of the main responsibilities of both the PFRC MS MERL Team and the Implementing team:

| | What the PFRC MS MERL team will do | and why | What the Implementation team will do | and why |
|---|---|---|---|---|
| **Theory of change and logframe** | Lead on the design | To ensure that the MEL of individual interventions is aligned with the overall PFRC MEL - the theory of change, the log frame and the reporting requirements. This enables comparison and aggregation of results. | Provide inputs, insights and information usually in a series of workshops and consultations during the inception period. | Ensuring that both are firmly rooted in this specific political economy and broader context of the project. The implementation team have a more detailed understanding of the counterpart, the constraints and the factors that will shape progress, including what is documented in the Political Economy Analysis. |
| **Indicators for outputs, outcomes and impact** | Suggest indicators | The PFRC MS MERL team have compiled a list of good quality indicators that are useful for PFM and tax interventions. As far as possible these indicators will be standardised across the portfolio to enable aggregation and comparison | Customise, confirm indicators<br><br>Develop and maintain an Indicator Reference Table which details the definition, source, regularity of update and responsibility for collecting the updates. | The implementation team have a more detailed understanding of the data available and sources. Reporting on progress against these indicators will be carried out by the Implementation team regularly. |
| **Baseline, milestones and targets for each indicator** | Carry out a sense check on milestones and targets for each, liaising with Post for agreement | PFRC MS lead on the relationship with FCDO at post and are contractually responsible for delivery against the milestones. | Suggest milestones and targets for each, and baselines | Using their understanding of the context and counterparts, the implementation team will suggest 'stretch' milestones and targets for each indicator. |
| **Reflection sessions** | Design a methodology for these regular opportunities for review (post-inception then 6-monthly) | To provide an opportunity for the team and stakeholders to review priorities, progress, pace and methods. | Feed into the process (in interviews and a workshop), support logistical arrangements (e.g. introductions to counterparts) and follow up on agreed actions. | Sharing insights as part of a facilitated learning process gives an opportunity to reflect |
| **Reporting** | Summarise the process, findings and actions from the reflection sessions. | To bring together the elements of the reflection process, providing an aide memoire for the project and the FCDO. | Prepare and use an MEL calendar, reporting schedule and indicator reference table. | To support the efficient and timely operationalisation of the MEL system. |

## Annex 1: References


**On Technical Assistance and capacity development**

https://unsdg.un.org/sites/default/files/UNDG-UNDAF-Companion-Pieces-8-Capacity-Development.pdf
https://www.gov.uk/government/publications/how-to-note-capacity-development
https://agulhas.co.uk/app/uploads/2020/10/OSF-Landscaping-Study-on-TA-final-version-2.pdf
https://doi.org/10.1080/09614520701469807
https://odi.org/en/publications/unblocking-results-using-aid-to-address-governance-constraints-in-public-service-delivery/
https://www.gov.uk/government/publications/understanding-institutional-analysis/understanding-institutional-analysis
https://lencd.org/learning/how-to/how-to-assess-existing-capacity-and-define-capacity-needs
https://www.growthengineering.co.uk/kirkpatrick-model/
https://assets.publishing.service.gov.uk/media/5ba4ee20ed915d2e2ea4681d/7_lenses_maturity_matrix_poster.pdf
https://www.gov.uk/government/publications/understanding-change-as-politics-not-political-will
https://www.cipd.org/uk/knowledge/factsheets/coaching-mentoring-factsheet/#what-are-coaching-and-mentoring

**Definitions**

https://www.oecd.org/en/publications/glossary-of-key-terms-in-evaluation-and-results-based-management-for-sustainable-development-second-edition_632da462-en-fr-es.html
https://www.betterevaluation.org/sites/default/files/Breve_Guia.pdf

**Organisational Maturity Assessment**

FCDO guidance on undertaking institutional reviews.
The MOPAN assessment of multilateral organisation performance
Better Evaluation resources.
UK Cabinet Office capability reviews, see for example here and here.
An OECD assessment (published in 2009) relating specifically to tax administration

**Learning Loops**

The diagram is taken from this report from ODI and is based on a paper by Dias et al[4].


[4] Dias, L. P., Upperman, P. Trumpy, B. (2016) The Art of Leadership and Supervision, v. 1.0. Flat World Education.

## Annex 2: Definitions

Some key definitions used in this document are given below. A more comprehensive resource is the OECD guide referenced immediately above.

**Outputs**: What the intervention will deliver within its implementation period. Operational results: products, services, skills, knowledge

**Outcomes**: The changes that the outputs will lead to.  Medium term institutional and behavioural results.

**Impact**: The long-term effect (of an intervention) on people and society

**Capacity** in this context is the ability of organisations to carry out, effectively and efficiently, programmes of coordinated action in pursuit of formal agreed goals. We know that an organisation has capacity when it can: identify, plan, prioritise, implement, monitor, and learn from specific courses of action; mobilise, deploy and, where necessary, motivate resources (assets, people, money, and information) consistently and continuously on agreed priorities.

**Organisations**: to understand them, it is not simply determining how they are structured to deliver their roles. It requires probing issues of politics, social dynamics, inclusion, tradition, down to the vagaries of whether equipment and power supplies work.

**Institutions** are made up of organisations, norms and rules: they provide the systems, rules and processes (formal and informal) that enable or hinder human activity. Institutions are usually driven by actors with power, shaped and given direction by incentives. The impact of these drivers determines the degree to which institutions reflect inclusion, accountability and effectiveness (FCDO 2023).

**Institutional reviews/ assessments:** May be commissioned to guide the design of capacity development programmes in public sector bodies. Reviews can be used to establish a `baseline' assessment of existing capacity, enabling measurement of progress. Reviews only work well where the counterparts are fully involved in the process, setting the shared understanding of the purpose and objectives, providing the reviewers with access and support, and developing shared conclusions. A review may map processes, systems and workflow, drawing out blockages or gaps.

**Training**: the transfer of knowledge and skills, often in a formal setting.

## Annex 3:  Tips on developing capacity

| | Individual | Organisational/ departmental | Institutional/ systemic |
|---|---|---|---|
| **Questions to ask when change is not happening (or not fast enough)** | • Is this the right person, group? Do they have the necessary authority, mandate, network, skills?<br>• Are they clear about what is being asked of them?<br>• What is their (individual) motivation and does the change align with their motivation?<br>• Is there any opposition - people and what is their scope, power to disrupt?<br>• Does the timeline fit with their timetable? | • Is this the group, organisation? Do they have the necessary authority, mandate, network, capacity?<br>• What is their (group) motivation and does the change align with their motivation?<br>• Are there the resources (including staff, partners, infrastructure) and knowledge required in place<br>• Is there any opposition - organisational - and what is their scope, power to disrupt?<br>• Does the timeline fit with their timetable? | • Are there gaps/inhibitors in the laws or regulations, ways of working or unwritten rules? |
| **Tactics: what works** | • Set a clear purpose and objectives<br>• Actively plan the format content and sequencing of topics in line with those objectives<br>• Take into account participants' workloads and capacities<br>• Consider a mix of online and in person; theory and practical case studies; lecturing and group work; local and international case studies<br>• Share materials and references<br>• Consider participant/ presenter language needs | • Building on what exists, using existing mandates and supporting existing systems<br>• Acting as facilitators to bring actors (e.g. managers) together to solve problems. | • Identifying and seizing windows of opportunity e.g. change in government or political priorities a country-led imperative to change:<br>• Focusing on tangible political payoffs<br>• Acting as facilitators to bring actors (e.g. different ministries, government and the private sector, or civil society) together to solve problems. |

# Annex 4: Logframe Extract

| All objectives to be aligned with Theory of Change | | | Dates to be aligned with project start - and FCDO Annual Review if possible | | | | |
|---|---|---|---|---|---|---|---|
| **PROJECT TITLE:** | | | | | | | |
| **IMPACT** | **Impact Indicator 1** | | **Baseline (intervention start date)** | **Milestone 1 (+ 1yr)** adjust as appropriate | **Milestone 1 (+ 2yrs)** adjust as appropriate | **Target (+ 3 yrs)** adjust as appropriate | |
| To be taken from FCDO business case, usually from the programme outcome.<br><br>Includes element of at least one of:<br>1. More effective and equitable tax policy and administration<br>2. More effective public financial management<br>3. Improved transparency and accountability in public expenditure | National- level performance statistics specific to the context and desired outcome<br>**See separate indicator table for menu of indicators**<br>E.g. GDP per capita growth rate; total tax revenue, disaggregated; number of taxpayers, disaggregated<br><br>For each area of change, qualitative analyses of the implications of changes in terms of the socioeconomic realities of different groups, such as men and women, high and low wealth/ income, urban and rural, and excluded groups | **Planned** | | | | | |
| | | **Achieved** | | | | | |
| | | | **Source** | | | | |
| **OUTCOMES** | **Outcome Indicator 1** | | **Baseline** | **Milestone 1** | **Milestone 2** | **Target** | **Assumptions** |
| A statement of the long-term change that, if all of the intervention outputs are delivered, and the assumptions hold, the intervention will contribute towards.<br><br>E.g. A more effective, equitable and accountable tax system<br>More effective, equitable and accountable public finance | Separated into tax; PFM; transparency<br>- number of strengthened processes/ systems in use/ operational<br>- number of improved policies/ regulations/ laws in use/enacted<br>- of which, number of process/ policy/ law changes that integrate GESI analyses/ tools<br>- number of organisational performance statistics showing progress<br><br>For each change, a qualitative analysis (integrating GESI analysis) of actual/ expected consequences of take-up of / change. | **Planned** | | | | | Usually high-level assumpti<br><br>Should include e.g.<br><br>Political economy condition<br>Partner Governments main<br>periods of TA. |
| | | **Achieved** | | | | | |
| | | | **Source** | | | | |
| | **Outcome Indicator 2** | | **Baseline** | **Milestone 1** | **Milestone 2** | **Target** | |
| | Perception/ opinion/ understanding of citizens/ users/ taxpayers<br>e.g. taxpayer satisfaction of equitable and fair treatment, satisfaction with the service, level of knowledge of tax responsibilities, knowledge of budget allocations/ actual expenditure<br>split by gender, disability, ethnicity, wealth/ income etc. | **Planned** | 0 | | | | |
| | | **Achieved** | | | | | |
| | | | **Source** | | | | |
| | **Outcome Indicator 3** | | **Baseline** | **Milestone 1** | **Milestone 2** | **Target** | |
| | Level of counterpart satisfaction with TA provided | **Planned** | 0 | | | | |
| | | **Achieved** | | | | | |
| | | | **Source** | | | | |

| OUTPUT 1 linked to 1,2 or 3 (see impact level) | Output Indicator 1.1 | | Baseline | Milestone 1 | Milestone 2 | Target | Assumptions |
|---|---|---|---|---|---|---|---|
| Separated into tax; PFM; transparency, the outputs specific to the intervention - what the intervention can deliver, is inside your control.<br><br>May include expert advice, training, mentoring and coaching, as well as tools, methodologies, frameworks, roadmaps, analyses, diagnostics, guidelines, manuals, plans, usually working together with the counterpart department. | **Individual capacity** (see separate guidance)<br>Training e.g. mentoring<br>- set goals, % achieved<br>- participant satisfaction (relevance, materials, facilitation etc)<br>- % training/ coaching goals met<br>- training course completion rate<br>- improvement in knowledge score (before and after)<br>- participant/ peer/ management perception of changed knowledge<br><br>All disaggregated by participant – age, seniority, gender, disability etc. | **Planned** | | | | | |
| | | **Achieved** | | | | | |
| | | **Source** | | | | | |
| | **Output Indicator 1.2** | | **Baseline** | **Milestone 1** | **Milestone 2** | **Target** | |
| | **Organisational capacity** (see separate guidance)<br>Separated into process; policy/ regulations etc;<br>- number of frameworks, guidelines, analyses, diagnostics shared<br>- number of tools, methodologies co-developed<br>- number of roadmaps, plans co-developed<br>- of which, number of process/ policy/ law changes that integrate GESI analyses/ tools<br><br>Qualitative feedback of counterpart satisfaction with the products | **Planned** | | | | | |
| | | **Achieved** | | | | | |
| | | **Source** | | | | | |
| **IMPACT WEIGHTING (%)** | **Output Indicator 1.3** | | **Baseline** | **Milestone 1** | **Milestone 2** | **Target** | |
| **x% (to be agreed with post)** | **Organisational capacity**<br>Using a health assessment to be carried out as part of the inception. Milestones to be agreed. | **Planned** | | | | | |
| | | **Achieved** | | | | | |
| | | **Source** | | | | | |

| OUTPUT 4 | Output Indicator 4.1 | | Baseline | Milestone 1 | Milestone 2 | Target | Assumptions |
|---|---|---|---|---|---|---|---|
| Adaptive intervention management practices deliver high quality TA and deliverables | Evidence of reflection and learning (including PECA) informing programme/ project decisions<br><br># (cumulative) of case studies analysing how decisions informed by evidence and learning generated by the MEL processes. | **Planned** | | | | | |
| | | **Achieved** | | | | | |
| | | **Source** | | | | | |
| | **Output Indicator 4.2** | | **Baseline** | **Milestone 1** | **Milestone 2** | **Target** | |
| | Social Value:<br>Evidence of activities that promote participation and monitoring of those with protected characteristics<br>#, % and £ (cumulative) of person days delivered by women<br>#, % and £ (cumulative) of person days delivered by disabled people<br>#, % and £ (cumulative) of person days delivered by consultants from the host country | **Planned** | | | | | |
| | | **Achieved** | | | | | |
| | | **Source** | | | | | |