



The Donor Committee for Enterprise Development



WELCOME

to the DCED Webinar on Results Measurement in Challenge Funds

23 January 2014

With

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What we are going to do in the next hour



✓ **Quick Facts:** What is the DCED? Why is there a need for enhancing results measurement in challenge funds? (3 mins)

✓ **The Big Picture:** How can challenge funds approach results measurement effectively? Key insights from the DCED Guidelines (15 mins)



✓ **The experience of the Enterprise Challenge Fund (ECF) in the Asia-Pacific:** Lessons on how to measure results of key projects with the DCED Standard for results measurement (15 mins)



✓ **Questions and Answers:** Please submit your questions **in writing** via the chat box. We will also select from questions submitted by participants in advance. (25 mins)

What is the Donor Committee for Enterprise Development (DCED)?

The **Global Forum** of 24 donor and development agencies working together to increase the **effectiveness of private sector development (PSD)** in developing countries...



...across **different PSD approaches**, e.g. Business Environment Reform, Market Development, and Partnership Mechanisms such as Challenge Funds

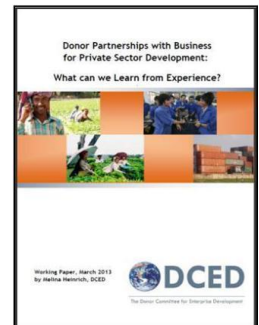
What does the DCED do?

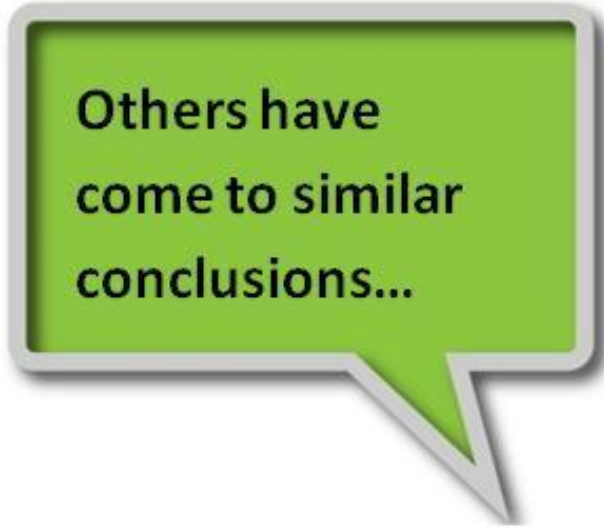
- **Exchanging experience** on current practice, new trends;
- **Synthesising knowledge** on what works; and
- **Developing common guidance** on effective practice

What can we learn from experience in challenge funds?

DCED Review (2013):

Despite high expectations **“we know relatively little about the results achieved,** and in particular their development impacts.”





Others have
come to similar
conclusions...

- “Despite growing interest in PPPs, **the evidence base on results is still sparse** and successful partnerships have been elusive.” (*APE for the NL Ministry of Foreign Affairs, 2013*)

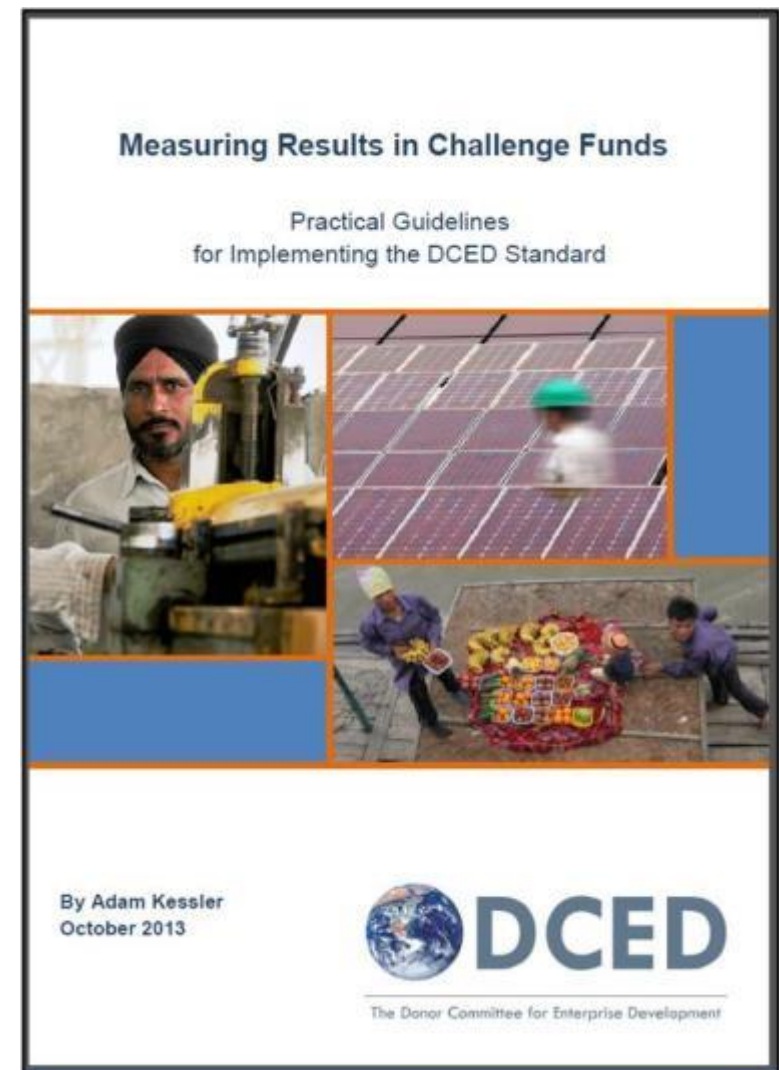
- “**The commercial and development impact of the projects is hard to assess** due to lack of information and data.” Most publicly available documents are simple “**success stories**” (*Kindornay, Higgins, and Olender, North-South Institute, 2012*)

So.... how can challenge funds approach results measurement effectively? And what is in it for donors, managers and business?

Over to Adam...

Guidelines to Results Measurement in Challenge Funds

- DCED guidance on [Measuring Results in Challenge Funds](#) using the DCED Standard.
- **Based on practical experience** from Enterprise Challenge Fund in the Asia-Pacific, African Enterprise Challenge Fund, and others.



What is the DCED Standard?

1. Articulating the theory of change/results chain
2. Defining the indicators of change
3. Good measurement practices
4. Handling attribution
5. Wider change in the system or market
6. Relating to programme costs
7. Reporting results (internal/external)
8. Managing the system



Why measure results in challenge funds?



Improve fund management. Inform decisions to award, disburse, scale up, or reduce funding.



Assist businesses. Provide information that informs business model.



Promote learning. Learn from success and failure, share with policy makers, financial institutions, etc.



Accountability. Demonstrate impact to donors and public.

Why is it difficult?

- Challenge funds often fund a **diverse range of projects**, in different sectors and locations.
- Businesses may have **limited interest** in results measurement, and **limited time** to spend with the fund manager.
- Pressure to keep **staffing and overheads low**.



Not everything will succeed...

- Experience from venture capitalists suggests that **25-75% of start-ups fail**, and **10-20% produce significant returns**.
- “If you don't have a lot of failures, then you're just not doing it right, because that means that you're not investing in risky ventures.”

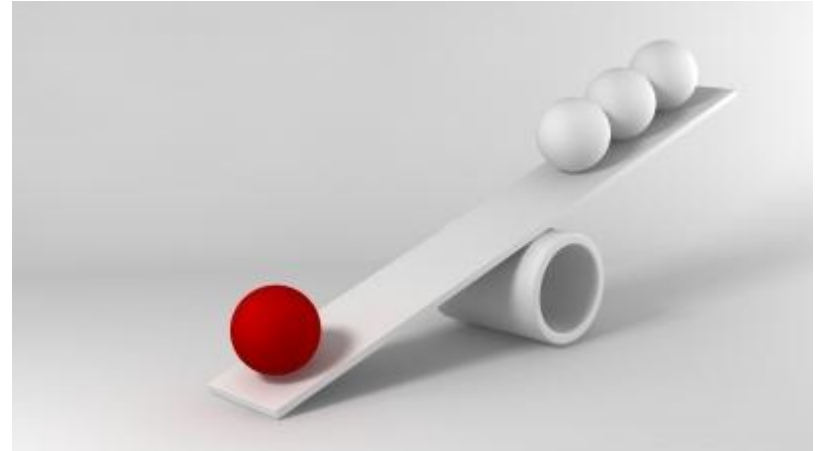
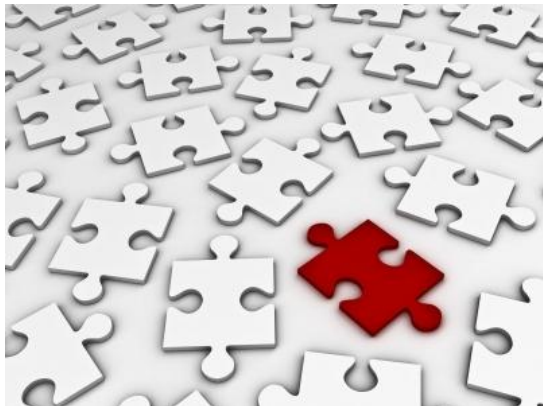


Image credits: Idea go, Freedigitalphotos.net

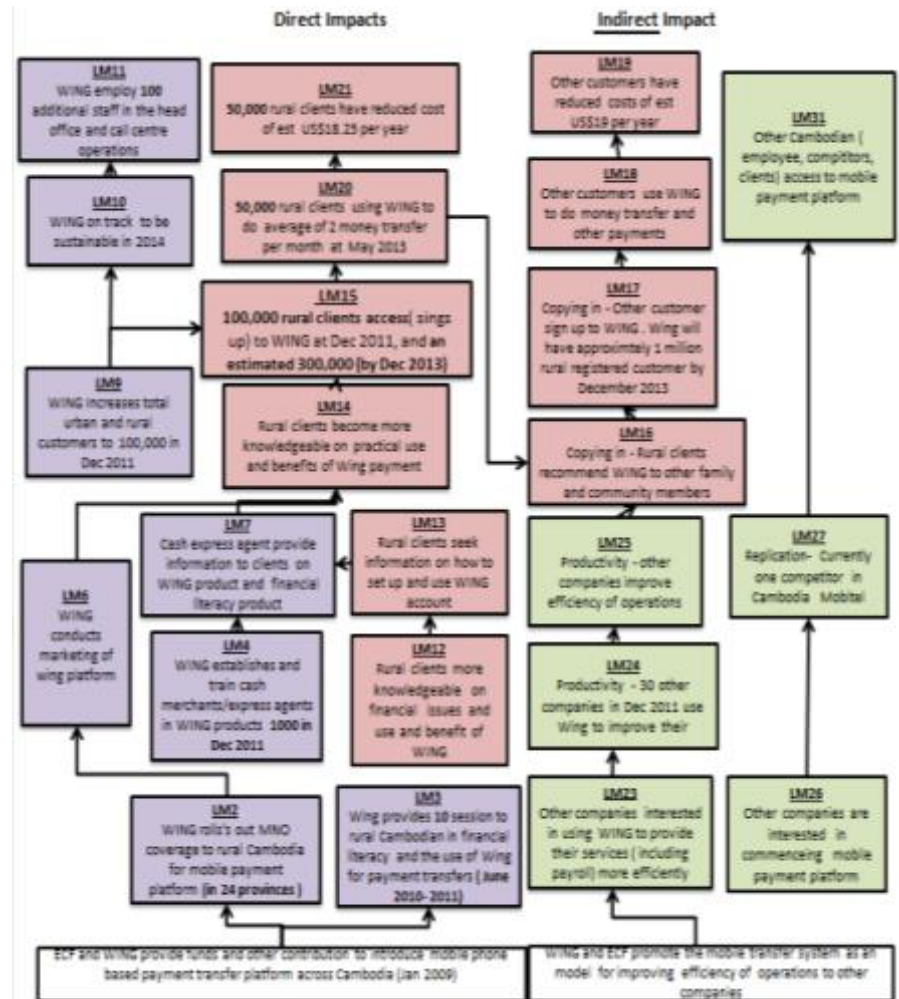
Key recommendation: Take a portfolio approach



- In the immediate future, **challenge funds are unable** to monitor the impact of every project rigorously.
- In that situation, **focus efforts on the ‘stars’** – those that are successful or innovative.
- You can’t identify the stars straight away. Consequently, **you need a minimum level of monitoring** to identify them and **set the groundwork** for later monitoring.

What should every project be expected to do?

The basis of good results measurement is **understanding the project logic**; how the company expects to achieve business and development objectives.



Businesses should report on appropriate indicators

- **Businesses collect vital information for results measurement** as part of every-day management.
- Work with businesses to **understand what they can credibly report** at minimal additional cost, and request and validate this data on a regular basis.



- Use this to **understand how the business is progressing** and any indications of impact for the poor – but understand its limitations.

Image credits: Vichaya Kiatying-Angsulee; jumpe (freedigitalphotos.net)

‘Appropriate’ indicators are different in each business



Type of business	Indicators business can often report against	Indicators business often can't report against
Outgrower scheme	<ul style="list-style-type: none">• Number of farmers they work with.• Quantity and price of produce purchased.	<ul style="list-style-type: none">• Opportunity cost for farmer.• Additional income for farmer.
Seed supplier	<ul style="list-style-type: none">• Quantity of seed sold.• Likely improvement in yield• Cost of seed	<ul style="list-style-type: none">• Number of farmers sold to.• Additional yield in specific area
Financial service provider	<ul style="list-style-type: none">• Number of active users.• Cost of use.	<ul style="list-style-type: none">• Baseline use of financial services.• Cost savings or increased income for user.

Reaching for the 'stars'...

- For 'star projects', **invest in good results measurement** to show impact.
- **Use the framework of the DCED Standard** as a credible basis for results measurement.
- Measure change and reasons for change at each level in the results chain to **establish and attribute** plausible impact.
- Examine **wider changes** in market systems.



But how to do all this...?

- **Start with information that the business can supply**; what extra do you need to gather in order to estimate impact?
- Conduct larger surveys to **gather data from consumers/suppliers** of business.
- Look for opportunities to **collect additional baseline data**. For example, if the business expands into a new area.
- Make results measurement **useful for the business** to ensure buy-in.



Image credit: kibsri, freedigitalphotos.net

Online Resources



- Visit www.Enterprise-Development.org for:
 - DCED: Guidelines to Measuring Results in Challenge Funds using the DCED Standard
www.Enterprise-Development.org/page/download?id=2272
 - DCED: Donor Partnerships with Business for Private Sector Development. What can we Learn from Experience?
www.Enterprise-Development.org/page/download?id=2147
 - ECF: Designing a results measurement system for the Enterprise Challenge Fund for the Pacific and South-East Asia.
www.Enterprise-Development.org/page/download?id=2328
 - DCED Donor Partnerships with Businesses Knowledge Portal
www.Enterprise-Development.org/page/partnerships
 - Sign up to our regular newsletter on results measurement and private sector partnerships
www.Enterprise-Development.org
 - *And more!*



Enterprise Challenge Fund for the Pacific & South East Asia

Designing a results measurement system

23 January 2014

About the Enterprise Challenge Fund

- ECF is a fund of A\$14.5 million of public money funded by Australian Government available to the private sector on a competitive basis
- Objective - to contribute to poverty alleviation by creating income generating opportunities and access to goods and services for the poor
- Grants valued between A\$100,000 – A\$1.5 million were allocated to private sector in 9 countries in South East Asia and the Pacific
 - At least 50% of project funded by private sector company
 - Project must have scale of pro-poor outcomes and potential for systemic impact



Enterprise Challenge Fund Projects

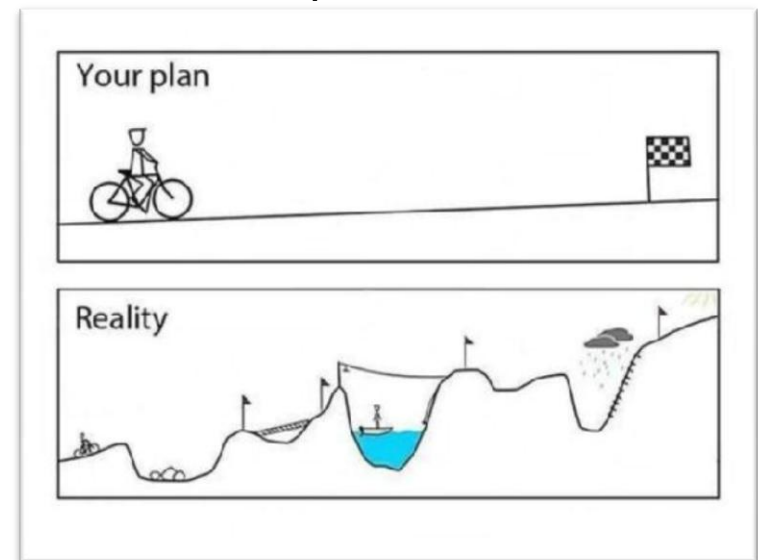


CLICK THE ICONS TO VIEW CASE STUDIES



Why was a new system needed?

- The original M&E system was designed as *light-touch* – not to burden the companies with reporting when they should be innovating...
- BUT ECF was a pilot program - companies and the program lacked information and lessons were important to inform next steps
- Challenges
 - ECF was mid program – change management?
 - Changing the relationship with companies
 - Field staff not employed for results measurement but for business management
 - The DCED Standard not yet used on a challenge fund



What the system looked like

- **Results chains** - completed results chains for all projects and talked these through with companies
- **Indicators** - improved indicators with qualitative and quantitative
 - Used information available from the business - already producing
 - Highlighted where additional data collection was needed



"It turned out to be very helpful for us especially in learning the Logic Model. To be honest, we are not looking at many aspects of the project the way you do..."

ECF grantee CDOH's managing director

What the system looked like

- **Integrating management and monitoring** - field staff took on more responsibility for the results measurement
- **Mixed method data collection** from company, beneficiary and wider stakeholders every six-months
- **Use of information** - collecting useful information for business and feeding back results to company



Tourism companies were particularly interested in surveys of suppliers and tourists and asked for additional questions to be included for their own market research

Results measurement starts here



Measuring a star - microinsurance in Cambodia

Measure for Economic and Accelerated Development for All (MEADA) is a **microinsurance program** that provides protection for immediate family members of SAMIC (a Cambodian microfinance company) in the event of accidental death.

Insurance policies are paid by small premiums included in the loan repayments.

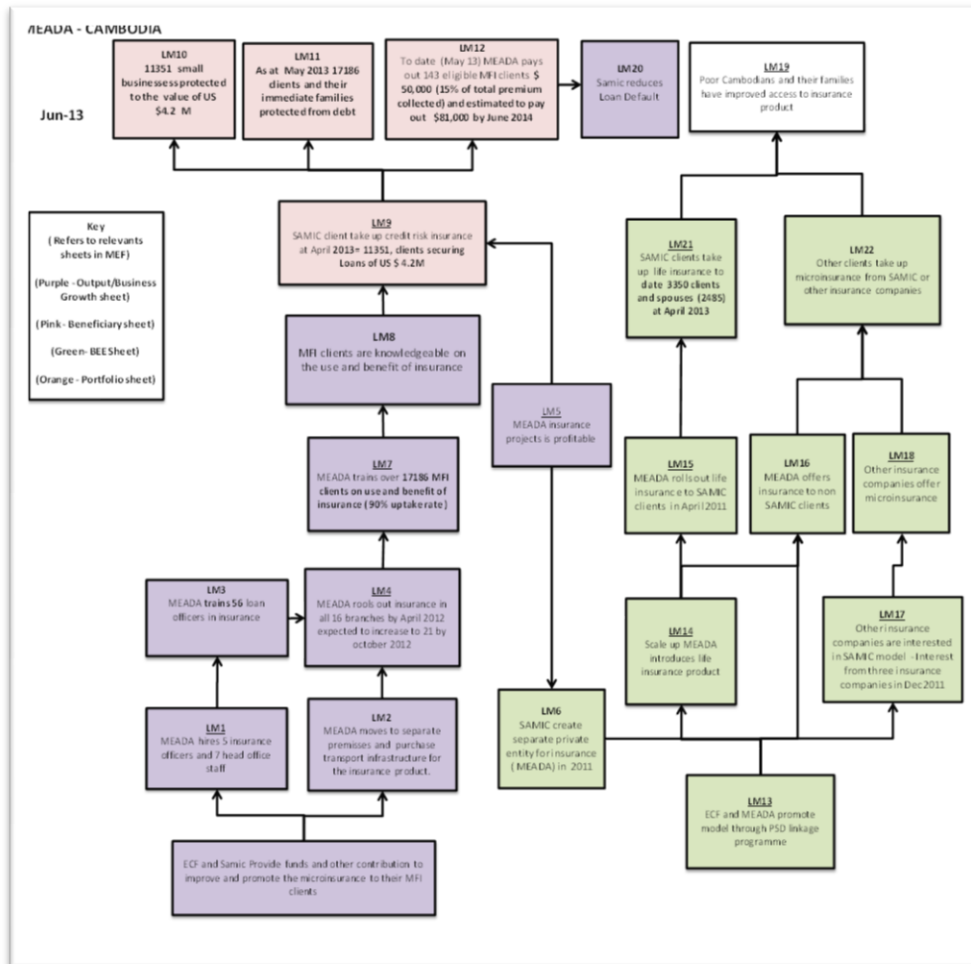
MEADA used **A\$198,450** from the ECF to

- Develop two insurance products including loan protection and basic life
- Employ 15 loan officers to train and support clients



MEADA offers a tangible and psychological benefit to clients (*MILK Brief #20*)

Measuring a star - microinsurance in Cambodia



As at Dec 2012 -

- 10,215 clients were covered by loan protection and 155 claims settled
- Uptake of insurance is high at 97% of clients = 75% loan protection / 22% basic life
- MEADA is looking at new products and working with new MFIs
- Government of Cambodia is consider legislating microinsurance

Measuring a star - microinsurance in Cambodia

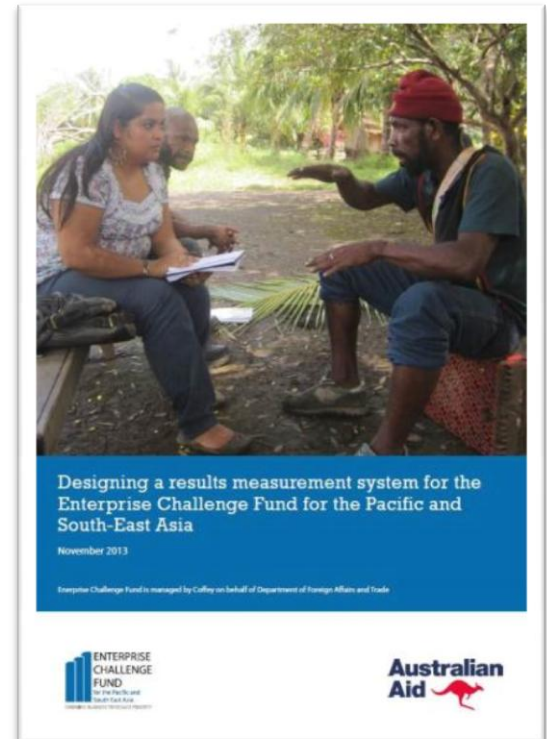
- ECF commissioned the Microinsurance Centre to conduct a quasi-experimental study of 25 insured & 25 non-insured clients to understand the value of the insurance to the beneficiary – i.e. the use and benefit
- The study was useful information to the company in designing additional training and product development
- The study was also presented to 30 people from the industry in a seminar looking at the benefits and challenges of microinsurance



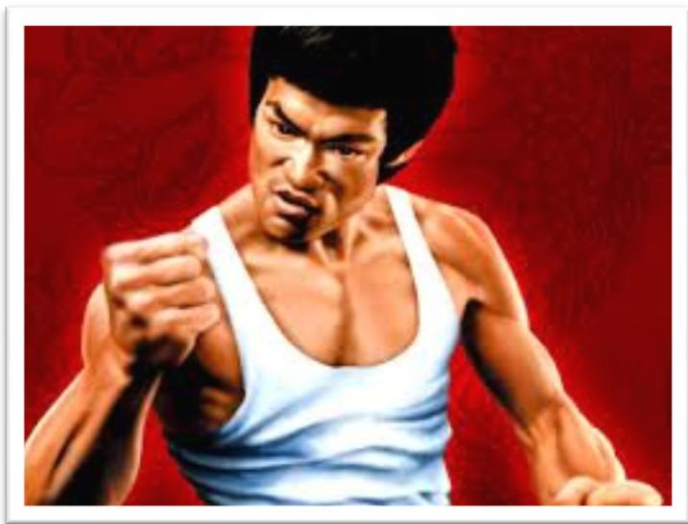
The study assessed the attributable impact for the beneficiaries - how family members had been protected from debt in the event of death compare to those without insurance...

Summary

- Better impact stories were able to be generated and improved use of existing information
- Information was useful to business (not just to a donor report) and therefore to wider business environment
- Highlighted areas where businesses needed more support
- Improved program management of fund – happier clients and evaluators 😊
- DCED audit on 7 / 21 projects submitted and 3 reviewed = 76% compliance (see DCED website)



Summary findings from the paper on
*Designing a results management
system for ECF*



“A goal is not always meant to be reached; it often serves simply as something to aim at.”

- Bruce Lee



Thank you

Further details can be found at
www.enterprisechallengefund.org



**Submit your questions
via the chatbox on the bottom right!**