



The Donor Committee for Enterprise Development



Measuring results in challenge funds

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What we are going to do in the next hour



✓ **Quick Facts:** Why is there a need for enhancing results measurement in challenge funds? (5 mins)

✓ **The Big Picture:** How can challenge funds approach results measurement effectively? Key insights from the DCED Guidelines (10 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)

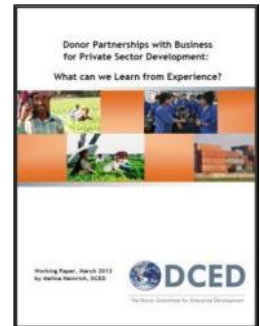


✓ **Questions and Answers** (15 mins)

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.”



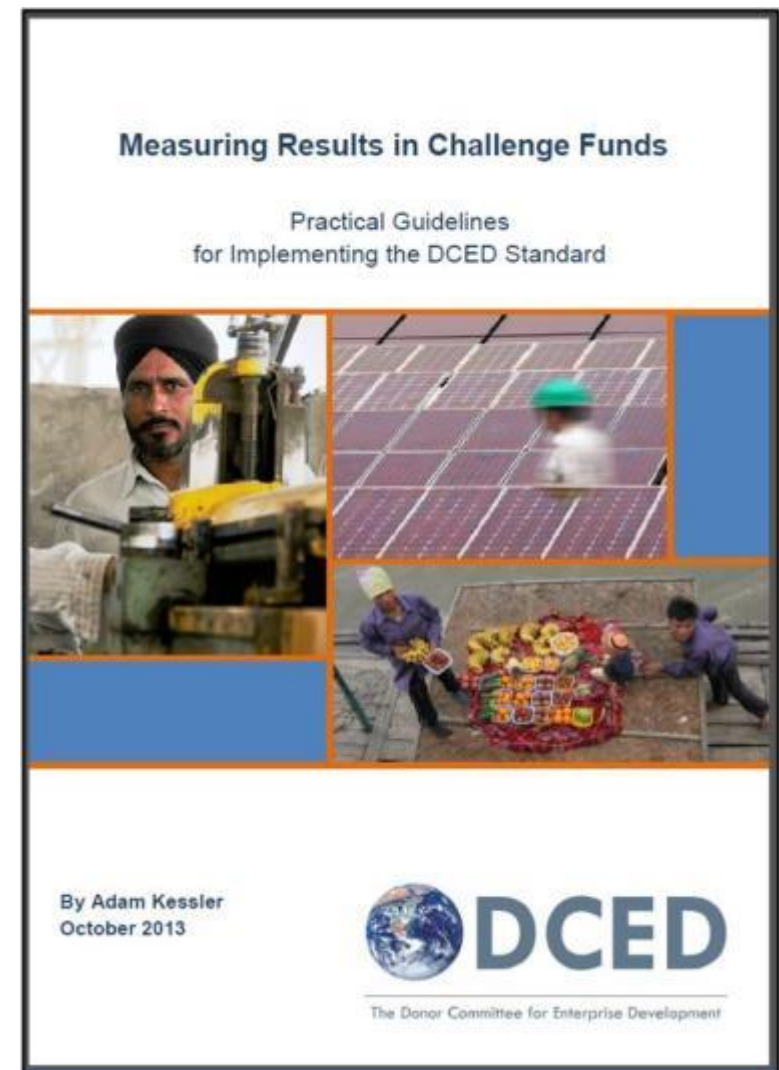
Others have come to similar conclusions:

- “Despite growing interest in PPPs, **the evidence base on results is still sparse.**” (*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.” (*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?

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.



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.

What are the challenges?

- 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.”

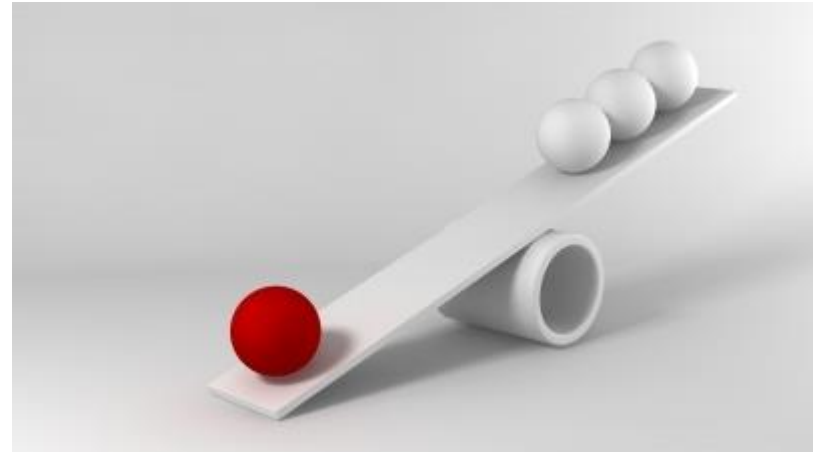


Image credits: Idea go, Freedigitalphotos.net

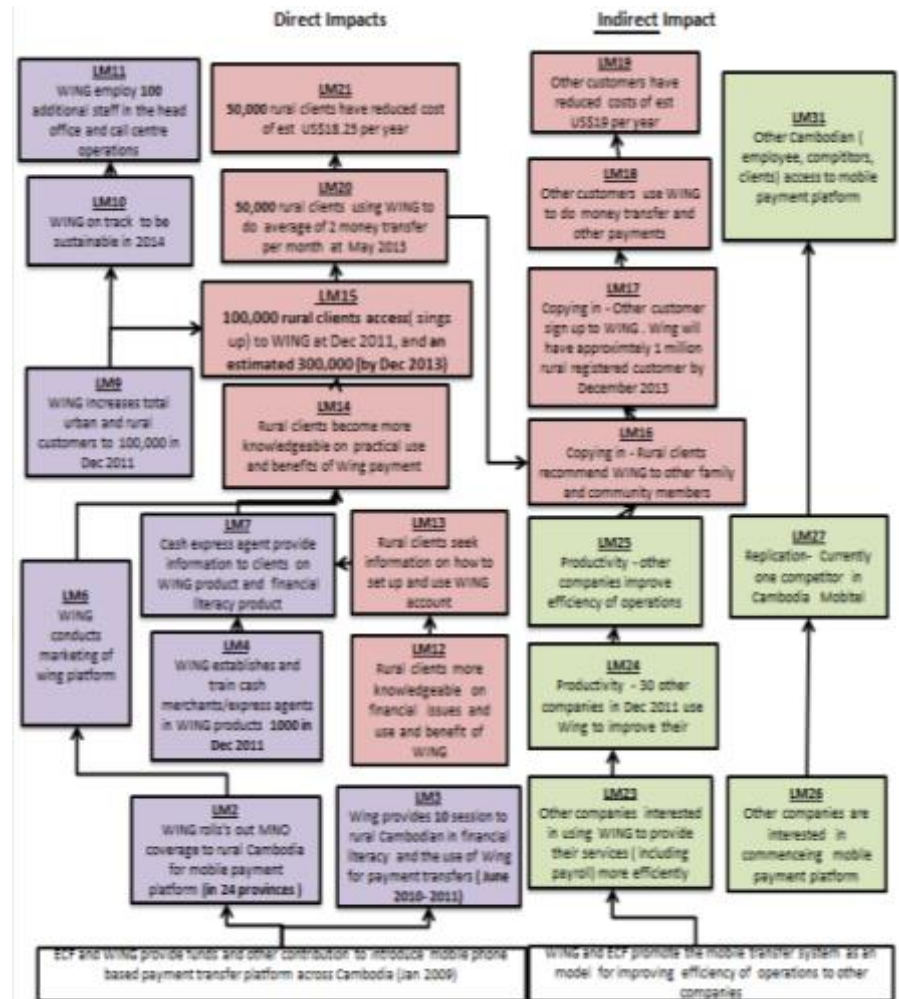
Key recommendation: Take a portfolio approach



- 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.
- **Businesses can report on this information** at minimal additional cost, showing the fund manager how the business is progressing and (sometimes) an indication of impact for the poor.



- **Ensure that you understand the limits of self-reporting.** The company may report on impact-level data; but it is unlikely to be reliable.

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



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

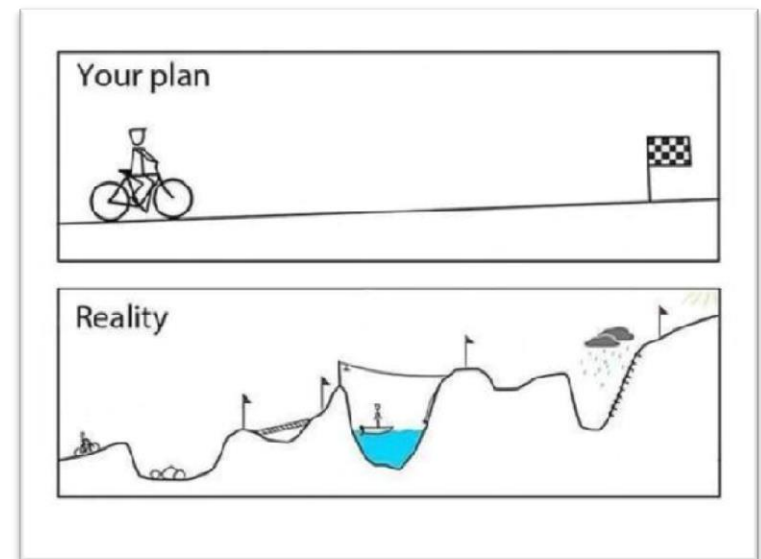


CLICK THE ICONS TO VIEW CASE STUDIES



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



Designing a results measurement system

- **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

Designing a results measurement system

- **Integrating management and monitoring** - field staff took on more responsibility for the results measurement
- **Use of information** - Collecting information for business - Looking at how information was used
- Additional conversations about impact on **women** and the **environment**



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

MEADA – 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

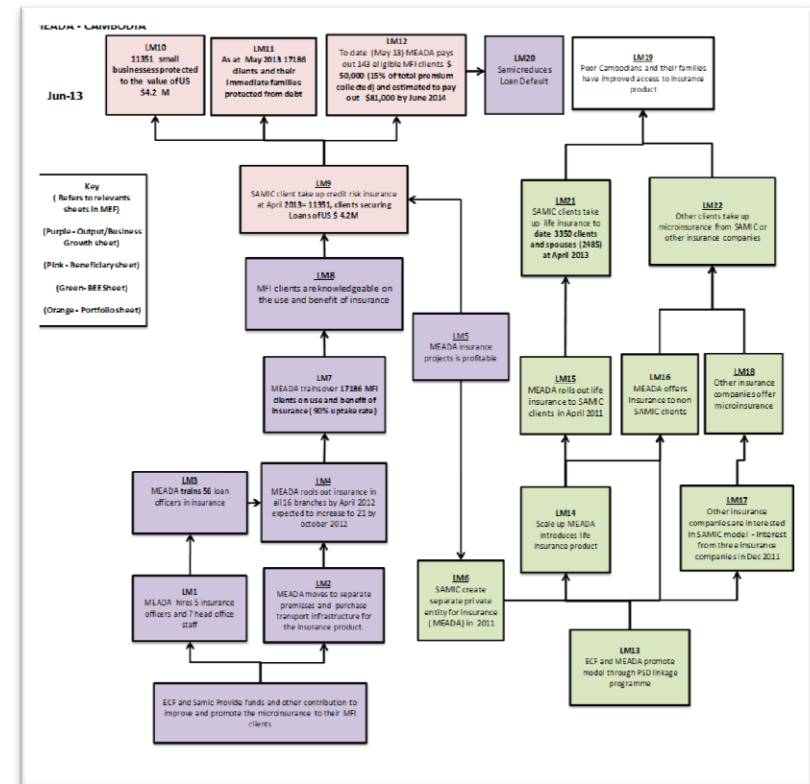
- Develop two insurance products including loan protection and basic life
- Employ 15 loan officers to train and support clients
- As at Dec 2012, 10,215 clients were covered by loan protection (over 5,000 with life insurance) and 155 claims settled
- Uptake of insurance is high at 97% of clients (75% loan protection coverage / 22% basic life)
- MEADA is looking at new products and working with new MFIs in Cambodia



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

MEADA – microinsurance in Cambodia

- Results chains examined the steps from use of grant funds to impact on company (hiring, trainings, buildings) to number of clients accessing information and then taking up insurance
- Indicators examined key changes
- Mixed method data collection from company, beneficiary and wider stakeholders every six-months



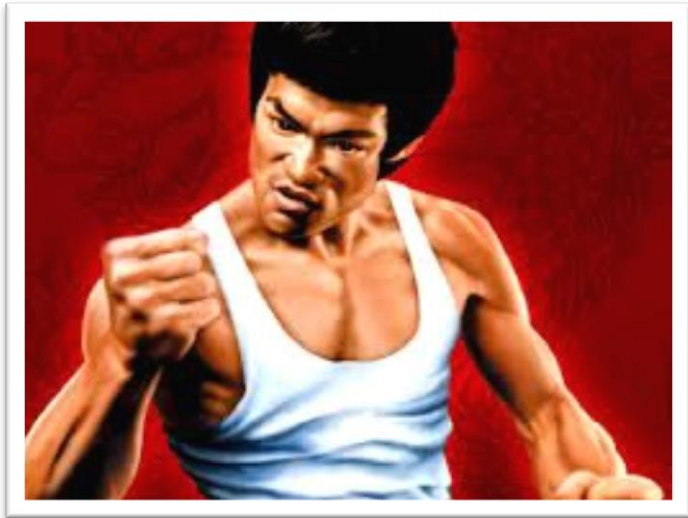
Sample of Results Chain for MEADA

MEADA – 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 results were presented to 30 people from the industry in a seminar looking at the benefits and challenges of microinsurance
- The study also provided useful information to the company who designed additional training and in their product development



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...

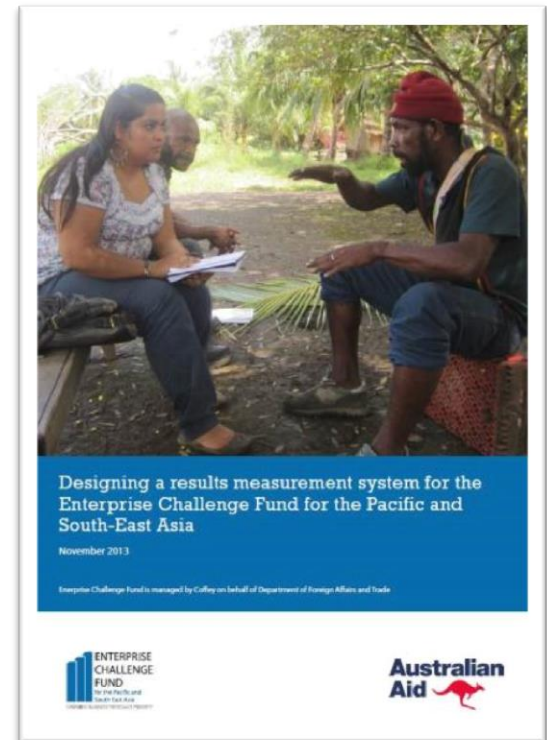


“A goal is not always meant to be reached; it often serves simply as something to aim at.”

- Bruce Lee

Why the results system improved the ECF

- DCED audit on 7 / 21 projects submitted and 3 reviewed = 76% compliance
- 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 😊



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



Thank you

Further details can be found at
www.enterprisechallengefund.org

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
 - *And more!*