

Why have a Standard for Measuring results?

Progress and plans of the Donor Committee for Enterprise Development



By Jim Tanburn and Nabanita Sen
2011



DCED

The Donor Committee for Enterprise Development

Why have a Standard for measuring results?

**Progress And Plans Of The Donor Committee
For Enterprise Development**

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WHY HAVE A STANDARD FOR MEASURING RESULTS?
PROGRESS AND PLANS OF THE DONOR COMMITTEE FOR ENTERPRISE DEVELOPMENT

BY JIM TANBURN AND NABANITA SEN

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Jim Tanburn
Nabanita Sen

Executive Summary

What are the results of development aid? The answer is often “well, it is very complicated” – but this is not enough, and does not do justice to what is happening on the ground. There are isolated success stories, but what is being achieved in aggregate? It is a question that is finally being answered, practically, and this Paper describes where we are in the process now.

The key lies in being clear about the logic of each programme. Results measurement cannot be delegated to specialists. Rather, it must be based firmly on the design of the programme: why is it doing what it is? Are events unfolding in the way that we assumed they would? These are simple questions, and programme managers already hold some of the answers in their heads. But until now, we have lacked the framework to address them systematically.

The DCED presents such a framework in the Standard: taking the spirit of the logical framework, and applying it to programmes in private sector development, in a new way. Unpacking the logic of the programme in detail enhances effectiveness every time, as it enables managers to validate the assumptions on which their programme is based. It also increases efficiency, as activities that are not going anywhere can be adapted or abandoned. Finally, it enables managers to estimate the results that they are achieving, in credible ways.

This does not replace rigorous impact assessments – which can only be done in a few cases because they are so expensive. It also does not replace evaluations, which ask broader questions. But the case studies in the Paper highlight what can be achieved; one can only conclude how surprising it is that development programmes do not already articulate the logic of their work more clearly – and use that logic to track their achievements.

In this Paper, you can read about what the DCED Standard for results measurement is, and how it was developed – by people in the field. It describes the programmes, large and small, that are applying it and finding it valuable. The steps to apply it are clearly laid out, the support that the DCED Secretariat and others can provide is also described.

This is a work in progress; more case studies are constantly being added. You are invited to join the initiative, and to apply the Standard framework in your own work. As one programme manager notes, the Standard “*saves us time and effort. We do our job better*”.

Join us, at www.enterprise-development.org/page/measuring-and-reporting-results

1. Introduction

This Chapter is excerpted from the 2008 Reader on Private Sector Development (PSD): Measuring and Reporting Results. That publication gives far more detail on measurement options, and can be downloaded in English, French and Spanish from www.value-chains.org/dyn/bds/docs/detail/649/4

Development practitioners are given ambitious goals; they are expected to achieve very large and measurable results, with resources that are actually very modest, relative to the economies they are hoping to influence. Indeed, some of the expectations are arguably not even realistic, within the tight timeframes and budgets of most development agencies.

Furthermore, the goals are multi-layered, usually including sound commercial performance in the market, and a wide variety of social and development goals; the developmental goals are often diverse, including for example a focus on the poorest, gender concerns, maybe a rural flavour, mention of youth, and so on. Within this setting, it can be difficult to identify and maintain clear priorities, and many practitioners are therefore juggling multiple priorities, in order to satisfy as many of the stakeholders as possible.

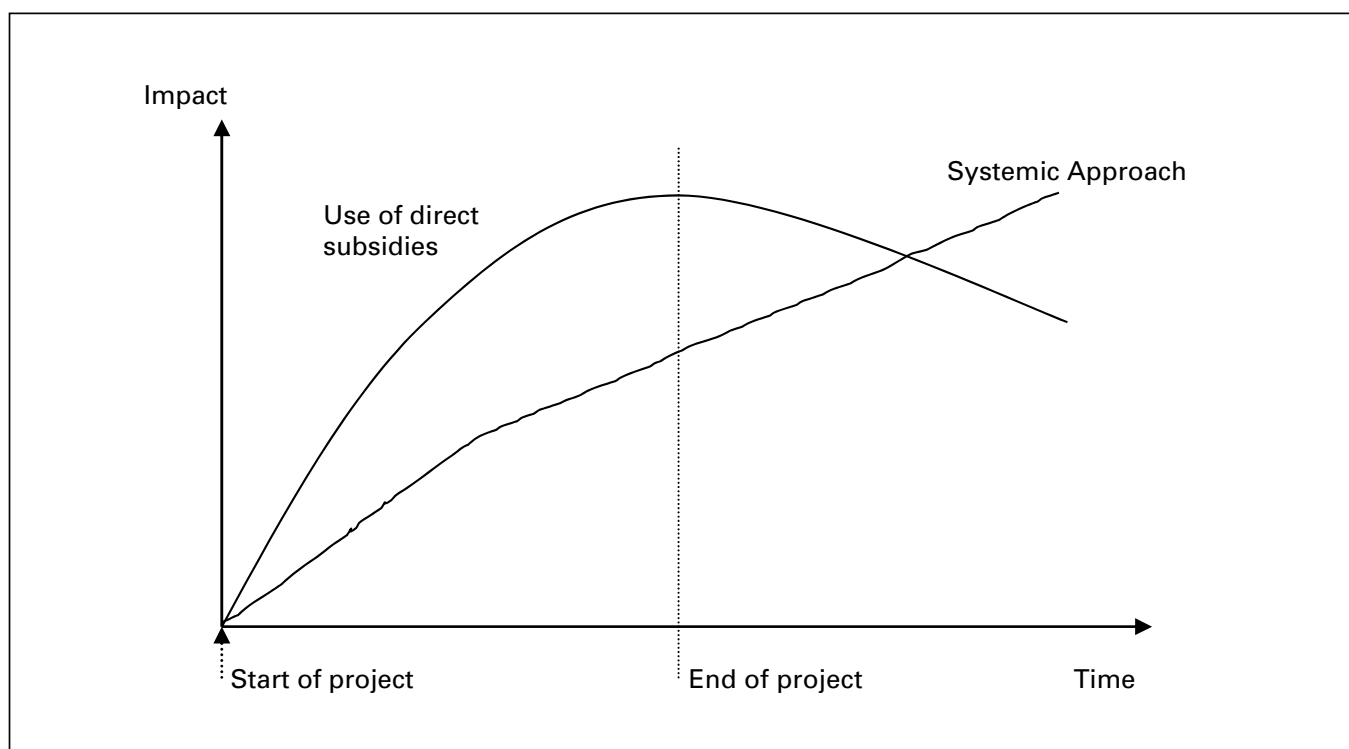
And there are many stakeholders: donor staff in the field and at headquarters, colleagues in the implementing organisation, and counterparts in government and elsewhere. In addition, practitioners have to establish credibility with potential partners in the private sector, who may already be suspicious of donor-branded programmes. All this – before questions of measuring results arise.

Most people in the field are fully committed to getting things done; arguably, they have to be, in

such a complex environment, if they are to achieve anything. They are not, by nature, statisticians or academics, and generally find the task of rigorous results measurement daunting. And it cannot be denied that rigorous measurement of results is expensive, with sums in excess of \$250,000 being mentioned. Besides, most donor money is intended for use in making a difference in the world, rather than in measuring it; measurement is often classified as an ‘overhead’, with the associated pressures to reduce the cost to an absolute minimum.

The increasing focus on ‘systemic’ approaches, where practitioners are expected to understand entire systems, has made measurement more challenging. Rather than just meeting the internal needs of the system within their own agency (and its funders), managers also have to design and implement interventions that make sense also to the people in a completely different system: the one within which the intended target group lives and works. Practitioners are no longer exerting a calibrated influence over a carefully-controlled and limited set of players, but seeking to influence an entire sector of the economy.

One rationale for such systemic approaches is that, by building on local dynamics, wishes and ownership, they will be much more likely to achieve sustainable improvements. If those improvements are sustainable, then the ultimate impacts will be much greater, as they will continue to accrue (and perhaps also to grow) long after the intervention has come to an end. According to this logic, the longer-term impacts – and particularly the impacts of spontaneous replications or ‘copy-cats’ – will add up to paint a truly impressive picture of value for money.



Much has been written about this shift already so it will not be explored in more detail here. However, it is important with respect to the theme of measuring results, as it raises interesting questions about when to measure those results. Measurement at the end of a project may find better impacts generated by an intervention that used subsidies liberally – but these impacts will probably decline rapidly once the external financing comes to an end (as in the illustration, above).

Systemic approaches, meanwhile, may take longer to understand local dynamics and demand, and to establish the credibility needed to catalyse long-term changes in the market as a whole. They do, actually, raise questions about the conventional logic of measuring results, which usually involves an implicit, mechanistic model of achievement: funds paid at one end will ultimately lead to defined results that come out at the other end of the 'machine'. In practice, the desired impacts of a systemic approach may change over time, as the aspirations of the target group evolve, and

as new market-based opportunities arise during implementation.

In addition, there are so many influences being exerted on the market system that the results achieved by any particular development programme are unlikely to be replicated anywhere else, or at any other point in history. Unfortunately, however, the elegance of these arguments has distracted from the original logic of systemic approaches: to demonstrate greater impact. Even in programmes where managers could have argued very convincingly for explicit and likely impacts in the medium term, they have very rarely done so. Arguably, this has led to a decline in interest in the paradigm.

Recent years have seen some important new pressures being brought to bear on practitioners, to demonstrate results in a more effective way, based partly on the impression that the current state of affairs is not satisfactory. The following Chapter explores that perception in more detail.

2. What do we know already about results being achieved?

The previous Chapter argued that development agencies are working in areas that are complex – particularly with respect to systemic approaches. The pressures to demonstrate results have also grown – but is there really a lack of information?

Despite the pressure for measuring and reporting on results, most development agencies have in effect failed to measure and report on significant results in eradicating poverty. The DCED has spent much time trying to track down every reported success story that reached scale (arbitrarily defined as over 10,000 beneficiaries). This Chapter presents a sample of the findings of that search, to date, and a summary of what they tell us. A more complete listing is given in Annex A, and an updated version can be found here: www.enterprise-development.org/page/stories In each case, the information has been extracted from published sources, and the website reference is given in full. The authors have not been able, in most cases, to obtain any independent verification of the successes being reported.

Some programmes report that they have delivered large-scale impact by correcting failures in one or two markets; others do so by supporting cross-cutting policy reforms. Cases which involve systemic interventions generally report higher job creation numbers than those focused on a single company. Of the nineteen programmes which target a specific industry or sector, roughly half involve the poor in markets which previously made little or no contribution to their livelihoods. The other half intervene in markets in which the poor are already active.

Programmes report their achievements in different ways, making them hard to aggregate or benchmark. Looking ahead to the three ‘universal’ impact indicators recommended in the DCED Standard, two thirds of the cases indicate their

scale, in terms of the number of firms, households or people that they benefited. Nearly half report how much additional income they helped to generate. A similar number note the number of additional jobs they helped to create. Around one in five reports on all three of these indicators. Few report the costs of achieving the results they report.

Reforming Business Inspections in Uzbekistan

www.businessenvironment.org/dyn/be/docs/81/Session4.2Lozansky-KhashimovDoc.pdf

Business inspection systems represent a critical element of the business enabling environment. In Uzbekistan, the business inspection system used to hamper business activity through an excessive number of controls, regardless of the firm’s risk to the environment or society, taking up nearly 14 days a year; inspection processes that are not transparent; a high level of fines and discretionary rights of inspectors to impose them and shut down businesses.

What has been done? Since 2003, IFC’s Small and Medium Enterprise (SME) Policy Project, with funding from SECO, has championed reforms to reduce the number of inspections incurred by firms, and to educate firms about how to manage inspections.

What has been achieved? As a result of the project, businesses in Uzbekistan were able to save an estimated \$21 million (net additional income), mainly from avoiding shutdowns for minor infractions.

Kenya Maize Development Programme

www.acdivoca.org/acdivoca/PortalHub.nsf/ID/kenyaKMDP

Maize is a staple food for millions of Kenyans. Yet inefficient maize production and marketing have led to some of the highest maize prices in Sub-Saharan Africa, a critical factor in perpetuating poverty in Kenya.

What has been done? The USAID-funded Kenya Maize Development Programme (KMDP) was set up in 2002 to improve household incomes by raising maize farmers' productivity, improving the effectiveness of smallholders' organisations, and increasing access to agricultural markets and business support services. The programme facilitated training for farmers, promoted bulk purchases and marketing through smallholder groups, established linkages with private sector business development services and set up market information centres.

What has been achieved? Among other things, this \$11.2 million programme has helped to nearly triple smallholder yields, increasing the income of 370,000 smallholder farmers by \$206 million. 30% of these were women.

The Agribusiness Linkages Programme in Egypt

www.enterprise-development.org/download.aspx?id=1689

Lacking productivity due to inefficient technologies, poor access to credit and poor marketing strategies causes many small and medium scale enterprises in Egypt's livestock sector to be unable to compete in the global economy.

What has been done? The Agribusiness Linkages (AgLink) Programme, funded by USAID, delivered technical assistance and training in basic technologies (e.g. animal nutrition, health care and farm management) to increase farmers' productivity. AgLink also facilitated the development of farmers' associations, for example by encouraging the formation of smallholder groups, who reduced costs and increased their productivity through collective buying and joint management of resources. Trade development activities focused on trade linkages and sustainable technology transfer between U.S. and Egyptian firms to promote technology transfer, trade and investment.

What has been achieved? Over the life of the project, AgLink helped to increase the income of core clients by \$72 million and by \$196 million for non-core clients. New technologies, increased

standards, and higher production levels also led to the creation of about 13,000 jobs.

Organic Export Promotion in Uganda and Tanzania

www.grolink.se/epopa/Publications/Epopa-end-book.pdf

While agriculture and agricultural processing are among the main income generating activities in African countries, agricultural trade is generally lagging. However, with increasing demand for organic products in the developed world, organic agriculture can be used to increase and diversify exports from developing countries.

What has been done? Since 1996, Swedish Sida has financed EPOPA - Export Promotion of Organic Products from Africa - in Uganda and Tanzania. The first phase of support concentrated on export promotion, for example through farmer mobilisation and training in organic agriculture, the development of an internal control system for quality assurance and certification, and marketing support. In the second phase, activities to build an institutional environment for certification were added, including the development of local service providers for internationally recognised certification.

What has been achieved? By 2008, 80,000 farmers contracted by EPOPA have sold organic products to exporters for approximately US\$ 15 million per year. All farmers received higher prices due to the organic premium, which ranges from 10-25% over the conventional price. Taking into account the average size of households, about 600,000 people have benefited from the programme.

Business Development through FM Radio in Uganda

www.value-chains.org/dyn/bds/docs/381/RadioProgListeners9-04.pdf

www.springfieldcentre.com/publications/sp0704.pdf

The rural poor in Uganda face numerous policy, legal, regulatory and administrative constraints that prevent them from improving their incomes from doing business.

What has been done? FIT Uganda, a Ugandan Development Company, together with the FIT SEMA



Photo: Gavin Anderson

Project of the ILO, has worked with Ugandan radio stations to establish small enterprise-focused radio programmes. By providing business information and creating support for policy reforms, these programmes aimed to tackle issues that hamper business operation.

What has been achieved? About 12 radio stations have started to broadcast at least one small business-focused programme due to FIT's activities. 7 million adults across the country listen regularly to the programmes, 96% of whom state that the information has benefited their businesses. Research suggests that, among other impacts, 25,000 farmers had increased their income by nearly 200% as a result of the programme.

Mobile Banking through public-private partnership in Kenya

<http://www.mit.edu/~tavneet/M-PESA.pdf>

In much of Sub-Saharan Africa, access to both telephone and banking services is either inadequate, unreliable or non-existent. Until recently, just 2 million out of around 40 million Kenyans had access to banking services.

What has been done? Mobile phones have fast begun to reduce communication costs in many of African countries. DFID also quickly spotted their

potential as an inexpensive way to transfer money across wide distances. It therefore co-funded the development of M-Pesa, Kenya's first mobile banking service, in partnership with Vodafone's Safaricom subsidiary. M-Pesa is a branchless banking system, which draws upon a network of thousands of local retailers who sell calling credit vouchers. By using the vouchers as a form of currency, the retailers effectively become the branch network. M-Pesa customers can send their deposited cash to a mobile phone user on any network.

What has been achieved? M-Pesa has obtained 9 million customers in only 3 years, most of whom had never previously had access to banking services. The M-Pesa network has directly led to the creation of 7,000 enterprises and 12,000 jobs in Kenya. The subsequent increase in access to financial services is also likely to have generated many jobs indirectly. Vodafone is working to replicate the model in Tanzania, South Africa, Afghanistan and Fiji.

A few overall trends emerge from these cases. They are all from countries with populations of more than six million, suggesting that large-scale impact is rare in smaller states. All but two target either primary or service sectors, suggesting that

challenges remain in support for manufacturing. Nonetheless, they do challenge the current search for the approach that always works: in reality, success will be determined by context and competence, more than by templates.

Each is individually impressive, but how reliable are the numbers and the attribution claimed? The DCED has not had the opportunity to examine them in any detail, and cannot vouch for their accuracy. Moreover, and while each is individually impressive, they do not add up to much. Given the sheer number and volume of programmes around private sector development (PSD) over the years, they are also not very numerous. They give a generally positive impression, but the ‘takeaway’ conclusions are not very clear.

Remarkably, every donor has rather comprehensive documentation of the evaluation processes that are, in principle, required of everything that they fund; the DCED website provides links to many of them¹. Given the relative lack of published results, though, one must conclude that these methodologies are largely ignored in practice – at least until an external evaluator arrives at the end of the programme. At that point, it is often too late to collect the data required – especially for baselines – and the evaluator must frequently draw conclusions on anecdotal evidence.

One question, therefore, is how to bridge the current divide between the methodologies that every agency publishes at HQ level, and practice on the ground. What incentives can be put in place, to motivate field staff and development partners to measure their results? What approaches would they actually accept, find useful and put into practice? These are not trivial questions; ironically, however, the will to measure results is present in the field. Many field practitioners measure their results, but hesitate to publish the findings if they feel that they look ‘too good’.

In summary, donors face the following challenges in measuring results:

- Monitoring mechanisms that are complex, and often applied only patchily in practice;
- No shared approach, that can be applied to a variety of PSD programmes at little extra cost;
- Little clarity on what programmes will report, with consistent supporting documentation or ‘paper trail’;
- No universal indicators that can be added together across a portfolio of programmes; and
- Scarce funding for oversight, particularly with smaller programmes.

Similarly, programme managers face the following, additional challenges:

- Lack of a practical and common means to clarify expectations with donors about results measurement;
- Lack of credibility for programmes in presenting self-reported results;
- Questions about how results are measured by internally managed systems;
- No clarity or common guidance on some of the more challenging aspects of results measurement; and
- Insufficient information provided on a regular basis for programme monitoring and management.

The logical framework, or logframe, was designed over 40 years ago to respond to these challenges. Empirically, one has to conclude that it has not yet been as transformative as its authors must have hoped; that may be as much an issue of application or interpretation. Indeed, the following Chapter argues that it is because the core ideas behind the logframe format simply have not been taken far enough. They prove to be much more useful if they are taken a step further than most are currently taking them.

¹ <http://www.enterprise-development.org/page/agency-policies-methodologies>

3. The logframe format and results chains

This Chapter assumes a working knowledge of both logframes and results chains, so both will only be briefly summarised below.

The Table below shows a typical format for a logframe.

The important sequence is from bottom to top: the activities (not shown, but sometimes added at the very bottom) lead to outputs, that the programme can be reasonably sure of achieving. People are trained on how to run a business (to take a

relatively trivial example). Those outputs lead to a sequence of intermediate results or outcomes that are hoped for (the trainees learn something, then change their behaviour, then do better in business). As a result of that, impacts are hoped for (they employ more people).

This sequence is based on the idea of a results chain, defined by the OECD as: “The causal sequence for a development intervention that stipulates the necessary sequence to achieve desired objectives beginning with inputs, moving

Activity description	Indicators	Means of Verification	Assumptions
Goal or Impact – The long term development impact (policy goal) that the activity contributes at a national or sectoral level	How the achievement will be measured – including appropriate targets (quantity, quality and time)	Sources of information on the Goal indicator(s) – including who will collect it and how often	
Purpose or Outcome – The medium term result(s) that the activity aims to achieve – in terms of benefits to target groups	How the achievement of the Purpose will be measured – including appropriate targets (quantity, quality and time)	Sources of information on the Purpose indicator(s) – including who will collect it and how often	Assumptions concerning the Purpose to Goal linkage
Component Objectives or Intermediate Results – This level in the objectives or results hierarchy can be used to provide a clear link between outputs and outcomes (particularly for larger multi-component activities)	How the achievement of the Component Objectives will be measured – including appropriate targets (quantity, quality and time)	Sources of information on the Component Objectives indicator(s) – including who will collect it and how often	Assumptions concerning the Component Objective to Output linkage
Outputs – The tangible products or services that the activity will deliver	How the achievement of the Outputs will be measured – including appropriate targets (quantity, quality and time)	Sources of information on the Output indicator(s) – including who will collect it and how often	Assumptions concerning the Output to Component Objective linkage

Source: The Logical Framework Approach, AusAID 2005 www.aisaid.gov.au/ausguide/pdf/ausguideline3.3.pdf

through activities and outputs, and culminating in outcomes, impacts and feedback.” (OECD DAC Network on Development Evaluation, www.oecd.org/dataoecd/29/21/2754804.pdf)

Graphically, this can be illustrated as below.

This looks fine in principle, and many manuals include something similar to this, to illustrate what a results chain is. Yet this powerful tool is rarely used in practice, because it is often only considered as a linear flow – essentially identical to the content of a log-frame, but in a graphical format. To illustrate the opportunity for more detail, an actual results chain is considered below (diagram on the next page), from one of the case studies published recently by the DCED around the application of the Standard.

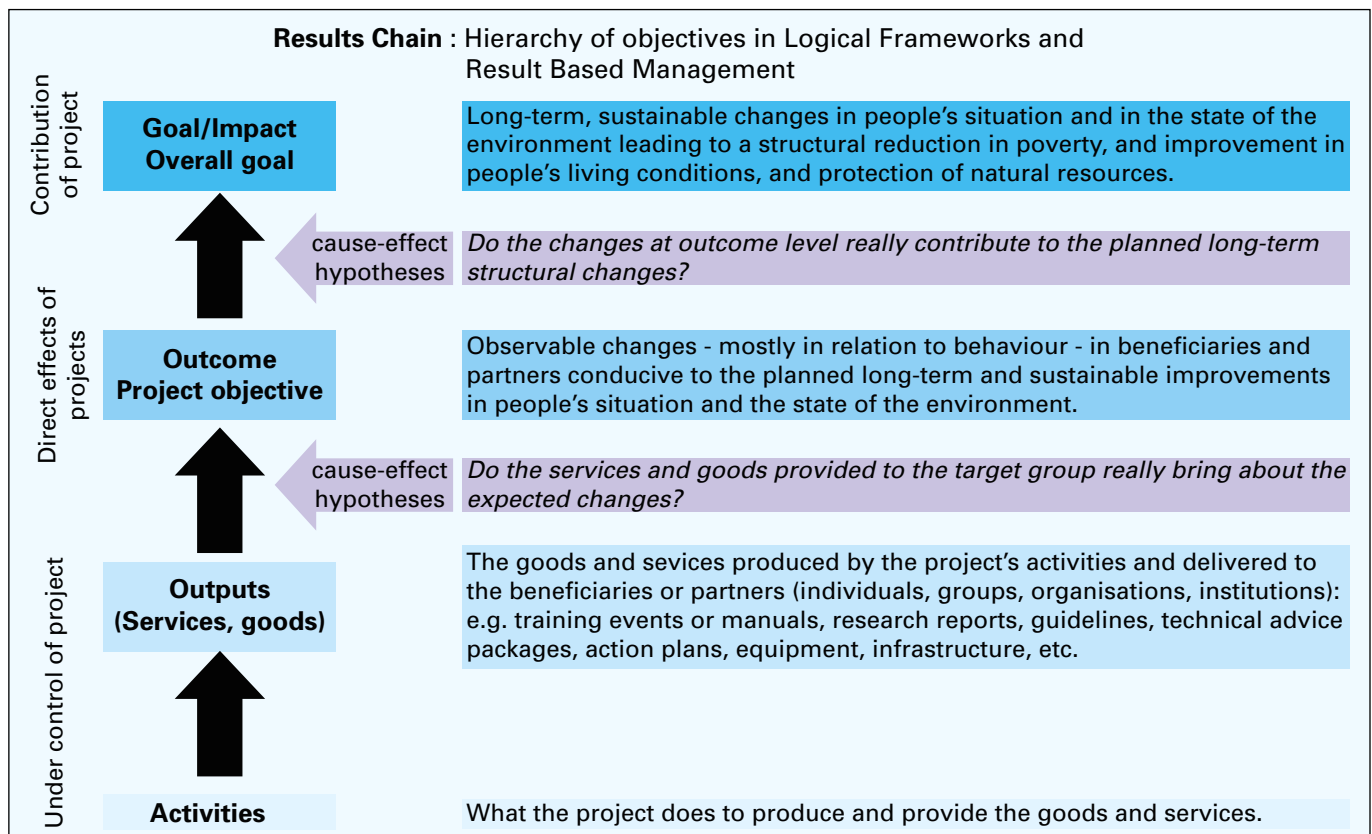
It involves establishing a leasing mechanism for tractors, as a step towards farm mechanisation. The outcomes for the work – all those events over which

the programme has no direct control, but hopes very much will happen – are ringed with the dotted line. These might be listed in a logframe as follows:

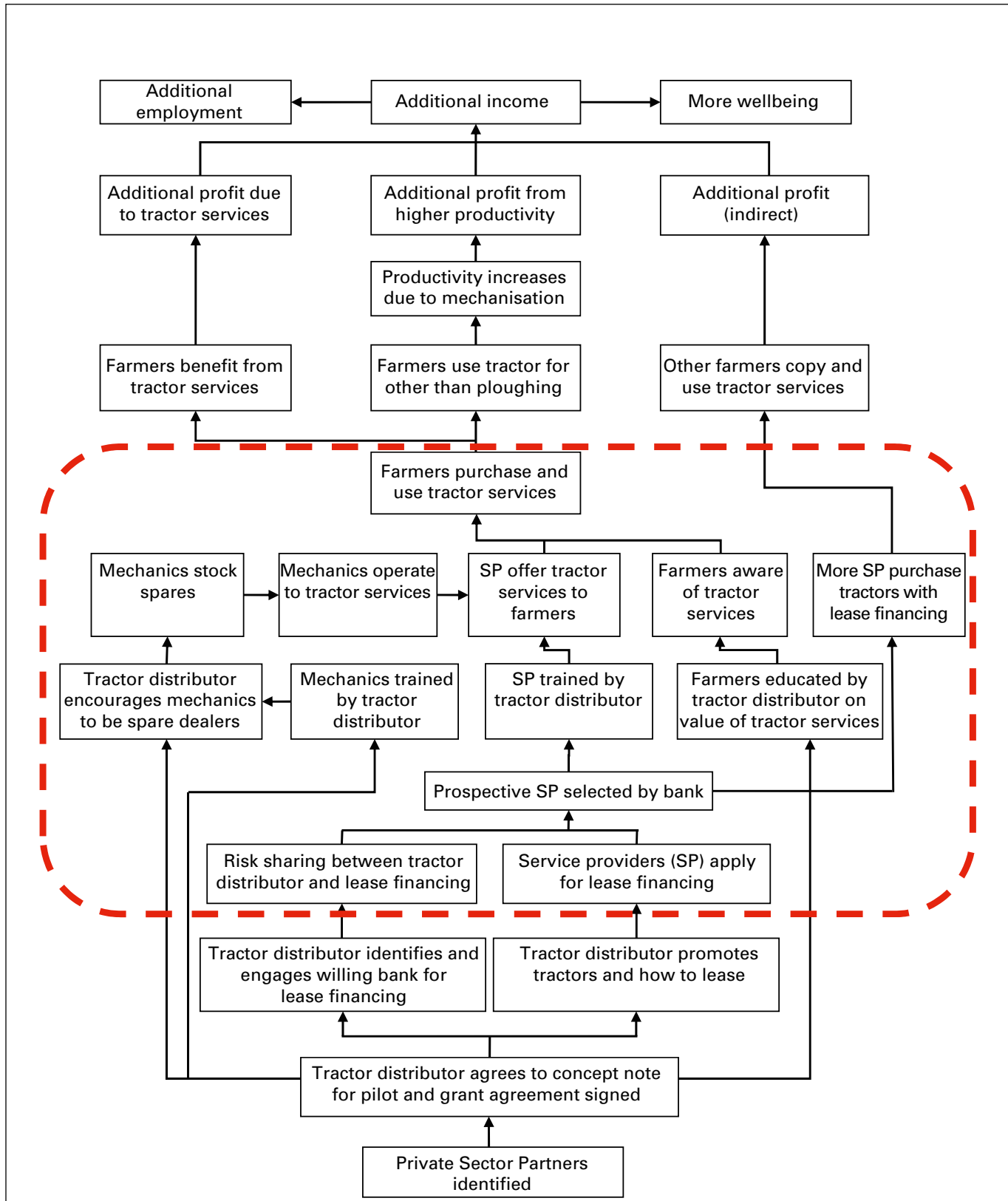
- Service providers access lease financing, offer tractor services to farmers
- Farmers purchase and use tractor services
- Mechanics offer servicing, spare parts
- Other service providers, mechanics and farmers copy model

Much of the detail, and in particular the sequencing, have essentially been stripped out, in order to provide a summary. But programme managers, if they can articulate the detail, can use it to check whether events are unfolding as anticipated.

One may conclude, therefore, that the logframe format is based on the sound logic of a results chain, summarising it in a handy format, that supervisors, funders and others find very useful. But the detailed results chains on which the



Source: Adapted from “Results-based Management of Projects and Programmes in International Cooperation, Nadel”, as cited in Input paper for e-discussion on Assessing Change in M4P programmes, SDC, 2010 www.sdc-employment-income.ch/en/Home/media/Discussions/synthesis%20paper%20e-learning%20cycle%203%20final.pdf



Results chain for establish a leasing mechanism for tractors

Source: PROPCOM Nigeria - Case study in using the DCED Standard; DCED, 2011

logframe is based are rarely included in design documents. This leads to a common situation, where implementers inherit design documents – complete with logframe – and then try to articulate the results chains that they believe represent what the designers had in mind. They then face a challenge in reconciling their results chains with the mandated logframe.

One solution to this would be for agencies to require programme designers to be explicit about the results chains that they are proposing; distilling a logframe from a results chain is a quick task, whereas sketching out a results chain from a logframe can be arduous (as the tractor example on the previous page illustrates).

This is not to under-estimate the power and importance of logframes; they are often the only clear summary in a design document. But the

format is now 40 years old, and development programmes have become much more complex in the meantime. Results chains, properly used, offer the chance to articulate the logic behind the design presented in the logframe format, and to clarify the thinking in ways that are particularly valuable for programme managers. In particular, changes in the market system can also be articulated clearly at the different levels.

The DCED Standard for results measurement is based on results chains; it offers programmes the opportunity to articulate what they expect to happen, based on the design of the individual programme. It is not, therefore, a one-size-fits-all solution, but rather a framework that enables managers to tailor their measurement processes to their actual work. The Standard is described in the following Chapters.

4. An Introduction to the DCED Standard for Measuring Results

Development of the DCED Standard

The DCED initiated a participatory process during 2008 with donor-funded PSD programmes and consultants in the field, to define the best possible, practical approach to results measurement. The Standard for measuring results came out of that process, and is now on Version V; it continues to evolve, although the changes have become more gradual over time.

Much of the momentum in this initiative has come from managers of PSD programmes in the field, where measurement must be done. These managers lack a channel through which to communicate their achievements credibly. The Standard provides a framework or checklist of all the key points that a sceptical outsider would raise, in relation to any reporting of results.

Momentum has also come from donor and UN agency headquarters, where staff are often frustrated by the lack of credible and comparable data from the field. They have found that the Standard offers an incentive to colleagues in the field, since it is practical and brings some official recognition of technical excellence. Contractors and individuals can benefit from this recognition, for example when bidding for new contracts or applying for new posts. Indeed, the evolution of the Standard has also benefited greatly from many comments received from the staff of member agencies of the Donor Committee for Enterprise Development.

One key breakthrough has been the idea of auditing the quality of the monitoring or measurement processes of a programme. Programmes have become so complex that an external consultant struggles to fully understand what is going on. Programme managers understand well, and are

often keen to have the best possible monitoring process. The data generated by that process can be given credibility if audited by an outsider against a clear checklist – which is what the DCED Standard provides.

Of the programmes that have now piloted the certification process, three passed most or all of the control points, demonstrating that programmes can measure their results with sufficient credibility to be useful to donors.

Ultimately, the vision is that that programmes complying with the Standard will be widely accepted as being better than those that don't. Some donors might even require compliance, as a condition of funding.

Many programmes are working towards compliance with the DCED Standard; a summary map of those who are already in touch with the DCED Secretariat is presented in the next page.

Advantages of the DCED Standard

The Standard outlines key elements in a practical process for estimating results that can be managed by programmes internally; it offers the following advantages:

- It represents a shared, inter-agency understanding of good practice around the essential elements in the estimation of results; there is no need to 'reinvent the wheel';
- Auditing the monitoring process eliminates duplication of measurement effort, while giving credibility to the numbers being generated;
- By thinking through the logic or results chains, programmes can achieve greater clarity around



priorities, and therefore be more effective - doing this in a participatory way aligns partners and staff around shared goals, at little extra cost;

- It proposes a small number of “universal impact indicators”, to enable donors and others to aggregate their impact across programmes;
- It offers a system whereby programmes can use results measurement for day-to-day management, particularly to validate the assumptions on which the programme logic has been based;
- A community of practice is emerging, offering the opportunity to interact with other programmes, agencies and consultants, for exchange and learning in key skills areas and experiences required for results measurement;
- Compliance also brings recognition in the field, as being seriously engaged in the results measurement agenda and quality work.

While the Standard brings together all of the minimum elements for credible measurement, there are two features which are not commonly observed in other measurement methodologies. The first is the requirement for a minimum paper trail throughout the whole process. All key assumptions and evidence needs to be documented, in a format that can be audited. This does not imply much

additional or unnecessary paperwork, but does require programmes to support or back up any assertion with some form of evidence.

The second major difference with many other measurement methodologies is the explicit noting of system- or market-wide impacts; traditionally, measurement has focused on direct beneficiaries. However, PSD programmes are hoping for large-scale impacts through spontaneous replications in the wider private sector, and indeed this is often where the big impacts are to be found. But finding and measuring them takes a conscious effort – often involving a degree of detective work.

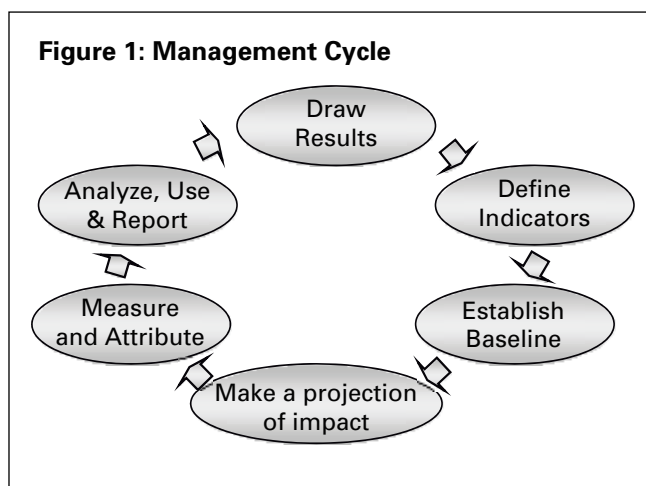
The Standard focuses on what can be measured in ultimate impacts of programmes; it does not focus on the subjective views of beneficiaries – although clearly those views may be important to validate key steps in the overall results chains. Asking beneficiaries whether they are happy with the overall programme, however, begs questions around attribution and appropriate levels and uses for subsidy; indeed, donors may have a low profile, in order to avoid distorting the market. The Standard therefore focuses on attributable changes in jobs and incomes, as the product of a more vibrant private sector.

A Walk through the Standard

The Standard comprises all of the minimum elements required in any results measurement process, in order for the findings to be credible to external observers and the development community in general. It therefore provides a tool and a framework for programme managers to build a results measurement system – without needing to ‘reinvent the wheel’.

This system also serves as a robust approach for articulating the logic of the programme, and for validating the assumptions on which it is based. The association with the DCED provides the incentive for programmes and agencies to work towards compliance; the rewards, in terms of clarity and effectiveness, are also substantial. The Standard has been developed by field programmes collaborating together, so the focus has been on practicality from the start.

Figure 1 summarises the management cycle implied by the Standard. It starts with the drawing of a results chain or logic model, showing how the activities lead to the desired outcomes and impacts. Indicators are defined, based on this logic. A baseline is established, and a projection made of anticipated impacts.



Measurements are made, based on the logic – serving also to validate the assumptions on which the design of the programme is based. Attribution and market-wide changes are then considered; the results are related to the programme costs, and communicated clearly. Finally, the Standard provides for a system for results measurement, to ensure that it is not a one-off exercise, but rather a useful management process.

This document walks the reader through various steps outlined in the DCED Standard, and explains how each step contributes towards a practical and effective results measurement process. It is written primarily for programmes, but could be applied by agencies or countries. The Universal Impact Indicators are discussed in the following section.

Articulating the Results Chain

The Standard is based on the results chain: a simple yet powerful tool to make explicit each step in the logic of a programme, from activities to outputs to outcomes to impacts². This enables staff to:

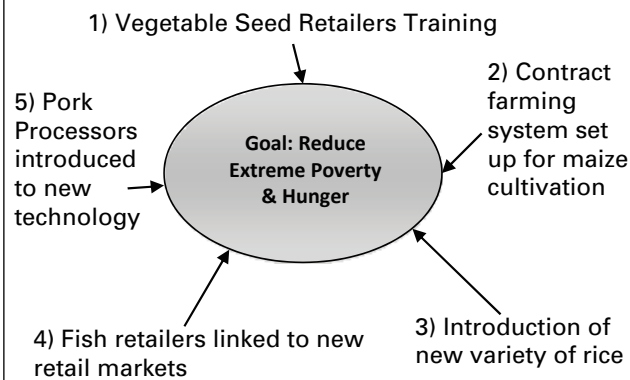
- ‘think through’ the intervention process, clarifying assumptions and agreeing on logic together – so that each person knows what their contribution is to the achievement of the final objectives
- monitor progress in achieving that logic: are the anticipated changes actually happening, or not?

For instance consider a hypothetical Programme X which works in various agricultural sectors to fulfil the first Millennium Development Goal of Eradicating Extreme Poverty and Hunger. X administers five different activities/interventions to reach this goal as illustrated in Figure 2.

Focusing on Intervention 1, the rationale was as follows: Programme X identified that the vegetables farmers had very low productivity because they lacked knowledge, about which seeds to use, when/how to sow, etc. Programme X therefore designed

² The terms ‘results chain’ and ‘programme logic’ are used throughout this document to refer to the same concept – also known by other names, such as ‘causal model’.

Figure 2: Different Activities for Programme X



an intervention to partner with a seed company, to train seed retailers on benefits and usage of good quality seeds. Figure 3 shows a simplified illustration of the roles different actors play in the intervention planned by Programme X. It was envisaged by Programme X that by involving a seed input company which had a commercial incentive to train seed retailers, sustainability and scale could be achieved.

Figure 4 shows the results chain for this intervention, in the sort of format required in the DCED Standard. It illustrates how these various activities are expected to lead to the attainment of the desired goal, beginning with inputs, moving through outputs, to outcomes and ultimately to impacts (moving from bottom to top, in this example).

Please note that this is the foundation of the logical framework, or log-frame, but allows for the articulation of the detailed sequencing. Taking this example, the retailers are expected to pass on the information on benefits and usage of quality seeds to farmers. The farmers are then expected to adopt improved techniques, once they have received the information from the retailers. These outcomes must happen in a sequence, and it is important for the programme to be explicit about that sequence – so that it is possible to check whether it is happening, or not.

This results chain is a management tool, enabling programme staff to regularly assess their interventions, and to take corrective measures when required. For example, if it is seen that vegetable farmers are not using better seeds after receiving the information from retailers (as had been expected), programme staff can quickly find out why not. That process might reveal some other factor, not previously included in the logic (for example, a recent increase in the price of seeds), which should now be included and considered.

Articulating the results chain is challenging, the first time it is done. Even though the logic is perhaps clear in the minds of managers and staff, writing it out on a blank sheet of paper, to an appropriate level of detail, is surprisingly difficult, the first time. Doing it as a team can be a very valuable process, to get everyone on the same page (quite literally).

Figure 3 Different actors and their role in vegetable cultivation

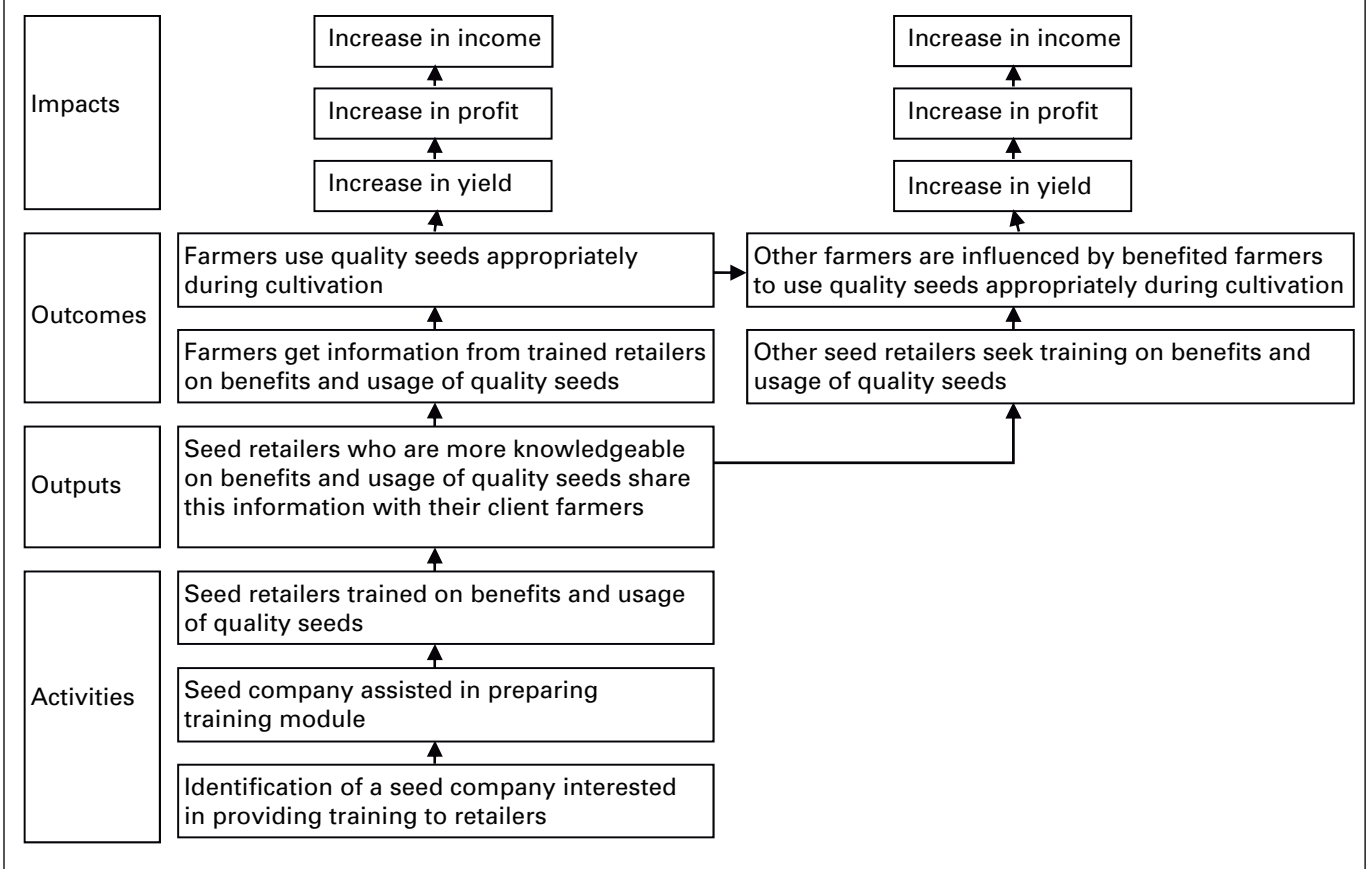


The seed input company was interested to share costs and to take an active role in organising the training as it could benefit from increased sales and improved reputation through better educated seed retailers.

Seed retailers were chosen to be trained so that they would pass on their knowledge to farmers. They would do so to build their reputation so that they can benefit from repeat customers and increased sales.

Farmers relied on seed retailers as a good information source. If they received good quality information from trained seed retailers on the use of better quality seeds, they would apply that knowledge and benefit from higher yields.

Figure 4 Seed Retailers training on the usage and benefits of good quality seeds: Example of a results chain



Eventually, writing out the results chain becomes rather easy and quick, but the first few times may be easier if an external, experienced facilitator is involved.

One important skill is in selecting the key steps in the logic; often, there are many anticipated changes, but only a few are really central to the achievement

of the desired impacts. Recognising those key steps is often needed, since most programmes cannot afford to validate every possible step in their results chains. Another important skill is to also identify and articulate anticipated changes at the market system level – not just for direct beneficiaries and target groups.

The whole DCED system builds on this results chain – and the measurement process is therefore tailored to the individual programme. The results chain should however be updated on a regular basis, both in light of new lessons learned, and in light of changing market circumstances.

Defining the Indicators of Change

Some discussions start with defining indicators of change (almost as a wish list), but the DCED Standard starts with the logic, and derives the indicators from that logic. In other words, once you have clarified what you expect to happen, you can then be clear about what you expect to change –



Photo: DCED

and what you would measure, at each step, to see how it had changed.

The only exception to this is at the impact level, since most programmes of private sector development (PSD) are broadly aiming at similar impacts: scale, income and jobs. Also, a major advantage of working towards common indicators is that programmes, countries and agencies can add together their achievements (taking care to avoid double-counting). As pressures grow for accountability, this aspect will become more important – particularly in a world where programme portfolios and logics can be diverse.

Please note, though, that these impact indicators may need to be customised by individual agencies,

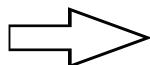
to meet their own needs and priorities. Also, these Universal Impact Indicators focus on enterprise-level impacts, since household-level impacts (including poverty reduction) are more difficult to attribute or isolate; programmes generally do not have the expertise to do this. Donors may, however, support measurement to that level, as a separate (and often costly) exercise.

All of the indicators identified in this step need to be precise and measurable within the programme timeframe and budget; they may be either quantitative or qualitative. The indicators should also include information on the likelihood of sustainability - that the changes described in the results chain will continue after the programme ends. Figure 5 shows three particular intermediate

Figure 5: Defining the indicators of change

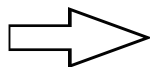
Indicators:

Seed retailers who are more knowledgeable on benefits and usage of quality seeds share this information with their client farmers



- Number of seed retailers who are more knowledgeable on benefits and use of quality seeds
- Particular information on which they are more knowledgeable
- Number of client farmers who came to retailers before they gave information (i.e. before training), compared to number of client farmers who come after sharing information.

Farmers get information from trained retailers on benefits and usage of quality seeds



- Retailers revenue and profit before the training and after training
- Farmers' awareness about availability of information
- Number of farmers getting information on benefits and usage of quality seeds
- The satisfaction with the information received
- The type of information farmers receive from trained retailers

Farmers use quality seeds appropriately during cultivation



- Number of farmers buying good quality seeds
- Number of farmers using the quality seeds appropriately (e.g. time of sowing, preparation of seeds bed, etc.)
- The reason why they use the good quality (e.g. it might be because they receive good information from retailers as intended by the Programme, or it might be due to an external factor like a drop in the price of seeds)

changes mentioned in the example above, and the types of indicators that could be set for them.

The Implementation Guidelines on the DCED website provide a more comprehensive list of suggestions of general indicators for broad application.

Measuring Changes in Indicators

Once the indicators are identified, programmes must develop a system for measuring changes in those indicators. The first step in this would normally be baseline research, to establish the starting point for the key indicators before programme implementation starts.

Box 1: What if a programme hasn't collected baseline information, but still wants to apply the Standard?

It is not always possible to collect baseline information, for example if the programme is adopting the Standard in the middle of implementation. In such cases the programme can:

- i) Use secondary data;
- ii) Derive a baseline from retrospective research;
- iii) Use data from other regions with similar demographics etc.

All research should conform to established good practice; the DCED Implementation Guidelines provide a general overview of tools that can be used – including for example in-depth interviews, focus group discussions, stakeholder meetings, quasi experimental studies, time-series studies, etc. Designing appropriate research may need some expert input, in order to comply with good practice. This expertise is normally available in-country.

Figure 6 gives an example of a hypothetical in-depth impact assessment of a farmer benefiting from the information that he receives from trained retailers (refer to Figure 4) that can be used for decision-making.

It is strongly recommended that programmes 'triangulate' the information they generate; in other words, the use of different methods and sources to validate and confirm the findings will give a more robust picture of the actual changes on the ground – rather than relying on one method or source of data. For example, programmes might measure enterprise-level changes, and aggregate them – comparing the result with measured changes at the market level.

Figure 6: Example of an in-depth interview

Ms. Y is a vegetable farmer who was growing gourds, using her own retained seeds from previous year of cultivation when she noticed that her neighbour had considerably higher yields. She found out from her neighbour that he had recently tried a new variety of packaged seeds recommended by a seed retailer who was very well informed. Ms. Y therefore went to the seed retailer who told her more about the benefits of using quality seeds appropriately (variety of seed to use, how to plant it, when to plant it, etc.). However Ms Y says even though her yields rose considerably, it still was not as high as her neighbour's. She used the packaged seeds recommended by the retailer, but she didn't fertilise her land before sowing the seeds as recommended by the seed retailer, because she couldn't afford the fertiliser.

The table shows Ms. Y's profit before and after going to the trained retailer.

Upon getting similar results from impact assessments done with other farmers and seeing that yield has not risen to the benchmark set of 6,000 pieces/acre, the programme staff can use the information to consider how fertiliser might be made available at lower cost.

	2008 (before)	2009 (after)
Cultivated Land	1/2 acre	1/2 acre
Seed Cost	Used own	USD 25
Other Costs	USD 50	USD 50
Yield	1500 pieces	2500 pieces
Sales Revenue	USD 120	USD 210
Profit	USD 70	USD 135

Estimating Attributable Changes

The previous steps have generated information about what is changing during the life of the programme, in the areas of most interest to the programme, in the areas of most interest to the programme. It does not necessarily say much about the extent to which those measured changes were associated with the programme. Perhaps they would have happened anyway? Or because of the work of a different programme? Perhaps the result would have been even better without the programme? Figure 7, below, illustrates the challenge.

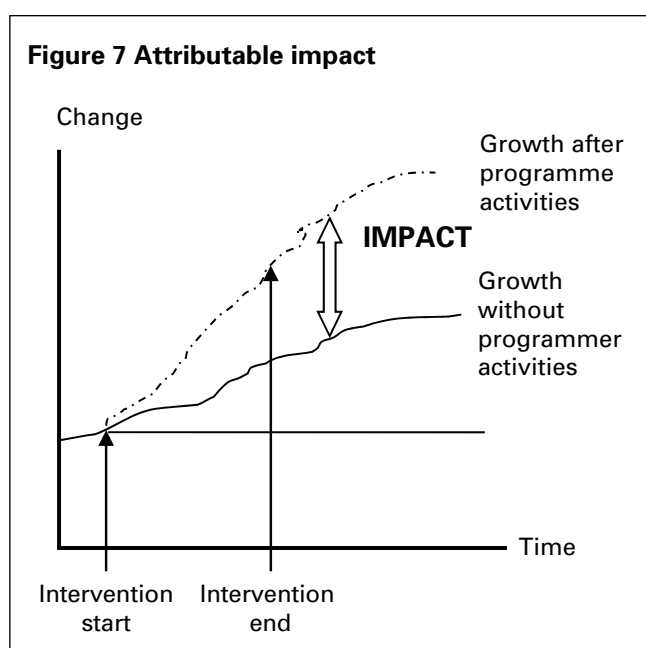
The Standard requires programmes to address this issue of attribution, for the key indicators and the intermediate steps within the results chain. The issue will anyway need to have been considered, to some extent, during the formulation of the results chain. The actual method used to explain the attribution will depend on the individual circumstances; it is easier to develop a credible and robust 'story' in some kinds of intervention, than in others.

The introduction of a new technology, for example, may lead to clear changes that are obviously attributable to the technology. On the other hand, attributing behaviour changes to

training courses can at times be challenging, and require more sophisticated techniques. The DCED Implementation Guidelines include a Table listing the applications, advantages and disadvantages of various techniques.

For example, and drawing again on the example, the intervention was designed to enable vegetable farmers to get good information on the application of good quality seeds from retailers, and to apply that knowledge. As a result, their yields are expected to improve, and their profits to increase. If profits increase, but yields stay the same, the impacts probably cannot be attributed to the programme's activities. The increase in profit can be due to other reasons, such as increased market price of vegetables, or reduced cost for inputs.

Note that the Standard does not require rigorous proof of attribution, but rather that the programme builds a credible and convincing case; this would be a big step forward for many programmes, from current practice, without requiring the investment involved in rigorous proof. Note also that the Standard requires a mention of other publicly-funded initiatives that contributed to the results being reported. This does not include estimating the relative contribution of each programme (i.e. isolating the impact of one programme) unless that is feasible.



Capturing Wider Changes in the System or Market

Many programmes work to change entire systems or markets; impacts are therefore not limited to direct programme recipients or partners. Instead, programmes aim to play a catalytic role, triggering much wider change through a demonstration effect. Most traditional approaches to results measurement, however, neglect the wider changes in the market – even though this is often where the most impressive impacts and scale are to be found.

The Standard, however, calls on programmes to make efforts to capture these wider changes – often through



Photo: Kumar 1

‘detective work’ - so that they do not ‘under-report’ their achievements. While attribution (as above) clearly needs to be addressed at this level too, there are various ways in which market-wide changes may be achieved, including for example:

- **Crowding-in and copying:** Other service providers and entrepreneurs see the benefits for direct ‘beneficiaries’, and copy their business practices (for example, as shown in Figure 2, other retailers and vegetable farmers recommending and using good quality seeds, after seeing the benefits enjoyed by trained retailers and their client farmers).
- **Sector growth:** As a result of programme activities, the whole sector grows; existing enterprises invest more, while new enterprises start (for example, the area under vegetable cultivation expands).
- **Backward and forward linkages:** Direct impacts trigger changes at other points in the market (for example, increased vegetable productivity stimulates the vegetable-transporting industry).
- **Other indirect impacts:** Direct impacts lead to indirect impacts in completely different sectors (for example, vegetable farmers spend their increased income on consumer durables).

Note that the Standard does not currently require programmes to measure displacement – how much

people lose out as a result of programme activities. For example, if some farmers earn more by selling into a limited market, other farmers may only be able to sell less, and therefore lose. While this is a real issue in some cases, it has proved too complex a measurement challenge for most programmes to try to capture at this stage. It is therefore only ‘recommended’.

Tracking Programme Costs

The Standard calls for a statement of the programme’s annual and cumulative costs, so that the achievements of the programme can be put into perspective. Clearly, a larger and more costly programme can be expected to achieve greater results and scale. The Standard also suggests that programmes separate costs by major components, to provide useful management information.

Reporting Results

As a final summary of the results measurement process, the Standard calls for programmes to document the key changes in the indicators at least annually, so that they can be communicated within the internal programme-related community (donor, management staff, programme staff) and the external community if deemed fit. Key indicators should be disaggregated by gender, to the extent possible. Note that the DCED will not publish

the results data being generated by participating programmes, without prior permission. It may, however, use aggregated, anonymous data.

Managing the System for Results Measurement

The results measurement system should serve programme management, and be integrated into day-to-day decision-making. The Standard therefore calls for programmes to develop a system for measuring key indicators at selected intervals. This serves as the framework to guide programme staff, so the Standard requires each programme to have a monitoring system that shows for each results chain:

- What information will be gathered for each key indicator
- How the information will be gathered
- How each key indicator will be calculated or described
- The timing for when each indicator will be measured or assessed

Box 3 lists the elements that would normally be in the monitoring plan. The Standard also calls

on programmes to allocate sufficient financial and human resources to the results measurement system, so that it can be sustained and developed.

Please note that the greatest investment is often not in extra or specialist staff, but in management time to clarify and define the logic of the programme. This is not so much a results measurement task, as an effectiveness task, that can also serve for teambuilding.

Box 2 Elements in a monitoring plan

Change	Defines 'what' we want to see changing
Indicator	Defines how the change is measurable
How	Defines the tools that can be used to measure change
Whom	Defines responsibilities
When	Defines timelines to assess change
Document overview	Defines what is there in terms of reports, studies etc.

5. The DCED Standard for Results Measurement

The previous section explained in some detail the various elements in the Standard; this Chapter reproduces the Standard itself (version V, 13 January 2010). Please note that it has been kept as short as possible, so that it does not look too awe-inspiring for those seeking to comply.

For each element in the Standard, a control point summarises the minimum requirement that would satisfy the auditor. The compliance criteria by which the auditor would assess a programme are also given; documentation can be in any form. Those items labelled “Must” are necessary for all participating programmes to meet the Standard; those labelled “Rec” (Recommended) conform to good practice, but may be difficult for some programmes to comply with at this point. These Recommendations may become “Musts” as the field of results measurement improves.

Definitions are given in Annex B. There are also accompanying “implementation guidelines” and other documents, which offer explanations of each control point and compliance criteria, advice on how to meet each control point and examples.

Programmes may choose to implement the DCED methodology either for their entire programme, or for selected components or interventions; in the latter case, the audit would only be of a random sample of the selected interventions, and a pass would only apply to measurements of those interventions. Each intervention consists of all of the activities needed to achieve one, coherent results chain; it is therefore taken as the main unit of analysis for this Standard. In the terminology

used, several interventions may make up a component, and several components may make up a programme.

Universal Impact Indicators

These indicators are recommended for use by all participating programmes so that donors and other stakeholders can aggregate impact across programmes, wherever possible.

Scale: Number of target enterprises who realize a financial benefit as a result of the programme’s activities per year and cumulatively. The programme must define its “target enterprises.”

Net income: Net additional income (additional sales minus additional costs) accrued to target enterprises as a result of the programme per year and cumulatively. In addition, the program must explain why this income is likely to be sustainable.

Net additional jobs created:³ Net additional, full time equivalent jobs created in target enterprises as a result of the programme, per year and cumulatively. “Additional” means jobs created minus jobs lost. “Per year” comprises 240 working days. The program must explain why these jobs are likely to be sustainable. Jobs saved or sustained may be reported separately.

The focus on impact that the Standard brings is much appreciated by those in the field. Clearly, however, there are some situations and activities where impacts cannot be credibly estimated or attributed, and in those situations, the Standard does not require it. Furthermore, the final choice of impact indicators is somewhat agency-specific, and the Standard allows for the list given above

³ Some programs are uncomfortable with this indicator because job creation per se does not lay the foundation for long term, pro-poor growth. These programs would prefer an indicator related to labor productivity and/or competitiveness. However, due to the challenges of designating an indicator of this type applicable across many programs as well as adding up this kind of indicator, and in recognition of the interest of many partner governments and donors for this indicator, it has been retained.

to be tailored to the needs of individual agencies and programmes – for example to focus on the development goals they already have. Publication of results remains the responsibility of the programme or agency; the DCED may use aggregated numbers across several programmes in its publications, but will not otherwise make any information about individual programmes publicly available.

Note that the Universal Impact Indicators refer to enterprise-level impact; mapping this onto household-level impact is a demanding process, particularly with respect to attribution, because households may have multiple income streams. It is anticipated, therefore, that funding agencies commission separate research by specialists, to measure attributable household-level impacts, if they need that information.

The DCED Standard for New Initiatives

The Standard is written for people and agencies that believe that their work is leading to impact; it assesses inter alia whether programmes have introduced a system and are using it. New initiatives, however, also wish to know if the system that they are establishing is likely to be compliant with the Standard – before they have had time to use that system with any regularity. Some of the compliance criteria have therefore been marked “Use”, in which case compliance is not required for initiatives that have been established for less than one year. In that case, auditors will only certify that the system in place is compliant, not that it is in regular use, or generating credible information on results being achieved.

1. Articulating the Results Chain⁴

No.	Control Point	Compliance Criteria	Level
1.1	A results chain(s) is articulated explicitly for each of the selected interventions.	A documented results chain is developed for each intervention selected. The results chain(s) is thorough, logical and realistic, showing as far as possible how the selected intervention(s) lead to achievement of development goals. Relevant contributions of other initiatives are mentioned.	Must
		The results chain(s) are sufficiently detailed that changes at all key levels can be assessed quantitatively and/or qualitatively.	
		The programme has clear documentary evidence of research and analysis that underlies the logic of the steps in the results chain(s) and explains how changes are likely to lead to lasting impact. Significant assumptions are explicitly identified.	
1.2	Mid and senior level programme staff are familiar with the results chain(s) and use them to guide their activities.	Programme staff can describe the respective results chain(s) covering their work.	Must
		Use: Programme staff can give examples of how they use the results chain(s) to guide their decisions.	
1.3	The results chain(s) are regularly reviewed to reflect changes in the programme strategy, external players and the programme circumstances.	The programme has a clear system for reviewing the results chain(s) at least once a year.	Must
		Use: The programme has evidence to show that the results chain(s) have been reviewed at least once in the last year.	
		Use: The programme has evidence to justify changes or lack of changes made to results chain(s).	
1.4	The review process includes adequate consultation with programme stakeholders.	A clear system is in place for consulting programme stakeholders during the review process.	Rec
		Use: The programme can cite or produce evidence of stakeholder engagement during previous reviews.	
1.5	The results chain(s) include the results of broader systemic change at key levels.	The results of expected systemic or market-wide changes are included in each results chain in the early stages of activities, to achieve scale for that intervention.	Rec
1.6	The research and analysis underlying the results chain(s) take into account the risk of displacement.	The programme can cite or produce evidence that displacement has been taken into account in the development of the results chain(s).	Rec

⁴ Results Chains can also be known by a variety of other names, including impact model, impact logic, causal chain or causal model. The term 'Results Chain' will be used throughout this methodology, in accordance with the definitions agreed by the DAC Network on Development Evaluation.

2. Defining Indicators of Change

No.	Control Point	Compliance Criteria	Level
2.1	There is at least one relevant indicator associated with each key change described in the results chain(s). ⁵	The document(s) outlining the results chain(s) includes relevant quantitative and/or qualitative indicators for each key change in the results chain(s). Validation is provided for proxy indicators used.	Must
2.2	The universal impact indicators are included in the relevant results chain(s).	The results chain(s) include the universal impact indicators at the relevant level wherever possible, or written justification is provided for each such indicator not included.	Must
2.3	Indicators incorporate ways to assess the likelihood of lasting impact.	There are qualitative and/or quantitative, intermediate indicators that will provide information on the likelihood that key changes described in the results chain(s) will continue after the programme ends.	Must
2.4	Anticipated impacts are projected for key indicators, to appropriate dates. ⁶	<p>There are projections for key indicators to specific dates during or beyond the intervention.</p> <p>Wherever possible, there are projections for the universal impact indicators to either the end of the programme or to two years after the end of the programme.</p> <p>Use: Documents show that projections have been reviewed at least once in the last year.</p> <p>Projections are expressed as a change in the indicator due to the programme by a specific date.</p>	Rec
2.5	Mid and senior level programme staff understand the indicators and how they illustrate programme progress.	<p>Mid and senior level programme staff can describe the indicators related to their work.</p> <p>Use: Staff can give examples of how changes in indicators have affected their strategy and implementation decisions.</p>	Rec

⁵ A programme may choose either to designate all changes described by the model(s) as “key changes,” or (if that is too complex to be practicable) to highlight the most important, “key changes” and explain why these are the “key changes” On which the measurement system will focus.

⁶ This Control Point is particularly important for initiatives aiming for market-wide impacts, since their impacts in the short term may be lower than those for initiatives that are giving away large subsidies. See also Section 5.

3. Measuring Changes in Indicators

No.	Control Point	Compliance Criteria	Level
3.1	Baseline information on key indicators is collected.	A clear plan is in place, based on good practice, to gather baseline information, or if necessary to construct baseline information retroactively.	Must
		Use: The programme has collected baseline information and outlined the status of key indicators before activities have led to changes.	
3.2	All research is in line with established good practices (in terms of research design, sampling, quality control etc.).	The plan to measure indicators conforms to established good practices.	Must
		Use: The programme can demonstrate that research conducted conforms to established good practices.	
		Use: Those involved in the research (both inside the programme and any external contractors) can explain how research was conducted; the questionnaires used are made available, etc.	
3.3	Qualitative information on changes at various levels of the results chain is gathered.	Assessment of changes includes qualitative information gathering to explore the character, depth and sustainability of changes at various levels of the results chain.	Rec
3.4	Reported changes in indicators that are extrapolated from pilot figures are regularly verified.	When changes in indicators are calculated for large numbers of enterprises using data from small samples or a pilot phase, a method for regularly validating the extrapolation is in place.	Rec
		Use: The method for validating the extrapolation is in regular use.	

4. Estimating Attributable Changes

No.	Control Point	Compliance Criteria	Level
4.1	A clear and appropriate system for estimating attributable changes in all key indicators is in place.	The programme has documented plans for estimating the attribution of observed changes to programme activities.	Must
		The methods used are appropriate to the programme context, link back to the results chain and conform to good practice.	
		The methods chosen distinguish, where possible, the programme's impact from the impact created by other programmes working in the same area.	
		Use: The programme can provide evidence that the methods for attribution were applied in the research conducted.	
4.2	Where the measured changes are due in part to the work of other, publicly-funded programmes, then those contributions are acknowledged.	All public programmes (donor and government) which have contributed to the changes claimed are acknowledged.	Must
4.3	The contributions of collaborating programs are estimated.	The financial value of the contribution of contributing programmes is estimated.	Rec
4.4	All private contributors to the changes claimed by the program are acknowledged.	Private contributors to the changes claimed by the programme are acknowledged.	Rec

5. Capturing Wider Changes in the System or Market

No.	Control Point	Compliance Criteria	Level
5.1	The results of systemic change at key levels in the results chain(s) are assessed.	The programme has a documented description of how the results of systemic change will be assessed (through quantitative and/or qualitative means).	Rec
		The methodology used takes attribution into account.	
5.2	Findings on impact include the results of systemic change at key levels.	Use: The results of systemic change are estimated using quantitative indicators wherever possible. All figures are supported by clear calculations; any assumptions or estimates are outlined.	Rec

6. Tracking Programme Costs

No.	Control Point	Compliance Criteria	Level
6.1	Costs are tracked annually and cumulatively.	An accounting system is in place to track costs and produce annual and cumulative totals of all programme-related costs spent in country.	Must
		Use: The programme has annual and cumulative totals of all programme-related costs spent in country.	
6.2	Costs are allocated by major component of the programme. (Applicable only to programmes with more than one main intervention)	The accounting system enables management to estimate costs spent on each major component of the programme for which impact is estimated.	Rec
		Use: The programme has annual and cumulative estimates of costs for each component for which impact is estimated.	

7. Reporting Results

No.	Control Point	Compliance Criteria	Level
7.1	The programme documents estimate changes in key indicators due to the programme at least annually (N.b. external publication remains at the discretion of the programme; see also 7.6).	The programme's system describes how such reports will be produced at least annually.	Must
		Use: The programme has a report(s) produced in the last year which provides clear estimates of the changes in key indicators due to the programme. It should also outline the context, and any qualitative information needed to understand the numbers presented.	
7.2	Reported changes in key indicators are disaggregated by gender	All reported changes in key indicators, and particularly in impact indicators, are disaggregated by women and men. Where figures are not disaggregated, justification is provided as to why this was not possible or appropriate.	Must
7.3	Costs are reported together with impact.	Annual and cumulative totals of all project-related costs spent in country are reported in at least one report in the last year.	Must
7.4	When the results of systemic change and/or other indirect effects are estimated, change figures are divided into "direct" and "indirect."	Where applicable, changes in key indicators are appropriately divided into "direct" results and "indirect" results.	Rec
7.5	Results and related costs are reported per component.	The report(s) related to 7.1 above include impact and total related costs together per component.	Rec
7.6	Results are published.	A document with the results and costs described in sections 7.1–7.4 is made publicly available. The auditor may choose to 'sign off' on this report explicitly.	Rec

8. Managing the System for Results Measurement

No.	Control Point	Compliance Criteria	Level
8.1	A clear and reliable system for measuring key indicators at appropriate intervals is established.	The programme has documented the system for measuring changes in key indicators, including: <ul style="list-style-type: none"> ■ What information will be gathered for each key indicator ■ How the information will be gathered ■ How each key indicator will be calculated or described ■ At what interval each key indicator will be measured or assessed 	Must
8.2	Tasks and responsibilities for impact assessment have been specified	Tasks and responsibilities in relation to results measurement are documented. Staff are able to accurately describe their responsibilities in results measurement.	Must
8.3	The system is supported by sufficient human and financial resources.	The program can show that sufficient human and financial resources have been allocated to manage and implement the results measurement system.	Must
8.4	The system is institutionalised	Use: Evidence exists of the system having been institutionalised, for example in the form of a staff manual on results measurement, job descriptions, inclusion in staff performance reviews etc.	Must
8.5	The results measurement system is organised to facilitate external audit	A summary sheet lists the control points in order, and lists, for 'Musts', the document(s) that provides evidence of compliance.	Must
8.6	The findings of the system are used in programme management and decision-making	Use: Managers can explain to what extent underlying assumptions in the logic or results chain(s) are proving to be valid, and can cite decisions they have made based on the information provided by the results measurement system.	Rec

6. Synthesis of Case Studies

This Chapter summarizes some of the experiences of different programmes in integrating the Standard with their work in Results Measurement. It summarises a series of case studies, that can be found via the hyperlinks below. The cases are not intended as a guide to “best practice” in results measurement; the cases listed first appear (on the basis of material received) to have the most effective monitoring systems. Note that more case studies are currently in preparation, and will be posted on the website in due course.

- [Tractor leasing, DFID/PrOpCom Nigeria, 2010](#)
- [Maize production in Bangladesh, Katalyst 2011](#)
- [Tofu production, VIP Indonesia, 2010](#)
- [Palm oil production, GTZ Thailand, 2010](#)
- [Pig-rearing, USAID/MSME Cambodia, 2010](#)
- [Advocacy for business environment reform, DFID/ENABLE Nigeria, 2010](#)
- [Cashew production in Indonesia, Swisscontact and Cordaid, 2011](#)
- [Tea in Vietnam, livestock markets in Kenya, SNV, 2011](#)
- [Tourism development, GIZ Montenegro, 2011](#)
- [Artificial insemination of livestock, SDC Southern Caucasus, 2011](#)
- [Industrial bamboo, PI Vietnam and Laos, 2010](#)

If these links do not work for any reason, the cases can also be found here: <http://www.enterprise-development.org/page/measuring-and-reporting-results>.

How Did These Programmes get Started with the Standard?

The programmes that saw results measurement as a priority were, at best, outsourcing expensive research. In general, however, they were not

finding the results useful, and were keen to find an approach which allowed them to **track results** over time, using feedback to **inform their decisions**. Two examples of such programmes are the Micro, Small and Medium Enterprises (MSME) programme in Cambodia, and the Prosperity Initiative (PI) in Vietnam.

In both cases, staff heard that the DCED Standard could be used for planning and management, not just for measuring results. Both programmes had gathered data to measure the overall impact of their work, but were unable to use these data to judge the effectiveness of their individual interventions.

Results that Reflect On-the-Ground Realities

Cambodia’s swine producers have been hit by a major swine flu outbreak. MSME’s results chains help staff to explain why its targets in the swine sector will not be met, and to consider what they could do to help in rebuild swine production in Cambodia.

The DCED Standard has guided both programmes towards measuring changes at each stage of their results chains. This not only enables the programmes to measure the effectiveness of their individual interventions, it also helps them to link their particular activities to the overall “big picture” of market-wide impact.

‘The Standard is more a project management tool than a results measurement tool.’

Philipp Essl *Consultant, PI*

Managers at the Thai-German Programme for Enterprise Competiveness (TG-PEC) use results chains to improve the **design and implementation of interventions**. As with MSME and PI, measuring results on a regular basis allows TG-PEC staff to

check whether the intervention is achieving desired results. This in turn serves to inform **resource allocation**.

'The DCED methodology [is] a way of thinking and a fairly flexible tool. rather than a strict accounting standard. It's about logic and process.'

David C. V. Smith

Consultant, African Enterprise Challenge Fund

Other common reasons for interest in the Standard are the possibility to aggregate results (because the Standard recommends universal impact indicators), the prompt to measure programmes' wider impact (beyond their direct beneficiaries), and the fact that results chains help programmes to communicate the logic of what they are doing.

At first, almost all of the programmes working towards the Standard followed market development approaches. More recently, programmes working on trade support, business environment reform and vocational training have got involved, as have challenge fund.

The Importance of 'Champions' or 'Drivers of Change'

Where programmes already have a results measurement system in place, staff have to get used to the idea of change. Such programmes almost always have a leader or champion who leads efforts towards the Standard within their organisation.

Benefits of External Endorsement

Local GIZ Montenegro staff were reluctant at first to work towards the Standard, concerned that a new results measurement system would take up too much time. Now that they use it, they value it. To convince her colleagues that they should pilot the Standard, Programme Manager Ute Dannenmann brought in an outside expert to boost the credibility of the proposal.

Taking Results Seriously

To ensure that his programme staff took results measurement seriously, PrOpCom⁷ manager Julian Peach made his staff responsible for it. Julian also recruited a results measurement specialist to help them. In his experience it is useful to bring in additional, 'specialized' help to help staff to adopt the system, but ultimate responsibility should lie with programme staff in order to drive them to use results measurement in their work.

As an SNV Asia Senior Adviser and Vietnam Programme Manager, Paul Weijers has been a key player in his organisation's effort to adopt the Standard across many of its programmes. This started in March 2009, when Paul helped SNV's Vietnam's tea value chain development project begin work towards the Standard. SNV staff quickly found the Standard helpful both to generate results which informed their decisions, and to capture their achievements in a credible and practical way. All SNV Vietnam programmes, including those outside PSD, have since begun to align their work with the Standard. In January 2010, SNV Asia decided that the Standard should be applied in all of the five countries in which it works.

Paul has now helped to train staff from across SNV Asia's portfolio of programmes. Furthermore, following a recent visit to SNV Vietnam, the directors at SNV Head Office showed an interest in

⁷ Pro-Poor Opportunities in Commodity and Service Markets (PrOpCom) is a market development programme based in Nigeria

the Standard. Having met the DCED Coordinator and discussed the Standard in detail, they feel that a common approach to results measurement would improve coordination within SNV and allow the organisation to aggregate results from different programmes. SNV's Planning, Monitoring and Evaluation procedures were revised to be in line with the Standard in September 2010. Various SNV programmes are now working towards compliance.

Analysing and Addressing Gaps

Most programmes start their work towards the Standard by conducting a gap analysis, assessing what needs to be done to comply and using the findings to form action plans. Many programmes find it useful to hire a consultant familiar the Standard to lead the gap analysis.

'In the gap analysis, it was identified that we need to measure additional income. Measuring additional income meant doing more calculations, but it was beneficial for two reasons. Firstly it helped us measure the significance of the intervention in the beneficiaries' livelihood in terms of how much it contributes in his or her total income. Secondly measuring income in addition to all the other universal impact indicators is a good way for us to aggregate our results for internal reporting.'

Phitcha Wanitphon

*Deputy Programme Director, GTZ Thailand
Programme for Enterprise Competitiveness*

Gap analyses often show that programmes' results chains need to be more detailed. In particular, the changes between each box in the results chain need to be logical and clear, without involving major assumptions.

For example, MSME initially drafted a single results chain for each sector. This sometimes made it unclear which changes would result from which

individual activities. By separating interventions into individual results chains, MSME staff can plan and monitor how individual activities generate changes that contribute towards overall objectives.

'We had to work in research and collecting the baseline information. It was particularly difficult because while drafting the results chain, we found that we were missing a lot of information (both qualitative and quantitative). The PrOpCom team needed to collect more information to make the results chain more rigorous, and to set indicators of change at each level in the results chain.'

Sadia Ahmed *M&E Specialist, PrOpCom*

Following the gap analysis, many programmes also set indicators for each expected change shown in the results chain. Previously, most programmes aligned their indicators to their log-frames and periodically measured those indicators. These indicators were rarely linked to their everyday work, however. Sadia Ahmed recalls that when she and her PrOpCom colleagues originally drew results chains, they lacked the information to show a strong link between the indicators they were using and the work they were doing. Now that they have set indicators for each change along the results chain, their indicators provide useful and regular feedback for decision-making.

While many programmes working in private sector development trigger changes which over time spread across entire markets, few that are new to the Standard have previously considered how to assess these changes. The Standard encourages programmes to do so. For example, while MSME staff knew that swine producers copy each others' methods, it was never noted explicitly that their interventions might cause swine producers outside the immediate target group to copy the practices which direct beneficiaries benefit from. The DCED Standard has helped MSME to understand the importance of their wider achievements, and should help staff to get due recognition for them.

When most of the programmes reviewed here started working towards the Standard, they lacked the means to credibly attribute the results they planned to measure to their own activities. The body of expertise around the Standard has helped some to come up with solutions. PI, for example, plans to interview managers of target enterprises, capturing qualitative information to understand which investment decisions resulted from their interventions.

Whilst preparing to be audited for compliance with the DCED Standard, several programmes have found it useful to hire a consultant to conduct a **mock audit**.

Costs involved

For programmes, there are three main costs involved in working towards the Standard. Not all programmes face all three. The first major expense is staff training. The amount depends mainly on where



Photo: Katalyst

‘The mock audit was a great experience for us, we will continue with it, with or without endorsement. I cannot imagine anymore that we ever run the project without this system; the quality has improved tremendously. It should be part of every serious market development project. The audit system still needs some fine tuning, but even in the present form it was extremely useful to get some discipline in our project.’

Peter Roggekamp

Former General Manager, Katalyst

the training is held. Another significant expense is hiring outside expertise. Thirdly, programmes have the recurrent costs of using the Standard in their regular results measurement and management. These are difficult to isolate completely from regular management costs, since articulating and updating results chains requires management involvement, for example. Nonetheless, some programmes estimate costs of using the Standard to be around 10–15% of their implementation costs.

Lessons Learnt:

The key lesson learnt by almost all programmes in working towards compliance with the Standard has been that it really helped them to integrate results measurement into project implementation. By doing so, programmes can use results measurement not as a one-off assessment to generate some numbers, but rather for **strategic thinking and for programme management**.



Photo: Swisscontact Indonesia

Overall, everybody has found the exercise very useful and we felt that the pre-audit has actually identified more relevant issues than the external evaluation, which was going on in parallel for two weeks. The recommendations make sense to us and the team has decided to follow these recommendations - a work plan has now been established.’

Peter Bissegger

Regional Director, Swisscontact

South East Asia

<p>GTZ Montenegro: GTZ Montenegro has seven staff managing its PSD interventions. Results measurement is part of each one of their jobs. At approximately €18,000, managing for results is approximately 10% of programme implementation costs.</p>	<p>Thai-German Programme for Enterprise Competitiveness: Results measurement represents 10–15% of TG-PEC’s budget. Each TG-PEC intervention has a budget of €25,000–50,000.</p>						
<p>Prosperity Initiative, Vietnam Estimated costs:</p> <table border="0"> <tr> <td>Attending events</td> <td style="text-align: right;">\$7,000</td> </tr> <tr> <td>Initial cost of drafting results chains, measurement plans and outside expertise</td> <td style="text-align: right;">\$20,000</td> </tr> <tr> <td>Ongoing costs of using the Standard for project management and M&E, including the cost of pre-audit DCED consultants</td> <td style="text-align: right;">\$20,000</td> </tr> </table>		Attending events	\$7,000	Initial cost of drafting results chains, measurement plans and outside expertise	\$20,000	Ongoing costs of using the Standard for project management and M&E, including the cost of pre-audit DCED consultants	\$20,000
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Initial cost of drafting results chains, measurement plans and outside expertise	\$20,000						
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‘These are three of the lessons my team learned whilst working to align a programme’s results measurement system to the DCED Standard:

1. By making results chains, staff are forced to think more clearly about the outreach of their interventions. For instance, if a training course is organised for retailers so that they give better advice to farmers on farm management, how many clients do these retailers have? How many clients do they talk to? How many farmers will take their advice? Applying the Standard gives greater clarity on impact.
2. By having clear interventions, clear start dates, clear estimated dates for impact, clear indicators, it becomes easier to assess a programme’s entire portfolio: to compare interventions and sectors, to aggregate across the programme. Portfolio management and reporting on the portfolio otherwise would not be possible.
3. Clarity leads to better decision-making. It is not possible to have sensible discussions about decisions without having a clear grip on the results. Decision-making becomes easier if people know exactly how their work will help them to reach the programme’s ultimate goal.’

Herald Bekkers,

Former Division Manager, Industry and Rural Sectors Division, Katalyst

For **GTZ Montenegro**, working towards the Standard has made communication easier both amongst programme staff and with partners. Programme staff organised a workshop to train programme partners such as the Ministry of Tourism in the Standard. This has helped to build **a common language** between partners around results measurement and programme objectives more generally, and has helped the staff at the Ministry, also under pressure to show results. More generally, Ute notes, working with the Standard has helped to **improve knowledge management** in her programme.

For many programmes, ensuring that the results measurement system is used regularly and dynamically requires staff **roles and responsibilities to be clearly defined**. Julian Peach found it useful to tailor job descriptions so that his staff are aware that they are responsible for measuring the results of their own work. To check that his colleagues keep their results chains up-to-date, Julian often refers to the result chains and measurement plans when they report on progress.

Some programmes have found it useful to keep all the documents they need to comply with the Standard in one file. **Swisscontact’s LED-NTT⁸ programme** gathers all the supporting materials for one intervention into a single document, called

⁸ LED-NTT stands for Local Economic Development in Nusa Tenggara Timur.

Swisscontact Local Economic Development Programme, Indonesia

Contents of an Intervention Report

Section A: Summary

Intervention Relevance, Partner and Beneficiary Details, and a Brief Summary of the Intervention Strategy

Section B: Intervention Design

1. Intervention-Level Market Research
(Deeper Understanding of Your Market and Intervention Focus)
2. Intervention Strategy
3. Intervention Results Chain Chart
4. Focusing on Sustainability: (4.1) Present and (4.2) Future Roles and Functions
5. Accounting for Cross-cutting Issues
6. Intervention Budget
7. Intervention Monitoring Plan

Section C: Intervention Work Plan

Intervention Work Plan

Section D: Intervention M&E

1. Intervention Summary
2. Activity Group Progress Tables
(Intervention Output-Level Monitoring Results)

the Intervention Report (see box on next page). The Intervention Report makes it easier for new staff, external consultants (and eventually a DCED-approved auditor) to familiarise themselves with the history of a particular intervention.

Reporting Results

With an increasing number of programmes adopting the different elements of the Standard in their work, it has become easier for them to report and aggregate their results. Drawing out the results chains helps programmes to clearly articulate how their work would have impact at different levels and stages in time, ultimately contributing to poverty alleviation. Using common indicators of measurement also allows programmes to 'add' up their results, which is particularly relevant for programmes which have a wide portfolio of sectors and interventions.

The following examples give a picture of some results that have been estimated by different programmes of their work by using the Standard:



Photo: Kayalyst

● **Propcom** has an intervention that aims to open up a private market-led channel for ‘tractorization’ in Nigeria by establishing a suitable leasing mechanism in which a tractor company, banks and service providers share the risk of tractor purchase, so that tractors are more affordable and no longer depend on public policies and subsidies. In this way poor farmers will benefit from more reliable, timely services for land preparation (ensuring that the land is ready for cultivation when the rains start), save on labor cost, be able to cultivate in more land and experiencing higher yields. The table below summarizes their impact.

Summary of Key Impact	Project end date (April 2011)*		Three years from intervention start (Dec-2012)	
	Direct	Indirect	Direct	Indirect
Outreach	3,371		3,371	3,371
Additional Income, US\$ ⁹	1.73m		5.18m	3.45m
Additional Employment	586		586	586
% female	2%		2%	2%
Private Sector Investment:		US\$ 135,387		

● **Value Initiative Programme (VIP)** aims to improve product quality, production efficiency and market linkages in Jakarta’s tofu value chain. This is traditionally an informal industry employing a large number of poor people. Improved production through improved efficiency, cleaner production and good health practices will benefit all actors in the market chain and the consumer will be able to buy safe and healthy tofu. The table below summarizes the scale reached through improving production in the tofu sector.

Indicator	Data	Direct Outreach		
		Men	Women	Subtotal
Scale – enterprises’ access	Total number of enterprises participating in intervention	106	106	212
Scale – workers’ access	Total number of workers reached by interventions	318	106	424
Scale – Renters’ access	Total number of renters reached by interventions	636	0	636
Scale – Vendors’ access	Total number of vendors reached by interventions	954	106	1060
Total		2014	318	2332

9 NGN figures have been approximately converted to US\$ at the current rate of 150.

● **Katalyst** works in the maize sector and in Phase One intervened in different areas in Bangladesh to introduce a model of contract farming so that farmers have access to quality information, credit, inputs from the contractor who also provides a buy-back guarantee. It also worked in the sector to introduce a shorter variety of rice so that farmers could also grow maize in the same year; it promoted the use of compost; and conducted retailers training so that retailers gave quality information and sold quality inputs to farmers. As a result of its activities, the following table summarizes the impact achieved.

Total Outreach							
Intervention	Lalmonirhaat	Dinajpur	Southern Rangpur	Bogra	Rajshahi	Jessore	Total
Contract farming	15,062	3,410	3,550	2,055	6,040	4,814	34,931
Introduction of rice with short cropping cycle	3,944	12,132	7,177	4,126	211	0 ¹⁰	27,590
Introduction compost	6,468	0 ¹¹	0	0	0	0	6,512
Retailer training	7,217	14,158	16,459	30,319	30,249	21,686	120,089
TOTAL	32,692	29,700	27,230	36,500	26,500	189,122	
Total Additional Income Generated for Three Years From Start of Intervention (USD)							
Total package	3,178,785	2,105,061	2,834,936	42,449	622,084	NA	8,783,315

¹⁰ No additional outreach for STA beyond contract farming, hence the additional outreach is nil

¹¹ No additional outreach for compost beyond contract farming, hence the additional outreach is nil;

7. Practical steps to involvement

Getting Started

While every programme follows its own route to join the DCED initiative, there are a few common steps often observed by DCED in the progress towards being compliant with the Standard:

1. **Initial Interest/Awareness:** As a first step, it has been most useful for programmes to first get an extensive insight of what the Standard is all about and why it would be relevant in their work. While some programmes have found it helpful to get this insight by looking into the different materials available through the website, or to learn from peer programmes, others also found it useful to attend seminars to get familiarized with the concept. DCED organizes introductory seminars (Please refer to the website or get in touch with the Secretariat for information on upcoming seminars).
2. **Full Understanding of what is required:** Once interested, it is important that programmes fully understand the different elements of the Standard, the reason for each compliance point, and what needs to be done. DCED offers a range of useful documentation in order to provide guidelines and examples on how to gain compliance with the Standard (discussed in the next section). There are also several training events¹² held around the year to support programmes in their results measurement initiative.
3. **Implementation:** While some programmes have used the support offered through the DCED website, others find it more useful to get first-hand support from consultants who have practical experience in using the Standard. Programmes that already have a results measurement system in place need to conduct an initial gap analysis (in effect, a simulated mini-audit). Depending on the resources available, some programmes have also found it useful to initially 'test' the Standard in a few sectors before applying it across all portfolios.
4. **Mock Audit:** Before going for a full audit, it is recommended that programmes commission a mock audit by one of the consultants expert in the DCED Standard, in order to check whether they have the required system in place, and if not to identify the missing steps. All programmes which have so far undertaken a mock audit have found it particularly helpful, as it helps them prepare for the full audit and to get external recommendation on essential steps they need to take before passing an audit.
5. **Full Audit:** The full audit requires a Programme to get an auditor certified by DCED to conduct an audit for the results measurement system it has in place. Once a programme successfully passes an audit, it is valid for two years, after which the Programme needs to get successfully audited again to maintain the status.



Photo: Gerry McCarthy

¹² <http://www.enterprise-development.org/page/training-courses>

Support Extended Through DCED

The DCED Secretariat offers a range of support to programmes that would be interested in joining the initiative for Results Measurement particularly through the [website](#).¹³ Some of existing range of support that is extended through DCED include:

- **Implementation Guidelines:**¹⁴ The Implementation guidelines are intended to provide guidance for staff of programmes implementing the DCED Standard. It should be noted that suggestions in the Implementation Guidelines are general introductory guidelines only, to show programmes where to start; they are not intended as a comprehensive M & E guide.

This Guidelines follow the same structure as the Standard itself. Individual control points are grouped into eight chapters, each of which start with a brief introductory explanation of the meaning and relevance of the criteria that follow. At the end of each chapter there is also a summary of resources that should be consulted for further information on the topics covered in that section. DCED is also adding more examples of good practices and tips to the guidelines to make them more useful for programmes.

The eight chapters in the guidelines are broken into two sections:

- **Auditor's Checklist:** To provide some insight into the requirements of each of the control points, outlining the questions the auditor will be trying to answer.
- **Implementation:** To provide guidelines and suggestion on how to meet the compliance criteria of each compliance point, broken into individual steps. The implementation suggestions are accompanied by one or more examples

of forms, reports or diagrams that could be produced to meet the compliance criteria, to show what such documents may look like.

The table overleaf gives an example of the type of help that can be found from the Implementation Guideline. *"The table summarises some of the options that programme staff may use at each step in the results chain in order to determine attribution; the Table is not intended as a hierarchy as different circumstances will determine which options are more appropriate. The options are not mutually exclusive and a mix or combination is often the best strategy; programmes should have a clear understanding of when, how and for which steps in the results chain each method will be used."*

- **Auditor's Guidelines:**¹⁵ The Auditor's Guidelines provide recommendations on how auditors can verify and judge compliance for each of the compliance criteria for all control points in the DCED Standard. The Guidelines are used by auditors to assist them in completing audit reports for organisations applying for DCED results measurement certification.

The guidelines provide recommendations on:

- How to verify compliance for each compliance criteria – through reviewing documents (D), conducting interviews (I) or both.
- For document review: What types of documents are likely to be useful in verifying each compliance criteria.
- For interviews: Who might be interviewed, what might be asked and what answers are expected to verify compliance

- **Case Studies:**¹⁶ The Case Studies (as already discussed in the previous chapter) provide insights on what different programmes are doing in order

¹³ <http://www.enterprise-development.org/page/measuring-and-reporting-results>

¹⁴ <http://www.enterprise-development.org/download.aspx?id=1494>

¹⁵ <http://enterprise-development.org/download.aspx?id=1471>

¹⁶ <http://enterprise-development.org/page/measuring-and-reporting-results>

Methods of Measuring Attribution

Method	Application	Advantages	Disadvantages
Opinions of key informants and expert interviews	May be important when the key change is driven by one person (e.g. politician changing a policy)	Low cost	May be influenced by interviewer; likely to be somewhat subjective.
Comparison of treatment and control group (randomised samples)	When samples are large enough – in measuring changes attributable to one step in the results chain (probably not feasible for the whole model in one trial)	Held by statisticians to be the most reliable way to measure results (albeit based mainly on experiences with simple / single treatments)	Difficult to design and administer if the treatment group is self-selecting (e.g. buying a service). In that case, a randomised sample would need to be refused a service they tried to purchase
Quasi-experimental design (difference of difference - comparing before and after for treatment and control groups)	Often appropriate for pilot efforts and/or measuring attributable changes for one step in the results chain	More approximate, in acknowledging that the control group is not an exact control	Cheaper than randomised controlled trials, but still expensive. Careful design and measurement needed to ensure accuracy. Not valid when the target group is unique, as is often the case with large urban clusters, or when interventions can influence the control group as well as the treatment group.
Participatory approaches (focus groups etc.)	Where the change in behaviour might have been caused by different factors	May be the only way to show attribution in some cases	May be subjective, open to bias (e.g. high subsidies may attract positive ratings, even though not sustainable)
Observation	Where attribution is fairly clear (e.g. resulting from new technology)	Low cost	May not be perceived as convincing – especially where attribution is not obvious
Regression Analysis	Where a wide range of data can be accurately gathered	Can be reasonably accurate if well designed and executed	High level of skill needed; Accuracy relies on identifying and gathering data on other significant factors contributing to the change
Extrapolation of attribution proven in pilot or case study	Where funds are not available for large-scale measurement	Low cost, relatively convincing	Needs periodic verification by other means (e.g. through surveys or additional case studies)

Table continued –

Method	Application	Advantages	Disadvantages
Trend analysis	Where other, larger trends are very significant and trends can be reasonably tracked and estimated	Takes into account larger economic and market trends; relatively low cost	Risks assuming that the identified and measured trends are the only (or main) ones applicable; best used, therefore, in combination with other methods
Case studies analyzing behaviour and performance changes at each step of the results chain	Where qualitative understanding is needed, in order to interpret quantitative data	Low cost; can be a good indication of attribution if well designed and executed	Many not represent the universe of beneficiaries; can be time consuming; may be influenced by interviewers

to meet the compliance requirements for the DCED Standard. The case studies contain practical examples of results chains, measurement plans and different methods used by programmes to measure attribution and systemic change amongst other useful topics.

● [DCED Standard Consultants Marketplace](#):¹⁷

The Consultants Marketplace on the website lists consultants who have received training in the DCED Standard, and who mostly also have hands-on experience in its implementation. Some CVs are made publicly available, but some require you to request them directly. The Marketplace is created to help Programmes seeking a consultant to assist them with their results measurement process. Programmes are however advised to make the usual enquiries about the suitability of any candidate; the DCED is not formally endorsing or certifying them by listing them in the website.

A screen view of what the market place looks like:

The screenshot displays two consultant profiles. The first profile is for Alexandra Mielbradt, an independent consultant with over fifteen years of experience in results measurement and pro-poor economic and market development. Her bio mentions her role in providing technical input during the design and piloting of the DCED Standard, compiling materials, conducting training, and carrying out consultancies and a recent mock audit for the DCED Standard. She has helped numerous organisations to develop new results measurement systems. A link is provided for her CV, and she is currently based near Auckland, New Zealand. The second profile is for Ben Fowler, an independent consultant with consultancy and project management experience across Latin America, Asia, Africa, North America and Australia. His areas of expertise include value chain analysis and sector assessment, market development and MAP, as well as benchmarking and market research. He has received training on the DCED Standard for Results Measurement, including the modules for consultants. He speaks fluent English and Spanish. A link is provided for his CV, and he is currently based near Toronto, Canada.

¹⁷ <http://enterprise-development.org/page/rm-market>

● **DCED Results Measurement Forum:**¹⁸ The Secretariat receives many requests by email for feedback, advice and comments on draft results chains and measurement plans. Some of these questions are rather general in nature, so have been placed (without specific references) on a Forum page, together with responses. Visitors to the website are encouraged to submit their own questions or comments, but so far, have not done so.

● **Training Courses:**¹⁹ The Secretariat has previously organized training courses, both introductory and advanced. However, private providers are beginning to offer introductory courses, and these are listed on the Training courses page of the website. The DCED will continue to offer advanced courses and workshops, especially for aspiring auditors, and these will be announced on the website when they are available.

There is also a general resource page on the website on [Measuring Results in PSD](#)²⁰ which contains many recent methodological papers and manuals by academics and others. There is a



Photo: DCED

sub-page for the [published methodologies of member agencies for results measurement](#)²¹.

Anyone can keep in touch with developments by signing up for the Newsletter from the front page of the website. Once a valid email address is entered, the visitor has the chance to choose the preferred theme(s), and can select "Measuring Results". Periodic newsletters and newsflashes are sent to those who subscribe themselves in this way. Alternatively, anyone can [email the Secretariat directly](#)²².

¹⁸ <http://www.enterprise-development.org/page/rm-forum>

¹⁹ <http://www.enterprise-development.org/page/training-courses>

²⁰ <http://www.enterprise-development.org/page/rm>

²¹ <http://www.enterprise-development.org/page/agency-policies-methodologies>

²² <http://www.enterprise-development.org/page/contact>

8. Frequently Asked Questions Regarding the Standard

The DCED [Standard for Results Measurement](#) draws on the experiences and expertise of field-based practitioners in Private Sector Development (PSD), to meet that demand. But why is it the way it is? This Section answers some of the most frequently-asked questions to date about the Standard; note that they refer at times specifically to value chain development, since most participating programmes (and questions) are in that theme. The Standard is however applicable to all aspects of PSD.

What is the core idea?

The Standard is built around the logic of the individual programme: why is it doing what it is doing? All programmes have this logic, at least in the minds of the managers, but it is rarely made explicit. The log-frame (logical framework) format was designed to require programme designers to articulate this logic in summary form – how activities will lead to outputs, then to outcomes, and finally to impacts; it is helpful for designers, supervisors and evaluators. But it leaves out details that are important to programme *managers* – it does not show, for example, activities or outcomes that need to happen in parallel, or in a particular sequence.

Managers therefore need a way to articulate the logic of their work in more detail, in ‘results chains’ – the OECD term for what have previously been referred to as impact logics or causal models. Starting with a blank piece of paper, or the given existing log-frame, each activity is represented by a box. Then boxes are added for each of the outputs that those activities are expected to lead to, and for the outcomes that are expected after that (outcomes are events over which the programme has no direct control). For many programmes, the final impacts can also be shown; this focuses minds on the ultimate aim and target beneficiaries of the programme.

Putting results chains down on paper usually takes people a day or so, the first time they try it. But it does get much easier and faster with practice. Putting a results chain down on paper is a great way to gain the full participation and ownership of the programme team, ensuring that they are quite literally all ‘on the same page’. The DCED is building a library of examples of results chains – as case studies of various programmes meeting the Standard - and will publish it on-line very soon.

These results chains are the core of the DCED Standard; everything else builds on that programme-specific logic. In particular, each step in the logic contains some assumptions about what will happen as a result of a programme’s activities. The Standard provides the framework within which those assumptions can be tested and validated.

But isn’t this really about clarity and aid effectiveness?

Yes. That would probably be a better way to think of it, than in the traditional “M and E” box.

Isn’t this the same as value chain maps?

No. Market maps identify how things are before the programme starts; they describe how a value chain system works. Results chains identify the changes anticipated as a result of the programme’s work. They show how programme activities will lead to specific changes in value chains (or other systems) which will then lead to impact on a target group.

How much does it cost to participate?

The main cost is the time of the programme managers and their staff. But since this is being invested to achieve greater clarity about the logic of the programme, it is arguably not an overhead cost, nor part of the M and E budget. Instead, it is a core function of the programme staff, in their drive to be more effective. Specialist expertise or staff

training might be needed, at cost, to ensure that the measurement system is fully functional and effective. Similarly, an audit normally requires a few days of consulting time (depending on the size of the programme), at cost.

If programmes measure their own results, will anyone believe them?

The Standard introduces a new element: an external audit or review of the results measurement system within the programme by a qualified auditor, who is experienced in the application of the Standard. With that certification, outside observers can have greater confidence in the numbers being generated by the system. This is better (and cheaper) than the traditional approach whereby an external consultant tries to replicate the results measurement process – usually concluding that there are not enough baseline data etc. to be able to generate any conclusive findings.

Programme managers know their programmes best, and are therefore best placed to assess the results – the external audit or review keeps them ‘honest’, asking all those questions you want to ask, whenever anyone reports their own results, about how they were measured.

What’s different about the DCED Standard, compared to other approaches?

Actually, the DCED Standard brings together all of the minimum elements needed for credible results measurement; few of those elements are really new, and they are increasingly considered as good practice. Putting them into a complete framework is new, and avoids the need to ‘reinvent the wheel’. Having a paper trail for the key elements in the measurement process is new. Considering market-wide results is new for many programmes.

The Standard does not include certain elements often found in other methodologies, however. For example, it does not include participatory techniques – mainly because the aim of PSD is usually to enable market stakeholders to solve their own problems. They are often not even

aware of donor-funded interventions that may nonetheless have addressed very central and important constraints to market development; they just see the benefits and opportunities arising as a result. However, the Standard is just a minimum set of elements – programmes are free (and even encouraged) to add on additional elements to meet their specific needs.

But this does not sound very rigorous...

No-one ever got fired for demanding more rigour, but there are many reasons why it is not practical to have an evaluation of every programme using only statistical methods. One is cost; the expertise and sample sizes required are considerable. Another is that it is very difficult to measure the impact of programmes that aim to have market-wide impacts and spill-overs, in rapidly-changing circumstances with self-selecting partners, using randomised controlled trials and other statistical techniques.

The alternative is a robust approach based on results chains, as many M and E specialists are increasingly agreeing. As John Maynard Keynes said, “*it is better to be roughly right than precisely wrong*”. In addition, programmes are finding that the robust approach of the Standard is a highly effective management tool, guiding the work to be more effective during implementation, in the light of lessons being learned, which, ultimately, is more important than precise numbers.

What about the ‘Universal Impact Indicators’? We cannot anyway be sure of our share of any impact, since we are multi-donor...

The Standard recommends three Universal Impact Indicators that all PSD programmes could choose to estimate: scale, income and jobs. This focuses minds well on the ultimate aim of any programme, which is often impact at the enterprise level; measuring impact at the household level is much more difficult, as there are often several income streams, making attribution challenging. But many programmes and agencies may choose to modify these, or add more, to comply with their priorities.

There are programmes where little direct impact is expected; enabling environment programmes, for example, may enable - but not cause - change. There may be others where different agencies contribute different parts of a solution, and isolating the impact of one programme is difficult to do meaningfully – if all were necessary to achieve the final result. Wording such as “contributed to” is proposed in these circumstances, although donor tax-payers might not ultimately be comfortable with this approach.

One implication of measuring common indicators is that they can be added up – which helps especially the bilateral donors in reporting to their Parliaments. Another implication is that the results can potentially be benchmarked, to compare ‘value for money’. Many managers are concerned that this benchmarking would not take context into account; staff costs in some African countries, for example, are many times more than they are in parts of Asia. So agencies bear the responsibility to interpret the numbers in context, comparing like with like. In particular, there probably will not be approaches that are always more cost-effective than others; one approach may give the best result in some circumstances, and another in a different situation.

The elements of the Standard are mostly generic, so why not apply it to other interventions too?

There is no reason why not, and some are already trying this. There are dimensions that are specific to PSD, such as the Universal Indicators and the focus on market-wide effects, but most of the elements can usefully be applied to any development intervention. The DCED welcomes any experiences in doing this.

Aren't you just obsessed with numbers? What about qualitative indicators?

The Standard addresses the lack of credible numbers; many agencies already report qualitatively, for example through anecdotes. However, there should be no story without numbers (and no numbers without a story). Qualitative



Photo: Stefan Erber

indicators are required in any results chain, for example around assessments of sustainability and the Standard talks about the collection and use of both qualitative and quantitative information.

How important are baselines?

Ideally, every programme researches the baseline status of each key indicator before it starts (or at least before it has really gained momentum). In practice, and especially in market development programmes, things change during implementation; sometimes they change very substantially. The results chain is adapted in the light of experiences being gained (finding out what works), and of changing market conditions (e.g. large price swings). This may make the measurement of a ‘pure’ baseline very difficult, in which case the programme has to do whatever it can retrospectively – for example using secondary data, or measuring a baseline in a comparable but separate area.

What about the ‘attribution gap’?

There are situations where programmes cannot say with confidence that the measured changes were attributable to their work, and this is often referred to as the ‘attribution gap’. There are many other situations, however, where programmes can say something about attribution, and it is important to take these opportunities as often as possible. Otherwise critics will wonder whether the programme really made any difference at all.

Is there a process to joining the DCED Standard process?

Most programmes go through three steps on their way to compliance with the Standard: 'Frustration', followed by 'Setting priorities', and finally 'Full integration'. These steps are outlined in more detail:

1) Frustration

Programme staff believe that they are achieving great things, but lack credible channels through which to communicate that; they see other programmes, achieving less and measuring with less rigour, claiming more credit. They find the logframe not to have sufficient detail for defining logic and orienting staff, and do not know how to report to donors in a way that works for all involved. They may make efforts to measure their results, but find themselves 'reinventing the wheel'; those efforts lack a multi-agency basis, so are not perceived as credible. They also do not easily find consultants who can help them in their work.

2) Setting priorities

Programme staff or donors ask their M and E specialists or PR people to articulate the logic of their programmes; the results are not satisfactory. They later realise that this can only be done by programme staff, but that those staff need some help, to develop the logics in an useful form. They do not easily find this support, which requires a patient, focused listener with wide experience with programme logics; staff of programmes that have already gone through this process may be able to assist programmes that are starting on the process, either through consultancies or in a workshop format.

One of the challenges at this stage is that there will be a backlog of programme elements, for which the logic needs to be articulated. Each one takes time, though, to 'unpack', and not all can be done at once. Some priorities will need to be set within this, therefore, selecting the elements which are the easiest to articulate, and/or which are anticipated to have the greatest impacts.

Another challenge is that programme staff may not immediately see the benefits of articulating the logics more clearly; it is only later in the process that it becomes clear that the logics they articulate can be used for planning, reporting, measuring results etc. in a format that supports their work.

3) Full integration

Within 1–2 years, programme staff begin to see the value of this approach, as the logics have become embedded in implementation. Decisions are guided by the logics, in ways that are transparent and accountable. They feel ownership over the logics, which they helped to define, and they understand why they are the way they are. The programme's management systems are built around the logics, and support their achievement. At this stage, new initiatives and elements within the programme use the logic model from the start.

Additional work is then needed, to ensure that regular measurement is embedded in the systems of the programme. Regular review of the logics is also needed, probably as a formal review process (e.g. every six months); staff need the skill to absorb new information on results as it becomes available, and reflect it in their decision making and updated strategies.

What happens next? How do I join?

Some programmes and agencies have used the documentation on the DCED website to apply the Standard on their own. In addition, the DCED is organising seminars and training courses, and you can apply to join those; there is also an expanding cadre of experts, experienced in the Standard, who are available to provide support as consultants. Please contact the DCED Secretariat, Results@Enterprise-Development.org, tel. +44 1223 362211 or see the webpage on this theme, at www.enterprise-development.org/page/measuring-and-reporting-results. We look forward to welcoming you to the growing community of people who are serious about results, and how to communicate them to others.

Annex A: A complete listing of current, published success stories

Business Environment Reforms

Reforming Business Inspections in Uzbekistan

www.businessenvironment.org/dyn/be/docs/81/Session4.2Lozansky-KhashimovDoc.pdf

Business inspection systems represent a critical element of the business enabling environment. In Uzbekistan, the business inspection system used to hamper business activity through an excessive number of controls, regardless of the firm's risk to the environment or society, taking up nearly 14 days a year; inspection processes that are not transparent; a high level of fines and discretionary rights of inspectors to impose them and shut down businesses.

What has been done? Since 2003, IFC's Small and Medium Enterprise (SME) Policy Project, with funding from SECO, has championed reforms to reduce the number of inspections incurred by firms, and to educate firms about how to manage inspections.

What has been achieved? As a result of the project, businesses in Uzbekistan were able to save an estimated \$21 million (net additional income), mainly from avoiding shutdowns for minor infractions.

Alternative Dispute Resolution in Serbia and Bosnia Herzegovina

[www.ifc.org/ifcext/pepse.nsf/AttachmentsByTitle/Alternative_Dispute_Resolution_-_Success_Story_Aug_2006.pdf/\\$FILE/Alternative+Dispute+Resolution++Success+Story+Aug+2006.pdf](http://www.ifc.org/ifcext/pepse.nsf/AttachmentsByTitle/Alternative_Dispute_Resolution_-_Success_Story_Aug_2006.pdf/$FILE/Alternative+Dispute+Resolution++Success+Story+Aug+2006.pdf)

In Serbia and Bosnia Herzegovina, regular judicial proceedings are a time-consuming and expensive way of dealing with commercial disputes, especially for smaller businesses. While commercial mediation allows for a faster and cheaper resolution, unblocking assets previously caught up

in litigation, no such form of alternative dispute resolution used to exist in these countries.

What has been done? Since 2003, IFC has supported the training and marketing of commercial dispute mediators in Bosnia and in Serbia. At the same time, IFC provided technical assistance to the drafting of Alternative Dispute Resolution legislation. IFC has helped to set up mediation centres and trained hundreds of people in mediation techniques.

What has been achieved? By 2006, about 4,500 mediations have been held. These mediation processes have reduced the backlog of cases at court and released \$61 million to local businesses.

The new Enterprise Law in Vietnam

content.undp.org/go/newsroom/choices-one-million-jobs-created-by-new-enterprise-law-in-vietnam2003-06.en;jsessionid=axbWzt8vXD9?categoryID=349424&lang=en

Vietnamese entrepreneurs used to face several hundreds of regulations, which made it difficult, if not impossible to start up a business, to create incomes and jobs. For example, business people had to file a huge amount of paperwork to receive licenses, which in turn provided many opportunities for public officials to collect fees.

What has been done? UNDP, with financial support from Australia, provided technical and other support to the Vietnamese Parliament in drafting and implementing a new Enterprise Law. Enacted back in 2000, this law has helped to ease some of the key difficulties related to starting and operating a business.

What has been achieved? By 2003, the new Enterprise Law had already resulted in the registration of 55,000 new businesses, an increase of more than 350%. The new improved law led to the creation of more than one million jobs, and according to some estimates, to a continued creation of about 750,000 jobs per year.

Simplification of Business Registration in Peru

www.cipe.org/publications/papers/pdf/Lima%20Markets%20Case%20Study.pdf

In the 1980s, about 314,000 people in Lima's poor neighbourhoods depended on informal street vending. Informality involved high costs due to insecurity and the threat of eviction, yet the benefits of remaining informal remained compelling as the costs of accessing the formal sector were kept excessively high.

What has been done? The Institute for Liberty and Democracy (ILD) in Peru, in cooperation with the Centre for International Enterprise (CIPE), implemented various activities to allow poor entrepreneurs to enter the formal economy. Most importantly, it pushed the government to create a Unified Business Registry in 1990.

What has been achieved? The new registry coordinated the procedures of different agencies under one roof and drastically reduced national registration requirements. Between 1991 and 1994 alone, 382,100 new businesses were registered. The registered businesses saved the Peruvian economy \$692.5 million and created 577,770 new jobs in the formal sector. Meanwhile government tax revenues increased by \$1.2 billion.

Value Chain Development

Kenya Maize Development Programme

www.acdivoca.org/acdivoca/PortalHub.nsf/ID/kenyaKMDP

Maize is a staple food for millions of Kenyans. Yet inefficient maize production and marketing have led to some of the highest maize prices in Sub-Saharan Africa, a critical factor in perpetuating poverty in Kenya.

What has been done? The USAID-funded Kenya Maize Development Programme (KMDP) was set up in 2002 to improve household incomes by raising maize farmers' productivity, improving the effectiveness of smallholders' organisations, and increasing access to agricultural markets and business support services. The programme

facilitated training for farmers, promoted bulk purchases and marketing through smallholder groups, established linkages with private sector business development services and set up market information centres.

What has been achieved? Among other things, this \$11.2 million programme has helped to nearly triple smallholder yields, increasing the income of 370,000 smallholder farmers by \$206 million. 30% of these were women.

Stronger Cooperatives Serving Ethiopian Farmers

pdf.usaid.gov/pdf_docs/PDACG205.pdf

Ethiopia's cooperatives have recently enjoyed a resurgence, thanks in part to a USAID-funded programme implemented by ACDI/VOCA.

What has been done? The programme trained and encouraged agricultural cooperatives to diversify their activities into new products and services, notably marketing.

What has been achieved? Between 2000 and 2004, the value of all products sold annually by programme-supported cooperatives grew almost twenty-fold, from birr 9.3 million to birr 178 million (roughly \$21m at 2005 exchange rates). By capturing profit which formerly went to traders or was lost through inefficiencies, programme-affected cooperatives increased the dividends they pay annually to their farmer members from Birr 273,000 in 2000, to Birr 16 million in 2004. These cooperatives have also increased the amount of capital they re-invest. The volume of inputs marketed via target cooperatives increased fast in the four years under review; ten times more fertiliser was sold via the cooperatives in 2004 than 2000. By the end of the programme, these cooperatives had 673,000 members.

The Katalyst Programme in Bangladesh

www.katalyst.com.bd/abtus_Background.php
webarchive.nationalarchives.gov.uk/http://www.dfid.gov.uk/Documents/publications/Private-Sector-development-strategy.pdf

Poor people in Bangladesh have very few income generation opportunities, especially in rural

areas. This is partly related to a lack of skills and low productivity, limited access to market information and poor marketing, as well as a policy environment that is not conducive for doing business.

What has been done? Katalyst (funded by DFID, Dutch Embassy, SDC, Cida) boosts jobs and incomes in sectors that have particular relevance for the poor and hold high growth potential. Katalyst, for example, promotes innovation and skills development in fish farming, works with rural information centres to provide services and brings together media and marketing businesses to provide improve the marketing skills of poor people in business. In addition, the programme also supports businesses to dialogue more effectively with government, with a view to improve the overall policy environment for business.

What has been achieved? In its first phase (2003–2008), Katalyst created almost 200,000 jobs. Furthermore, the programme increased the income of 700,000 farmers and local enterprises, by at least \$729 million.

Horticulture Export Promotion in Ghana

edu.care.org/Documents/Program%20Profile%20Brief%20TIPCEE.pdf

Although export of fruit and vegetables provides jobs and incomes for thousands of people in Ghana, inefficiencies in the value chain structure are one of the key impediments to achieving export growth.

What has been done? The USAID-funded Trade and Investment Program for Competitive Export Economy (TIPCEE) aims to increase the productivity and earnings of smallholder farmers in the horticulture supply chain. To achieve this, it promotes policy reforms that increase the competitiveness of selected industries. Within the supply chain, TIPCEE focuses on quality standards, market linkages with exporters and production planning.

What has been achieved? The programme succeeded in increasing fruit and vegetable exports by \$13 million in 2008, benefitting about 32,000 firms.

The Enter-Growth Project in Sri Lanka

193.134.194.11/wcmssp5/groups/public/---ed_emp/--emp_ent/---led/documents/projectdocumentation/wcms_120188.pdf

Sri Lanka's North Western and North Central provinces are two of the country's poorest, and were the most severely affected by the recent civil war. Despite a widespread lack of access to markets and business services for owners of small and medium enterprises (SMEs) and a policy environment that is not conducive, neither of the provinces had been targeted by market development programmes.

What has been done? ILO's Enterprise for Pro-Poor Growth (Enter-Growth) Project, funded by Sida, sought to tackle obstacles facing SMEs, facilitating system-wide changes in sectors such as fish farming and floriculture. Among other things, Enter-Growth provided training to service providers and established the Tropical Floriculture Association, which represents small-scale growers to the government.

What has been achieved? Between 2005 and 2009, Enter-Growth has tripled the income of 16,400 enterprises and increased employment by 15% in targeted divisions.

Making Cattle Markets Pay More for the Poor in Zimbabwe

practicalaction.org/docs/ia2/promising_practices_pmsd_livestock_zim.pdf

The economic crisis in Zimbabwe has devastated the livelihoods of many of its people, and thrown many of the markets Zimbabweans depend on into decline. Until quite recently, this was the case in Guruve District, where 80% of households depend for part of their income on cattle production.

What Has Been Done? Practical Action embarked upon a 30-month project to develop the cattle market in Guruve. The programme has worked with farmers to initiate new commercial relationships with suppliers of fodder and veterinary drugs. Now that farmers have access to fodder during the dry season, when grazing is scarce, the quality of their livestock has improved. Helping to initiate a public-private partnership to train skilled farmers as

paravets, Practical Action has also helped Guruve's livestock farmers to access affordable, sustainable veterinary services. In addition, the programme has helped to improve collaboration between farmers and buyers, who now pre-arrange market days, allowing buyers to reduce their procurement costs.

What Has Been Achieved? As a result of project activity, prices of cattle have increased by at least 8% in real terms between 2005 and 2008. In addition, the number of cattle being sold for slaughter has risen from 5% to 10% during the same period. The training of paravets has led to a 20% reduction in the prevalence of livestock disease in Guruve. The training model is set to be replicated in other nearby districts, improving veterinary services for more farmers. So far, the improvement in incomes from programme activities has brought a direct benefit to 20,000 livestock farmers and their families – over 100,000 people in total, through an expenditure of £50,000 over two and a half years. In Guruve, about 30% of the beneficiaries are women. These women use their increased incomes earned to pay school fees, buy food and buy clothing for their families. This has increased the respect they get within their families and raised their status within their communities.

Bringing Clean Piped Water to Poor Families in Cambodia

www.cambodiamsme.org/userfiles/file/Newsletter/newsletter_english8.pdf

Until recently, just seven percent of households in Cambodia's six main provinces had access to piped water as their main drinking source.

What has been done? Since October 2008, the USAID Cambodia MSME Project has provided smart subsidies to 17 local commercial providers of piped water, in rebates for infrastructure investments. The water companies receive these rebates only after households have safe, running, drinking water that meets government standards. MSME has also assisted these companies to coordinate better with other actors in the water value chain.

What has been achieved? MSME estimates that its market-driven approach is delivering new water connections at perhaps 30% of the cost of most

donor-funded piped-water initiatives. By September 2010, nearly 45,000 people had gained access to piped water as a result of the programme. A further 130,000 Cambodians with existing connections have benefited from improved water quality through the construction of new treatment plants, or improved operation and management systems, facilitated by MSME. Thousands of families now benefit from improved health, a reliable and affordable water supply, and reduced workload.

Business Development Services

Business Development through FM Radio in Uganda

www.value-chains.org/dyn/bds/docs/381/RadioProgListeners9-04.pdf

www.springfieldcentre.com/publications/sp0704.pdf

The rural poor in Uganda face numerous policy, legal, regulatory and administrative constraints that prevent them from improving their incomes from doing business.

What has been done? FIT Uganda, a Ugandan Development Company, together with the FIT SEMA Project of the ILO, has worked with Ugandan radio stations to establish small enterprise-focused radio programmes. By providing business information and creating support for policy reforms, these programmes aimed to tackle issues that hamper business operation.

What has been achieved? About 12 radio stations have started to broadcast at least one small business-focused programme due to FIT's activities. 7 million adults across the country listen regularly to the programmes, 96% of whom state that the information has benefited their businesses. Research suggests that, among other impacts, 25,000 farmers had increased their income by nearly 200% as a result of the programme.

Entrepreneur Training in Vietnam

www.gtz.de/en/themen/wirtschaft-beschaefigung/privatwirtschaft/22431.htm

Entrepreneurs in Vietnam often lack the skills

and qualifications to run competitive businesses.

What has been done? In Vietnam, GTZ has trained local businesspeople in “Competency-based Economics through the Formation of Enterprises” (CEFE). The course aims to reduce poverty in Vietnam by improving commercial and entrepreneurial skills, fostering competitive businesses and generating jobs.

What has been achieved? Overall, 11,000 people have been trained in CEFE, leading to the creation of 80,000 jobs.

Quality Coffee Production in Rwanda

pdf.usaid.gov/pdf_docs/PNADG793.pdf

In Rwanda, coffee was until recently the country’s leading export. During the 1990s, coffee became a less dependable source of income for farmers, because low producer prices and a lack of premiums for quality coffee provided no incentives for investment in coffee production. The lack of coffee washing stations in Rwanda also served to decrease the product’s export value.

What has been done? Since 2000, USAID has been the principal funder of technical assistance, training and targeted financial support to premium quality coffee production in Rwanda.

What has been achieved? The efforts of the programme succeeded in doubling the income of 50,000 households working in coffee production, creating 4,000 jobs in newly-established coffee washing stations. As additional money flows into rural areas because of the USAID programme, microcredit services have sprung up near washing stations and primary school enrolment has increased, as heads of households are now better able to afford school fees.

Business and Financial Services in Bulgaria

www.undp.org/partners/business/IMD.shtml

The lack of business and financial services is a major obstacle to starting up and operating a business in Bulgaria.

What has been done? Since 2000, UNDP and the Bulgarian Government have helped emerging entrepreneurs to access business and financial

services, using local business centres and business incubators.

What has been achieved? The programme has led to the creation of almost 40,000 sustainable jobs and the establishment of 42 autonomous and financially viable business service organisations which have benefited about 26,000 entrepreneurs.

Economic Assistance to Internally Displaced Persons in Colombia

www.enterprise-development.org/download.aspx?id=1280

Life is often extremely tough for internally-displaced persons in conflict-affected countries such as Colombia, while opportunities for a sustainable income are scarce.

What has been done? USAID, in cooperation with CHF International, has provided various services to microenterprises in order to improve the income-generating potential of internally displaced persons (IDPs) in Colombia. These services included training and job placements tailored to meet the needs of individual businesses, along with seed grants and access to credit.

What has been achieved? The programme helped create 35,000 jobs for IDPs and funded about 14,000 business plans. Two years after the end of the programme, 94% of these businesses were still in operation, indicating that the jobs created are likely to be sustainable.

Public-Private Partnerships

Mobile Banking through public-private partnership in Kenya

<http://www.mit.edu/~tavneet/M-PESA.pdf>

In much of Sub-Saharan Africa, access to both telephone and banking services is either inadequate, unreliable or non-existent. Until recently, just 2 million out of around 40 million Kenyans had access to banking services.

What has been done? Mobile phones have fast begun to reduce communication costs in many of African countries. DFID also quickly spotted their potential as an inexpensive way to transfer money

across wide distances. It therefore co-funded the development of M-Pesa, Kenya's first mobile banking service, in partnership with Vodafone's Safaricom subsidiary. M-Pesa is a branchless banking system, which draws upon a network of thousands of local retailers who sell calling credit vouchers. By using the vouchers as a form of currency, the retailers effectively become the branch network. M-Pesa customers can send their deposited cash to a mobile phone user on any network.

What has been achieved? M-Pesa has obtained 9 million customers in only 3 years, most of whom had never previously had access to banking services. The M-Pesa network has directly led to the creation of 7,000 enterprises and 12,000 jobs in Kenya. The subsequent increase in access to financial services is also likely to have generated many jobs indirectly. Vodafone is working to replicate the model in Tanzania, South Africa, Afghanistan and Fiji.

Cotton Production in Malawi

www.markets4poor.org/Case-studies3.html
www.unctad.org/en/docs/iteteb20067_en.pdf

In 2003, poor quality and low cotton yields, market-distorting subsidies and high transport costs posed serious challenges to Malawi's cotton industry, threatening livelihoods and the economy. Increased yields and quality of cotton could be achieved, through improved inputs and training. Processors, however, were reluctant to provide them on credit, fearing that poor farmers would not be able to repay the loans.

What has been done? With funding through DFID's Business Linkages Challenge Fund, a private-sector led initiative entitled the Malawi Cotton Seeding Treatment Programme (MCSTP), invested a grant of £290,000 to provide capital and training to poor farmers, thereby reducing the risk to processors providing business development services to smallholders on credit.

What has been achieved? Following the launch of the programme, Malawi's national crop production increased by 265% in just three years, enabling smallholder farmers to increase their

income significantly. The number of smallholder farmers involved in the MCSTP amounted to 180,000 farmers in 2005, which represented an increase by 62,000 compared to 2004. Moreover, between 2003/04 and 2004/05, the number of casual labourers employed by smallholder farmers increased by 25,000. The successful increase in productivity also spurred processors to invest in the sector with greater confidence.

Coca-Cola's Distribution Chain in East Africa

[www.ifc.org/ifcext/media.nsf/AttachmentsByTitle/TOS_BOP_Apr10/\\$FILE/TOS_BOP_Apr10.pdf](http://www.ifc.org/ifcext/media.nsf/AttachmentsByTitle/TOS_BOP_Apr10/$FILE/TOS_BOP_Apr10.pdf)

Although cooperation between multinational enterprises and local businesses in developing countries offers numerous benefits for both sides, it is an often neglected business opportunity.

What has been done? In 1999, Coca-Cola SABCO has launched an innovative delivery-scheme to integrate low-income entrepreneurs into its core business operations by employing them to bring Coca-Cola products to local vendors in small, hand-pushed carts. Supported by \$37 million in IFC financing (comprising a \$15 million loan, a \$12 million guarantee, and \$10 million in equity), this aimed not only to boost Coca-Cola's share in the informal sector, which makes up a large share of East Africa's Economy, but also to create jobs and income for the poor.

What has been achieved? Together, IFC and Coca-Cola have created over 12,000 jobs and more than \$420 million in additional revenue in Ethiopia and Tanzania. Around 50,000 local people now rely on income from Coca-Cola's distribution chain.

Mobile Banking in Cambodia

[www.ifc.org/ifcext/media.nsf/AttachmentsByTitle/TOS_BOP_Apr10/\\$FILE/TOS_BOP_Apr10.pdf](http://www.ifc.org/ifcext/media.nsf/AttachmentsByTitle/TOS_BOP_Apr10/$FILE/TOS_BOP_Apr10.pdf)
psdblog.worldbank.org/psdblog/2009/02/mobile-banking-takes-wing-in-cambodia.html#ifc

Most Cambodians do not have access to banking services. Many poor Cambodians who leave home to find work thus find it expensive to send money back to their families.

What has been done? IFC provided advisory services to WING, a mobile phone subsidiary of

the Australia and New Zealand Bank, helping the company launch a mobile money transfer service in Cambodia.

What has been achieved? WING now has 100,000 clients. The company's money transfers are 50 percent cheaper than other locally available methods, saving much-needed money for poor

families, many of whom depend on relatives with jobs in the garment industry. WING is now partnering with microfinance institutions, who by processing payments electronically, can reduce the costs of loans. Most users of WING's money transfers were previously "unbanked". Most are women.

Annex B: Definitions

Note: Where possible, the definitions given below are in line with the *Glossary of Key Terms* developed by the [DAC Network on Development Evaluation](#)²³.

Definitions taken directly from the DAC Glossary are *given in italics*. In many cases, further detail has been added, in order to give the level of specificity required for the purpose of this methodology.

Activity: A discrete piece of work, typically represented by a contract between the programme and a contractor, partner or consultant. Interventions typically consist of several activities, that are intended to achieve change at various different points in the overall market system.

Aggregate: To combine the impact a programme has caused from various interventions; overlap must be taken into account when aggregating impact.

Assess: To gauge the change in an indicator using either or both quantitative or qualitative methodologies.

Assumption: A supposition or best guess which forms part of the basis for calculation of an indicator value.

Attribution: *The ascription of a causal link between observed (or expected to be observed) changes and a specific intervention.*

While rigorous proof of attribution will be beyond the means of almost all programmes, attribution should always be demonstrated to a level that would convince a reasonable but sceptical observer.

Note that some programmes (for example improving the business environment) are creating pre-conditions for development outcomes, rather than stimulating actual change. Attribution (and measurement of impact) may be more difficult in such cases.

Baseline: *An analysis describing the situation prior*

to a development intervention, against which progress can be assessed or comparisons made.

This should include the status of indicators before an intervention starts or has resulted in changes at the level being measured.

Calculate: To compute the value of an indicator based on several different pieces of information.

Collaborating programme: A public programme (donor or government) with which the programme has a written agreement outlining collaboration and which has contributed to the attributable changes claimed.

Component: A part of a programme that forms a coherent set of interventions, typically around a thematic interest.

Copying: Other target enterprises copying behaviours that those affected directly by programme activities have adopted.

Crowding in: Enterprises at levels other than the target level copying behaviours that those affected by programme activities have adopted or entering a sector or value chain as a result of improved incentives and environment created (at least partly) by the programme. This term also applies to government agencies or civil society organizations, who are not directly involved in the programme, copying behaviours of those who are directly involved in the programme, or who change their behaviour as a result of improved incentives or environment created (at least partly) by the programme.

Direct impact: Changes that can be plausibly linked in a direct line to an organization or enterprise with which the programme has had significant contact. Direct impact does not include the results of systemic changes such as copying or crowding in.

Displacement: Some enterprises may be negatively affected because others are benefiting from programme activities. Displacement is the

²³ <http://www.oecd.org/dataoecd/29/21/2754804.pdf>

amount of negative effect on those enterprises harmed by programme activities.

Estimate: An approximation of the value of an indicator or of attribution based on information gathered.

Final: Assessment of indicators after expected changes have likely occurred. This is the last time particular indicators will be assessed for a particular intervention.

Impact: *Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended.*

This standard promotes that impact be expressed in a form that an uninformed observer would understand and relate to.

Impact Assessment: The process of estimating a programme's impact on enterprises, poverty reduction and/or other development goals.

Indirect impact: Changes caused, at least partly, by programme activities which can not be linked in a direct line to organizations or enterprises with which the programme has had significant contact. Indirect impact includes the results of systemic changes such as copying, crowding in and second order changes resulting from a programme's direct or indirect impact, for example changes in non-targeted sectors or changes in local economies resulting from the increased purchasing power of a programme's target beneficiaries.

Indicators: *Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development sector.*

Information gathering: The collection of qualitative and quantitative information to monitor the changes resulting from a programme at any level of the programme's results chain and to estimate attribution.

Intermediate indicator: An indicator of change at any level other than the goal or final level.

Intervention: A coherent set of activities that share a single results chain, and are designed to achieve a specific and limited change. An intervention is

generally a subset of a component.

Level: A step in a results chain that refers to changes for a particular group of enterprises or other players; for example, levels in a results chain might include service provider level, enterprise level, sector level and target household level.

Job: Full-time equivalent, taken over one year (240 days/year); may be seasonal, paid in kind etc, but does not include unpaid family labour.

Key indicator: Indicators that relate to the "key" or most important changes described in the results chain.

Key change: The most important changes described in the results chain. Ideally, a programme assesses changes at every level of the results chain; however, at this stage, it may be too much of a burden for smaller programmes, or those with very detailed or very long results chains to assess changes at every level. In this case, programme may choose to only assess "key changes."

Measure: To assess the value of an indicator using quantitative methodologies.

Methodology: A means to assessing the value of indicators, for example a survey, focus group discussion or key informant interviews.

Overlap: When two different interventions reach the same target enterprises. If aggregating programme scale by adding up the number of enterprises reach by each intervention, the overlap must be subtracted to arrive at the correct total.

Poor: MDG1 originally referred to people living on less than \$1 per day, on 1993 purchasing power parity; this has now been considerably expanded – see the revised MDGs. USAID, CGAP and others are working on country-specific baskets of poverty indicators. Many countries have their own definition.

Primary research: Information gathering directly from respondents (enterprises, service providers, government agencies etc.) in the field.

Private contributor: A private enterprise that has contributed to the impact claimed by the programme.

Programme: A programme is the typical unit of analysis for a donor, often contracted to one overall partner or company. A programme consists of several components.

Projection A reasonable estimate of future results, based on current, informed knowledge about the overall system.

Proxy indicator: An indicator for which measurable change is clearly and reliably correlated with an indicator of a change that the programme aims to achieve (but is generally more practical to measure).

Reasonable: A conclusion that an external, unbiased and relatively informed observer would come to.

Results Chain: The causal sequence for a development intervention that stipulates the necessary sequence to achieve desired objectives beginning with inputs, moving through activities and outputs, and culminating in outcomes, impacts and feedback.

Results measurement: The process of estimating a programme's impact on enterprises, poverty reduction and/or other development goals. In this standard, it is synonymous with impact assessment.

Secondary research: Information gathering that relies on existing studies and reports.

Survey: Gathering information from a specific number of respondents in a specific population

generally using a set of questions for which the answers can be quantified.

Sustainability: *The continuation of benefits from a development intervention after major development assistance has been completed. The probability of continued long term benefits.* (For measurement purposes, sustainability will be indicated by continuation of benefits at least two years after the end of a programme).

Systemic change: Changes in market systems and the structures, such as government and civil society, that support markets that cause sustainable shifts in the way those market systems and structures operate, for example, changes in relationships within and among both private enterprises and public agencies, in incentives and in market support structures. Systemic change causes widespread indirect results such as crowding in, copying, enterprises shifting sectors and changes in enterprise start-up and exit rates.

Target enterprises: The type of enterprises that a programme aims to benefit.

Target population: The type of people that a programme aims to benefit.

Unintended impacts: Any changes that are due to a programme's activities and that were not anticipated when designing the activities. These impacts may be positive or negative.

