



Enterprise Partners' Monitoring and Results Measurement System and DCED Experience

Enterprise Partners

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2013-2020



Enterprise Partners

EP was established in 2013, funded by the United Kingdom's Foreign, Commonwealth and Development Office (formerly the Department for International Development), to facilitate market systems development in order to create jobs and raise incomes of Ethiopians, especially women, living in poverty. The primary focus was to stimulate agro-industrial growth and access to finance, with the objective to leverage over GBP 300 million in additional investment and sales, create 45,000 jobs, increase the income of 65,000 people, and support 150,000 people to access financial services. EP had to achieve these results in a specific context: where there were very few MSD programmes and at a time when the Government of Ethiopia was only just beginning to embrace the private sector as a development partner who could support the pursuit of the country's industry-focused, export-led growth goals.



Enterprise Partners Case Study Series

Enterprise Partners released a series of case studies in November 2020 to share the progress, lessons and insights of the programme's seven years of market systems development in Ethiopia. This case study forms part of that series.

Case Study Compendium: Insights and Lessons for Driving Market Systems Change for Inclusive Growth in Ethiopia

Enterprise Partners Programme | 2013-2020



Case Study 1
(Synthesis Paper)

Facilitating Inclusive Growth in Ethiopia:

Think Systemically, Act Strategically, Adjust Frequently for Best Results, Enterprise Partners Programme, 2013-2020



Case Study 2

Enterprise Partners in Support of Industrial Transformation:

Building an Industrial Labour Services Market in Ethiopia



Case Study 3

Adaptive Management: from the Inside Looking Out:

Managing the Enterprise Partners Market Systems Development Programme in Ethiopia



Case Study 4

Transforming Financial Service Markets for Micro, Small and Medium Enterprises (MSMEs) in Ethiopia through Direct Technical Assistance to Financial Institutions:

The Case of Enterprise Partners



Case Study 5

Journeys to Impact: Charting New Pathways from Pilot to Scale for Market Systems Transformation in Ethiopia



Case Study 6

Changing the Rules with Strategy, Evidence and Action:

Lessons from our Cotton and Leather Interventions



Case Study 7

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The case study compendium and standalone studies can be downloaded at <https://enterprisepartners.org>

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This case study is authored by Linda Yohannes, the EP Strategic Communications Lead. The case study was made possible with the contribution and collaboration of the following EP team members: Shumete Belete, Monitoring and Results Management Lead, and Nebil Kellow, Team Leader.

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Introduction

Market systems development (MSD) programmes are, by their very nature, designed to adapt to existing and emerging needs within any given context. Strong programmes are underpinned by strong monitoring and results measurement (MRM) systems. A strong MRM system supports a balance of rigour and agility, timeliness and flexibility and is embedded within a programme, not sitting to the side. And, like the programmes they are designed to support, the strongest MRM teams are 'home-grown' – staff with local context and inquiring minds.

This brief paper looks at and describes Enterprise Partners' (EP) Monitoring and Result Measurement (MRM) system, the programme's application of the different elements of the Donor Committee for Enterprise Development (DCED) standard and its experience of being audited by the DCED.



MRM in EP

EP used the DCED Standard as a framework for establishing and enhancing the quality of its MRM system. It added particular value for EP in that it saved time and money as the programme did not have to reinvent good practice. The Standard supports programmes to work in complex environments, such as the six sectors EP worked in, by encouraging flexibility and continual validation and revision of the programme logic. In a rapidly evolving external context, EP heavily relied on data from its MRM system for decision-making. The high value placed on data by EP management, and complemented by the DCED framework's emphasis on the same, instilled a strong, internal data culture.

EP adopted the DCED standards as MRM was one area where the team leader (and others) needed an authoritative external opinion. Mainstreaming results measurement across an organisation is not easy; instead of reinventing the wheel, EP wanted to learn from the experts. As an imprecise science, results measurement decisions can also be hard and getting it wrong could be costly. As a widely accepted standard, the DCED also lent credibility to EP's results measurement system and its communicated programme results.

EP's donor and the external reviewers and evaluators it worked with to assess EP's performance annually were also better able to communicate with and assess EP because the DCED Standard was applied.

EP was committed to staff capacity development, and MRM was an area where this investment was deemed critical. The programme facilitated for most intervention managers to be trained and coached to perform MRM tasks. Furthermore, EP invested in its MRM by enrolling not only MRM but also intervention team members in specialist RM courses abroad. This is because MRM was everyone's job – i.e. the MRM team does not sit to the side and 'do MRM' – but rather it was a collaborative component of the programme.



The DCED is a global forum of 24 donor and development agencies (established in 2004), working together to increase the effectiveness of private sector development (PSD) in developing countries across different PSD approaches.

It is an independent inter-agency point of reference for knowledge, data and agreed standards on the role of the private sector in development. It generates and compiles data and knowledge on PSD approaches and themes.

The DCED is known for the 'DCED Standard' – a practical, seven-step framework for measuring, managing and reporting results in PSD developed by field-experienced experts. It is followed by hundreds of programmes from around the world, including Enterprise Partners.





The results measurement courses offered the trainees a comprehensive and in-depth practical understanding that practitioners needed to set up a system for internal learning and communicating credible

results. The courses targeted intervention and results measurement staff and managers working in private sector development programs.

In the inception years, EP had only a single MRM officer. This eventually grew to a team of 6-7 of mostly economics graduates who were able to qualitatively interpret the results from programme implementation beyond the numbers, relate intervention with outcomes and impacts at a market level, and set projections and targets based on analyses of market actors and national and international contexts. Adam Kessler, a monitoring and evaluation specialist from the United Kingdom, first headed up EP's MRM team from 2016-18. The role was then filled by two further international staff before a national team member, Shumete Belete, was promoted from MRM analyst to the MRM lead role in 2019. MRM expertise was not widely available in Ethiopia when EP started (especially in private sector development), particularly in the MSD practice. But this was built throughout the programme so that international staff were no more required.

Each MRM team member was assigned to a sector intervention team with which they had a two-way close working relationship. They generated real-time data and analysis to support intervention managers to make decisions, and managers in turn provided qualitative input to data gathering activities.

The MRM team's data collection included qualitative and quantitative methods both from primary and secondary sources. It gathered its own data through interviews with beneficiaries and other market actors, and gathered statistical data and evidence regarding sales, investment, jobs, number of financial accounts opened and other logframe indicators. It liaised with a range of institutions that compiled data in their sectors, such as the Ethiopian Revenue and Customs Authority and the Ethiopian Investment Commission. The team also carried out surveys where necessary.

From 2016, as the programme's interventions increased in number and activity, EP's MRM team became one of the core components of the management process. The team generated three-yearly, annual, bi-annual and quarterly data on the results of each of the programme's interventions. These were shared with the donor and the annual external reviewer which conducted its own assessment into the programme's ability to develop and implement programme goals and objectives.

Quarter Sector Reviews, or QSRs as they were referred to internally, were instituted as one of EP's key management processes, partly to identify synergies and facilitate cross-communication between data, managers and EP management. Every 12 weeks, the QSR consisted of a half-day workshop for each sector EP worked in. It brought together management, the MRM team, intervention managers, thematic advisors and created an opportunity for staff to interact and provide input into each other's decision-making.

The process helped the MRM team to use its mechanisms as per the DCED standard to:



Update intervention guides and other working documents ahead of the workshop (this was done jointly by the MRM team and intervention managers).



Complete outcome result assessments beforehand to identify results, challenges and recommend ways forward.



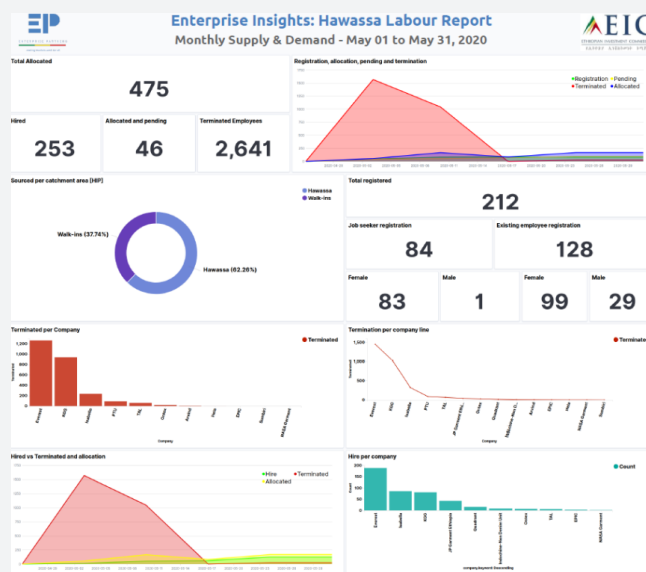
Produce learning and closing reports for interventions that were closed or completed to document knowledge and ensure sustainability.

As a result, intervention teams were able to make more evidence-based, strategic and timely decisions that benefited from monitoring data and a close working relationship with the MRM team. Interventions were launched, scaled-up or closed more efficiently as a result of timely debate and discussion.¹

In addition, the MRM team generated many ad-hoc and periodic data and analysis, both for internal and external audiences as necessary. Maximising data from official national sources

as well as building on data from EP’s networks with several federal and regional government and non-government organisations, EP’s MRM became a data hub. Notable was ‘EP Insights’ – a one page visual data brief on sectors and sub-sectors (refer below screenshots) sent out to key stakeholders on a regular basis (monthly for labour interventions, quarterly for SME finance sector). The purpose of these data briefs was to engage audiences and support evidence-backed dialogue.

Examples of EP Insights



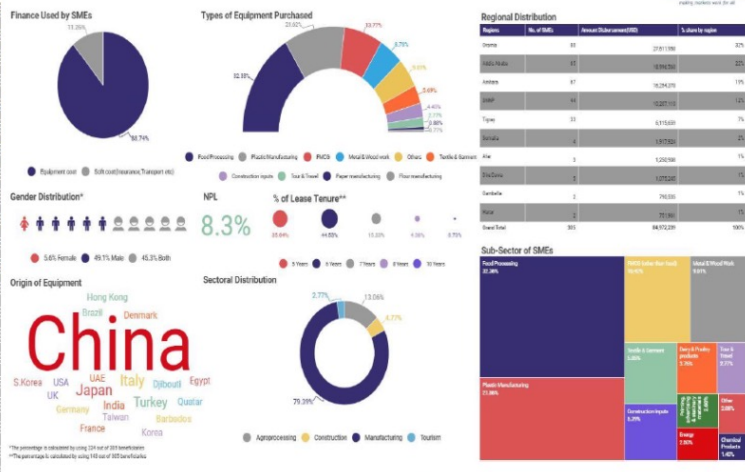
SMEFP – DBE Lease Financing Insight

Update: June 2020



SME Finance Project (SMEFP) has a credit facility of \$269 million funded by the World Bank and European Investment Bank to support the development of SMEs engaged in: Manufacturing, Agro-processing, Tourism and Construction sectors. Enterprise Partners is providing technical assistance to build the capacity of participating financial institution. This insight provides a quarterly update of SMEs financed by Development Bank of Ethiopia (DBE) Retail Lease window.

- \$ 84.97 million disbursed to SMEs
- 305 SMEs received lease financing
- Average lease size is \$ 278,598



¹ For more information on the QSR, refer to the case study: Yohannes, L. 2020, *Adaptive Management from the Inside Looking Out: Managing the Enterprise Partners Market Systems Development Programme in Ethiopia*, Enterprise Partners.

The DCED Audit

The DCED audit is an external, objective assessment of the MRM system in use by a programme. The standard audits against the DCED framework's compliance criteria to assess how successfully an MRM system is performing.

Generally, it checks results chains to ensure programme logic, reviews the formulas of projects, assesses the strength of methodologies, checks if good practices are followed in data collection and the quality of analysis.

The DCED audit is based on the seven major 'elements' of the DCED standard:

- 1 Articulating the results chain
- 2 Defining indicators and other information needs
- 3 Measuring attributable change
- 4 Measuring systemic change, i.e. if there are wider changes in the market system and cases where people benefited indirectly even if they had no contact with the programme
- 5 Tracking costs and impact, i.e. gender-disaggregated value-for-money and other reports communicated to donors, management and programme staff
- 6 Reporting results and costs
- 7 Managing the results measurement system, i.e. using real-time monitoring data to adjust approaches through implementation



In April 2018, EP's MRM system across its leather, garments, horticulture and investment interventions was audited.

Although it was nerve-racking to sign up to a DCED audit due to a worry among the team of 'what if we fail?', the process was simple, structured, thorough, intensive but also easy on EP teams.

Broadly the process was as follows:



EP's DCED audit was successful, with a score of 96 percent which meant that "the project meets the compliance criteria and has a strong measurement system of acceptable quality within the boundaries of what the programme has set itself to measure." This was testament to the reliability of EP's reported results.

² For more information about the DCED audit, visit <https://www.enterprise-development.org/measuring-results-the-dced-standard/auditing-the-monitoring-system/#1600689531300-1b3f7742-b475>



Lessons for Other Programmes

A strong MRM system is essential to any development programme in order to know whether progress is being made and to re-route if it is not. As explained in this brief, the DCED standard offered EP the framework to establish

and maintain a strong MRM system and culture, and build the confidence of the donor and other stakeholders in the programme. The lessons in this experience are widely replicable, and include the following:



Commitment from the top is key

As with any mainstreaming work, to mainstream results measurement in an organisation, commitment from management is critical. One of the factors that made MRM flourish in EP was the management's constant appreciation, investment and attention to the team aimed at enabling evidence-based decision-making at every level of the organisation.



Invest

Establishing and maintaining a robust MRM system can be resource-intensive. Considering all the data that needs to be gathered, collated, compiled, analysed and reported (much of this process may be outsourced), a significant amount of human and financial resources will need to be allocated. An adequate percentage of programme management budget needs to be allocated for MRM.



Perfection is the enemy of good

In MRM, insisting on 'perfect' data can get in the way of far more important qualities, for instance, timeliness. Good data when needed is far more valuable than perfect but after-the-fact data. Or working to increase a sample size when a smaller sample size is statistically acceptable could lead to errors in the process, benefiting no one. Good data is therefore better than 'perfect' data if perfect data is achieved at the expense of important qualities, such as timeliness.



Audits build trust

Although setting up and running an MRM system in an organisation can be daunting and having that system audited even more so, an audit, especially one that is widely recognised such as the DCED audit, builds trust and confidence in a programme's results from all stakeholders (partners, donors, staff, etc.).



More needs to be done to build lean data systems for the benefit of all stakeholders (in Ethiopia)

EP had to collect a lot of its own data but a lot of this could have been generated systematically for use by multiple stakeholders, particularly businesses. Just as organisations need a good data culture, so do nations for evidence-based policy making and decision.





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