



The Donor Committee for Enterprise Development

The DCED Standard for Results Measurement: Frequently Asked Questions – or ‘Why is it the way it is?’

2nd July 2010

Demand is growing for an approach to results measurement, that enables programme managers to generate credible information about their achievements. 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 Note 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 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 as an Annex.

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: Steps to compliance

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.