Can (and should) the DCED Standard be applied to Business Environment Reform programming

Lessons and challenges from the ENABLE programme in Nigeria

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• Overview of the ENABLE programme
• Application of the DCED Standard to BER: lessons and challenges
  – Articulating results chains
  – Defining indicators, measuring change, and estimating attributable changes
• Conclusion
ENABLE Overview

• 5 year, £12mn DFID-funded business advocacy programme implemented by Adam Smith International and The Springfield Centre

• One of the first donor programmes to apply M4P and systems thinking to BER
  – Aim to catalyse wide-spread, lasting change in the quantity and quality of advocacy and dialogue on BE issues, leading to pro-poor BER

• M&E system based on DCED Standard (but no audit)
1. Support Business Membership Organisations (BMOs) to engage in more effective advocacy on behalf of the private sector
2. Build the ability and willingness of Ministries, Departments and Agencies (MDAs) to dialogue with the private sector
3. Strengthen media as a driver and supporter of reform, a channel for information, and a platform for debate and discussion
4. Improve access to, and supply of, research and information and other services that serve to stimulate and inform dialogue
ENABLE Strategic Framework

ENABLE Interventions

Pro-poor Business Environment Reform

- Better business environment for poor men and women
- Increase in incomes for poor men and women

Improved advocacy and dialogue

- Sustained increase in quality and quantity of advocacy/dialogue
- Improved voice & accountability for poor men and women on BE issues

System-level change

- Sustainable improvement in capacity of actors to dialogue/advocate
- Increase in resources devoted to advocacy/dialogue by system actors
- More inclusive practices (poor, gender)
- Copying and crowding-in by system actors
- Changing rules and norms around advocacy/dialogue
Results Chains

• DCED control points:
  1. An appropriate, sufficiently detailed and logical results chain is articulated explicitly for each intervention (Must)
  2. The results chain include the results of broader systemic change at key levels (Rec)
Results Chains

ENABLE Interventions

Improved advocacy and dialogue

System-level change

Changes in laws / policies / regulations / administration, resulting in improved BE for poor men & women

Increased income for poor men and women through reduced business costs and improved BE

Freedom Radio supports increased quantity and quality of advocacy / dialogue on BE issues

Freedom Radio launches weekly issue-based investigative business programme

ENABLE supports Freedom Radio to build their capacity on issue based and investigative business journalism
Results Chains: Challenges

• Articulating sufficiently detailed Results Chains at the impact level
  – Successive annual reviews recommended greater clarity in articulating the link between reforms, the impact on business, and the impact on the poor
  – But, impossible to do ex-ante, and can become complex ex-post, for partners that can end up addressing a myriad of different BE issues (e.g. Chambers of Commerce, media houses)
  – Solution(?): develop separate ex-post issue-specific results chains at the impact level
Indicators, Measurement, Attribution

• DCED control points:

1. There is at least one relevant indicator associated with each change described in the results chain
2. The universal impact indicators are included in each relevant results chain (scale, net income, net jobs)
3. There are specific indicators that enable the assessment of sustainability of results
4. Attributable changes in all key indicators in the results chains are estimated using methods that conform to established good practice
Indicators of Change

- Pro-poor Business Environment Reform
- Improved advocacy and dialogue
- System-level change
  - ENABLE interventions

- ENABLE Interventions
- # Business Environment Reforms (laws / policies / regulations / administration)
- # media dialogues on BE issues
- # media houses launching new issue-based investigative business programmes
- # media houses partnered with ENABLE
- Media quality score (using ENABLE scorecard); Qualitative satisfaction of audience (FGDs)
- Cumulative resources devoted by media partners to new issue-based business programming (£, FTE)
Indicators of Change
Impact Level Indicators

• Started with two impact indicators:
  – Number of Business Environment Reforms
  – Nigeria Doing Business Ranking
  – But, DB Ranking not a good programme indicator

• Added two more, based on DCED Standard Indicators; calculated for each major reform to which ENABLE partners have contributed:
  – Cumulative number of micro-enterprises benefiting from an improved business environment (scale / outreach)
  – Cumulative net income change of micro-enterprises resulting from business environment reforms
• Measuring sustainability of organisational change
  – Easier in media: monitor quantity and quality of output (daily/weekly) post ENABLE support; commercial returns
  – Harder in MDAs: consult infrequently, high staff turnover
  – **Solution**: look for signs of institutionalisation (e.g. budgeting, guidelines, written commitments)
  – Hard to assess sustainability in “copycats” using formal diagnostic tools
Measurement Challenges

- Informality of Business Environment in Nigeria
  - Gap between reforms-on-paper and reform-in-practice
  - **Solution**: expand definition of BE Reform; track implementation and monitor changes on the ground

- Measuring standard indicators and capturing full impact of reforms
  - Ex-post Economic Impact Assessments, but can be expensive and complex, hard to quantify impact on jobs or investment
  - Establishing the degree of attribution (multiple voices in the room; policy-makers unwilling to credit outside influences)
  - **Solution**: contribution scale
**Measurement Challenges**

**Proposed Cashless Policy Charges**
- 10% withdrawal/deposits over N150k (individual accounts)
- 20% withdrawal/deposits over N1mn (corporate accounts)

**Actual Cashless Policy Charges**
- 3% withdrawal, 2% deposits over N500k (individual accounts)
- 5% withdrawal, 3% deposits over N3mn (corporate accounts)

**Advocacy by ENABLE-partners**
(E-PPAN, LCCI, IoD, Daily Trust, Wazobia Lagos)

**Impact on micro-enterprises of a move from proposed (counterfactual) to actual charges?**

- Depends on:
  - Cash transaction patterns of enterprises;
  - Response of enterprises to change in charges (substitution, avoidance);
  - Cost of substitution/avoidance behaviour

**Conducted contingent valuation survey to estimate cost of proposed vs actual charges**

- Also, interviews with key informants to establish degree of contribution

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**Adam Smith International**
ENABLE Results

Pro-poor Business Environment Reform

• Contributed to 13 cases of Business Environment Reform
• Contributed to improved BE for 2.04 million micro-enterprises (30% female owned), leading to an increase in net incomes of £131mn

Improved advocacy and dialogue

• 82 cases of additional or improved public-private dialogue
• 12 PPD Platform launched (plus 2 copycats)

System-level change

• 19 BMOs introduced new/improved advocacy practices
• 11 MHs launched new/improved BE media products (plus 3 copycats)
• 7 MDAs introduced new/improved consultation practices
• 7 RIs launched new/improved BE research products

ENABLE Interventions
Conclusion

• Can the DCED Standard be applied to Business Environment Reform?
  – Yes, but challenges (and cost) in measuring standard indicators (outreach, income, jobs), determining attribution at impact-level

• Should the DCED Standard be applied to Business Environment Reform?
  – Yes (if applied pragmatically) – provides clear and structured approach to results measurement
Questions