What have we learned from results measurement in industrialisation programmes?

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ENTERPRISE PARTNERS is a social enterprise funded by DFID. Established to facilitate *agro-industrial growth* and enable *access to finance* in Ethiopia.

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**Access to Finance**

- **Financial Inclusion**
- **SME Finance**
- **Investment**

**Agro-industry**

- **Cotton, Textile and Apparel**
- **Leather and Livestock**
- **Fruits and Vegetable**

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**Theory of Change**

- **£ 300 Million**
  - invested

- **48,000 Jobs Created**

- **65,000 peoples’ income increased**

- **350,000 financial accounts created**

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**Progress so far..**

- 8,961 Jobs supported (80% women)
- 2,002 peoples’ income increased
- 20,000 financial accounts created

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For further information: info@enterprisepartners.org
Why is results measurement in industrialisation programmes different from agricultural programmes?

<table>
<thead>
<tr>
<th>Type of enterprises</th>
<th>Number of enterprises</th>
<th>Expected Impact</th>
<th>Involvement of other actors</th>
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Results measurement
Lesson One: Change what you’re measuring

The (simplified) EP Theory of Change

Industrial growth leads to raised incomes and jobs.

Priority sector enterprises change business practice and increase investment and sales.

Core market enterprises are reached by innovation addressing critical constraint.

Financial institutions change business practice and improve performance.

Supporting function actor innovate and improve performance.

Institution responsible for ‘rules’ changes practice, rules or regulations.

Poor people gain formal employment.

EP Activities
Lesson One: Change what you’re measuring
Measuring job quality

• There is no universal definition for ‘decent jobs’.
• The ILO has prepared useful indicators that can serve for most programmes.
• EP uses these indicators:
  o On small selections of employees from some companies that we support, as part of our due diligence processes.
  o During routine monitoring visits.
  o On a wider, randomly chosen selection of employees from across our priority sectors, as part of our evaluation.
Lesson Two: Use your results!

**Good practice in the sector:**

- Colour code results chains to show progress.
- Quarterly reviews to discuss intervention and market progress, what is and isn’t working and why.
- Crisp management of discussion.

**EP Innovation:**

- Portfolio dashboard shows overall results, risks, and VFM.
- Integration of quarterly reviews into reporting processes.
- Additional input and data from evaluation team.
Lesson Three: Change how you monitor
Four tips for getting data from partners

1) Specify data requirements in contracts.

2) Find data champions in firms.

3) Better use of secondary data.

4) Sector-wide surveys

Lesson Three: Change how you monitor

Export Dashboard: www.enterprisepartners.org/export

Enterprise Partners Export Dashboard

The below data shows Ethiopian exports split by date, export destination, and EP market/sub-market. You can filter using the tools on the left.

Data is publically available on the Ethiopian Revenue and Customs Authority website, and updated every two months. See www.erca.gov.et/index.php/import-export-information. The tool uses HS codes to disaggregate sectors, so figures may vary slightly from other sources.
Lesson Three: Change how you monitor
External evaluation surveys, conducted by Palladium

SURVEY A:
Panel data from firms operating in priority sectors

Legend
- Horticulture
  - 0-10
  - 11-20
  - 21+
- Textile
  - 0-10
  - 11-20
  - 21+
- Leather
  - 0-10
  - 11-20
  - 21+

- 429 firms split across 9 regions of Ethiopia and all three EP priority sectors:
  - LAL = 123
  - CTA = 246
  - FAV = 60

- Textile firms accounted for 57% of the overall sample, followed by leather (29%) and then horticulture (14%).

- Medium firms (20-99 employees) made up the largest proportion of the sample, accounting for 40%.

- Large (100+ employees) and small (5-19 employees) firms each accounted for approximately 30% of the total sample.
Lesson Four: Assess contribution to high level changes
The case of the Hawassa Industrial Park

When is attribution not possible?
- Multiple actors involved in supporting the change (donors, government, private sector).
- Small group of diverse target enterprises (so no control group).
- EP tried using control groups, but it was impossible to find an appropriate sample.

How does EP assess contribution?
- Clear results chains showing expected change and how we aim to contribution.
- Measurement at each level, with strong qualitative information.
- Use of external evaluation team to avoid confirmatory bias.
- Randomised control trials where appropriate and possible.
- Reporting ‘Jobs Supported’, not ‘Jobs Created’.
Lesson Four: Assess contribution to high level changes
The case of the Hawassa Industrial Park

Academic research examining how jobs benefit workers and communities.

Interviews with core market actors on contribution of HIPSTER to production.

Data from EIC and MOI on exports, recruitment, etc

Training assessments with workers, satisfaction surveys with core market actors

Qualitative interviews with support market actors

Apparel Market
- Jobs supported for 30,000 workers (80% of which are female)
- Factories have incentive to invest in business model
- Factories source from suitable labour and increase production
- Government and ETIDI replicate model in other industrial parks

Labour Market
- Private training providers provide soft skill training
- ETDI sets up grading centre; grades and sorts candidates
- SNNPR registers, orients and screens job seekers
- TOT for ETIDI & private training providers

Intervention
- HR needs assessment and data management system
- SNNPR placement of sourcing staff, public awareness/sensitisation
- Soft skill curricula development with audio-visuals
Lesson Four: Assess contribution to high level changes

Challenges of contribution

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Initial Thoughts</th>
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<tbody>
<tr>
<td>How do you do robust qualitative collection and analysis?</td>
<td>• External assessment by evaluation team.</td>
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<td>• Trained and inquisitive team.</td>
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<td>How do you compare across interventions and markets?</td>
<td>• Output metrics are as important as outcome.</td>
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<td>• Never divorce VFM metrics from context.</td>
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<td>How much is ‘enough’ contribution to claim results?</td>
<td>• Clearly define what you contribute to.</td>
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<td>• Set bar reasonably high.</td>
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<td></td>
<td>• What would a reasonable observer say?</td>
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<td>How do you get stakeholder buy-in?</td>
<td>• Bring in senior MRM expertise.</td>
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<td>• Show the benefit for the donor.</td>
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Thank You
Any questions?

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