Working to integrate DCED standard in GEMS Nigeria-Current Challenges & Practices

Wafa Hafiz, Specialist-Results Measurement & Knowledge Management
GEMS1-Support to Meat & Leather

DCED Seminar on Trends and Results in PSD
Session 2, Thursday 19 January 2012
Overview

1. Overview of GEMS Program
2. Overview of GEMS1-Support to Meat & Leather
3. GEMS Program and the DCED Standard for Result Measurement
   a) The Proposed system
   b) Current Challenges
      - Operational
      - Technical
   c) Current Practices at GEMS program level
4. GEMS1 and the DCED Standard for Result Measurement
• GEMS – Growth and Employment in States.
• Goal, target and Scope:
  Increased growth, incomes and jobs in the selected states of Kano, Kaduna, Lagos and Cross River.
  – $270 million program delivered with federal and selected state governments of Nigeria to create 100,000 jobs.
  – 7 Components projects, different implementing agencies
  – 5 year program
  – 7 Sector
  – 1 Business environment reform agenda
  – DFID, WB & FGoN
### Overview of GEMS 1: Support to Meat and Leather

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Meat and Leather</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donors</td>
<td>DFID</td>
</tr>
<tr>
<td>Implementers</td>
<td>GRM International</td>
</tr>
<tr>
<td>Budget</td>
<td>GBP 7 Million</td>
</tr>
<tr>
<td>Target</td>
<td>6000 FTE</td>
</tr>
<tr>
<td>Duration</td>
<td>5 Years</td>
</tr>
<tr>
<td>Core Team</td>
<td>3 Intervention Managers, 1 RM M&amp;E Specialist, 1 Technical Director, 1 team leader</td>
</tr>
</tbody>
</table>
The Proposed System – How it Fits Across the Program

- Aggregation at the Program level
- External Annual independent Evaluation to Prove and Validate by IMEP
- Regular Internal Monitoring & Results Measurement to Improve and Prove

GEMS PROGRAM Logframe

Component Project Logframe

Sector logic

Pro-Poor Impact

Enterprise Impact

Market system change

Market Uptake

Enterprise Impact

Market Triggered

Pro-Poor Impact

Sector Growth

Outcome:

Enterprise performance Sustainability & Market system change

Output:

Market Constraints addressed

Goal - Poverty reduction

Goal - Poverty reduction

Intervention logic

Pro-Poor Impact

Sector Growth

Market Triggered

Market Uptake

Intervention Areas

Interventions

Overlap, Synergy and coordination

CROSS GEMS M&E WORKING GROUP TO ACHIEVE COHERENCE
### Operational Challenges: Structure and Timeline

<table>
<thead>
<tr>
<th>GEMS</th>
<th>Waiting for Bid</th>
<th>Currently under Bid</th>
<th>Inception/Redesign</th>
<th>Currently Implementing</th>
</tr>
</thead>
<tbody>
<tr>
<td>GEMS1</td>
<td>2 sectors- Meat &amp; Leather, GRM International</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GEMS2</td>
<td>1 sector- Construction &amp; Real-estate, Coffey International</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GEMS3</td>
<td>BEE issues &amp; Policy Reforms-Adam Smith International</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GEMS4</td>
<td>Wholesale &amp; Retail Trading</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GEMS5</td>
<td>Hospitality &amp; Tourism</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GEMS6</td>
<td>Entertainment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GEMS7</td>
<td>ICT</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Funded by DFID

Fund mobilized by WB Through FGoN’s PIU
Technical Challenges:

- Different dynamics of North and South
- Lack of statistics /credible data on poverty /growth /income etc in Nigeria
- Measuring Synergy
- Measuring systemic change
- Varying dynamics, culture in each state and sector
- Unified definition of: Poverty/Poverty line diversity in states
- Employment creation/Job creation
- Lack of capacity in Implementing DCED standard based RM sytems and in implementing M4P approach
- Redesigning projects to fit M4P approach
Operational Challenges: Synergy/Overlap Aggregation
Operational Challenges: Measuring Systemic Change

Systemic change: “Change in the underlying causes of market system performance – typically in the rules and supporting functions – that can bring about more effective, sustainable and inclusive functioning of the market system”
Current Practices & Measures under way

- Standardizing the definitions, that can fit the components
- Drafting an overarching guiding document that defines the points of synergies and coherence
- Coherent, synchronized reporting system/structure, work plans
- **Developing a M&E coherence working group to Coordinate and achieve coherence across GEMS to:**
  - Develop/share guidelines and tools that can be used across GEMS
  - Defining methods/processes of assessing and measuring synergy and overlap and aggregation
  - Develop/share experiences in relation to tools, methodologies, measurements, capturing attributions and impact
  - Coordinate research and knowledge management to ensure efficient use of resource:
DCED standard implementation: Experience in GEMS 1
-Support to Meat & Leather
Support to Meat & Leather

GEMS1 INTERNAL RM System

Subsector Assessment /Research

Inception report/Strategy

Sub sector control (Strategy + Subsector Results Chain)

Intervention control framework (intervention results chain, monitoring plan and progress)

Regular monitoring & Impact assessment

Quarterly technical review

Annual technical review

Quarterly reporting

Annual reporting

EXTERNAL ANNUAL EVALUATION

GEMS1 SYSTEM
The structure and interrelation between results chain.
Impact on Poor

Increased turnover from increased export, production and price

Additional 1833 FTE created

Support Market Uptake

Approximately 1,580,000 FTSQ Finished leather (worth 2.3 Million GBP) is available for production and export

Support Market Triggered

LAPAN sees the benefit of importing wetblue and places an order of 24 containers (each having 2000 pieces) by January 14

LAPAN sees the business potential and places a sample order of 10 hides to assess the quality and finish (Nov 11)

Activities

Assist LAPAN to understand the cost benefit of importing wetblue to produce quality finished leather

Assist LAPAN to link with tanners (1) for processing wetblue

Assist LAPAN to negotiate import of wetblue from NMPA

Assist LAPAN to identify an exporter of Wetblue (NMPA)

Assist LAPAN to secure loan (GBP 236,000) through policy invt.

Identify LAPAN as a partner interested to import Wetblue to produce quality finish Leather

Sector & Enterprise impact

Increase in profit 35%, Jan 14

Additional production of 1 Million shoes, sold at increased price of 27%, Jan 14

Quality FL used for export (upto 25%)

Quality FL used for finished leather goods production (755) by 110 producers

Both member and non member tanners (6) process wetblues (by Jan 14)

Lapan engages at least (2) tanners for processing by Dec 12

At least 5 other tanners and industrial producers import wetblue

At least 6 other tanners process wetblue

At least 25% is imported indirectly

Additional production of 0.25 Million shoes, sold at increased price of 27%

Higher standard of living

POVERTY REDUCTION Activities

Increase in profit 35%

Quality FL used for finished leather goods production by 50 producers

At least 396,000 FTSQ (25%) is imported indirectly

At least 396,000 FTSQ

At least 396,000 FTSQ (25%) is imported indirectly

At least 396,000 FTSQ

At least 396,000 FTSQ (25%) is imported indirectly
## Indicators, assumption & Calculation

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Targets</th>
<th>Assumptions</th>
<th>Facts (Study or Sector info)</th>
<th>Calculation considerations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment</td>
<td>1833 FTE</td>
<td>Additional production require additional person days</td>
<td>1 pair of shoe requires 3 man-days</td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>Direct (5M) Indirect (1.2 M)</td>
<td></td>
<td>Average profit margin ranges form 30-50% various types of shoes, Cost, profit and sales information per type of shoe</td>
<td>Weighted average taken for different types of shoes</td>
</tr>
<tr>
<td>Sales</td>
<td>19.7 Million</td>
<td>25% of the Finished leather will go for export</td>
<td>Study shoes that currently tanners focus on export, because of govt, incentives</td>
<td>The calculation for income only considers revenue from production</td>
</tr>
<tr>
<td>Total Outreach</td>
<td>150 Enterprises, 1833 workers, and 12,000</td>
<td>Average family size (6), additional income benefits the household</td>
<td>In northern Nigeria most people live in extended families</td>
<td></td>
</tr>
<tr>
<td>Copying (Outreach)</td>
<td>50</td>
<td>1: 0.5</td>
<td>The calculation has been focused more from production capacity</td>
<td></td>
</tr>
</tbody>
</table>
The Process of Aggregation!

- Aggregation at the Project level
- Aggregation at the sub-sector level
- Results measurement at intervention level

Adjustment for overlap and synergy
Monitoring and Aggregation

• We monitor for at least 24 months after the intervention ends.
• We assume it takes at least a year to have observable copying and crowding in to happen.
• Therefore monitoring and results measurement period has aggregation implications.
• What to aggregate?
  – Additional income generated
  – Outreach
  – Sustainable Market changes (services/products/policies)
Cumulative impact aggregation upto 24 months beyond intervention completion

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Implementation period
- Results Measurement period
- Impact remains constant
Adjustment for Overlap at GEMS1-project level is done for outreach by:

- Looking at overlapping interventions (within GEMS1 or across program)
- Looking at geographical coverage:
  - Example: The intervention logic discussed as an overlapping impact from the policy intervention. Therefore, the outreach would have to be deducted from the policy intervention
Experience in GEMS1 in working towards the Standard

Current Challenges:
- Defining poverty, employment (formal, informal)
- Unavailability of data and the informal nature of the industry presents difficulty in forecasting/targeting at the intervention level
- Estimating the impact of time value in informal apprentice/workforce in leather sector, issue of labour mobility.
DCED Standard implementation  Experience in GEMS1

Steps take to address the challenges:

**Poverty:**
- Internal definitions for poverty (N600/day) and employment has been developed (based on initial scoping assessment)
- A detailed poverty study is in the process to test and refine this definition further, and make it coherent with other components.

**Employment:**
Additional employment defined as:
- a) additional workdays (either casual, or contractual), and 240 additional workdays counted as 1 FTE
- b) A job/position creation (in an enterprise) as 1 FTE

**Data and Forecasting:**
- Along with sub-sector studies, specific scoping studies are being carried out for interventions to understand the statistics better. Example: Apprentices and Master crafts person study, Crop waste study etc
- Associations are also being used to understand the size of the industry, and get statistics on the sector
Thank you 😊