A 3-step approach to measuring and attributing change in market systems

A BEAM Exchange Webinar

12 March 2015

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The webinar

Introduction
- Marcus Jenal, BEAM Exchange

Overview of the approach
- Tim Ruffer, ITAD

Application in GEMS3
- Mihaela Balan, consultant

Application in BIF2
- Adam Kessler, consultant

DEALING WITH ATTRIBUTION IN COMPLEX MARKET SYSTEMS

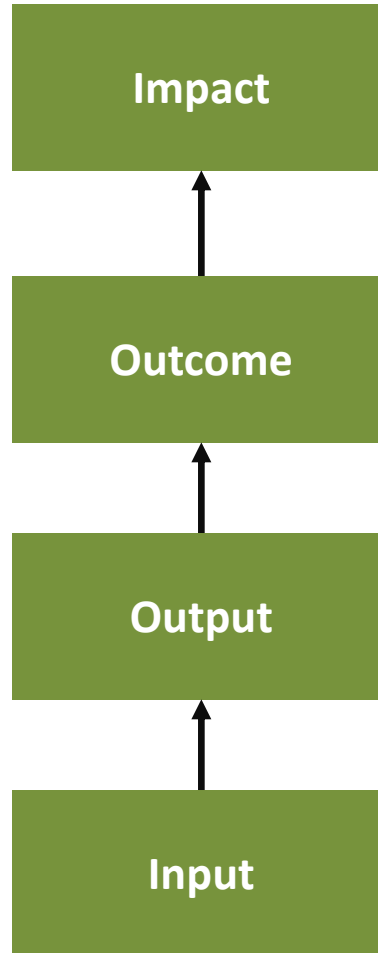## Combining a top-down and bottom-up approach

12th March 2015

Tim Ruffer

Results in Development

M4P Strategic Framework	DFID Logframe Level	Changes Monitored
Poverty Reduction	**Impact**	• **Increased income** • **Increased employment** • **Outreach**
Improved Access and Growth	**Outcome**	• **More appropriate goods and services available and taken up by core actors** • **Firm performance, including increased sales**
Market System Change	**Output**	• **Improved delivery of support market services** • **Changes in practices of system players** • **Crowding in of system players**
Intervention	**Input**	**Programme undertakes to:** • **Alter attitudes of key players** • **Encourage linkages between players** • **Strengthen capacity and practices**

Results in Development

Measurement challenges

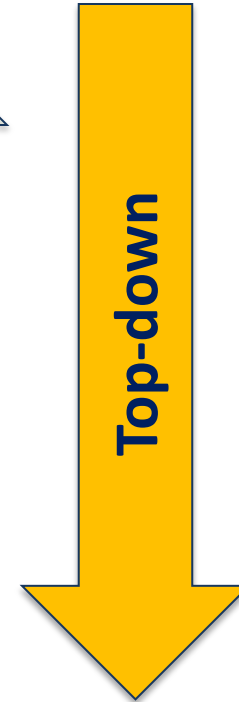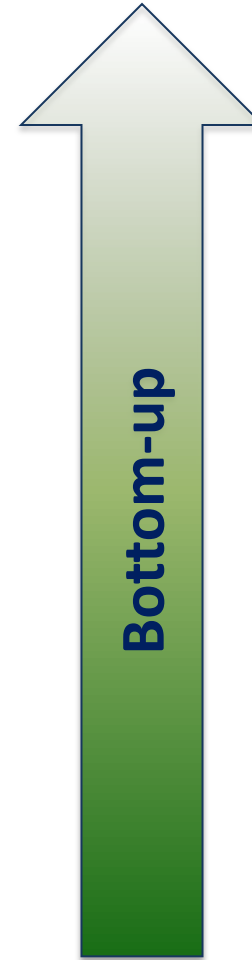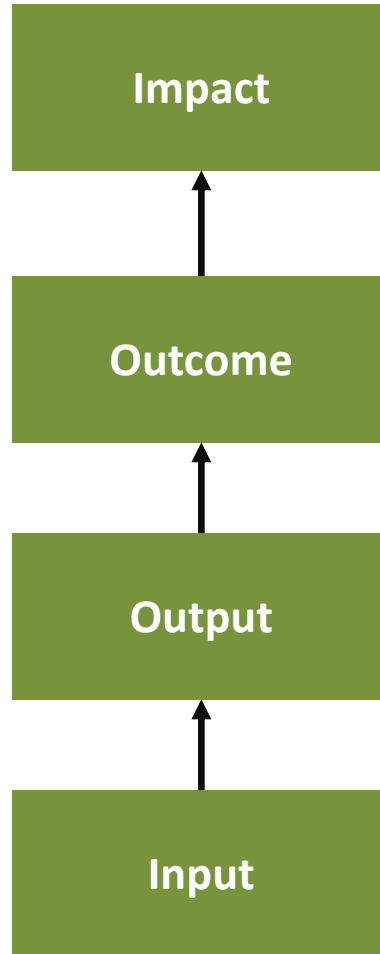| Bottom-up measurement	Top-down measurement
• Risk of double counting impact across interventions • Risk that measurement will ignore deadweight loss and displacement • Difficult to account for impact of synergies across different components of a programme • Risk of 'self-importance bias' in estimating attribution • Large attribution challenges – big jump between micro interventions and macro economy-wide impacts	• Very challenging/costly to make surveys and quantitative analysis representative. • Large attribution challenges – big jump between micro interventions and macro economy-wide impacts

Results in Development
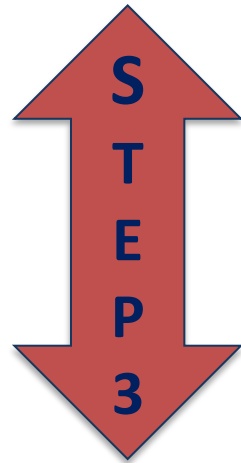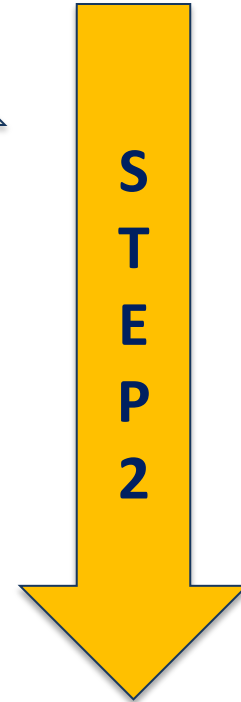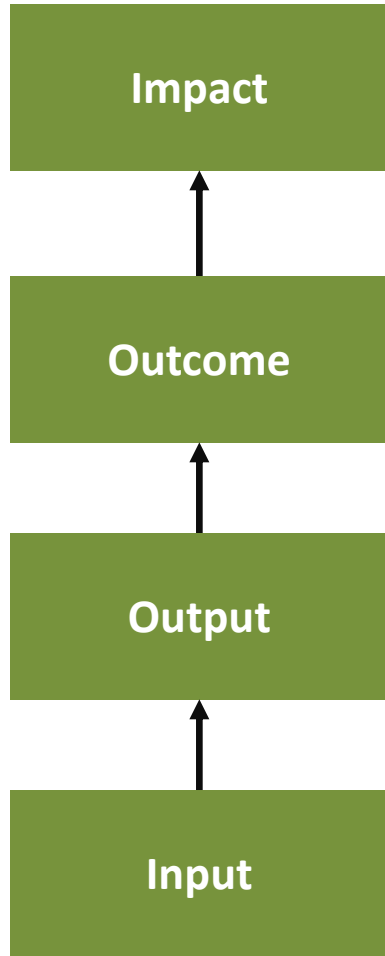
M4P Strategic Framework

- Poverty Reduction
- Improved Access and Growth
- Market System Change
- Intervention

DFID Logframe Level

- Impact
- Outcome
- Output
- Input

Bottom-up

Top-down

Results in Development

M4P Strategic Framework

| Poverty Reduction |
| Improved Access and Growth |
| Market System Change |
| Intervention |

DFID Logframe Level

| Impact |
| Outcome |
| Output |
| Input |

STEP 1

STEP 2

STEP 3

Results in Development

Step 1: bottom-up measurement

- Intervention-based monitoring

- To assess whether and how interventions have achieved market level change…

- …and the extent to which this has led to an improvement in the performance and inclusiveness of the market system

- Analyses interaction of interventions with the context, including other market players and policy inputs

Results in Development

Step 2: top-down measurement

- Market system analysis

- Assesses key changes in indicators at the impact / outcome level…

- …and then assesses the factors at the market level that have driven this change.

- Largely consistent with market system analysis normally done at the start of M4P projects. Should be revisited periodically.

Results in Development

Step 3: compare & triangulate findings

- Analyse logical relations between programme interventions and development results (i.e. impact/outcome level indicators).

- Synthesis and cross-check of results of Step 1 & 2 by focusing on the levels where the two steps come together.

- Assesses the extent to which results achieved by are interventions (measured in Step 1) are consistent with the market-level factors that have driven changes in impact level indicators (measured in Step 2).

Results in Development

Combined, the 3-Step approach asks:

What have been the key outcomes and impacts targeted by the programme?

What were the determinants of those changes?

To what extent were those determinants influenced by the programme's interventions?

Results in Development

Initial thinking on attribution in the Business Innovation Facility (BIF)

Adam Kessler
March 2015

Business Innovation Facility (BIF)

- A DFID-funded M4P programme, active in Malawi, Nigeria and Myanmar.

- Aims to reduce poverty by bringing about lasting change in the way that markets work.

- Primary instrument is technical assistance.

- Currently emerging from its inception phase, and commencing interventions.

Business Innovation Facility
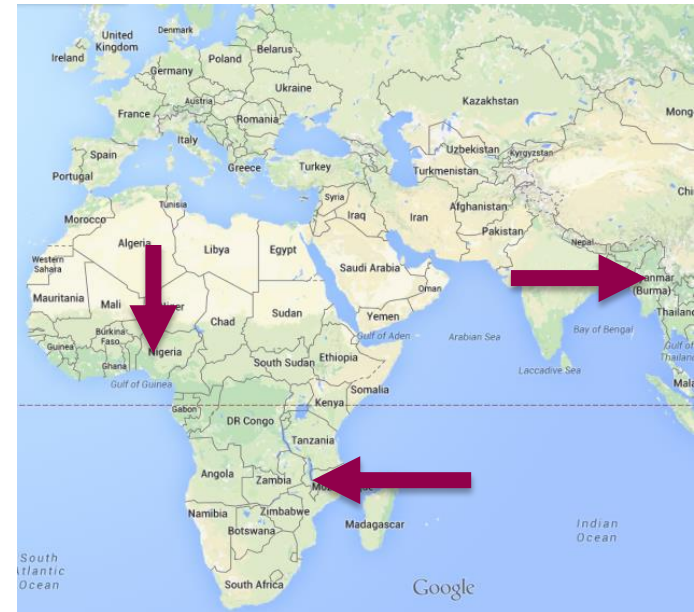
BIF has a problem…

- …which is shared by every market development programme.

- How can we attribute changes in market systems to our interventions?

- We don't have a complete solution, but this presentation shares some of our early thinking.

Business Innovation Facility

# We have some ideas about attribution for bottom up measurement…

- BIF follows the DCED Standard for Results Measurement.
  - Develop results chains for every intervention, and monitor changes at every level.
  - Gather qualitative information and stakeholder opinion to assess attribution.
  - Use of control groups and quantitative methods of assessing attribution in some areas. (RCT in Myanmar).
- Look for 'credible story', not 'absolute proof'.
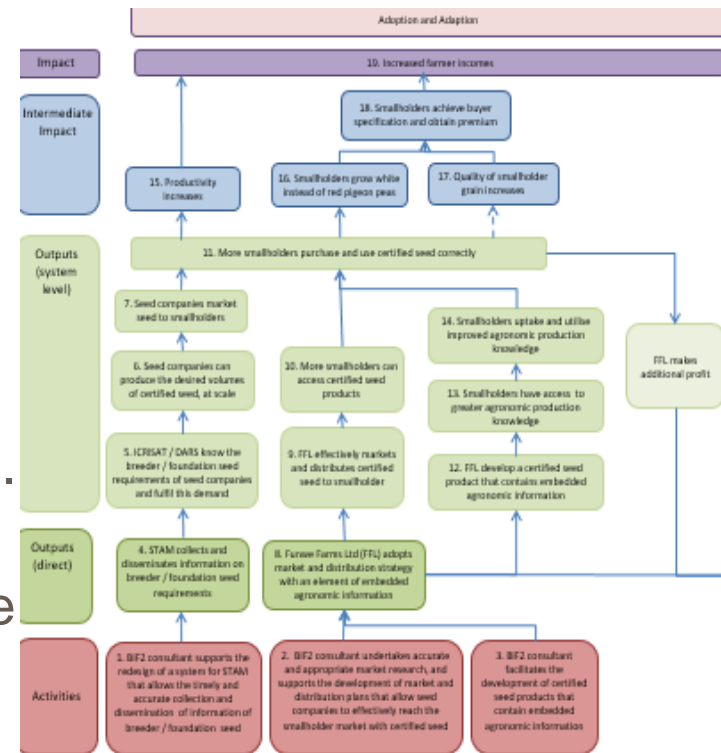
Including some simple indirect results
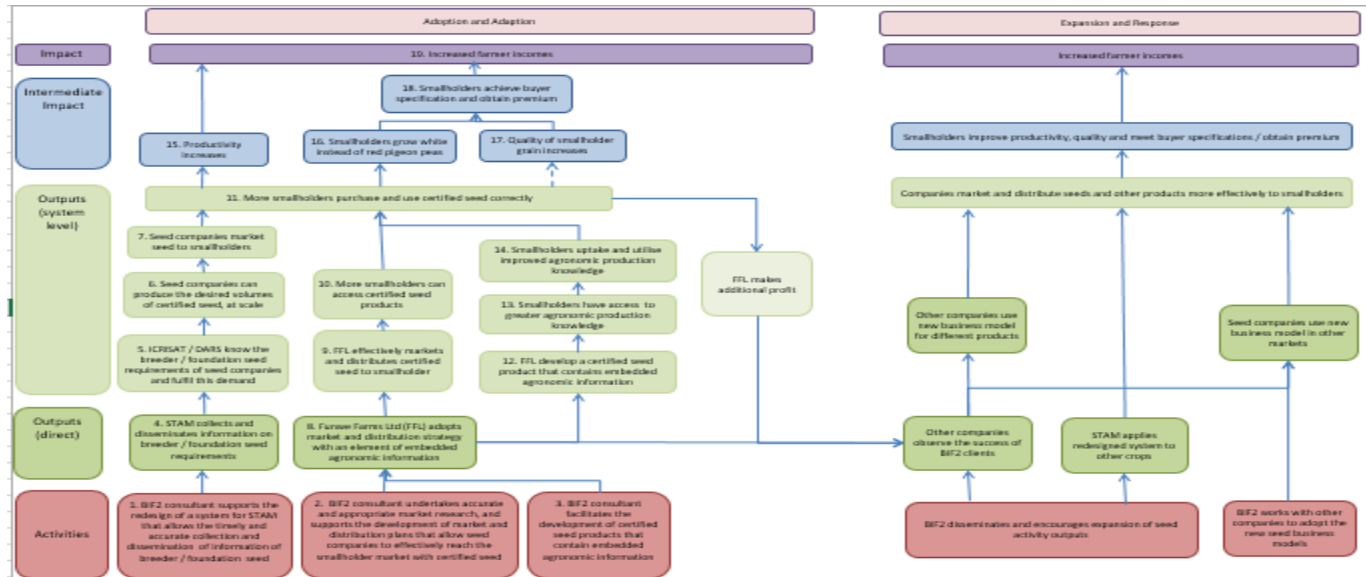
- If BIF spots signs of crowding in/expansion, ask:
  - What motivated the company to take up the business model?
  - How similar is it to business models that BIF supported?
  - Is it competing with business models that BIF supported?
  - Does it take advantage of opportunities that BIF created?

But what about attribution for top down measurement?
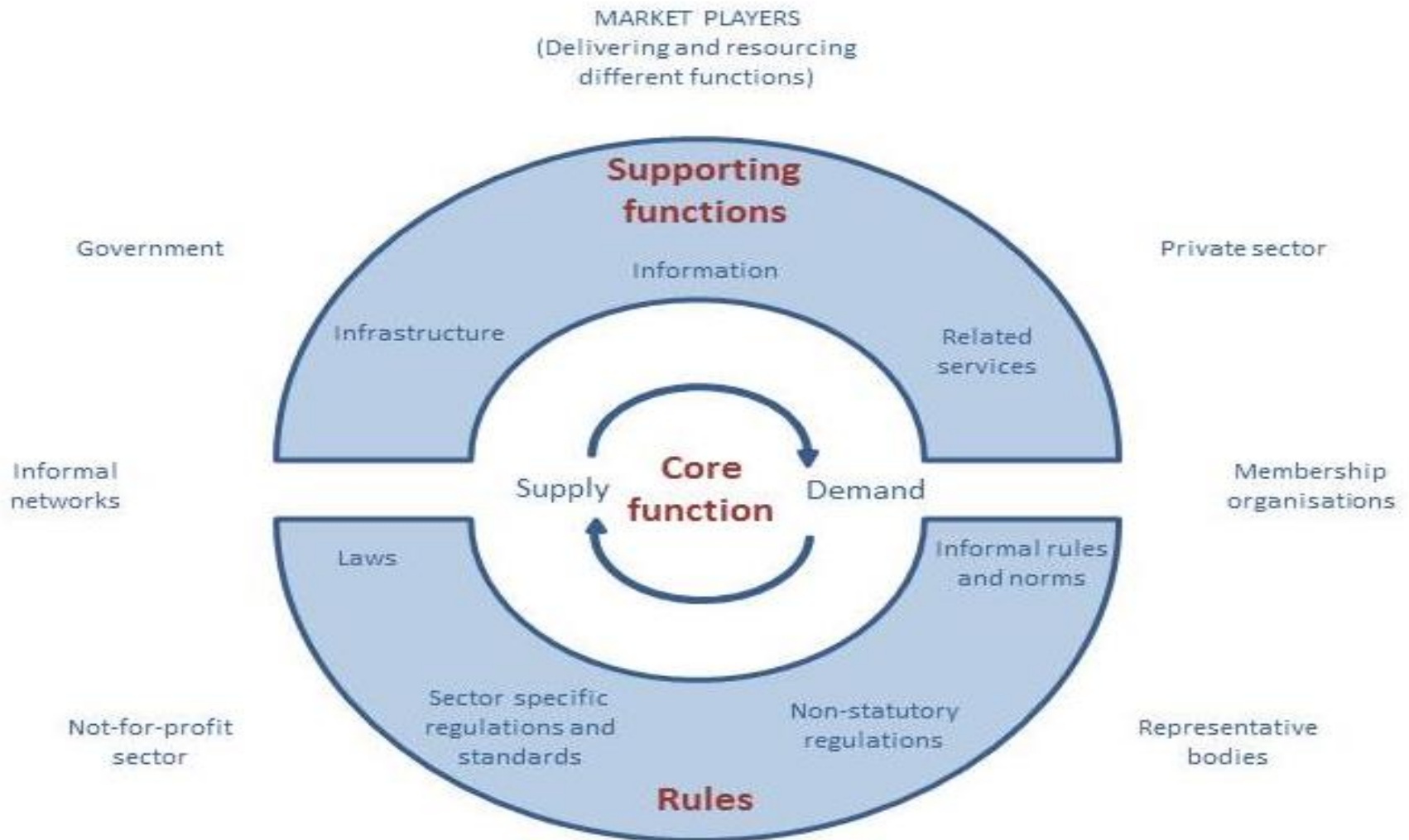
Monitor market indicators

- The first step towards attributing market changes is to measure them.

- Consequently, BIF has developed "market indicators" in some markets.

- Market indicators can be:
  - Key changes that BIF2 expects to see in the market. (Based on the market results chain)
  - Key factors or assumptions which affect the BIF2 market strategy.

- Market level monitoring should not duplicate indicators which would be collected at intervention level, but focus on market-level trends.
  - Intervention level: "Sales from company X"
  - Market level: "Overall sales figures in the market."

Business
Innovation
Facility

In the Pico Solar Power (PSP) market…

Indicator	Why important	How to measure
Growth in PSP sales	To understand whether market is growing.	Survey of market players
Company survival rates.	To understand whether the number of market players are growing or consolidating.	Survey of market players.
New entrants into PSP market, disaggregated by function.	To understand market growth and levels of competition.	Ongoing awareness of BIF team .
Proportion of companies that are for profit/ NGOs/ social enterprises.	To understand sustainability of market.	Survey of market players.
Price of available PSP products ($ and Kw)	To understand whether the market is serving poor consumers.	Survey of market players.
Sources and proportion of financing	To understand sustainability of market.	Survey of market players.

Facility

Allowing us to examine attribution in future

Change in market-level indicator (growth in PSP sales)

BIF (or external evaluator) investigates to understand why.

BIF learns that improved access to finance was a key enabler of overall market growth.

Intervention monitoring revealed that our access to finance intervention was successful in promoting that business model.

BIF claims some attribution for market-level change.

Business Innovation Facility

Opportunities and Challenges:

- **Challenges:**
  - **Data availability**. In many cases, the data available is just not available. BIF may do some primary data collection.
  - **Limits of BIF's influence**. Past a certain point, it may be impossible to detect BIF's impact.
  - **Interest of market managers**. This seems a lot more remote than normal day-to-day monitoring.

- **Suggestions:**
  - **Set market indicators at an appropriate level.** For example, this might look at market indicators in an area you work in, not in the whole country.
  - **Use data to positively influence the market.** The data that we collect in the PSP market might be used for a 'market trends report', which could have a broader benefit for the market.
  - **Using existing data where possible:** To keep monitoring light and proportionate.
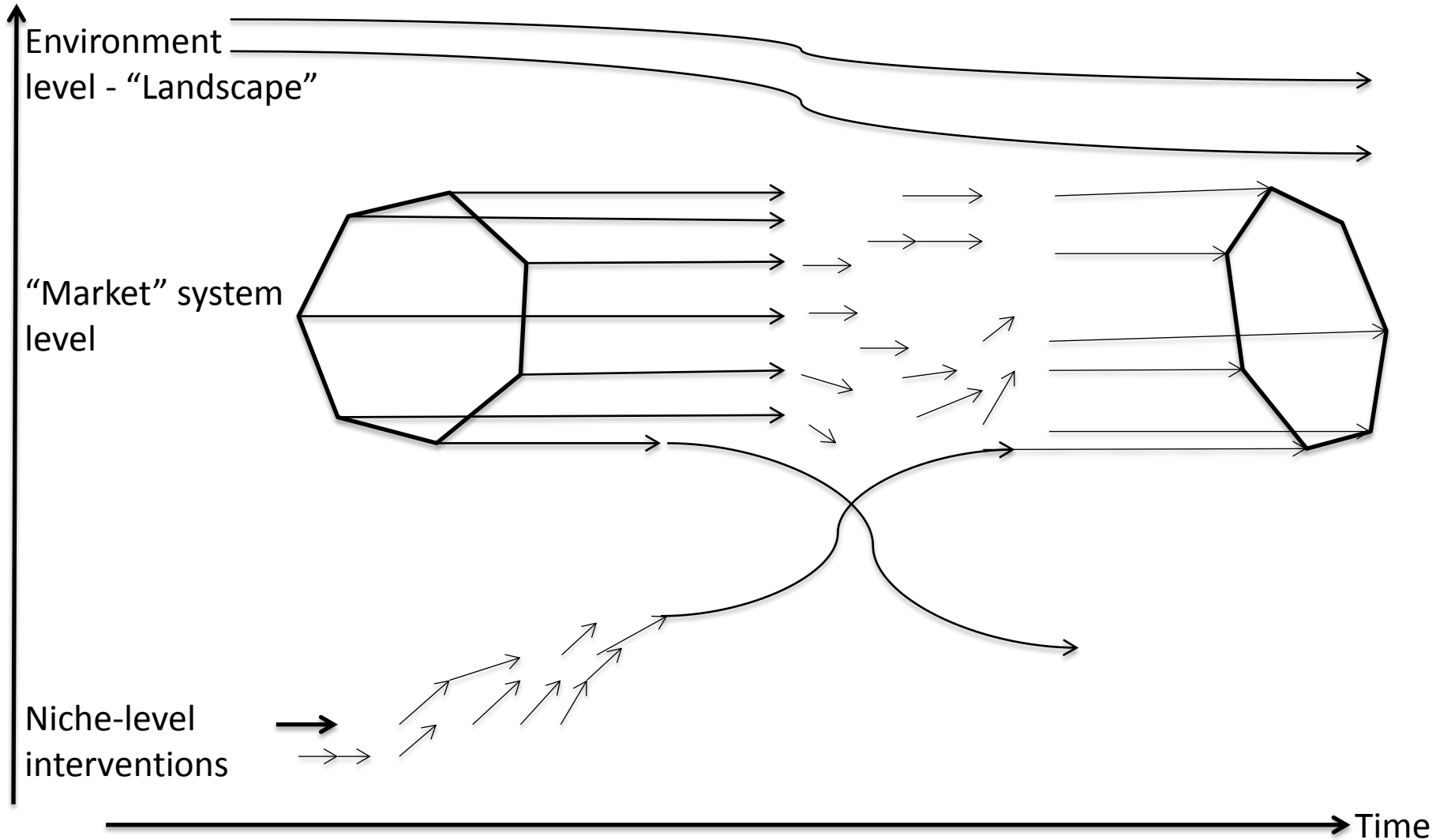
Business Innovation Facility

How we work – Multi-level perspective on workstream improvement

Environment level - "Landscape"

"Market" system level

Niche-level interventions

Time

How we measure results – three-step process

- Principles explained by Tim

- Adopted and adapted to GEMS3

➢ Step 1, 2, and 3 for GEMS3

Step one - Niche Intervention level (micro-level)

A. Follow the results chain

1.   Activities – Outputs

2.   Awareness on outputs

3.   Use and satisfaction of outputs: the new law, payment system, …

4.   Direct Benefits: PSCS, reduced harassment

5.   Signs of growth

B. Understand Process of attachment to the "tax harmonisation system" => unintended results(displacement)


- *How: Periodic monitoring*

Step two - "Landscape" level (macro-level)

1. Growth in enterprises (investment, jobs, retained earnings)

2. Reasons for growth; links to changes in the tax harmonisation system/tax or peer system/BE overall

3. **Perception on improvements in "tax harmonisation system";** links to our intervention

4. Change in behaviour/ appetite for growth; *pressure on the market system, peer or suprasystems.*

5. Direct benefits (payments made acc. to law, PSCS, reduced vulnerability etc); links to our intervention.

- *How: enterprise survey control and treatment, FGDs/interviews with different business pressure groups*

- *Lag time…for impact benefits*
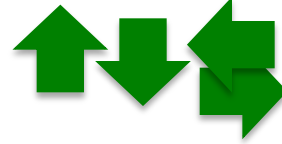
Step three - Crosscheck & system's 'health check'

1. Cross check on and correlate with results from Step2: benefits to systems players, e.g., LGA IGR, # payments 'transactions' ('still' picture lens)

2. Cross check with results from Step 1: check the 'attachment'... (new) relationships, functions and processes of the system.. (a 'motion' picture lens')

3. Health Check on the new system... relationships between the tax harmonisation system and its supra/peer systems to respond to landscape 'pressure' (link to *Step 2 - 'bird's view' lens*)

- *How: FGDs, KII, "Eminent Group"*

- Be clear on what your "market" system is… but be aware it could evolve…

- Adapt the three-step process to fit your program and …your budget ('GEMS3 steps')

- Focus your effort and resources on the system's changes… as nothing will continue if this is not "stabilised"…

- .. Ask Tim…. (as GEMS3 did …)

GEMS **3**

Growth & Employment in States (GEMS3)
Support Improved Business Environment

Questions and Answers

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