

1 Summary

Katalyst Bangladesh	2008-2013	
Audit dates	27 th January – 3 rd February 2013	
Overall final ratings ¹	MUST	183/190=96%
	RECOMMENDED	133/150= 89%
Coverage	Katalyst portfolio of Phase 2 (2008-2013) carried forward to phase 3 All control points checked	
DCED Standard	Version V, 13 Jan 2010	

Signed:



Katalyst Goetz Ebbecke, programme manager 22-04-2013, place

Auditors Mihaela Balan & Hans Posthumus date, place

MBalan



22-04-2013

Table of Contents

1 Summary	1
2 Key Audit Findings.....	2
3 Summary of the program and key issues that affect the measurement result system.....	4
4 Summary audit process.....	5
5 Control points.....	7
6 Summary of areas that require improvements.....	11
Annexes	11

¹ "An Overall Rating of 100% implies that the project meets the compliance criteria and has a strong measurement system of acceptable quality, not that it is has a perfect measurement system"

2 Key audit findings

Articulating the Results Chain	
Results chains are well articulated and guide the staff in making decisions. They are regularly reviewed including systemic changes.	Displacement is considered in all sector strategies but it is not always properly documented.
Defining Indicators of Change	
Indicators are included and specified for each key change in the measurement plan, including universal indicators and indicators that measure systemic changes.	Sustainability indicators are sometimes insufficient specified in the overall measurement plan but are more than adequately measured in reality
Measuring Changes indicators	
There are realistic measurement plans and good research practices applied. There are supportive documents to the actual MRM Plan in the Intervention Plan	The intervention measurement plans don't specify how and when baselines are constructed, even though these are in practice (re-) constructed
Estimating Attributable Changes	
The revised MRM manual is very comprehensive and useful. Collaborating partners are acknowledged. The inconsistency in attribution noted in the previous audit has been addressed	Contributions of other programmes are acknowledged but not estimated ²
Capturing Wider Changes in the System or Market	
Intervention plans capture systemic changes and are properly assessed. At sector level an innovative tool is under development that measures wider changes in market systems	The assumed copying ratios are not always verified
Tracking Programme Costs	
Costs are tracked per sector. The overhead costs include both the in-country as well as home-country costs	
Reporting Results	
Results are reported disaggregated for direct and indirect impacts. All results are corrected for overlaps. Costs and impact are reported but not published.	
Managing the System for Results Measurement	
An effective system is in place and in use, supported by sufficient resources	

Katalyst is constantly improving its measurement system. Major revisions of the measurement system took place in July 2010 and April 2012. The practice and documentation is constantly improving. The innovative wider systemic change tool reinforces designing and capturing broader market changes. The complex aggregation system and process is well designed and produces credible results.

² This requirement in Standard version V is no longer required in Standard version VI

Final ratings

MUST control points:

Rating Scale	Description	Programme Rating
171-190	Strong results measurement system	✓
152-170	Reasonable results measurement system	
133-151	measurement system	
114-132	Moderate results measurement system	
95-113	measurement system	
76-94	with notable weaknesses	
57-75		
38-56	Weak results measurement system	
19-37	measurement system	
0-18		

Recommended control points:

Rating Scale	Description	Programme Rating
128-160	Results measurement system with strong additional features	✓
96-127	Results measurement system	
64-95	with some additional features	
32-63	Results measurement system	
0-31	with few additional features	

3 Summary of the program and key issues that affect the measurement result system

Katalyst is a multi donor funded, market development program in Bangladesh. Katalyst enables small farmers and enterprises to become more productive and profitable by improving access to business and public benefit services (knowledge, information and inputs). Katalyst also works with government and private partners to improve the enabling environment. The second (5 year) phase started in March 2008. Katalyst works in 17 sectors, categorized in core sectors and cross sectors. The total number of interventions at present is around 105. Of the 17 sectors, Katalyst will continue to work in 11 of those sectors³.

Katalyst is divided into four Groups: Services Group (SG), Rural Sector Group (RSG), Industrial and Rural Services Group (IRSG), Business Enabling Environment Group (BEEG), all headed by Group Directors. The Monitoring and Results Measurement Group (MRM) is headed by a Group Director and Group Manager, and MRM focal points are appointed for each sector team. Within each group, group managers are responsible for intervention clusters and market teams, consisting of 2-3 business consultants supported by the MRM focal person, are responsible for a set of interventions. Measuring results is a shared responsibility between business consultants and MRM focal points. Katalyst also works through co-facilitators that implement interventions on behalf of Katalyst. Measuring results is then a shared responsibility by Katalyst and the co-facilitators.

For each sector, a Comprehensive Sector Strategy is developed and annually updated, that captures the sector analyses and elaborates on the sector intervention logic. Intervention Plans per intervention include the intervention rationale, the results chain, the measurement plan, the calculation sheets, additional information and sources and a cover sheet where changes are recorded during implementation. For every intervention, an Intervention Report is written that reports on changes, results, lessons learned and conclusions. All Intervention Reports feed into the programme reporting system, whereby the MRM section aggregates sector and programme results and management reports and publishes achievements in the (semi-) annual reports to donors.

The audit covers those sectors of the Katalyst portfolio of Phase 2 that are carried forward to phase 3. The at random selection (based upon the four groups) resulted in 2 core and 2 cross sectors to be audited. From each selected sector, three interventions were selected at random. The auditors were provided with all requested documents on the 3rd of January 2013 and selected external researchers and partners were invited and interviewed. Management and staff of Katalyst and the co-facilitators were available during the audit⁴

³ Maize, Vegetable, Fish, Prawn, Fertilizer, Seed, Packaging, ICT, Media, ILGS, Rural Distribution.

⁴ The PIJS3 intervention of ILGS closed before May 2011 (previous Audit) and the co-facilitator was not available

4 Summary audit process

The audit has reviewed a representative sample of the portfolio of Katalyst (17 sectors) that is being taken forward (11 sectors), thus excluding sectors that are not taken forward in phase 3⁵.

Katalyst has structured its portfolio under four Groups. At random, one sector was selected from each of the four Groups, since this ensures a good representative sample across Katalyst structure and portfolio.

Services Group (SG)	Rural Distribution (RD)
Rural Sectors Group (RSG)	Vegetables (VEG)
Industry and Rural Services (IRGS)	Fish
Business Enabling Environment (BEEG)	Improving Local Government Services (ILGS)

From each of these sectors, three interventions were selected, ad random, of which an overview is provided below.

RD (3 out of 6 interventions)

- RD-6 Rolling out of Project "Shetu-Bondhon" door to door Rural Distribution Model
- RD-7 Scaling up of RD-6 (Project "Shetu-Bondhon" door to door Rural Distribution Model)
- RD-9 Facilitate establishment of cost-effective rural agro input distribution channel targeting CBO based homestead producers

The Impact Assessment of Intervention RD-6 is combined with the Impact Assessment of upscaling intervention RD-7

VEG (3 out of 11 interventions)

- V-Rn-02 Increasing Cropping Intensity by promoting triple crops cultivation in greater Rangpur
- V-Rn-03 Promotion of early variety vegetable practices
- V-05 Increasing cropping intensity by utilizing lease land

FISH (3 out of 5 interventions)

- Fi 02 Ensuring Quality Brood Stock
- Fi 04 Capacity building of the feed companies to improve the feed quality and increase the production through linkage with feed ingredient seller and feed mill
- Fi 05 Strengthening the linkage between Patilwala and Hatcheries for the promotion of poly culture fish farming among small farmers

ILGS (3 out of 12 interventions)

- PIJS3 Organizational management and Advocacy Skill development for BMOs
- IL4 Capacity development of UZBMO and PPI
- IL5 Government Led Pilot

Intervention PIJS3 had been closed before the previous audit in 2011 took place. The relatively low scores from the previous audit have been applied in this audit as well.

⁵ Maize, Vegetable, Fish, Prawn, Fertilizer, Seed, Packaging, ICT, Media, ILGS, Rural Distribution.

For the selected interventions, interviews were held with Group Directors, Group Managers, business consultants, MRM focal persons of the respective sectors and the co-facilitators G-Mark (VEG), Innovision (FISH) and Helvetas Swiss Intercooperation (ILGS), as per annex 3.

For all audited sectors, the Comprehensive Sector Strategy (CSS), Concept Notes (CN) Intervention Plans (IP), Intervention Reports (IR), Sector review minutes and where applicable Interim and Final Impact Assessments (IA), were consulted, including support documents.

For Katalyst as a programme, the documents reviewed include the Annual Reports including the annexes, Cost tracking records, MRM manual as per April 2012, Aggregation manual and sheets (Sector Aggregation Files – SAF – and Katalyst Impact Aggregation System – KIAS), Job descriptions and Systemic Change documents, as well as thematic studies such as those on Gender and Employment, as per list in annex 2.

Based on these reviews and interviews conducted, the auditors submitted the audit report (draft version 1) to the DCED panel on 3rd February. The report was discussed with the panel on 22nd February; whereafter a second version is submitted to the Katalyst management.

Their management reponse will be considered by the panel, whereafter the auditors will submit the third (and final) audit report to Katalyst.

5 Control points

The program scores 183/190 points for the MUST control points and scores 133/ 150 for the RECOMMENDED control points. The maximum score (160) for the latter has been adjusted with 10 points due to the “non/applicable” result in compliance criterion 3.4 (extrapolation). All compliance criteria were verified.

Control Point	M/R	Rating	Justification
Section 1: Articulating the Results Chain			
1.1 A results chain(s) is articulated explicitly for each of the selected interventions.	M	9	<ul style="list-style-type: none"> Most results chains are thorough, logical, sufficiently detailed and realistic, and linking activities to goal levels. The CSS's clearly demonstrate that good research has been undertaken.
1.2 Mid and senior level programme staff is familiar with the results chain(s) and use them to guide their activities.	M	10	<ul style="list-style-type: none"> Business consultants, MRM focal points, group managers and director, co-facilitators and many partners provide evidence that results chains are used in their work
1.3 The results chain(s) are regularly reviewed to reflect changes in the programme strategy, external players and the programme circumstances.	M	10	<ul style="list-style-type: none"> Result chains are reviewed at least once a year and lead to intervention, strategic and portfolio decisions
1.4 The review process includes adequate consultation with programme stakeholders	REC	10	<ul style="list-style-type: none"> Partners and stakeholders are consulted on a regular basis
1.5 The results chain(s) include the results of broader systemic change at key levels.	REC	8	<ul style="list-style-type: none"> Most result chains show copying and crowding effects if these effects are expected Documents don't clarify the reasons for not expecting wider systemic changes. The “old” PIJ3 intervention did not show any systemic changes
1.6 The research and analysis underlying the results chain(s) take into account the risk of displacement.	REC	9	<ul style="list-style-type: none"> The CSSs demonstrate that displacement is unlikely to occur There is no concluding section in the CSS that discusses displacement explicitly, except for the RD interventions
Section 2: Defining Indicators of Change			
2.1 There is at least one relevant indicator associated with each key change described in the results chain(s)	M	9	<ul style="list-style-type: none"> There are relevant indicators for each key change Not all indicators in the measurement plan reflect the intended change
2.2 The universal impact indicators are included in the relevant results chain(s)	M	10	<ul style="list-style-type: none"> Outreach and Income indicators are included. Employment indicators are not provided but the justification in the MRM manual is valid

			<ul style="list-style-type: none"> The “old” PIJ3 intervention doesn’t provide these universal indicators
2.3 Indicators incorporate ways to assess the likelihood of lasting impact.	M	9	<ul style="list-style-type: none"> Most measurement plans provide sufficient quantitative sustainability indicators Qualitative information is obtained even though indicators are not explicitly listed
2.4 Anticipated impacts are projected for key indicators, to appropriate dates.	REC	9	<ul style="list-style-type: none"> Projections of key indicators are realistic and reviewed regularly Assumptions are not always made explicitly
2.5 Mid and senior level programme staff understand the indicators and how they illustrate programme progress	REC	10	<ul style="list-style-type: none"> Staff uses the indicators for their daily work and regular reviews
Section 3: Measuring Changes in Indicators			
3.1 Baseline information on key indicators is collected	M	7	<ul style="list-style-type: none"> The baseline construction is not reflected in the measurement plan Baselines are in practice often (re-) constructed using recall. However there are few cases where this did not work
3.2 All research is in line with established good practices (in terms of research design, sampling, quality control etc.)	M	10	<ul style="list-style-type: none"> Regular monitoring is intensive, Impact Assessment Plans are thorough and assessments apply good practices. However the research methodology and limitations are not always properly recorded
3.3 Qualitative information on changes at various levels of the results chain is gathered.	REC	10	<ul style="list-style-type: none"> Qualitative information is obtained even though indicators are not explicitly listed
3.4 Report changes in indicators that are extrapolated from pilot figure are regularly verified	REC	n/a	<ul style="list-style-type: none"> Validation of extrapolation is described in the MRM manual but not applicable for the sampled interventions
Section 4: Estimating Attributable Changes			
4.1 A clear and appropriate system for estimating attributable changes in all key indicators is in place	M	10	<ul style="list-style-type: none"> Impact Assessments apply appropriate attribution methodologies Not all measurement plans stated the attribution methodology explicitly, or when methodologies were changed this was not properly documented
4.2 Where the measured changes are due in part to the work of other, publicly funded programmes, then those contributions are acknowledged.	M	10	<ul style="list-style-type: none"> Contribution from public funded programs are acknowledged in the annual reports
4.3 The contributions of collaborating programs are estimated	REC	0	<ul style="list-style-type: none"> Financial values are not estimated
4.4 All private contributors	REC	8	<ul style="list-style-type: none"> Contributions from private sector partners are

to the changes claimed by the program are acknowledged			<p>always mentioned in the CSS's and Intervention Plans and Intervention Reports</p> <ul style="list-style-type: none"> • They are however not mentioned explicitly in the annual reports
Section 5: Capturing Wider Changes in the System or Market			
5.1 The results of systemic change at key levels in the results chain(s) are assessed.	REC	10	<ul style="list-style-type: none"> • The results of systemic change take into account attribution
5.2 Findings on impact include the results of systemic change at key levels	REC	10	<ul style="list-style-type: none"> • Systemic changes are assessed and reported as indirect impact
Section 6: Tracking Programme Costs			
6.1 Costs are tracked annually and cumulatively	M	10	<ul style="list-style-type: none"> • The accounting system tracks the in-country costs and home-country overhead costs. Not all home-country costs need to be included, hence the figure is higher than required
6.2 Costs are allocated by major component of the programme	REC	10	<ul style="list-style-type: none"> • The accounting system tracks the cost per group and sector. Costs are allocated according to number of business consultants per group and sector
Section 7: Reporting Results			
7.1 The programme documents estimate changes in key indicators due to the programme at least annually	M	10	<ul style="list-style-type: none"> • The program estimates impact at key change levels semi annually, including corrections for overlapping results for both projected and assessed impact. Projections are adjusted based upon the most recent information available
7.2 Reported changes in key indicators are disaggregated by gender	M	10	<ul style="list-style-type: none"> • Gender disaggregated data is not reported but justified in the MRM manual. Gender studies are on-going to report on the effect of interventions on gender
7.3 Costs are reported together with impact.	M	10	<ul style="list-style-type: none"> • Costs related to impact are presented in the annual reports
7.4 When the results of systemic change and/or other indirect effects are estimated, change figures are divided into "direct" and "indirect."	REC	10	<ul style="list-style-type: none"> • The reported impact is divided into direct and indirect impact
7.5 Results and related costs are reported per component	REC	10	<ul style="list-style-type: none"> • Costs related to impact are presented per sector in the annual sector review documents and in the annual reports
7.6 Results are published	REC	10	<ul style="list-style-type: none"> • The annual reports are published
Section 8: Managing the System for Results Measurement			
8.1 A clear and reliable system for measuring key indicators at appropriate	M	9	<ul style="list-style-type: none"> • There is a documented comprehensive monitoring and results measurement system in use

intervals is established.			<ul style="list-style-type: none"> The measurement plans are not always used as intended and there is limited documented guidance to ensure consistency for impact assessments
8.2 Task and responsibility for impact assessment have been specified	M	10	<ul style="list-style-type: none"> Tasks and responsibilities for measuring changes are specified and practised
8.3 The system is supported by sufficient human and financial resources	M	10	<ul style="list-style-type: none"> There are sufficient human and financial resources
8.4 The system is institutionalised	M	10	<ul style="list-style-type: none"> Measuring results is fully internalised by Katalyst and its co-facilitators
8.5 The results measurement system is organised to facilitate external audit	M	10	<ul style="list-style-type: none"> The audit has been facilitated with a summary list of documents relating control points
8.6 The findings of the system are used in programme management and decision making	REC	10	<ul style="list-style-type: none"> Findings are used for strategic and operational decisions

6 Summary of areas that require improvements

Articulating the Results Chain

Boxes at activity level appear more chronological than casual. Describe the activity clearly (who does what) and avoid using non-descriptive terms (“facilitate process”). If copying and or crowding is expected but did not (yet) happen, don’t remove the boxes during reviews but mark them (e.g. dotted) but state it won’t be measured during the Impact Assessments.

Defining Indicators of Change

The indicators listed in the measurement plan (the one or two indicators per box in the worksheet in the intervention plan) should be phrased in such a way that the more detailed assessment plans identify more and more specific indicators. Sustainability indicators should be included for all actors across the results chain.

Measuring Changes in Indicators

The measurement plan (i.e. the worksheet in the intervention plans) appears not to be effective or practical anymore. Consider a more practical (less time consuming, more guiding) plan that is time-sequential (when to do what) rather than the present plans which are causal (vertical). This would increase the attention for defining when and how baselines are constructed and when interim and final impact assessments are done.

Estimating Attributable Changes

The measurement plan (i.e. the worksheet in the intervention plans) only mentions the attribution method. Specifying more details at the planning stage can be useful to ensure the method is feasible. When changes are made, ensure these changes are documented.

Capturing Wider Changes in the System or Market

If copying and crowding-in the results chains remain visible and the consistency guidance in the attribution and impact assessment are addressed, systemic changes will be fully captured in quantitative and qualitative forms, and this can be linked better to the innovative systemic change documents.

Reporting Results

Add the private contributors in the acknowledgement section for publicly funded programmes in the annual reports.

Managing the System for Results Measurement

Address the imperfections to ensure the consistent collection of baseline and final impact assessments.

Annexes

- 1 Sector specific ratings (spread sheet)
- 2 Sector specific findings
- 3 List of documents reviewed
- 4 List of interviews conducted