

1. Overview

Program	Enterprise Partners		
Audit visit dates	16-20 April 2018		
Overall final ratings ¹	MUST		479/500= 96%
	RECOMMENDED		176/180- 98%
Coverage	Partial Audit that includes ongoing or closed interventions of: 1 Leather - Livestock and Leather (LAL) 2 Garments - Cotton, Textile and Apparel (CTA), 3 Horticulture - Fruits and Vegetables (FAV) 4 Investments (FIN) Partial audit that excludes; 1 Direct delivery programs SMEFP and WEDP (where the DCED Standard was not applied), 2 Financial Inclusion (the sector has been closed) 3 Project defined standalone activities, older interventions that were not aligned with the DCED standard, and interventions that have yet to start. All control points were checked.		
DCED Standard	Version VIII, April 2017		

Signed:

Enterprise Partners:

Nebil Kellow, Managing Director



Addis Ababa, May 11, 2018

Date / place

Auditors:

Hans Posthumus

Muaz Jalil



Date / place Boekel, 11th May 2018

Date / place Dhaka, 11th May 2018

¹ An overall rating of 100% implies that the project meets the compliance criteria and has a strong measurement system of acceptable quality within the boundaries of what the programme has set itself to measure, not that it has a perfect measurement system.

Table of Contents

1. Overview	1
2. Summary of the Programme and Results Measurement System	3
3. Summary of the Audit Process.....	4
4. Summary of Findings.....	7
5. Summary of Key Areas for Improvement	13
Annexes.....	13

Acronyms

CTA	Cotton, Textile and Apparel (core market)
DAI	Development Alternatives Incorporated
DCED	Donor Committee for Enterprise Development
DFID	Department for International Development
EP	Enterprise Partners
FIN	Finance (core market)
IA	Impact Assessment
IC	Investment Committee
IG	Intervention Guide
IM	Intervention Manager
IMP	Intervention Measurement Plan
FAV	Fruits And Vegetables (core market)
GG	Green Growth
LAL	Livestock And Leather (core market)
MRM	Monitoring and Results Measurement
RC	Results chain
SL	Sector Lead
QSR	Quarterly Strategic Reviews
WEE	Women Economic Empowerment

2. Summary of the Programme and Results Measurement System

2.1 Summary of Enterprise Partners (EP)

Enterprise Partners (EP) is established to facilitate agro-industrial growth and enable access to finance in Ethiopia. The project is funded by the UK's Department for International Development (DFID), and implemented by DAI and its consortium partners: First Consult, Itad, Enclude, and BCaD. EP identifies key constraints to job creation and income growth and develops socially and environmentally responsible strategies for overcoming them by working with industry actors to introduce new business models. EP aims to facilitate the creation of 45,000 jobs (consisting of 75% women) and increase the incomes of 65,000 poor households. The project started in 2014 and will continue until 2020².

The present portfolio consists of 85 interventions in 5 core sectors :

1. Leather - Livestock and Leather (**LAL**) with Tanning and Leather products markets (16 interventions)
2. Garments - Cotton, Textile and Apparel (**CTA**) with Cotton, Apparel and Labour markets, (19 interventions)
3. Horticulture - Fruits and Vegetables (**FAV**) with Smallholder farmer production markets, Export markets and Processing markets (14 interventions)
4. Investments (**FIN**) with Private capital market, SME finance market and Investment promotion market (23 interventions) and
5. Financial Inclusion (**FIN**) (13 interventions)

The programme is managed by Development Alternatives Inc. (DAI). The Managing Director steers the Technical Director, MRM-lead, the Portfolio-Lead and the Deputy Managing Director who heads Operations. The Technical Director steers the sector leads, who each steer 2-4 Intervention Managers (per sector). The MRM Lead steers 4 MRM-focals who are allocated to specific sectors and markets.

2.2 Key features of the results measurement system

EP aimed to comply with the DCED Standard for Results Measurement from the start of the programme. The Monitoring and Results Measurement system was set up with support of external technical experts. Intervention Guides (IG) are developed for each intervention before interventions are approved by the Investment Committee³, after which contracts are signed with partners. The IG includes: cover page (summary), strategy (key features, including thematic issues like environment and gender), actors (capacities and incentives) risks, results chains, baseline and attribution plan, Intervention Measurement Plan (IMP) including projections (and achievements), assumptions (for detailed projections). Assessments are done by the MRM-focals, often in combination with the Intervention Managers. Quarterly Strategic Reviews (QSR) are held to analyse results and use the information to make management decisions. Learning reports are developed at the end of the intervention period. Impact data are aggregated and reported annually. EP's strategy includes Women Economic Empowerment

² EP Annual Report October 2017

³ IC is an Internal Committee mainly comprising of Managing Director, Technical director, Portfolio lead, MRM lead, Gender Advisor and Green Growth Advisor.

(WEE) and Green Growth (GG) in a cross-cutting manner. Impact, outcome and output data are gender disaggregated. Specific indicators are developed to assess the environmental impact for selected interventions.

EP aims to achieve sustainable market system changes. Its MRM system includes tools to assess changes at market level and at target beneficiary level. EP applies the AAER-matrix⁴ for market level changes: expected systemic changes are reflected in the results chains and plans to assess systemic changes are included in the IMP. Recently, EP piloted a new framework (4I) to assess systemic changes. Systemic changes at target beneficiary level have not been assessed because significant systemic change has not occurred yet. An external impact evaluation has been contracted by the donor. This consortium is to complement EPs intervention and market level assessments. They have conducted sector level baselines and other additional researches during the program period. They have recently revised their plans and are in the process of planning additional research to assess (systemic) impact at market and target beneficiary level.

Baselines and impact assessments have not yet been undertaken for the target beneficiaries level, and systemic changes at market and target beneficiary level have not yet occurred, are thus not assessed. This implies that the relevant control points are scored as Not Applicable (N/A).

2.3 Evolution of the results measurement system

The MRM system was developed with the assistance of consultants. The present RM Lead has been employed since 2016. Over the last three years, more MRM focals have been employed to meet the increasing workload. Most of the intervention managers and MRM-focals have been trained and coached to perform their MRM tasks. In 2016, Quarterly Strategic Reviews (QSR) have been introduced to review sectors and interventions more systematically. External MRM specialists provide technical assistance regularly to further improve the MRM system.

3. Summary of the Audit Process

EP was audited under Version XIII, published in April 2017. Although EP addresses more sectors, this audit only covers the aforesaid sectors and interventions. The following summary table was developed based on the information provided by EP, outlining various sector dimensions for the interventions that were eligible for the audit :

Table 1: Summary table of sectors and Interventions

	Number of Interventions			Budget			Outreach			Overall
	# interventions	# interventions (in %)	Weight	Spending per Sector (in GBP 1000)	Spending per Sector (in %)	Weight	Outreach	Outreach (in %)	Weight	
CTA	6	25%	2	14,440	83.37%	4	57,690	63.13%	4	10
										1

⁴ Adopt-Adapt-Expand-Respond Matrix

FAV	2	8%	1	86	0.50%	1	9,400	10.29%	2		4	4
FIN	7	29%	3	1,131	6.53%	2	19,400	21.23%	3		8	2
LAL	9	38%	4	1,663	9.60%	3	4,900	5.36%	1		8	2
Total	24	100%		17,320	100%		91,390	100%				

Based on their ranking status and the total number of interventions, three instead of two sectors were selected to ensure a wider representation across EPs portfolio: CTA, FIN and LAL. The number of interventions per sector to be selected is visualised in table 2.

Table 2: Intervention Selection

	Number of Auditable Interventions		
	# interventions (Sampling Frame)	Square Root	Round Down
CTA	6	2.449	2.00
FIN	7	2.646	2.00
LAL	9	3.000	3.00
Total	22	8.095	7

First, two interventions (LAL-12 and LAL-14) were excluded from the frame because they were not auditable as they had reached insufficient maturity. Secondly, three interventions (one in each sector) were selected purposively to ensure that interventions that reached impact level changes and/or the most expensive interventions were included in the sample. The remainder were selected at random as visualized in table 3.

Table 3: Intervention Selection Process

Sector	Intervention Code	Selected (Y/N)	Methodology
CTA	CTA-15	N	n/a
	CTA-04	Y	Random
	CTA-09	N	n/a
	CTA-07	N	n/a
	CTA-08	Y	Purposive; One of the two intervention in the list with impact level maturity. Also the intervention with highest cost in the Garments sector
	CTA-18	N	n/a
FIN	FIN-15	Y	Random

	FIN-07	Y	Purposive; One of the costliest intervention in the Investment sector and has output level maturity
	FIN-19	N	n/a
	FIN-20	N	n/a
	FIN- 25	N	n/a
	FIN-23	N	n/a
	FIN- 26	N	n/a
LAL	LAL-06	N	n/a
	LAL-07	Y	Random
	LAL-09	Y	Purposive; One of the two intervention in the list with impact level maturity
	LAL-12	N	Not-auditable
	LAL-14	N	Not-auditable
	LAL-05	Y	Random
	LAL-10	N	n/a
	LAL-11	N	n/a
	LAL-13	N	n/a

The selected interventions and their status are summarised in table 4.

Table 4: Selected interventions

Intervention	Starting date	Current Level of Progress	Active/Closed
CTA 04	April 2016	Output	Active
CTA 08	July 2016	Impact	Active
FIN 15	October 2016	Outcome	Active
FIN 07	July 2017	Output	Active
LAL 07	Oct 2015	Output	Closed
LAL 09	Jun 2016	Impact	Active
LAL 05	July 2016	Outcome	Active

4. Summary of Findings

EP scored 96% (479 out of a possible 500 points) for 'must' compliance criteria and 98% (176 out of possible 180 points) for 'recommended' compliance criteria.

The maximum 'must' and 'recommended' scores have been adjusted to exclude the compliance criteria that were not applicable. These compliance criteria are related to baselines, impact assessments and assessing and reporting systemic changes.

The program has plans and constructed baselines for market actors where relevant. The program has plans to reconstruct baselines for target beneficiaries together with the impact assessments at target beneficiary level. These impact assessments are to be combined with the external impact evaluation. However, research plans to assess impact for the target beneficiary level have not yet been developed and impact has not been assessed.

The program has plans to assess systemic changes. However, the interventions haven't yet led to systemic changes and are thus not assessed. Two interventions have achieved systemic change (CTA-08, FIN-07), but these haven't been assessed yet at target beneficiary level.

Therefore, the control points that are not applicable are thus establishing baselines (3.1.2 and 3.1.3) assessing impact (3.3.2, 3.3.3), plans and assessments of systemic change (4.2.4, 4.2.5, 4.2.6, 4.2.7) and reporting systemic change (6.3.1 and 6.3.2)⁵.

Table 1 summarizes the scores for each section of the DCED Standard. Detailed scores are outlined in Annex 1.

Table 5: Score by DCED Standard Section (disaggregated as mandatory and recommended compliance criteria)

		Total maximum	Total actual	%
Section 1: Articulating the results chain	Must	80	79	99
	Rec	15	15	100
Section 2: Defining indicators and other information needs	Must	80	79	99
	Rec	45	42	93
Section 3: Measuring attributable change	Must	105	105	100
	Rec	50	49	98
Section 4: Measuring systemic change	Must	-	-	-
	Rec	40	40	100
Section 5: Tracking costs and impact	Must	55	45	82
	Rec	20	20	100
Section 6: Reporting results and costs	Must	50	45	90
	Rec	10	10	100
Section 7: Managing the results measurement system	Must	130	127	98
	Rec	-	-	-

⁵ The relevant control points are only to be assessed if both market and target beneficiary levels are assessed.

Totals	Must	500	479	96
	Recommended	180	176	98

The following sub-sections outline the scores for each control point and summarize the findings according to the strengths and weaknesses of each section. More detailed findings for each sector are outlined in **Annex 2**.

4.1 Section 1: Articulating the results chain

Table 6: Score: Articulating the results chain

No.	Control points	Must/ Rec	Std max. score	Actual score
1.1	An appropriate, sufficiently detailed and logical results chain(s) is articulated explicitly for each intervention.	M	20	19
1.2	Each intervention results chain is supported by adequate research and analysis	M	15	15
1.3	Mid and senior level programme staff are familiar with the results chain(s) and use them to guide their activities.	M	25	25
1.4	The intervention results chain(s) are regularly reviewed to reflect changes in the programme strategy, external players and the programme circumstances.	M	20	20
1.5	Each intervention results chain is supported by adequate research and analysis on gender.	R	5	5
1.6	Each results chain is supported by research and analysis that considers the risk of displacement.	R	10	10

Strengths	Weaknesses
There are intervention results chains for each intervention. They are mostly logical and sufficiently detailed. They are supported by adequate research. Critical external assumptions are identified at intervention level. Gender is considered at intervention level. The risk of displacement at the target beneficiaries level is considered and documented. Results chains are regularly reviewed.	Not all results chains are fully logical and results chains sometimes lack detail. Specific critical assumptions at the intervention level are not always included in the risk assessment that combines internal and external risks.

4.2 Section 2: Defining indicators of change and other information needs

Table 7: Score: defining indicators of change and other needs

No.	Control points	Must/ Rec	Std max. score	Actual score
2.1	There is at least one relevant indicator associated with each change described in the results chain(s).	M	10	10
2.2	Qualitative information on how and why changes are occurring is defined for each intervention.	30	30	30
2.3	A small number of indicators at the impact level can be aggregated across the programme.	M	20	20
2.4	There are specific indicators that enable the assessment of sustainability of results.	M	10	10
2.5	Mid and senior level programme staff understand the indicators and how they illustrate programme progress.	M	10	9
2.6	There are specific indicators that enable the assessment of gender-differentiated results.	R	10	10
2.7	Anticipated impacts are realistically projected for key quantitative indicators to appropriate dates.	R	35	32

Strengths	Weaknesses
Specific and relevant indicators are defined to assess changes, including changes at the impact level. Behavioural changes for market actors are assessed in practice. Indicators to assess the likelihood of sustainability are defined for most actors and assessed in practice. Indicators to assess gender-differentiated results are defined. Staff understands and uses the indicators to assess progress. There are detailed projections up to impact level and up to the program ending, and these are reviewed regularly.	For some interventions, a few indicators are missing or are not appropriate. Qualitative indicators to assess all behavioural changes are not always included in the measurement plans. Sometimes indicators to assess gender differentiated results at market level are lacking. Some assumptions that are used to make projections are not well supported with appropriate evidence, the assumptions and sources are not always correct or properly documented, and some projections have mistakes in the calculation.

4.3 Section 3: Measuring attributable change

Table 8: Score: Measuring attributable change

No.	Control points	Must/ Rec	Std max. score	Actual score
3.1	Baseline information on all key indicators is collected.	M	10	10
3.2	Monitoring information on all key indicators is collected.	M	60	60
3.3	Impact assessment is conducted to assess attributable changes in all key indicators in the results chains using methods that conform to established good practice.	M	10	10
3.4	The programme implements processes to use information from monitoring and results measurement in management of interventions and decision making.	M	25	25
3.5	The programme has a system for assessing and understanding differentiated results by gender.	R	30	29
3.6	The programme monitors to identify unintended effects.	R	20	20

Strengths ⁶	Weaknesses
<p>There are plans to collect baseline information, and data is collected using good research practices at the market level. Plans to collect monitoring information exist and information is obtained appropriately, taking into account attribution. Plans to assess impact on target beneficiaries exist and take into account attribution. Where assessing attribution isn't feasible, there are plans to assess EP's contribution to the changes. Plans to assess gender differentiated results are in place. The system to use information from monitoring and assessing impact is used to manage the interventions. There is a system to collect and assess unintended effects.</p>	<p>Sometimes baseline information that is collected for market actors is not sufficiently triangulated. Baselines for target beneficiaries are planned to be combined with impact assessments, hence no information is available now. Often there are no plans to assess gender differentiated results at support market level. Monitoring information that has been obtained is reflected in reports but is not always reported in the Intervention Guides. There is a high dependency on the external impact evaluations to assess impact at beneficiary level. The time delay and focus on project level attribution (rather than intervention level attribution) may limit use of such findings for intervention steering and design (decisions around scale up).</p>

⁶ Baselines and impact assessments have not been undertaken for target beneficiaries level, hence N/A

4.4 Section 4: Capturing wider changes in the system or market

Table 9: Score: capturing wider changes in the system or market

No.	Control points	Must/ Rec	Std max. score	Actual score
4.1	The programme has an overall plan for assessing systemic changes at programme level.	R	10	10
4.2	Systemic changes are assessed at market systems level and beneficiary level using appropriate methods. ⁷	R	20	20

Strengths	Weaknesses
The programme has an overall plan for assessing systemic changes. There are plans to assess systemic change at market level and target beneficiary level for each intervention.	There is a high dependency on the external impact evaluations to assess systemic impact. The time delay and focus on project level attribution (rather than intervention level attribution) may limit use of such findings.

4.5 Section 5: Tracking costs and impact

Table 10: Score: Tracking costs and impact

No.	Control points	Must/ Rec	Std max. score	Actual score
5.1	Costs are tracked annually and cumulatively.	M	20	20
5.2	Programme-wide impact is clearly and appropriate aggregated	M	35	35
5.3	Costs are allocated by major component of the programme.	R	20	20

Strengths	Weaknesses
The program tracks in-country costs annually and cumulatively. The program aggregates impact indicators annually taking into account overlaps. An annual report that describes results is produced.	Results are aggregated by the MRM lead and Portfolio Advisor based upon discussions and assessments that have been undertaken. This process is not well documented. The aggregation system does not directly link back to the results documented in the Intervention Guides. Quality assurance is insufficient.

⁷ The program has developed plans to assess systemic change, yet the expected systemic change has not yet occurred

4.6 Section 6: Reporting costs and results

Table 11: Score: Reporting costs and results

No.	Control points	Must/ Rec	Std max. score	Actual score
6.1	The programme produces a report at least annually which describes results to date.	M	50	45
6.2	Results of gender impact are reported.	R	N/A	N/A
6.3	Results of systemic change are reported.	R	N/A	N/A
6.4	Results are published.	R	10	10

Strengths	Weaknesses
An annual report that describes the results is produced and published. This report provides information on progress, assessed changes including gender, the reasons for those changes and the partners contributing to those changes.	The annual report provides limited qualitative information on the progress towards sustainability of results at market and target beneficiary level. A summarised overview that distinguishes between attributable results and results to which EP has contributed is missing.

4.7 Section 7: Managing the system for results measurement

Table 12: Score: Managing the system for results measurement

No.	Control points	Must/ Recommended	Std max. score	Actual score
7.1	The programme has a clear system for using information from the results measurement system in management and decision-making.	M	30	30
7.2	Sufficient human and financial resources support the system.	M	50	49
7.3	The system is well managed and integrated with programme management.	M	50	48

Strengths	Weaknesses
The system provides information that is used to make management decisions. The system is well integrated and the quality is sufficiently ensured in practice. The system is mostly supported by sufficient and skilled human resources. Roles and responsibilities are defined and integrated in human resource management. Staff have access to guidance and financial resources are provided.	Quality assurance does not systematically cover each MRM task. The workload is high, and the MRM-lead needs to provide intensive support to MRM-focals and is responsible for most other MRM tasks that need to be undertaken.

5. Summary of Key Areas for Improvement

There are no key areas that need to be addressed, as evidenced by the relative high scores for each control point⁸. Outlined below are some aspects to further improve the existing system.

1. Ensure that all results chains are sufficiently detailed, reflecting all key activities and clearly wording the specific changes at support and core market level.
2. Ensure that critical external assumptions are specified for each intervention, possibly separately from the internal risks that are documented in the risk analyses table.
3. Ensure that qualitative indicators for each behavioural change as well as indicators to assess the likelihood of sustainability are defined for each market actor in the IMP of the IG.
4. Ensure a process is in place to further integrate assessments of gender differentiated impact in the MRM system. Ensure that indicators to assess gender differentiated results at market level and plans to assess them are included in the IMP of the IG.
5. Ensure that projections include appropriate assumptions and references to sources, and that they are free of mistakes.
6. Ensure consistent use of dates i.e. either use Ethiopian or Gregorian Calendar, not a mix of both.
7. Review the aggregation system; ensure that IGs are updated and that the aggregation system links to these IGs; improve the quality assurance of the aggregation system; add or develop a similar system to aggregate projections.
8. Ensure the annual report provides information on the progress towards sustainability of results at market and target beneficiary level, and includes a summary overview that distinguishes between attributable results and results to which EP has contributed.
9. Ensure that the roles and responsibility matrix is updated and include quality assurance responsibilities.
10. Review the present and future workload of the staff to ensure sufficient human resources.
11. Ensure closer coordination between EP and the external impact evaluation team when and how (systemic) impact assessments will be done. If need be, plan and conduct assessments at market and beneficiary level for each intervention as soon as these impacts occur.

Annexes

(Separate document)

1. Overall and sub-sector specific ratings
2. Sub-sector specific findings
3. List of documents reviewed
4. List of interviews conducted.

⁸ Baselines and impact assessments have not been undertaken for target beneficiaries level, hence N/A. Systemic changes at market and target beneficiary level have not yet occurred yet, are thus not yet assessed, hence N/A