

Auditors' Report for PPSE Kosovo
on compliance with the DCED Standard for Results Measurement

23rd March 2020

1. Overview

Program	Promoting Private Sector Employment (PPSE)	
Audit visit dates	4-6 March 2020	
Overall final ratings ¹	MUST	581/600=97%
	RECOMMENDED	212/225=94%
Coverage	Partial audit for Phase II including two main sectors (Food and Natural Ingredients and Tourism) excluding social inclusion fund grants	
	All control points were checked.	
DCED Standard	Version VIII, April 2017	

Signed:

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Date / Place

Auditors:



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Date / Place



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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.

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Acronyms

SP	Service Provider
DCED	Donor Committee for Enterprise Development
IA	Impact assessment
IP	Intervention Plan
MRM	Monitoring and Results Measurement
PPSE	Promoting Private Sector Employment
RC	Results chain
SDC	Swiss Agency for Development and Cooperation
SME	Small and Medium Enterprises
WEE	Women's Economic Empowerment

2. Summary of the Programme and Results Measurement System

2.1 Summary of PPSE²

Promoting Private Sector Employment (PPSE) is a project in Kosovo financed by the Swiss Agency for Development and Cooperation (SDC) and implemented by a consortium of Swisscontact and Riinvest Institute. PPSE started implementation of Phase II (November 2017 to November 2021), after successful completion of the implementation of Phase I (November 2013 to November 2017). The project uses the Market Systems Development (MSD) approach, using practical sector analysis which includes assessing sector problems, underlying causes, related services and their weaknesses, and actors. This leads to in proposed interventions.

The goal of the project is to facilitate the creation of gainful and inclusive employment for young men, women and minorities benefiting from dynamic SME's in growing sectors. PPSE works through facilitating sustainable interventions that leads SMEs to improve their offer, efficiency and competitiveness within growing, improved, better organized and more inclusive market systems. The project is focused on two main sectors: the Food and Natural Ingredients sector, and the Tourism sector. The audit scope covered both sectors which included the following interventions:

Sector	Intervention
Tourism	<ul style="list-style-type: none"> • T2-Development of Tourism Products • T6-International Promotion • T7- Sector Coordination • T8- Turkish Market Promotion
Food and Natural Ingredients	<ul style="list-style-type: none"> • FNI1 - Product Development • FNI2 - Strengthening Contract Farming System • FNI3 - Introduction of Specialized Seedling Producers • FNI4 - Facilitation of Certification Programs • FNI5 - Facilitation of Trade Linkages

PPSE's work on social inclusion grants is not included in the scope of the audit.

2.2 Key features of the results measurement system

PPSE has adopted the DCED Results Measurement Standard to guide the internal monitoring and results measurement system and follows the Swisscontact MRM guidelines for implementation of the system. The work in each sector is underpinned by a sector strategy. Before each intervention starts, the staff prepare an intervention concept note that outlines how the intervention links to the sector strategy and what it aims to achieve.

All staff are involved in monitoring and results measurement. PPSE's sector facilitators take the lead in developing an intervention plan that summarizes the intervention and how the team expects to monitor and measure progress. In addition to a summary of the intervention, the intervention plan includes a

² Taken largely from the assignment Terms of Reference.

results chain, indicators, assumptions, projections and results, a monitoring plan, expected systemic changes using the Adopt, Adapt, Expand, Response (AAER) framework³ and log sheet.

Sector facilitators take the lead in monitoring the intermediate results of interventions and gathering market intelligence to identify unintended effects and signs of systemic change. PPSE conducts impact assessments among the beneficiaries of interventions annually, in order to generate primarily quantitative information on impacts such as increased SME's incomes and job creation. The impact assessments are carried out internally with hired enumerators when needed. The PPSE staff conduct periodic field visits to check on progress and gather additional information on results. For each intervention, PPSE worked closely with a limited number of beneficiary SMEs. Hence the information on progress and results can be easily collected on a regular basis.

PPSE uses the AAER framework to help staff to identify and monitor systemic changes related to interventions. PPSE also uses the AAER framework at the sector level to aggregate results from relevant interventions within the sector. PPSE plans to conduct assessments on systemic change for mature interventions in 2020.

An MRM specialist manages PPSE's results measurement system across all sectors. The MRM specialist takes the lead in designing and overseeing impact assessments and coordinating the aggregation of results for reporting and also provides support to the implementation team in all aspects of the MRM system. The MRM specialist also oversees the annual tourism supply side survey that aims to capture industry-wide changes in terms of revenue and employment.

PPSE has a structured system of semi-annual sector reviews to discuss progress based on information on results and adapt interventions and sector strategies to maximize results. PPSE also has weekly team meetings to discuss progress on implementation and related issues.

2.3 Evolution of the results measurement system

During its first phase, PPSE commissioned a pre-audit review of its results measurement system in 2016. The review identified strengths and gaps related to the compliance of the system with the DCED Results Measurement Standard. Since 2016, PPSE has been working to address the identified gaps in order to achieve compliance with the Standard.

3. Summary of the Audit Process

PPSE was audited under Version 8 of the DCED Results Measurement Standard, published in April 2017. The audit only covered Phase II and the project's 2 main sectors which are food and natural ingredients and tourism, excluding social inclusion grants.

The sample selection process for the audit is a two-stage process.

- I. The first stage is to select the sectors. Since there are only 2 sectors in PPSE, both sectors are included.

³ For more information, see <https://www.springfieldcentre.com/adopt-adapt-expand-respond-a-framework-for-managing-and-measuring-systemic-change-processes/>

The audit reviewed a representative sample of all interventions in these sectors. The number of interventions per sector were selected as described in the next section.

- II. Intervention selection: For food and natural ingredients, there are five interventions and two had to be selected in order to meet the requirements of the Standard (The square root of 5 rounded down = 2). FNI 2 was purposively selected as it has the highest impacts generated. FNI 1 was selected randomly using a website that generates random numbers (www.randomizer.org). For Tourism, there are four intervention and two had to be selected in order to meet the requirements of the Standard. T6 was purposively selected as it has the highest impacts generated. T8 was selected randomly using the same website. All interventions selected are still on-going.

The interventions selected can be seen in the following table:

Table 1: Interventions Selected for the Audit

Sector	Code	Intervention name	Total Budget (Euro)	Start date	Expected end date	Reported No. of People Benefited
Food and Natural Ingredient	FNI1	Product Development	170,000	2018	2021	76
	FNI2	Strengthening Contract Farming System	390,066	2018	2020	2,523
Tourism	T6	International Promotion	76,500	2018	2021	56
	T8	Turkish Market Promotion	28,400	2019	2020	10

The audit scored against all control points. However, selected compliance criteria in the Standard were found to be not applicable and were not scored. Specifically:

- Compliance criteria 4.2.3 and 4.2.5 could not be scored for all interventions because it is still too early to see the results of systemic change at the level of end-beneficiaries. Hence, PPSE has not yet developed plans to assess them.
- Compliance criteria 4.2.6, 4.2.7, 6.3.1 and 6.3.2 could not be scored for all reviewed interventions because PPSE had not yet assessed the results of systemic change at the market actors and beneficiary levels for all interventions.

4. Summary of Findings

PPSE scored 97% (581 out of a possible 600 points) for 'must' compliance criteria and 94% (212 out of possible 225 points) for 'recommended' compliance criteria. As noted above, some compliance criteria in the Standard are not applicable for PPSE and were not scored. Hence, the maximum 'must' and 'recommended' scores have been adjusted to exclude the compliance criteria that were not scored.

Table 2 summarises the scores for each section of the DCED Standard. Detailed scores are outlined in Annex 1.

Table 2: Scores by DCED Standard Section
(disaggregated mandatory and recommended compliance criteria)

		Total maximum	Total actual ⁴	%
Section 1: Articulating the results chain	Must	80	80	100
	Rec	15	15	100
Section 2: Defining indicators and other information needs	Must	80	79	99
	Rec	50	47	93
Section 3: Measuring attributable change	Must	205	197	96
	Rec	80	80	100
Section 4: Measuring systemic change	Must	N/A	N/A	N/A
	Rec	40	36	89
Section 5: Tracking costs and impact	Must	55	55	100
	Rec	20	20	100
Section 6: Reporting results and costs	Must	50	45	90
	Rec	20	15	75
Section 7: Managing the results measurement system	Must	130	125	96
	Rec	N/A	N/A	N/A
Totals	Must	600	581	97
	Recommended	225	212	94

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

⁴ The actual scores have been rounded up. If the deductions are less than 0.5 points, the scores are rounded up to full points.

4.1 Section 1: Articulating the results chain

Table 3: Score: Articulating the results chain

No.	Control points	Must/ Rec	Std max. score	Actual score ⁵
1.1	An appropriate, sufficiently detailed and logical results chain(s) is articulated explicitly for each intervention.	M	20	20
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
All interventions have results chains. They are mostly logical and sufficiently detailed.	In some interventions, the results chains have a few minor discrepancies in logic and detail.
The intervention plans include key critical external assumptions/risks to the interventions. The sector results chains, sector strategies, intervention concept notes and partnership agreements explain the link of the interventions to the sector strategies and the evidence supporting the links between the changes outlined in the results chains.	
Staff can clearly explain the results chains, describing how the activities are expected to lead to changes in outputs, outcomes and impacts. Staff provided clear examples of how they use the results chains in their work to guide monitoring and review of progress and to consider adaptations during sector review meetings.	
The results chains are reviewed semi-annually with the reviews recorded in each IG log. Staff provided examples of changes they have made to results chains to reflect changes in strategy based on information on results.	
Gender issues has been considered in the design of the interventions.	
Each intervention plan outlines the risk of displacement related to the intervention. Staff explained why there was minimal risk of displacement for farmers, workers	

⁵ The actual scores have been rounded up. If the deductions are less than 0.5 points, the scores are rounded up to full points.

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

Table 4: Score: Defining indicators of change and other information 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.	M	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	9
2.5	Mid and senior level programme staff understand the indicators and how they illustrate programme progress.	M	10	10
2.6	There are specific indicators that enable the assessment of gender differentiated results.	R	15	13
2.7	Anticipated impacts are realistically projected for key quantitative indicators to appropriate dates.	R	35	34

Strengths	Weaknesses
There are indicators for all changes outlined in the intervention results chains. The indicators are mostly specific and relevant to the changes outlined.	For some interventions, a few indicators are not clearly specified.
There are qualitative indicators in the MRM plans and/or questionnaires for data collection for all interventions. Qualitative information is relevant to understanding how and why changes are occurring.	
Net additional income and jobs created are included in the intervention MRM plans.	
There are indicators in the MRM plans to assess sustainability for all market actors involved in the interventions. For the most part, the indicators cover both quantitative and qualitative aspects of sustainability and are relevant, specific and measurable.	In a few cases, the indicators defined are insufficient to adequately assess sustainability for some of the actors.
Staff understand the indicators and how they illustrate progress of the interventions.	
There are plans in the measurement plans to disaggregate relevant indicators by women and men.	For some interventions, qualitative information on why women are able to or not able to participate is inadequate.
Anticipated impacts are realistically projected for all interventions. Projections are based mainly on direct discussions with SMEs. Most of the assumptions made are realistic.	In one case (FNI1), some assumptions, sources and calculations are not clearly documented.

4.3 Section 3: Measuring attributable change

Table 5: 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	60	60
3.2	Monitoring information on all key indicators is collected.	M	60	55
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	60	57
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	60	60
3.6	The programme monitors to identify unintended effects.	R	20	20

Strengths	Weaknesses
For FNI, the baseline information for SME beneficiaries are collected as part of the contracting process. The farmer baseline on previous utilization of contract farming lands is collected using recall. For Tourism, impacts will only be assessed from the new packages introduced as results of the interventions. Hence, the quantitative baseline is zero.	
There are MRM plans for all interventions. The planned timing and responsibility for monitoring are logical and clear. The methods to assess attribution at the market player level are satisfactory. The monitoring information is collected regularly and some of the information is compiled and summarized in the MRM plans and/or impact assessment reports.	Some of the qualitative information collected is not systematically analysed, compiled and linked back to the changes in the results chain boxes.
The impact assessments have been planned and carried out on an annual basis. For most of the interventions, methods to assess attribution are adequate. The impact assessments conducted also followed good research practices in terms of sample size, sampling methodology and quality control measures. Each impact assessment report was produced by sector facilitators supported by the MRM specialist. The impact assessment reports also included summaries of some of the monitoring information collected throughout the year.	For FNI 1, the method to assess attribution for improved products is insufficient to establish the counterfactual. For FNI 2, the multiplier used to estimate indirect jobs is inappropriate.
Staff can explain the semi-annual sector review process for assessing the progress of interventions and sectors based on information on results. Staff provided clear examples of using information to manage and adjust interventions. PPSE managers can describe the process	

for using information on results to inform sector and portfolio development. They provided clear examples of shifting resources, closing interventions and adding new intervention based on information on results.	
There are plans in the intervention plan to disaggregate relevant indicators by women and men. Gender disaggregated results are collected as planned.	
Information on the unintended effects of interventions is collected as a part of systemic change monitoring. The unintended effects detected are documented in the impact assessment reports and their implications are discussed in the sector review meetings.	

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

Table 6: 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	7
4.2	Systemic changes are assessed at market systems level and beneficiary level using appropriate methods.	R	30	29

Strengths	Weaknesses
The PPSE MRM Manual includes a definition of systemic change and an approach for how information on systemic change will be collected and analysed.	The approach does not include a methodology to assess the impacts on indirect beneficiaries.
The pathways of expected systemic changes at the intervention level are outlined in the systemic change tabs of the intervention guides using the AAER framework. For each sector, sector systemic change framework is used to aggregate results from relevant interventions within the sector. There are plans to gather information on systemic changes among market actors in the systemic change tabs of the intervention plans. The plans are mostly adequate.	For FNI 1, the plan is insufficient to assess the causal links between the intervention and crowded-in SMEs.

4.5 Section 5: Tracking costs and impact

Table 7: 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 appropriately aggregated.	M	35	35
5.3	Costs are allocated by major component of the programme.	R	20	20

Strengths	Weaknesses
PPSE has an adequate financial system to track costs annually and cumulatively. The financial system has also been audited.	
There is an adequate system for aggregating results across interventions and sectors for reporting. The potential overlaps among interventions are assessed and corrected before results are entered into aggregation system. Figures can be traced from the intervention impact assessment files to the aggregation file and then to external reports.	
The financial system tracks costs by output. These figures are clearly reported internally and utilized in team meetings.	

4.6 Section 6: Reporting costs and results

Table 8: 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	10	10
6.3	Results of systemic change are reported.	R	N/A	N/A
6.4	Results are published.	R	10	5

Strengths	Weaknesses
PPSE produces annual reports that describe results and expenditures. The 2018 annual report ⁶ provides both quantitative and qualitative information on progress and achievements, and adequately discusses how and why changes are occurring at each level.	Additional jobs reported include direct, indirect and induced jobs. However, the figures in the report are not clearly disaggregated by these categories.
In the progress report, the total amount of private sector partners' investment is reported. There is also a comprehensive map of all donor funded programmes that are working in the same sector and related activities. Their contributions are reported where relevant.	
The 2018 annual report includes data disaggregated by women and men for additional jobs created.	
Results are publicly published on the website.	Expenditures are not publicly published.

⁶ The 2019 annual report was not yet available at the time of the audit.

4.7 Section 7: Managing the system for results measurement

Table 9: 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	The system is supported by sufficient human and financial resources.	M	50	50
7.3	The system is well managed and integrated with programme management.	M	50	45

Strengths	Weaknesses
The MRM Manual describes the system of weekly team meetings and semi-annual sector review meetings to channel information on results into intervention and sector management. Staff were able to explain the systems for using information to manage the project. The systems are appropriate and the staff and managers actively use them.	
The MRM system is supported by sufficient human and financial resources. Staff have been trained to implement the system. Staff have sufficient time and capacity to carry out required MRM related tasks. There is a dedicated MRM specialist to support the sector facilitators on MRM related tasks. The MRM specialist is also supported by the Swisscontact regional MRM advisor when needed.	
The quality control of MRM activities and outputs is adequate. MRM related roles and responsibilities are appropriately allocated. Staff clearly understand their roles and responsibilities in relation to MRM. MRM is included in all relevant job descriptions and is well-integrated into human resource management.	Quality control of the overall MRM system is not systematic.

5. Summary of key areas for improvement

Outlined below are the key areas for improvement:

- Ensure that indicators to assess the likelihood of sustainability are adequate for all relevant actors involved in an intervention;
- Ensure that all assumptions and sources used for projections are clearly documented;
- Ensure that all qualitative information collected on how and why key behaviour changes happen is compiled, analysed and linked back to changes in results chains;
- Ensure that all attribution methods to assess attributable impacts and multipliers used to estimate the indirect and induced jobs are appropriate;
- Develop the approach to assess impacts on indirect beneficiaries;
- Disaggregate the impacts on jobs (direct, indirect and induced) clearly in external reports; and
- Implement annual or biennial reviews of the overall MRM system.

Annexes

(provided as separate documents)

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