

1. Summary

NMDP	2012-2016	
Audit dates	19 th August - 23 rd August 2013	
Overall final ratings ¹	MUST	336/350 = 96%
	RECOMMENDED	99/110 = 90%
Coverage	Full In Place Audit ² - All five active sectors (Pig, Ginger, Dairy, Fish , Vegetables) under Output 1 and Output 2	
	All control points checked	
DCED Standard	Version VI, January 2013	

Signed:



NMDP Tim Tuckett, General Manager 26/09/13 Kathmandu



Auditors Phitcha Wanitphon 24/9/13, Bangkok



Wafa Hafiz 26/9/13, Kano

Table of Contents

1 Summary.....	1
2 Key Audit Findings.....	2
3 Summary of the Program and Key Issues that Affect the Result Measurement System	5
4 Summary Audit Process	6
5 Control Points	7
6 Summary of Areas that Require Improvements	13
Annexes	13

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 is has a perfect measurement system.

² "In place" audits are available to programmes that have been established for less than one year. They therefore do not score any of the "in use" compliance criteria.

2. Key Audit Findings

Articulating the Results Chain	
<p>Result chains are developed for each intervention, and reviewed at least once in every quarter. Result chains are supported by adequate research and analysis. Staff and implementing partners (IPs) are familiar with result chains and use them to guide the implementation.</p> <p>Sustainability is also discussed in subsector analysis, vision and implementation plans. Systemic change is included in the results chain. The risk of displacement is analysed and documented in the sector guide.</p>	<p>There are some minor discrepancies in logical orders, level of details and missing links and boxes. A few key assumptions are missing. According to the system, assumptions that support the logic should be documented under risks assessment in the sector guide.</p>
Defining Indicators of Change	
<p>The measurement plan contains at least one indicator for each change in the result chains. Universal impact indicators are included. Justification for excluding jobs is documented in the manual. For output 2, the justification for excluding universal impact indicators is documented in the explanatory note of the logframe. There are specific quantitative and qualitative indicators to assess the sustainability of the result chains. Staffs understand the indicators and can explain how they will use them to monitor the progress of the interventions and can give examples from day to day work. There are projections for each of the interventions.</p>	<p>There are some minor discrepancies in terms of relevancy of the indicators. For projections, some assumptions and calculations are missing. Sources of information supporting the projections are not explicitly documented.</p>
Measuring Changes in Indicators	
<p>There are documented measurement plans to collect information for every intervention including baselines. The plans are thorough and show what information will be collected, when and how it will be collected and what are the expected sample sizes. All measurement plans include qualitative information to assess the changes at various levels of the result chains. NMDP has already started to use the measurement plans and staff can provide examples.</p>	<p>There are some minor discrepancies in the appropriateness of tools, timing and box nos. The system that is planned to validate the extrapolated benefits is not sufficient.</p>
Estimating Attributable Changes	
<p>NMDP has a plan for assessing and estimating attributable change for each intervention. Most attribution strategies are appropriate. Staff and IPs have a good understanding of the concept of attribution.</p>	<p>A few attribution strategies are not sufficient e.g. for the Pig intervention.</p>

Capturing Wider Changes in the System or Market	
The programme has a system for capturing and estimating systemic changes.	The Measurement plan does not include systemic changes; this is mainly because most of the interventions are still at pilot stage. However, at the current stage of implementation, the MRM manual provides sufficient guidance on how to monitor systemic change.
Tracking Programme Costs	
NMDP has a system to track costs annually and cumulatively. The costs are allocated per sector and Output 2 (component 2).	
Reporting Results	
NMDP has a system to estimate programme-wide impacts. The system also tracks public and private contributions. These contributions will be reported once the results are reported. The reported results are disaggregated by direct-indirect. The result will also be disaggregated by gender. The annual report will be publicly published once DFID approve the report.	The current annual report does not report on total costs.
Managing the System for Results Measurement	
NMDP has a documented system in place. The system is institutionalized. The manual clearly defines the tasks and responsibilities. NMDP has a plan to show how information from the result measurement system will be used in management decision making. All programme staff and IPs have access to a written guideline. Staff and IPs are able to accurately describe their tasks and responsibilities in result measurement. NDMP has sufficient financial and human resources. The system is integrated into the management of the programme.	

Final ratings

“Must” control points:

Percentage	Description	Programme Rating
91-100	Strong results measurement system	√
81-90	Reasonable results	
71-80	measurement system	
61-70	Moderate results	
51-60	measurement system	
41-50	with notable weaknesses	
31-40		
21-30	Weak results	
11-20	measurement system	
0-10		

“Recommended” control points:

Percentage	Description	Programme Rating
81-100	Results measurement system with strong additional features	√
61-80	Results measurement system	
41-60	with some additional features	
21-40	Results measurement system	
0-20	with few additional features	

3. Summary of the Programme and Key Issues that Affect the Result Measurement System

Samarth-NMDP is a five year DFID-funded rural market development programme that aims to reduce poverty in Nepal by increasing incomes of 300,000 smallholder farmers and small-scale entrepreneurs. The programme follows the Making Markets Work for the Poor (M4P) approach, seeking to improve the underlying pro-poor performance of rural sectors, leading to opportunities to improve the performance and position of poor and disadvantaged people within market systems. Samarth-NMDP focuses on a range of agricultural sub-sectors (e.g. ginger, dairy, fish, vegetables, and pigs) and on cross-sectoral issues such as access to finance, mechanisation, business enabling environment, and media.

Currently NMDP has five active sectors. The program is designing and implementing M4P compliant interventions through co-facilitators, mostly referred as implementing partners. NMDP initiated the design and implementation of a results measurement system in line with the DCED Results Measurement Standard upon inception of the program in 2012. All core program personnel and implementing partners have been trained on results measurement and current good practice. The program underwent a pre-audit review in February 2013.

The key issues that can affect the result measurement system of NMDP include the skills and capabilities of the implementing partners. Since most of the implementation activities are to be undertaken by the implementing partners, their sound knowledge and understanding of using the results chains and results measurement system will be crucial to ensure proper and timely use of information for decision-making.

The current MRM system is quite demanding in terms of number of meetings held in a month for each intervention. This seems practical and doable for the current portfolio. However, once the number of interventions will increase, the system can run the risk of becoming unmanageable, and may reduce the quality of work.

4 Summary audit process

The scope of the audit covered the currently active portfolio of sectors under component 1 in NMDP which comprised of 5 sectors, and component 2, which has only one sector. The sectors under component 1 are Vegetable, Fish, Dairy, Ginger, and Pig. In these sectors some pilot interventions have been launched and some preliminary results measurement activities (such as articulating the results chains, preparation of projections, development of the measurement plan etc.) have been conducted. The programme has been established less than one year. Hence, this audit is an “In Place Audit” which mainly assessed whether the programme has installed an appropriate result measurement system. Hence, all the compliance criteria that assess how the programme uses the system (“In Use Compliance Criteria”) are excluded.

For audit purposes three sectors were selected at random from Component 1; these are Pig, Dairy and Ginger. The Audit also included Component 2, which had only one sector related to capacity building of other stakeholders on the M4P approach. For each sector, apart from feed intervention in diary sector which is currently being re-designed, all on-going interventions were audited. For all audited sectors sub sector analysis and vision, implementation plan, intervention guide, sector guide, field visit reports and other supporting documents were consulted. For NMDP as a programme, the documents reviewed included annual and quarterly reports, MRM manual, job descriptions, accounting system and other support documents. A list of documents reviewed is included as Annex 3.

For NMDP as a programme, interviews were held with the general manager and results measurement manager and the finance and grant Manager. For the selected sectors, interviews were held with project teams comprising the sector analyst (from the NMDP core team) and project manager and results measurement officer³(from the implementing partner). In the case of Output 2, the team managing Output 2 were interviewed. This involved interviewing the general manager, communication specialist, senior technical adviser and the monitoring and results measurement manager. All interviews were conducted face-to-face. A list of interviews conducted is included as Annex 4.

³Dedicated results measurement staff in the implementing partners are called results chain officers.

5 Control points

The program scored 336 points out of a possible 350 points for the MUST control points, and 99 points out of a possible 110 points for the RECOMMENDED control points. The maximum scores have been adjusted to exclude the “Not Applicable” compliance criteria. All compliance criteria (for system in place) were verified.

Control Point	M/R	Max. Score	Rating	Justification
Section 1: Articulating the Results Chain				
1.1 An appropriate, sufficiently detailed and logical results chain(s) is articulated explicitly for each of the interventions.	M	30	26	<ul style="list-style-type: none"> There are some discrepancies in the logical order, level of detail and descriptions of the result chain boxes, and missing links and boxes. For example, in the Pig seed stock intervention an arrow is missing between box 13 and 14. The descriptions in box 2 and 5 are not clear. In ginger, in the Low cost storage intervention a box is missing between box 4 to 5 about association members themselves learning about LCS before disseminating to SSF.
1.2 Each results chain is supported by adequate research and analysis	M	30	27	<ul style="list-style-type: none"> Most Result chains are supported with detailed research and analysis documented in the ‘Sub-sector analysis and vision document’. However, for some interventions the research is not adequate. For example, in case of ginger, the original research does not sufficiently explain the need for a low cost storage. The team realized this already and is planning to conduct additional research and is already thinking of redesign. Some key assumptions are missing, and/or documented in the wrong place. For example in ginger, some key assumptions were missing. Accordingly NMDP MRM system assumptions are to be documented in the sector guide under 'risk assessment' tab. In case of dairy the assumptions were documented under projections. The sustainability has been analysed for all projects.
1.3 Mid and senior level programme staff are familiar with the results	M	20	20	<ul style="list-style-type: none"> Staff and implementing partners can explain the results chain and can explain how they plan to use the

chain(s) and use them to guide their activities; key partners can explain the logic of interventions.				<ul style="list-style-type: none"> results chain to guide their work Staff and implementing partners can give examples of how they have been using the results chain to guide implementation and decision making.
1.4 The results chain(s) are regularly reviewed to reflect changes in the programme strategy, external players and the programme circumstances.	M	10	10	<ul style="list-style-type: none"> NMDP has a system to review the results chain at least once every quarter. Currently, the results chain is reviewed on a monthly basis, and revised on a quarterly basis.
1.5 The results chain(s) include the results of broader systemic change at key levels.	REC	10	10	<ul style="list-style-type: none"> The result chains include systemic changes such as crowding-in of other businesses, and copying in of other beneficiaries.
1.6 The research and analysis underlying the results chain(s) take into account the risk of displacement.	REC	10	10	<ul style="list-style-type: none"> Risks of displacement have been taken into account for all sectors. The project team looks into displacement, assesses the likelihood of displacement occurring and documents it in the 'sector guide' under 'do no harm' tab.
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	20	18	<ul style="list-style-type: none"> There are relevant indicators for each key change. Some of the indicators are not specific to the changes described in the result chain boxes or not sufficient to describe the changes in the result chain.
2.2 The universal impact indicators are included in the relevant results chain(s)	M	10	10	<ul style="list-style-type: none"> NMDP measures Income and Scale; they do not measure jobs because they do not have it in their logframe. The MRM Manual also provides an adequate, written justification about not measuring jobs. For output 2, reasonable justification for not including universal impact indicators is documented in the explanatory note of the logframe.
2.3 There are specific indicators that enable the assessment of sustainability of results.	M	20	20	<ul style="list-style-type: none"> All measurement plans contain both qualitative and quantitative indicators to assess sustainability. The indicators are relevant.
2.4 Mid and senior level programme staff understand the indicators and how they illustrate	M	20	20	<ul style="list-style-type: none"> Staff and implementing partners understand and can explain how they will use indicators to monitor the progress of interventions.

programme progress.				
2.5 Anticipated impacts are realistically projected for key quantitative indicators to appropriate dates	REC	30	26	<ul style="list-style-type: none"> Projections are in place for all interventions. However, some assumptions are not clearly mentioned. Some assumptions and sources of information are missing, and difficult to follow. For example, in the Pig sector the source of the Food conversion Ratio (FCR) is not clearly mentioned.
Section 3: Measuring Changes in Indicators				
3.1 Baseline information on key indicators is collected	M	10	10	<ul style="list-style-type: none"> All interventions have detailed measurement plans. The measurement plan contains a data collection plan with dates, tools, sampling for key indicators. The plan contains detailed plan for baseline collection with dates and tools
3.2 Information for each indicator is collected using methods that conform to good research practices.	M	20	18	<ul style="list-style-type: none"> The plans are thorough and show what information will be collected, when and how it will be collected and the expected sample sizes. For some interventions, the tools used to track scale are not appropriate. The Sampling plan for some of the key indicators is not always clearly specified.
3.3 Qualitative information on changes at various levels of the results chain is gathered.	M	20	20	<ul style="list-style-type: none"> NMDP measurement plans have strong focus on qualitative information collection. All interventions include qualitative indicator, and methods for collection, in their measurement plans. Some of the indicators included are –satisfaction, likelihood of sustaining the business, qualitative assessment of awareness, qualitative assessment of service providers etc.
3.4 Reported changes in indicators that are extrapolated from pilot figure are regularly verified	REC	10	5	<ul style="list-style-type: none"> NMPD plans to use panel survey (i.e. interviews of the same group) over a period of time (2 years beyond project completion) as the basis of extrapolation of the benefits, but it is only representing the target population of the pilot phase, not including expanded beneficiaries outside the original pilot target population; it is therefore not

				sufficient.
Section 4: Estimating Attributable Changes				
4.1 Attributable changes in all key indicators in the results chains are estimated using methods that conform to established good practice.	M	20	18	<ul style="list-style-type: none"> • The programme has plans to estimate attributable changes. • Most of the methods chosen are appropriate and conform to good practices. • Measurement plans contain 'why' questions throughout the result chain to assess causality. • However, some of the methods chosen for attribution are not sufficient. For example, in case of the Pig sector, the methods to identify counterfactual at the beneficiary levels are not appropriate. The data need to be supplemented with additional information on whether other factors played any role in contributing towards yield increase. Methods like qualitative checks or comparison with control group can be done to check the counterfactual.
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	20	20	<ul style="list-style-type: none"> • The manual explains what changes will be captured under systemic change. • The intervention guide doesn't contain any documented plan because they are at pilot stage, but staff can explain what their plans are. • At the current stage of implementation, the MRM manual provides sufficient guidance on how to monitor systemic change.
Section 6: Tracking Programme Costs				
6.1 Costs are tracked annually and cumulatively	M	10	10	<ul style="list-style-type: none"> • The accounting system in place tracks costs annually and cumulatively.
6.2 Costs are allocated by major component of the programme	REC	10	10	<ul style="list-style-type: none"> • The accounting system has costs allocated per project and for output 2.
Section 7: Reporting Results				
7.1 The programme produces a report at least annually which clearly and thoroughly describes results to date.	M	10	10	<ul style="list-style-type: none"> • The programme has a clear system to estimate programme-wide impact. • A documented aggregation file is in place, and overlap has been taken into account. The proportion of overlap has been estimated for each

				sector, and these proportions will be validated through research
7.2 Contributions of other publicly funded programmes and private contributions are acknowledged.	M	10	10	<ul style="list-style-type: none"> The current annual report only contains impact projection, because the project has not yet achieved results. However, the MRM manager notes that reporting of results will acknowledge private and public contributions. The intervention guide documents intervention level private sector contribution.
7.3 Reported changes in key indicators are disaggregated by gender.	M	10	10	<ul style="list-style-type: none"> NMDP has a system to report gender disaggregated results data.
7.4 Results of systemic change and/or other indirect effects are reported.	REC	10	10	<ul style="list-style-type: none"> NMDP has a system to report direct and indirect results.
7.5 Results are published	REC	10	8	<ul style="list-style-type: none"> NMDP is going to publish the annual report after it has been approved by DFID. The current annual report does not report on total costs, as it excludes those costs not related to a specific sub-sector, and at least some programme-level costs.
Section 8: Managing the System for Results Measurement				
8.1 The programme has a clear system for results measurement through which findings are used in programme management and decision-making.	M	30	30	<ul style="list-style-type: none"> NMDP has a system where findings are used for decision making by programme management. NMDP has monthly project and core team meetings at intervention level, and quarterly strategic reviews with project and core teams, for sector and portfolio level decision making. During these meetings NMDP uses traffic lights for self-assessment of progress and to decide on the course of action for each intervention. Staff and Implementing Partners at NMDP have access to the MRM manual.
8.2 The system is supported by sufficient human and financial resources	M	30	30	<ul style="list-style-type: none"> Sufficient resources are available. Further, NMDP can allocate more financial resources if and when required. The MRM manual documents roles and responsibilities appropriately. Staff and Implementing Partners can explain their roles and responsibilities in sufficient detail

				with examples.
8.3 The system is integrated with the management of the programme.	M	20	20	<ul style="list-style-type: none"> • THE MRM system is institutionalized; monthly, quarterly strategic review meetings take place; job descriptions contain responsibilities; performance is reviewed on those responsibilities; implementing partners also have sound knowledge about the MRM system, their roles and responsibilities. NMDP is also involved in recruiting results chain officers in partner agencies • Staff and implementing partners can provide detailed lists of tasks (with examples) performed in the last month.

6 Summary of areas that require improvements

Articulating the Results Chain

Review the result chains to ensure that they have sufficient detail and correct logical order, bringing more attention to detail. For a few interventions, more rigour is needed, to ensure sufficient research has been conducted to verify the business model, including the logic of achieving impact at beneficiary level. The key assumptions should be documented for each intervention.

Defining Indicators of Change

Review the indicators to ensure that they specifically match with the descriptions in the result chain boxes and sufficiently describe the changes in the result chains. The assumptions and information used to make projections including sources of information need to be clearly documented.

Measuring Changes in Indicators

Review the Measurement plans to ensure that tools chosen are fit for purpose. Review the sample size and sampling methodology in order to ensure that the samples are representative and that the information collected is of high quality.

Estimating Attributable Changes

Review and, if necessary, revise the methodology to ensure that it sufficiently deals with the counterfactual. For Pig seed stock, revise the attribution strategy. Currently the methodology is only checking a before and after picture. This doesn't provide sufficient information to understand the counterfactual, and in particular whether other factors played any role in contributing towards the changes in yields.

Capturing Wider Changes in the System or Market

As implementation progresses, it would be useful to expand on the section in the MRM manual on systemic change – or to prepare a separate guideline on how to monitor and measure systemic change in practice. This should include provision for validating benefits to indirect beneficiaries. The practical implications of the method to monitor and measure systemic change should feed into the measurement plan.

Reporting Results

Ensure that the total cost (including all management and overhead costs) are reported in the annual report published.

Annexes

1. Overall ratings (spread sheet)
2. Market specific findings
3. List of documents reviewed
4. List of interviews conducted