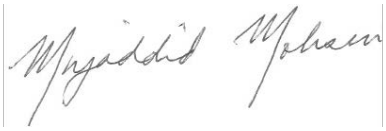
1. Overview

Program	Market Development Facility – Fiji	
Audit visit dates	13-23 November 2018	
Overall final ratings[1]	MUST	523/540=97%
	RECOMMENDED	223/245=91%
Coverage	Exports and Support Services, Tourism and Business Acceleration and Expansion Sectors Excluding 2 old interventions: Ben's Trading Limited and Farmboy All control points were checked.	
DCED Standard	Version VIII, April 2017	

Signed: 

16.01.19

Country Representative: Date / place

Auditors:

16.01.2019

Phitcha Wanitphon Date / place

16.01.2019

Shibaji Roy Date / place:

[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.

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Acronyms

AUD	Australian dollar
BA	Business Advisor
DCED	Donor Committee for Enterprise Development
DFAT	Department of Foreign Affairs and Trade
ESIA	Early sign of impact assessment
IA	Impact assessment
IG	Intervention guide
MDF	Market Development Facility
MFEE	MDF Fiji Enterprise Engine
MRM	Monitoring and Results Measurement
RBF	Reserve Bank of Fiji
RC	Results chain
WEE	Women's Economic Empowerment

2. Summary of the Programme and Results Measurement System

2.1 Summary of MDF

The Market Development Facility (MDF) is a multi-country market systems development programme funded by the Australian Department of Foreign Affairs and Trade and implemented from 2011 to 2017 for phase I and 2017to 2022 for phase II. MDF commenced in Fiji in 2011.

MDF supports private and public sector organisations to innovate, invest and/or undertake reforms in such a manner that small farms and firms benefit from better access to production inputs, services and end markets. This, in turn, is expected to make them more productive and grow and ultimately creates jobs and increases income for poor women and men.

In Fiji, MDF works in three sectors (or strategic engagement areas), all of which are included in the audit.

- **Exports and Support Services:** working with businesses that are interested in product and market diversification as well as introducing improved support services such as transport and packaging that make it easier for Fijian companies to export.

- **Tourism:** working with businesses and government to attract high yield tourists to and around Fiji, based on Fiji's competitive advantages for key tourist segments, to increase the numbers of high-quality, locally-branded products for the tourist market and to create more authentic Fijian services and activities.

- **Business Acceleration and Expansion:** working with market players to develop business incubator and business advisory services that will strengthen the management capacities of MSMEs in the Export and Tourism sectors.

Key features of the results measurement system

As per the original tender requirements, MDF's results measurement system is guided by the DCED Results Measurement Standard. MDF's results measurement system has been developed for the Facility (which covers five countries), then rolled out at the country level. The Facility provides overall guidance and management of the results measurement system. There is flexibility to implement results measurement according to the intervention needs, although all interventions track aggregated common intermediate and impact indicators.

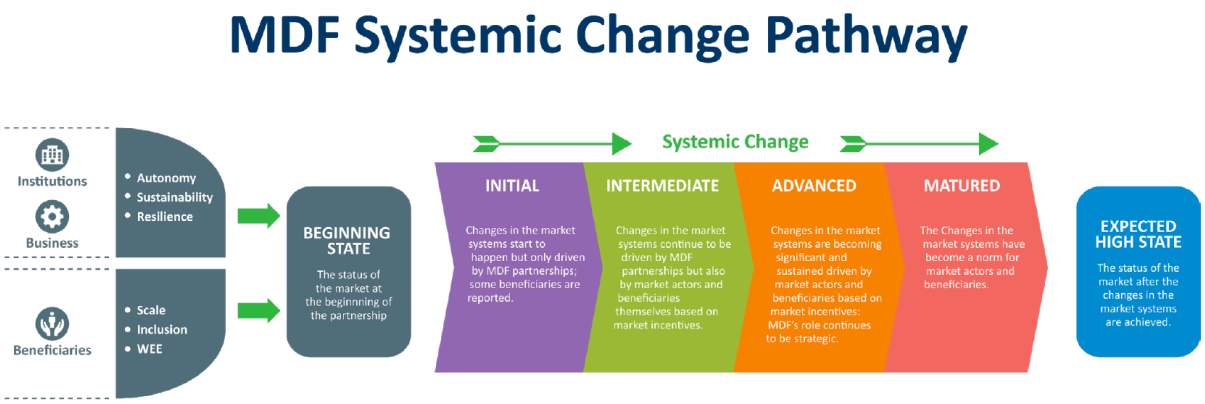
Intervention guides are developed for each intervention or partnership. These include: a results chain, results measurement plan; projection and actuals (quantitative and qualitative) information along with assumptions. More recently, results chains have also been drafted earlier by MDF business advisors to assist with the preparation of partnership justification documents.

Data relating to common indicators is compiled from each intervention to country-level aggregated results, which is then in turn compiled to MDF-wide results on an annual basis.

Most baseline, monitoring and early impact assessment activities are conducted in-house in Fiji.

In 2015/16, MDF also sought to integrate women's economic empowerment (WEE) more thoroughly into the results measurement approach. Intervention guides were updated to identify which of the five Women's Economic Empowerment parameters an intervention or partnership was expected to contribute to. Subsequently, data collection tools were amended to collect information on these domains.

MDF also developed a framework for systemic change, with the initial thinking commencing in 2014. The framework consists of six parameters: autonomy, sustainability, resilience, scale, inclusion and WEE. It maps a six-stage pathway from beginning to high states of systemic change. MDF's role in facilitating systemic change diminishes over time with heavier intervention in the initial and intermediate stages and less at the advanced stage. The mature stage denotes that targeted changes have become the norm.



The methods to assess MDF's results in promoting systemic change have not yet been fully developed, although aspects of them draw on other processes (such as the WEE framework outlined above).

Evolution of the results measurement system

The MDF approach to results measurement is guided by the DCED Results Measurement Standard. The initial system was developed in 2011/2012 and the latest version of the Results Measurement manual updated in 2014. This manual is being replaced by a Strategic Guidance Note covering results measurement (currently still in draft form) initiated in 2017.

In 2016/17, the MDF Team Leader commenced a review of the results measurement system in practice, following issues that arose in some countries. In summary, MDF overall found that the implementation and results measurement teams were not working together as intended but were rather operating, somewhat, in isolation of each other. The issues identified in 2016 included:

- User-unfriendly results chains, because implementers had stopped using and updating them, as they had become the prerogative of the results measurement specialists;
- Change definitions in results chain 'boxes' for outputs and outcomes got increasingly more generic (shorter, simpler, less precise) while long lists of indicators were generated. The less precisely defined change meant that implementers and results measurement specialists diverged on the focus of the monitoring and impact assessment activities.

- Rigid, clunky and untimely survey research that grew out of the long lists of indicators, larger sample sizes, lack of qualitative information to help understand the quantitative data.

Changes were implemented, including simplifying results chains; a reconfiguration of roles so the implementers first draft the results chains, initially formulating key questions and developing indicators from these; and increasing the focus on qualitative information. The six-monthly review meetings were part of the MRM process from the start of the programme. However, particular emphasis is now given to ensure that the information collected from the field through monitoring visits, field observations and partner discussions is reflected in the strategic meeting to steer the future of partnerships, and the portfolio in general. In addition, MDF Fiji has been audited according to the DCED Standard in 2014.

3. Summary of the Audit Process

MDF Fiji was audited under Version 8 of the DCED Results Measurement Standard, published in April 2017. MDF Fiji works in three sectors: Exports and Support Services, Tourism, Business Acceleration and Expansion. Not all MDF Fiji interventions have been included in the portfolio from which the auditors selected the sample to be audited. MDF Fiji opted to exclude two older interventions that had not been upgraded to the new RM system. These are Farmboy (August 2012 to June 2013) and Ben's Trading Limited (August 2013 to July 2015).

The sample selection for the audit is a two-stage process. The first stage is to select the sectors. Since MDF Fiji has only three sectors, to meet the minimum requirement of the Standard, all sectors are covered. The audit reviewed a representative sample of all current and past interventions in these sectors, omitting the interventions that were excluded, as described above. The number of interventions per sector were selected as follows:

- From Exports and Supporting Services: 25 interventions. The square root of 25 = 5.
- From Tourism: 24 interventions. The square root of 24 = 4.89, rounded down = 4.
- From Business Acceleration and Expansion: 2 interventions. Both interventions are selected to meet minimum requirement of the Standard.

For Exports and Tourism sectors, the interventions for which MDF had conducted early signs of impact assessments were purposively selected so that these assessments could be included in the audit. Then, from the rest, the intervention in each sector that had the highest outreach numbers was purposively selected. The rest of the interventions in each sector were chosen at random, using a website that generates random numbers. The interventions selected can be seen in the following table:

Table 1: Interventions Selected for the Audit

Sector	Code	Intervention name	Total Budget (FJD)	Start date	Expected end date	Intervention status
Exports and Support Services	FJEPI07	Stimulating investment in modern technology to allow ICT businesses to improve its efficiency in order to tap/deepen new/existing markets in	639,450	Aug-16	Dec-17	Activities Completed & Monitoring On-going

		the Business Process Outsourcing (BPO) sector				
Exports and Support Services	FJOI07	Upgrading nursery facility for production of larger volume and new varieties of seedlings on a year-round basis	339,705	May-13	Jun-16	Activities Completed & Monitoring On-going
Exports and Support Services	FJHOI12	Strengthening supply chain and reducing post-harvest losses through use of information brochures and farm gate pick up.	264,000	Dec-14	Jan-15	Measurement Completed
Exports and Support Services	FJHOI16	Using mechanisation to address labour shortages in the sugar industry in Vanua Levu	423,500	Jul-15	Dec-15	Activities Completed & Monitoring On-going
Exports and Support Services	FJHOI01, 08,19,20	Improving farmers' yield and income by improving soil health through availability, promotion and awareness, and correct application of Aglime	435,540	Nov-12	Jul-17	Activities Completed & Monitoring On-going.
Tourism	FJTOI02	Upgrading chocolate manufacturer facility and developing backward linkages to cocoa farmer suppliers.	564,582	Jun-12	Dec-14	Activities Completed & Monitoring On-going.
Tourism	FJTOI11	Creating awareness to reach and cater for the growing and niche international walking market and working with local community activity sites to raise standard of service.	158,320	Mar-14	Jan-17	Activities Completed & Monitoring On-going.
Tourism	FJTOI22	Conducting a needs assessment for the Fiji Museum to improve its capacity to attract and host more tourists whilst they are in Suva.	39,542	Nov-15	Mar-17	Activities Completed & Monitoring On-going
Tourism	FJTOI23	Increasing the capacity of coffee processor and productivity levels of local coffee bean suppliers	114,850	Jan-16	Aug-16	Activities Completed & Monitoring On-going
BAE	-	Piloting business incubation system for SMEs to increase the impact of entrepreneurial performance of	100,000	Sep-16	Jun-18	Activities Completed & Monitoring On-going

		participating businesses				
BAE	-	Outreach and support for the development of Micro, Small and Medium Enterprises (MSMEs) in Fiji through the collection and analysis of MSME data to inform sector development and policy.	113,711	Apr-18	Aug-18	Activities Completed & Monitoring On-going

For Fiji, the audit was not able to assess and score all controls points because the program has not implemented all aspects of the results measurement system. Therefore, some compliance criteria in the Standard were not scored. The following points describe the issues arising:

- Impact assessments for all relevant interventions audited have not been carried out and the compliance criteria 3.3.1, 3.3.2 and 3.3.3 cannot be assessed and were not scored. MDF continues to monitor interventions well after activities have been completed and partners have started implementing behaviour changes, typically for 2-4 years but longer if changes are expected to happen quite slowly. Monitoring includes monitoring visits and early signs of impact assessments. These activities include collecting data to assess attributable impacts at the beneficiary level, albeit normally using small sample sizes and/or limited coverage of beneficiaries. Therefore, data collected and analysed for monitoring and early impact assessments is considered less rigorous than that needed for impact assessments. Impact assessments are planned very late into the programme, normally at the end of the monitoring periods (typically 2-4 year after activities have been completed) of the interventions. Due to the slow uptake of some business models, adaptation of the business models and/or negative impacts from tropical cyclones, the monitoring periods have been extended for most interventions. As a result, the impact assessments have been postponed. Thus, no impact assessments for all interventions audited have been conducted.
- In addition, for some interventions (18% of interventions audited), MDF plan to collect baseline information during the impact assessments. Depending on the year of adoption, establishing and assessing impact may be very challenging. The beneficiaries may have to recall the baseline information over a long period of time, which could lead to possible high level of recall biases.
- The actual reported impact figures (compliance criteria 6.1.1 and 6.1.2) are based on the monitoring visits and/or early signs of impact assessments. These figures are typically triangulated with other sources of data e.g. partners' information and compared year-on-year to understand results, but are not based on sample sizes that would be appropriate for impact assessments.
- Compliance criteria 4.2.6 and 4.2.7 were not scored because MDF has not yet assessed the results of systemic change at the pathway and beneficiary level.
- Compliance criteria 6.3.1 and 6.3.2 were not scored because MDF has not assessed systemic changes and therefore cannot report against it.

4. Summary of Findings

MDF Fiji scored 97 % (523 out of a possible 540 points) for 'must' compliance criteria and 91 % (223 out of possible 245 points) for 'recommended' compliance criteria. MDF Fiji has not yet carried out all aspects of results measurement. Therefore, some compliance criteria in the Standard 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	%
Section 1: Articulating the results chain	Must	80	78	98%
	Rec	15	15	100%
Section 2: Defining indicators and other information needs	Must	80	78	97%
	Rec	50	49	98%
Section 3: Measuring attributable change	Must	145	137	94%
	Rec	80	77	96%
Section 4: Measuring systemic change	Must	-	-	-
	Rec	60	47	78%
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	130	100%
	Rec	-	-	-
Totals	**Must**	540	523	**97%**
	Recommended	245	223	**91%**

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**.

4.1 Section 1: Articulating the results chain

Table 3: Score: Articulating the results chain

No.	Control points	Must/ Rec	Std max. score	Actual score[2]
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	24
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 an intervention results chain. Results chain are mostly logical and sufficiently detailed.	In some cases, results chains have a few minor discrepancies in terms of logic and/or details.
Partnership justifications explain the logic of the interventions. Viability of the business model has also been considered when developing the partnership justification. The partner justifications and intervention guides (IGs) include most of the external risks/assumptions related to the logic of the interventions. Staff can explain critical external risks/assumptions related to the logic of the interventions. The interventions address key constraints in the country engagement strategy.	
Staff have a good understanding of the intervention results chains and use them in their work, including drafting them as part of the partnership justification, monitoring progress, designing assessments and discussing during the review meetings.	In a few cases, there are a few minor discrepancies in the explanations of the results chains.

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

Regular reviews are undertaken of results chains and they are revised when necessary.	
MDF has developed a WEE framework and each intervention is assessed to determine its contribution to five WEE domains of change (e.g. economic advancement, decision-making). These are noted in the IG. Relevant boxes in the RC are also 'tagged' as relating to WEE.	
Displacement has been considered for the all relevant interventions.	

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

Table 4: 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.	M	30	28
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	10
2.6	There are specific indicators that enable the assessment of gender differentiated results.	R	15	15
2.7	Anticipated impacts are realistically projected for key quantitative indicators to appropriate dates.	R	35	34

Strengths	Weaknesses
All interventions have indicators linked to each box in the results chains. The indicators are mostly relevant, specific and measurable.	In some cases, a few indicators are missing or are not specific enough.

For each intervention, questions have also been developed for quantitative and qualitative information needs.[3] All interventions include qualitative indicators or questions to measure behavioural changes of each actor. Qualitative indicators or questions are sufficient to assess character and depth of changes in most cases.	In some cases, qualitative indicators or questions (in the "key questions to ask" column) on why changes have or have not happened are missing.
Common impact indicators are defined for all interventions.	
All interventions have indicators to assess the sustainability of results. The primary sustainability indicator for the businesses is profit, and, when it is included, it is tracked for three years past MDF support. At beneficiary level, to assess likelihood of sustainability, net income is tracked in many interventions, and for three years again.	In a few cases (e.g. DHL and Devesh and Bharos), sustainability indicators for partners include sales volume and/or value. However, other key indicators relating to costs, profit and business viability or qualitative questions on the likelihood of sustainability are not included. This limits the ability to assess the likelihood of sustainability of these actors.
For all interventions, WEE questions have been identified for relevant changes in the results chains.	
Projections have been developed for all relevant interventions and for almost all key indicators. Projection has been reviewed and updated at least annually.	For Adi Chocolate, the beneficiary income calculation for projection is not correct. For Fiji Museum, projections have not been developed. In addition, a few assumptions underpinning the projections are not documented in a few interventions. However, staff can explain them.

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	52
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	N/A	N/A
3.4	The programme implements processes to use information from monitoring and results measurement in management	M	25	25

[3] The development of questions is part of the MDF RM system to also capture the need to understand why changes are occurring or not. Developing questions to articulate information needs is not a specific requirement of the Standard. However, developing questions for some information needs (instead of indicators) is acceptable practice.

	of interventions and decision making.			
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	17

Strengths	**Weaknesses**
Plans to collect baseline data exist for all interventions. Where appropriate, baseline information has been collected.	
RM plans are largely satisfactory. Attribution has been considered at the partner and beneficiary levels.	In some cases, the dates planned for data collection for a few boxes in the results chains are not timely and/or specific. For Aglime, the attribution strategy is not adequate.
Quantitative and qualitative information has been collected according to the plan through regular field visits, early signs of impact assessment, telephone calls and reports from partners; the information allows staff to adequately monitor progress.	In some cases, qualitative information for a few changes in the results chains has not been collected. In many cases, qualitative information has not been compiled, summarised and documented to provide "a consolidated view" of the qualitative aspects of performance/status of related changes in the results chains.
Staff use the monitoring information to inform their work and improve the interventions.	
RM plans also include disaggregating relevant data by sex and the appropriate assessment of relevant WEE domains. Assessments of relevant WEE domain has been carried out when applicable.	
Where unintended effects have been identified, they are reported and discussed in team meetings; they are also incorporated into the interventions when appropriate.	Apart from instructions to look out for unintended effects during assessments, the overall process for assessing unintended effects is not explicitly documented in the RM guide e.g. where the unintended effects observed should be documented and when their implications will be analysed, discussed and documented.

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	50	40[4]

Strengths	Weaknesses
The programme has a systemic change framework. The systemic change pathways have been developed for all sectors.	While the measurement of most parameters in the systemic change framework draws on other data collection activities, the process for consolidating data and analysing systemic change has not been fully developed and therefore the system is not yet fully operational.

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
Costs are tracked annually and cumulatively. The direct intervention costs are allocated to each intervention.	
The system for aggregating common impact indicators is appropriate. Aggregated impact is estimated annually. Overlaps in common impact indicators have been corrected in the aggregation process.	

[4] Compliance criteria 4.2.7 and 4.2.8 have not been scored. The formal assessment of the results of systemic changes at the pathway and beneficiary level has not been conducted yet.

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
Impacts are reported in the annual aggregation of results report. The report provides information on results, progress and qualitative explanations on results and progress. Costs are reported separately on a monthly basis.	The impact assessments have not been carried out yet as MDF has decided to conduct them later. Actual reported results are mainly based on information gathered through meetings and reports from partners and relatively small sample monitoring visits. While this is acknowledged in the annual reports that reported impact figures are based on monitoring visits, the definition of monitoring visit has not been provided.
Contributions of other programmes and actors are acknowledged in the reports.	
Reports on results are published on the MDF website.	Costs are not included in the published reports.

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	50

Strengths	Weaknesses
MDF has a clear system for using information from the MRM system in management and decision making. There are sufficient human and financial resources to manage the results measurement system for each of the sectors and the programme as a whole. Staff can clearly explain their roles and responsibilities, and those of others, related to results measurement. Roles and responsibilities in results measurement are clearly defined and integrated into job descriptions, staff orientations and performance appraisal.	
Staff have access to sufficient guidance (predominantly provided by staff rather than written) on how to implement the results measurement system.	
Quality assurance processes for the MRM of each intervention and for aggregation of common impact indicators and DFAT indicators are in place and functional. Written MRM outputs, such as analyses and aggregation reports, are reviewed.	

5. Summary of key areas for improvement

Outlined below are the key areas for improvement:

- Ensure that sufficient qualitative information needs on why changes happen or not are included in the RM plan;
- When planning to assess attribution, ensure that the counterfactuals are carefully considered and reflected in the explanations of the rationale for choosing particular attribution strategies;
- Ensure that quantitative and qualitative information collected is compiled and documented to provide "a consolidated view" of performance/status of related changes in the results chains;
- Operationalise the approach to assessing progress in promoting systemic changes.

Annexes

(provided as separate documents)

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