

Strongim Bisnis 'Design Refresh' Independent Appraisal Key Recommendations and Management Response

November 2020

This document outlines DFAT management's response to the independent appraisal process for the design refresh for Strongim Bisnis. It summarises the key recommendations made to address criterion assessed as requiring improvement. This document is not an exhaustive summary of all the appraisal comments.

Recommendation	Response	Explanation	Action plan
<p>Recommendation 1</p> <p>Relevance</p> <p>The Development Context and Situational Analysis should be revised to show clearly how the program will address clearly identified development constraints and priorities. Why is a PSD program required and why is MSD the desired approach to dealing with these problems, especially given the 'thin markets' described? The problems the program address need to be clearly defined and a strong analysis given followed with the program's solution to these problems.</p> <p>Provide a clear justification for the selection of the markets and value chains the program is proposing to work within. What criteria were used to select these markets and value chains and on what basis has the program decided to double the number of markets and value chains it will work in? Is there a danger the program will spread itself too thinly?</p>	<p>Agree</p>	<p>Design refresh document not a standalone document but builds on body of other program documentation.</p> <p>More detailed program logic and market analysis has been covered in MSAs and previous design documentation etc.</p> <p>Suggest cross-reference or include MSD rationale from MSAs or other documentation were this has already been articulated.</p> <p>Need to outline the strategy for the increased markets as a response to lessons learned from phase 1 that found thin markets and need for an increased 'menu' of potential interventions. Also, can justify this by outlining how different market sectors have potential to be complementary (i.e. Financial inclusion</p>	<p>Adam Smith International to update design refresh document to clearly reference other program documentation that covered the justification of the MSD rationale for this program and further analysis and detail on selection of the expanded markets and value chains that Strongim Bisnis will operate in.</p>

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		complements other markets/ sectors).	

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<p>Recommendation 2</p> <p>Effectiveness – Indicators and results</p> <p>The program should indicate the estimated outcomes and impact over the program period. That is, how many households will record a positive (x%) change in annual incomes; how many enterprises will increase their productivity by (x%); how many MSMEs will create new fulltime-equivalent jobs; etc.</p>	Agree	DFAT agrees that Strongim Bisnis’s results reporting should have been more prominent in design refresh or better referencing to relevant program results reporting documentation to outline indicators and analysis.	<p>DFAT will ensure that Strongim Bisnis adopts Recommendation 2 as both a minor update to design document to reference performance reports.</p> <p>DFAT will engage further by including requirement for an update to the Performance and Results reporting function under SB in first 6 months of next phase.</p>

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<p>Recommendation 3</p> <p>Effectiveness – Lessons learned</p> <p>The design needs to reflect deeper, more critical analysis of lessons learnt from Phase 1 and past or ongoing activities funded by other donors in some of the same value chains.</p> <p>The decisions underpinning the selection of value chains needed to be more clearly explained, with reference to previous program failures, successes and lessons.</p>	Agree	<p>DFAT agrees that Strongim Bisnis’s Lessons Learned report should have been more prominent in design refresh or better referencing to relevant program documentation.</p>	<p>DFAT will ensure that Strongim Bisnis adopts Recommendation 3 as both a minor update to design document to reference Lessons Learned and Results report as Annexure to design document.</p> <p>DFAT will engage further by including requirement for an update to the Performance and Results reporting function under SB in first 6 months of next phase.</p>

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<p>Recommendation 4</p> <p>Effectiveness – MSD contextual analysis</p> <p>The program needs to better articulate how value chain activities will build on previous interventions (e.g. in cocoa, coconuts, timber, horticulture)</p>	Agree	<p>Design refresh document not a standalone document but builds on body of other program documentation.</p> <p>Value chain analyses were included in the Market Systems Analyses documents. Design refresh</p>	<p>Adam Smith International to update design refresh document to clearly reference other program documentation with more detailed analysis.</p> <p>Suggest DFAT to facilitate informal MSD forums with other DFAT funded MSD</p>

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<p>DFAT's other key MSD programs (MDF, PRISMA) have valuable lessons on how to intervene successfully in weak Pacific markets. ASI would benefit from constructive engagement with these programs.</p> <p>Links to ongoing market focussed programs (e.g. RDP C2 and PHAMA plus) are not adequately thought through.</p>		document should articulate that this analysis was included in the MSAs and cross-reference were appropriate?	programs to collaborate and share information on challenges, lessons learned and case studies etc.

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<p>Recommendation 5</p> <p>Efficiency – value for money (management fees)</p> <p>More detail should be given to how the program will achieve value for money for the Australian Government. This should include a presentation of the ways the program will manage resources, including staffing resources.</p> <p>Improve rationale and justification of value for money in program. Explore efficiencies in management fees and cost of advisers.</p>	Somewhat disagree	Internal DFAT analysis shows comparative management fees to total program costs for SB is 14.9% (compared to MDF 12.5%). Therefore, do not agree entirely with this criticism., results showed that while SB are slightly higher compare reasonably. Long-term adviser costs do look high however SB justify this with local labour pool.	DFAT to include requirement for ASI to report back annually with potential efficiencies in management fee costs identified and potential reductions in Long-term adviser costs.

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Recommendation 6	Agree	Design refresh document not a standalone	DFAT will direct Strongim Bisnis to action Recommendation 6 by

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<p>Efficiency – value for money (results for program costs)</p> <p>Difficult to determine value for money when we don't know the extent of beneficiaries, or income/employment changes from phase 1 against the budget and therefore the prospect of income/jobs/livelihood/trade value increasing under phase 2 (also in light of a global recession and disconnected transport routes (air).</p> <p>Understand MSD results are cumulative and are specific to certain supply chains so may need to do some 'expectation setting' for the reader.</p>		<p>document but builds on body of other program documentation.</p> <p>Need to review the performance and results reports and Lesson Learned reports to get detail.</p>	<p>1) updating referencing in design refresh.</p> <p>2) DFAT will require review of the Performance reporting and M&E system in first 6 months (as per Reco 3 above) of next phase to accordance with DFAT frameworks and optimise capture of untracked program effects.</p>

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<p>Recommendation 7</p> <p>Monitoring and Evaluation (including Gender indicators etc)</p> <ul style="list-style-type: none"> Align "TOC language across the document with reference provided of coherence with DFAT standardised terminology. An M&E plan should be developed in a way which aligns the TOC with performance indicators at multiple levels. This could be done for each sector. Consolidate value chain interventions – providing clear visual links with the TOC (Without this being done, it will be difficult for any evaluation to accurately assess the effectiveness of proposed activities and the linkages with the proposed outcomes. <p>NB. The introduction of performance indicators was recommended in the program's independent review.</p>	Agree	<p>Design refresh document not a standalone document but builds on body of other program documentation, including DCED Audit, SB response and the Annual Reports, Quarterly reports and Gender Action Plan.</p> <p>Need to review this documentation to get detail.</p>	<p>DFAT will direct Strongim Bisnis to action Recommendation 7 by</p> <p>1) updating referencing to DCED Audit in design refresh.</p> <p>2) DFAT will require review of the Performance reporting and M&E system (as per Reco 3 and 6 above) in first 6 months of next phase to ensure accordance with DFAT frameworks and optimise capture of untracked program effects.</p>

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<p>Recommendation8</p> <p>Gender</p> <p>To increase the chances of this second phase delivering on the promise of women’s economic empowerment with the selected value chains, it will be important to include explicit points in the document on how agency will be addressed. This could be through women’s decision-making in business associations, addressing women’s time poverty, raising the issue of women’s safety in the workplace and the impacts of rampant GBV on women’s economic participation and benefits, etc.</p> <ul style="list-style-type: none"> • Include gender action plan in the design (and as an early milestone in the SORs extension) which integrates appropriate strategies to advance gender equality and promote the empowerment of women and girls, for each sector • Include approach to measuring sex-disaggregated data in the MERLA system that can be further disaggregated to measure impact on primary beneficiaries including disabled and particularly vulnerable or marginalised communities (or at a minim describe in the MRM system how this will occur) • Include appropriate, gender sensitive indicators that monitor compliance with cross-cutting and gender equality standards. DCED indicators are widely known to be weak in GESI and require being supplemented with GESI indicators. 	<p>Agree</p>	<p>Agree this is an area where further work is required to refine the agreed approach and ensure alignment with DFAT policy and frameworks</p>	<p>DFAT will direct Strongim Bisnis to action</p> <p>Recommendation 7 by</p> <ol style="list-style-type: none"> 1) updating referencing to Gender Action Plan to cross reference 2) DFAT will require review and update of the SB Gender Action Plan in first 6 months of next phase with DFAT stakeholder consultation and input to ensure accordance with AHC and DFAT Gender frameworks and policies.