

Annual Review - Summary Sheet

This Summary Sheet captures the headlines on programme performance, agreed actions and learning over the course of the review period. It should be attached to all subsequent reviews to build a complete picture of actions and learning throughout the life of the programme.

Title: Market Development in the Niger Delta (MADE)

Programme Value: £15m

Review Date: May-July 2016

Programme Code: 202585

Start Date: July 2014

End Date: December 2018

Summary of Programme Performance

Year	2014	2015
Programme Score	B	A
Risk Rating	Medium	Moderate

Summary of progress and lessons learnt since last review:

2015-16 was the second year of implementation of Market Development in the Niger Delta (MADE) programme by the service provider Development Alternatives International (DAI). It has made good progress in scaling up its activities from the previous year and in also starting some new interventions.

MADE was able to consolidate its activities in five markets in Niger delta, these markets are palm oil, traditional poultry, cassava, fisheries and agricultural inputs. It was also able to start its work in the sixth market which is finished leather goods by taking over the activities from Growth and Employment in States (GEMS 1) programme of DFID Nigeria, which was closed last year. The programme was also able to start some cross cutting initiatives during last year which show early promise to positively impact these six focal markets. These cross cutting initiatives are Women Economic Empowerment (WEE), Access to Finance (A2F), Communication and Advocacy, and Agricultural Investment Promotion in Niger Delta.

It was also able to scale up its work in all of the nine Niger Delta states namely Edo, Delta, Cross Rivers, Rivers, Bayelsa, Akwa Ibom, Abia, Ondo and Imo. However, only 30% of total beneficiaries were reached in the core Niger Delta states of Akwa Ibom, Bayelsa, Delta and Rivers which are the most seriously affected states of Niger Delta due to resource-control related criminality and violence. The business case mentions that programme should have "major focus" in the value chains in the core states, while also working in periphery states of Niger Delta. Moreover, within the above mentioned core delta states the programme is reaching few communities in the creeks or lowlands as compared to highlands. The livelihoods in the creeks are more vulnerable than uplands, as piracy and militancy adversely affects the maritime trade and movement of commodities in the creeks.

MADE continued to work from its two field offices at Port Harcourt, Rivers State and at Warri, Delta State. Both of these offices are co-located with Partnerships Initiative for Niger Delta (PIND) Foundation funded by Chevron Corporation. It was also able to establish a central office at Abuja, which is co-located with other DAI programme offices in Abuja. The central office provides overall team leadership and support services like monitoring and evaluation, programme management, accounting services, and media management, communication and advocacy support. The programme faced challenges in staffing due to security risks at both these field locations and was able to reach its almost full staffing strength only near the end of its first year. However, the Team Leader and the Technical Leader both left their jobs in the latter half of second year due to personal and family reasons. DAI was able to deploy interim international staff for both these

senior posts without much of a delay and has almost finalized the recruitment for the permanent Team Leader who will then be involved in the recruitment of Technical Leader after starting his job in July/August 2016. DAI London office continues to provide high level technical, programme and financial support to the project.

As a result of all these start up and initial activities during the first and second year MADE is now well positioned to fully scale up its work and deepen its impact in the remaining years of its implementation.

The programme also made progress in diversifying its beneficiary base across its six focal markets. Last year around half of its clients were in the agricultural inputs market, but in the year before it had around two thirds of its clients in that market, showing a positive trend of growth in beneficiaries in other five markets. Given the large reach and coverage of this market, being an input of nearly all other agricultural value chains, its share in overall results will remain high. However as activities are scaled up in other markets their share in the results is expected to increase. Secondly, the agricultural inputs market has three distinct value chains of seeds, fertilizer and crop protection products in it. Therefore it is effectively an aggregation of three value chains in one broader market.

MADE is designed to follow the “making markets work for poor” (M4P) approach by identifying constraints and gaps in selected market systems of Niger Delta and playing the role of a facilitator to bring systemic changes through its private sector business partners’ investment, once they see value in making those investments. MADE has formed market driven partnerships with twenty two private sector businesses investing in agricultural development in its focal markets.

On output level, it achieved 120% of its total target on indicator 1.1 and 275% of its target on indicator 1.2. However, it slightly missed the gender sub-target of output indicator 1.1 by benefitting 98% of the targeted number of women. It achieved 108% of its sub target of output indicator 1.1 for reaching the number of beneficiaries who are poor. On output indicator 2.1 the achievement was 200% of the target and 100% on output indicator 2.2. However, it is unclear whether the targeted poor are being reached; one of the reasons is the cost sharing associated with M4P programmes. For example, the training costs for fish pond management is Nigerian Naira (NGN)12,000, although the programme sometimes uses the pro-poor approach of staggered payments, this is still too high for the poor to pay.

The programme coordinated and interacted with other DFID programmes like Growth and Employment in States (GEMS4), Enhancing Nigerian Advocacy for a Better Business Environment (ENABLE), Policy Development Facility (PDF) and PropCom Maikarfi. It also works in close coordination with Partnerships Initiative in Niger Delta (PIND) Foundation funded by Chevron Corporation in Aquaculture, Cassava and Palm Oil markets. It is also a member of DEMAND (Developing Market Approaches to the Niger Delta) forum which brings together all the main market development donors and implementation agencies in Niger delta like US Agency for International Development, Chevron corporation funded PIND Foundation, International Fertilizer Development Corporation (IFDC) and UN International Fund for Agriculture Development (IFAD). MADE also had meetings with UK Trade Investment (UKTI) last year, which ultimately led to the organization of a Cassava Investment Forum which hosted over 100 participants drawn from Nigerian agro business operators and UK investors. It should also explore the options for linking into and learning from DFID Nigeria’s Stability and Reconciliation Programme (NSRP) in Niger Delta.

Summary of recommendations for the next year

- MADE should significantly scale up its interventions in terms of reach and impact in the current six markets. The business case required it to work in five markets and to have two reserve markets for any additional interventions. MADE should not expand beyond seven markets (if it decides to add one more from two reserve markets) to avoid spreading its financial

and human resources too thinly.

- Fully implement a monitoring and evaluation system to ensure the programme can report fully against the outcome and impact level indicators of the log frame.
- Revise the log frame after this annual review to make it more realistic, especially for the Output targets and test the validity and the relevance of impact and outcome indicators by revisiting the theory of change.
- There is a strong need to refresh the political economy analysis on conflict, economy, poverty, gender, and the markets that were done for the business case, as the political and security situation has significantly changed during the last year. The programme needs to ascertain how its initiatives fit and impact on local political economy and whether they reduce social exclusions or create new ones.
- The programme needs to think creatively about how to reach the targeted poor. The logframe's indication of poor (owning/farming 4 Ha of land) might need to be revised, as in the target states this actually represents lower-middle class farmers.
- MADE should further build the momentum it generated last year for promoting investments in Niger Delta and should also explore and showcase the strategic investment opportunities to attract private sector agribusiness companies and investment funds to make long term, sustainable and transformational impact for the economic growth of Niger delta.
- DFID and MADE need to ensure that there are sufficient measures in place for a market development model that intensifies agricultural production (while raising agricultural and fish yields, an important component of raising incomes for the poor) but not at the expense of environmental and farmer health. This is potentially where farmer education, provided by government research and extension services, will be important.
- Ensure a focus is maintained on strong and empowered local programme leadership and management and continuity in staff deployment. The recruitment of new Teal Leader and Technical Leader should be completed as soon as possible and they should be fully empowered in decision making.
- MADE should renew its efforts to reach beneficiaries in the 4 core states of Delta, Rivers, Bayelsa and Akwa Ibom and ensure that major focus remains in the markets of those states..
- The programme should plan ahead for an exit strategy for Access to Finance intervention so it can receive the money back and recycle it by spending it fully on grants or activities within the approved scope of work before its closing.
- MADE should do a socio economic trade off analysis of all its intervention markets to find an optimum mix and weightage of markets in its intervention portfolio. That will help the programme in prioritising its investment in the markets where 1) more female beneficiaries could be reached, 2) which will also result in increasing the number of beneficiaries in the core Niger Delta states and 3) overall value for money for the programme could be improved by scaling up work in markets where cost for reaching a beneficiary is lower or the income gains per Pound spent are higher than other markets.

A. Introduction and Context (1 page)

DevTracker Link to Business Case:

<https://devtracker.dfid.gov.uk/projects/GB-1->

Programme and context:

One third of Nigerians live below the national poverty line. The Niger Delta is one of the country's poorest regions, arguably second only to the extreme north. This region also has high levels of gender inequality; continuing instability and insecurity; high levels of unemployment; severe environmental degradation and exceptionally poor infrastructure.

Furthermore, the concentration of oil industries in the region has created wage and commodities inflation, raising the cost of living and intensifying the experience of poverty among the poor. Overall, the levels and intensity of poverty are high, leading to strong feelings of injustice (given the wealth which the region generates from oil). This has fuelled the criminality and eruptions of violence and insecurity in the region – further aggravating and perpetuating the incidence of poverty.

Nigeria as a whole has high income disparity between men and women, and the states of the Niger Delta are amongst the worst performers. Women often operate in the most marginalised market sectors, and undertake roles in value chains which have little room for maximising returns. The Niger Delta is a critical region for Nigeria's social and economic development: the serious problems of poverty and instability in the Niger Delta have an impact not only on the 31 million people living in the Delta but also on Nigeria as a whole. This programme will focus on poor women and men who strive to earn a living in the Niger Delta. By raising incomes and improving market linkages, the programme has an opportunity to help in addressing poverty and contributing to longer term stability.¹

Agricultural growth in Nigeria has largely been driven by agricultural expansion. Agricultural productivity has remained consistently low, particularly in Niger Delta where it is characterised by low levels of investment, innovation and use of technology. International evidence suggests that increases in agricultural productivity are usually associated with poverty reduction².

The National Bureau of Statistics (NBS) estimates that the 2011 unemployment rate was 23.9% (up from 12.7% in 2007), while youth unemployment (aged 15-24) stood at 37.7% (38.2% in rural areas). Among the Niger Delta states, two were estimated to be well below the national average (Abia at 11.2% and Ondo at 12.5%), two were a little below the average (Akwa Ibom at 18.4% and Cross-River at 18.2%), and the rest were at or a little above the national average, including three of the four main oil producing states (Bayelsa at 23.9%, Delta at 27.3% and Rivers at 25.5%). Over 62% of the region's population is 30 years old or younger and growing youth unemployment is emerging as a key policy priority for the Federal and State Governments. Young people are the champions of demand for development and change in the region and tend to struggle for dividends from the region's oil wealth.³

Background to markets:

MADE is expected to work in 5 shortlisted markets with 2 additional markets as reserve, or sectors, over its 4.5 year implementation period. As identified in the business case, these shortlisted markets are; palm oil, aquaculture and fisheries, cassava, poultry, waste recycling, fertilizer and crop protection products (agricultural inputs). It is currently active in 6 markets.

An overview of the project's current interventions is as follows:

1) Agricultural inputs:

Small-scale farmers are getting reduced yields due to low use of quality agricultural inputs, poor supplies, and low awareness of good agricultural practices. These are caused by market failures

in the supply chain, where agricultural input suppliers are not incentivized to sell directly to small farmers due to government intervention, and also due to weak information on the needs of small-farmers and distribution structure required to reach them.

MADE has been working with input companies to develop stronger distribution systems; where firms improve their knowledge of small-holder farmers' needs and sell products directly to them, using appropriate packaging and good technical advice to demonstrate the value proposition of purchasing more inputs, starting at small and affordable process and volumes with a view to scaling up incrementally later in line with increasing smallholder incomes and capacities.

Through strengthened distribution channels, farmers will start consuming more inputs, increasing their profitability and subsequent demand for more inputs delivered directly to them by profitable agro retailers who operate in close proximity to their farms. The net result will be increased productivity, enhanced competitiveness and increased incomes, to be confirmed and adjusted by careful monitoring and evaluation.

2) Household Poultry vaccination:

Chickens are susceptible to many infectious diseases. One of the most important of these is the viral disease known as Newcastle Disease (ND), which causes devastating losses in both commercial and village chickens. Reducing losses of large numbers of village chickens to virulent Newcastle disease is an essential first step to improving their productivity. Poultry nutrition and disease control are the primary factors affecting bird production at the small farm/household level. If the poultry is better fed and protected from disease, significant increase in profits can be achieved without added labour.

MADE's household poultry intervention focused on establishing a veterinary service centred retail distribution chain that serves traditional poultry keepers. These services include diagnosis of poultry diseases, advice on disease management and selling of drugs and vaccines that treat these diseases.

The aim of the veterinary service centred retail system is three-fold. Firstly, it sought to provide households that keep traditional poultry with improved access to veterinary (poultry) products and services through well-trained retailers that sell high quality veterinary products. Secondly, it sought to establish a reliable distribution channel through which veterinary products of reliable quality are sold. Thirdly, it sought to provide vaccination service to traditional poultry. It also provides good poultry practices training to the keepers.

At the core of the retail model are retailers aligned with animal healthcare companies which are supported by the animal health care companies and MADE when necessary to vaccinate traditional poultry and sell veterinary products to households that keep traditional poultry.

Poultry is traditionally a woman's business and even in cases where the man claims ownership, the proceeds from the sale go to the woman. Programmes' vaccination partners have found it difficult to train female vaccinators because of the timing of the vaccination (early in the morning and late in the evening) due to household responsibilities. MADE's vaccination partner (Zygonis) is targeting single women to train as vaccinators.

3) Fisheries

Aquaculture – Demonstration Pond

A demonstration pond is a "model" fish pond, which is utilized to train fish farmers on the technical and managerial aspects of a successful fish farming business. The training covers issues ranging from pond construction to water management and feeding practices, resulting in the better use of feed, better water quality management, lower production costs, bigger fish and ultimately better sales for fish-farmers. The demonstration pond also acts as a physical site where key value chain actors like feed companies, hatcheries, fish farmers, associations, and aquaculture experts

meet and engage; enhancing the co-operation and coordination between actors critical to market development.

In implementing the model, a lead partner which is a feed company or local service provider organizes demonstration ponds with MADE's support for one production cycle, after which it is expected that the lead partner will drive the intervention forward and gradually expand the number of demonstration ponds.

Smoked Fish - Improved access to and use of improved smoking kilns

The desired outcome of the deployment of improved smoking technology is to increase the incomes of smokers and fisher-folks. For fish smokers, access to new kilns will increase their smoking efficiency (the time it takes to smoke fish), reduce fuel costs, and increase their smoking capacity (the amount of fish that can be smoked in a given time) leading to reduced wastage of unprocessed fish, environmental and health benefits, increased incomes and higher profitability.

4) Palm Oil

The binding constraints for growth in the palm oil sector have been the low oil processing extraction rates (1/3 of industrial benchmarks) and high costs of harvesting. MADE's interventions in the palm oil value chain is driven by a strategy to improve productivity in processing, harvesting, and in small-scale production. It is assumed that increasing the productivity in the Niger Delta region towards world standards will lead to increased profitability and incomes for farmers and SME agro-processors.

The broad strategy addresses key constraints that relate to: i) lack of access to and adoption of both improved processing and harvesting technologies, ii) poor knowledge of good agricultural practices and access to agricultural inputs, including fertilisers and crop protection products, and iii) limited linkages between small scale plantation owners and large scale integrated mills. These key constraints are addressed by four distinct intervention areas: 1. Improved Processing Technologies and Better Processing Practices 2. Access to Improved Harvesting Technologies 3. Improving Access to Good Agricultural Practices and Agricultural Inputs and 4. Smallholder-Large Plantation Linkages

5) Cassava

Cassava intervention options focus on supporting and making positive use of local smallholder initiatives, often initiated by organized groups of poorer women smallholders, to cluster their associations around Small and Medium Enterprise (SME) farmer/processors and large industrial High Quality Cassava Flour (HQCF) processors in order to gain wider options on access to downstream markets:

1. Addressing low levels of productivity amongst cassava producing clusters by improving access to and use of agricultural inputs and high yielding cassava varieties aimed at strengthening supplies to local and industrial markets downstream
2. Addressing low levels of productivity amongst small and medium processors of high quality cassava flour and cassavita (cassava flour) via the introduction of improved processing equipment and business development support services.
3. Addressing linkages between the farmer associations and industrial and SME HQCF processors.

6) Finished Leather products

MADE took over interventions in this market from Growth and Employment in the States (GEMS1) Programme last year. It continued to support sectorial coordination and improve representation with relevant stakeholders in the leather value chain, started by GEMS 1. This begun in November by engaging the Leather and Allied Products Manufacturers of Abia State (LEPMAAS)-

an umbrella business membership organisation (BMO) operating in the Aba leather cluster. MADE linked LEPMAAS to the Aba Urban Development Summit and a privately funded 'Made in Aba' Trade Fair held in Abuja. This provided LEPMAAS with the opportunity to draw attention to the investment potential of the area, the need for improvement of infrastructure within the cluster, as well as establish a market linkage between heads of paramilitary agencies and local producers of military gear such as boots, belts and accessories. The later activity led to a commitment to investigate the possibility of local sourcing in the future.

MADE also conducted strategic analysis in order to develop other interventions. The initial intervention concept centred on identifying private off-takers involved with local retail outlets to purchase from producers in the leather cluster.

Cross cutting activities:

Access to Finance:

Within this review year, the cross-cutting Access to Finance (AtF) strategy was developed and three Interventions launched. The interventions focus on addressing causes of market failures that affect smallholder farmers and entrepreneurs across the Niger Delta. These failures include; high interest rates, the requirement for physical collaterals / deposits that prevents the poor (particularly women) from accessing finance, the timeliness of agricultural value chain loans, the short period for loan repayment, and other challenges faced by farmers and entrepreneurs which included low financial literacy.

The AtF strategy envisaged the facilitation of a commercial relationship between Business Development Service Providers (BDSPs) and financial institutions on the one hand, and smallholder farmers/entrepreneurs participating in the enterprise development training and financial institutions providing access to credit on the other. Critical to the success of the strategy was establishing linkages to financial institutions that could provide suitable credit to smallholder farmers and entrepreneurs.

Advocacy and Communications:

The Communication and Advocacy strategy aims to generate a common understanding of the programme's vision for change and persuade programme stakeholders and beneficiaries to adopt or support the technologies, practices, and the pro-poor approach promoted by the programme

Gender:

The MADE programme is aiming to achieve some significant and ambitious targets for the involvement and benefit of women in the selected value chains. To inform the achievement of these targets the programme has developed a gender strategy to guide its implementation plans in the following key areas:

- Gender Based Analysis of the Value Chains
- Gender Mainstreaming Programme Support
- Gender-focused advocacy and networking activities

The programme has also started a gender-hub that seeks to address non-economic factors that decide the role, access and control opportunities that women and men engage in. It targets improving women's participation, their ability to choose and make decisions that affect them.

Context for the 2015 Annual Review:

2015 was a very challenging year for operating in Nigeria with many uncertainties and disruptions. Some important developments have occurred in 2015 that have direct implications for the

programme.

The first is a deteriorating macro-economic situation. The sharp decline in world prices of oil is impacting heavily on Nigeria's economy and its attractiveness for new investments. Furthermore, decline in oil price and other economic factors have led to substantial inflation, which has a particular impact on small farmers and entrepreneurs, and to a slow economic growth. Furthermore, private sector investments and business operations were further curtailed due to restrictions on foreign exchange imposed by the Central Bank of Nigeria.

Secondly, the elections and transition of government at Federal and State level led to operating challenges and regulatory uncertainty. The Niger Delta is the heartland of the PDP opposition party and strong polarisation with the Federal Government has emerged. State level elections in the Niger Delta in 2015 and 2016 were marred by large scale political violence.

Thirdly, the increased militancy, criminality, piracy, oil bunkering and increased attacks on oil pipelines in Niger delta continued to destabilise the region. Criminality and political violence makes for a difficult operating environment in particular for Delta and Rivers states.

Lastly, attacks on oil pipelines have led to an acute fuel and electricity shortages. The economic cost is enormous with oil production 40% lower than projected in Nigeria's 2016 budget. Disruption to gas supply has meant a significant drop in power generation and the price of petrol has sharply risen, increasing production cost for farmers and small entrepreneurs.

The Nigerian elections last year have also changed the political landscape of the country, with the All Progressives Congress (APC) opposition winning the Federal elections and most gubernatorial elections, apart from the Niger Delta states which remain the stronghold of Peoples Democratic Party (PDP) led opposition.

The Amnesty programme for the leading militants agreed in 2009 bought peace for some time but it was due to end in 2015. It has been extended for another year but the lack of dialogue between central government and the militants and the cancellation of lucrative pipeline protection contracts has led to an increase in militant activities.

Whilst the oil price shock may well have negative repercussions due to possible cuts in Nigerian government's spending in the agriculture sector, it also represents an opportunity for MADE in terms of a gradual reduction of the agricultural inputs subsidy provided by the Federal Ministry of Agriculture and Rural Development (FMARD), allowing for the crowding in of private sector input suppliers in this market. The programme is already supporting rural retail and distribution systems from the supply side, and training farmers in the proper use and application of good quality inputs from the demand side. Similarly in the leather market Nigerian Government has stopped providing export subsidy that was favouring the large businesses against small ones and was also being misused by them.

B: PERFORMANCE AND CONCLUSIONS (1-2 pages)

Annual outcome assessment:

Outcome: Better performing poor farmers and small scale rural entrepreneurs in selected markets.

Indicator 1: Number of small/medium-scale farmers and entrepreneurs that record an increase in yield/productivity and sales (cumulative)

- Milestone by end March 2016:** 30,055 (# poor: 25,547, # female: 15,629)
- Achievement by March 2016:** Not reported by the programme
- Assessment:** The programme has not managed yet to establish a results measurement

system to start measuring and reporting against this milestone. MADE's approach in measuring this Milestone should be agreed upon with DFID.

Indicator 2: Number of small/medium-scale farmers and entrepreneurs that make changes in their farming or business practices (Cumulative)

- Milestone by end March 2016:** 31,637 (# poor: 26,892, # female: 16,451)
- Achievement by March 2016:** 31,972 - 101% of target (# poor: 24,120, # female: 13,288)
- Assessment:** The programme has achieved this target on cumulative basis but it was able to reach about 90% of its sub target for poor and 80% for female beneficiaries)

- Overall Outcome score and description:** The programme has not managed yet to establish a results measurement system to start measuring and reporting against this milestone. It designed an outcome assessment survey within the review year but it found out that it was quite an expensive approach and hence did not offer good value for money. The programme is planning to revise the approach and measure the outcome results for this indicator. MADE's approach in measuring this Milestone should be agreed upon with DFID as soon as possible.

Key lessons and actions:

The programme needs to scale up and deepen its interventions in six focal markets this year, which should allow optimum reach to make a systemic impact in the rural economy of the Niger Delta. However, the programme needs to ensure that markets are continuously assessed to ensure they are delivering value for money and that interventions are best aligned with objectives.

MADE needs to improve its geographic focus on core Niger Delta states of Akwa Ibom, Bayelsa, Delta and Rivers where livelihoods and job opportunities especially for youth are needed more than other states in Niger Delta, due to a long history of militancy and criminality in these states. Currently only 30% of programme beneficiaries are located in these four core states (down from 37% last year) and very few are being reached in the creeks and lowlands of these core states due to increased militancy there.

MADE should refresh its political economy analysis, given the changes that took place since the start of the programme due to elections and changes in the political landscape, the rise in militancy and crimes in Niger Delta and the reduction in economic growth due to declining oil revenues available to the Nigerian Government.

The programme has made good progress in reaching female beneficiaries especially in fisheries, cassava and household poultry markets. The programme works through women cooperatives and this model seems to provide reach for women beneficiaries. However, criteria for membership to these cooperatives need to be reassessed to make it more pro-poor. The programme should carry out a gender analysis of all its focal markets and should identify hidden roles and intervention opportunities for women economic empowerment in these markets.

MADE has been actively participating and has also been a co-organizer with PIND and other partners of Nigeria Delta Development Forums (NDDF) in Washington DC, Calabar Nigeria and in London with the objective of highlighting the opportunities available in Niger delta with potential investors and development partners around the world. In addition to these investment promotion forums the programme should make direct contacts with private sector agribusinesses for example Unilever, Diageo and Syngenta and Banks or Social investment funds like Zenith Bank, Acumen fund, CDC to attract new commercial investments in Niger delta with the aim of creating livelihoods and jobs for small farmers and youth on a long term sustainable basis.

Has the logframe been updated since the last review? No

MADE should review the logframe in close consultation with DFID.

C: DETAILED OUTPUT SCORING (1 page per output)

Output Title *New and/or improved inputs, products, services and technologies that benefit poor people are introduced in target markets*

Output number per LF	1	Output Score	A
Risk:	<i>Major</i>	Impact weighting (%):	65%
Risk revised since last AR?	Yes	Impact weighting % revised since last AR?	No

Indicator(s)	End March 2016 Milestones	Progress (End March 2016)
1.1: Number of small/medium-scale farmers and entrepreneurs who are assisted to access new and/or improved inputs, products, services, and technologies (Cumulative)	<input type="checkbox"/> Total 35,434 <input type="checkbox"/> #poor - 30,119 <input type="checkbox"/> #female -18,426	Achieved: <input type="checkbox"/> Total: 42,562 (120% of target) <input type="checkbox"/> # poor : 32,772(108% of target) <input type="checkbox"/> # female: 18,119 (98% of target)
1.2: Number of market actors investing in MADE piloted innovations (Cumulative)	<input type="checkbox"/> 8	Achieved: <input type="checkbox"/> 22 (275% of the target)

Key points and highlights:

MADE moderately overachieved the total target for output indicator 1.1 by reaching 120% of the total number of small and medium scale famers and entrepreneurs with assistance to access new or improved agricultural inputs, products, services and technologies. It was also able to achieve 108% of its sub target for reaching poor beneficiaries while it narrowly missed the sub target of reaching female beneficiaries by achieving 98% of the required target.

A total of twenty two private sector investors have invested in interventions initiated by MADE which is significantly higher than the target of eight such investors by the end of its second year. This is a strong performance providing a solid foundation of private sector partners. The overachievement in partnerships demonstrates an encouraging diversification and is promising for the future of the programme. As the programme progresses a wider base of private sector partners would create more competition in the focal markets (Agricultural inputs, Poultry health, Palm oil, finished leather goods, aquaculture and cassava) and should help to spread gains in pro poor livelihoods and jobs creation. In looking for future partners the programme should also seek to consider more carefully the appetite for the partners to operate in the fragile and insecure environment and to work with female farmers and entrepreneurs. However 275% overachievement of this target also raises the question of this target being unrealistic and needing revision in the log frame.

This output is assessed as A on cumulative basis.

Summary of responses to issues raised in previous annual reviews (where relevant):

- a) MADE has made good progress on last year's annual review recommendation on improving its focus on reaching women beneficiaries. However, it needs to improve towards reaching the very poor.
- a) It has also diversified its work by increasing the share of beneficiaries in other markets besides agricultural inputs.
- b) It has expanded its work to one additional market (Leather Goods) compared to expansion in two markets as recommended in the last annual review. This is mainly a male-dominated market with women's participation rate of less than 10%. MADE is working to ensure women improve their participation in this market mostly through support services where women stitch and design leather goods with beads and ornaments. MADE is also working with the men to improve women representation and decision-making in the Leather and Allied Products Manufacturers of Abia State (LEPMASS).
- c) However its share of beneficiaries in the four core Niger delta states has actually reduced as compared to last year, against the recommendation to increase the share of its beneficiaries in these core states.
- d) The programme was also able to increase the decentralization of its decision making by empowering the in-country team as recommended.
- e) Last year's recommendation on intervention level monitoring plans should be developed from intervention level theories of change and result chains. These should assess the success of each market intervention, including attribution, value for money at activities, outputs, outcome levels, and beneficiary makeup.

Recommendations

- MADE should consolidate its work in its six focal markets. It should explore and add new interventions in these markets by strategically choosing interventions which are likely to have an impact on equality or conflict prevention. Special emphasis should be given to markets with high rates of women participation and having good potential of reaching the poorest income segments in vulnerable communities.
- The programme should place considerable emphasis on bringing a number of interventions to scale and also deepen their impact where they can begin to produce significant results and systemic changes in the markets.
- MADE should develop political economy analysis to understand better the impact of the political economy of the markets and the potential impacts (positive and/or negative) of MADE intervention.
- MADE should consider how to increase its outputs in the four core Delta states of Delta, Bayelsa, Rivers, and Akwa Ibom as required by the business case.
- A gender analysis should be conducted this year as soon as possible. The joint co-ordination of Women Economic Empowerment (WEE) network of experts, to which MADE already belongs is a good repository of information. MADE's participation should be further strengthened to improve lesson learning from the network.

C: DETAILED OUTPUT SCORING (1 page per output)

Output Title	<i>Development agencies, support service providers (private, public, and NGO) and</i>
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*private investors
change their approach to
engaging with the poor in
the Niger Delta region*

Output number per LF	2	Output Score	A+
Risk:	Moderate	Impact weighting (%):	35%
Risk revised since last AR?	No	Impact weighting % revised since last AR?	No

Indicator(s)	End March 2016 Milestones	Progress (End March 2016)
2.1 Number of investors adopting additional pro-poor market development approaches (Cumulative)	<input type="checkbox"/> 2	Achieved <input type="checkbox"/> 4 (200% of target)
2.2 Number of new market development interventions that development agencies attribute to the programme	<input type="checkbox"/> 1	<input type="checkbox"/> 1 (100% of target)

Key points and highlights:

The most encouraging aspect of the performance under this output is the mainstreaming of pro-poor approaches in a number of private sector partners. The following partners are taking action without support from MADE, indicating the beginnings of systemic change in how they conduct their business:

- Wider Perspective, a Business Development Service Provider in Rivers State, that is linking smallholders across value chains to larger markets for farmers alongside the advisory services it provides.
- Godilogo, a small and medium enterprise processor in Cross Rivers state, which loaned 160 bundles of cassava stems to 80 farmers and is expecting to buy 800 back bundles this farming season.
- Phila Joms, a small and medium scale processor in Abia State, is offering interest free loans to farmers within its cluster.
- CHI Farms donated 60 bags of fish feeds to Aqua Green Initiative of Rivers State for the Rumuomasi pond project which is indicative of its interest in the pond demonstration model as a marketing tool for fish feed.

Summary of responses to issues raised in previous annual reviews (where relevant):

MADE was able to encourage the pro poor approaches and business models by providing cost sharing grants to private sector partners during last year as recommended. It was also able to measure the results against output number 2 as recommended in the last review.

Recommendations:

- MADE should work with additional private sector partners investing in pro-poor approaches and consider specific strategies for how to encourage them.
- MADE should develop strategies that will encourage pro-poor systemic changes on sustainable basis in its focal markets.
- The programme should report its initiatives to support pro-poor systemic changes and lessons learned in its quarterly and annual reports.

- It should also highlight how its cross cutting interventions of access to agricultural finance, advocacy and communication, strengthening collaboration and partnerships in Niger Delta and Gender are reducing or removing barriers for inclusion of poor in its focal markets.

D: VALUE FOR MONEY & FINANCIAL PERFORMANCE (1 page)

Key cost drivers and performance:

Key cost drivers of the programme for the period under review are shown below;

Cost element	Value (£)	Percentage
Labour	£1,374,223	41%
Expenses	£ 539,752	16%
Grants and Activities	£1,436,143	43%

Grants and activities and Labour are the main cost driver of the MADE programme. The level of competent skills in market development and specialisation in other specific interventions are core drivers of labour cost. This is in addition to the security situation resulting in premium paid to get highly competent people to work in the Niger Delta. Various sector specialists are very competent in their respective sectors and this has been recognised in the various interviews during the review. The project has considerably increased activity and grant expenditure in the past year relative to the first year of implementation and achieved a relatively low expenditure on expenses which is 16% this year as compared to 19% last year.

Areas where MADE has performed well in achieving good value for money are as follows;

Agricultural inputs

This component has accounted for significant contribution in achieving the programme's output target. Which is understandable as it complements other value chains. Three major agricultural input companies have adapted their approaches to targeting poor consumers of their products (smallholder farmers) leading to training more than 16,700 farmers during the year in good agricultural practices (GAP). MADE ensured that VFM indicators are included in the contractual agreements with its partners, as a result the cost of engaging the companies to deliver the output targets reduced significantly from 50% to 23%. Total number of beneficiaries was 20,908, at a cost of £133,862 equating to a cost per beneficiary of £6 for this intervention.

Household Poultry

Household poultry experienced a setback in year 1 of an unsuccessful partnership with the poultry vaccine company AgriProject Concept. Following an intervention redesign and bidding process, Zygoxis and Turner Wright poultry vaccine companies were selected. Both companies are training the rural poultry vaccinators, thus creating employment and discovering untapped markets in the region. MADE linked them to National Veterinary Research Institute (NVRI) (manufacturer of New Castle Disease vaccine) and ensured that commercial relationship developed between them. All activities led to reaching of a total of 5,387 beneficiaries at a total cost of £90,858; cost per beneficiary is £17. Poultry market has experienced rapid increase in total number of beneficiaries but specifically in female beneficiary, from 50 women farmers reached in year 1 to 2,636 in year 2. Female and male ratio of beneficiaries is now at parity and the programme is expected to significantly improve this ratio in favour of women farmers in future.

Palm Oil

MADE facilitated the process for three small scale palm oil processing equipment (SSPE) fabricators to sell 11 palm oil extraction mills which are increasing profitability for the mill users, and 2 agro-retailers are now selling improved palm fruit harvesting equipment, which has led to 50% increase in harvest for 214 farmers. Number of beneficiaries reached 4,925 with a cost of £108,465 equating to cost per beneficiary of £22. Access to improved processing technologies and good practice has not only increased productivity but has also created livelihoods opportunities. Palm Oil intervention has shown increase in number of beneficiaries reached, from 550 in Year 1 to 4,375 in year 2 and is heading in a positive direction for inclusion of women.

Aquaculture – Fisheries

Five aquaculture service providers are now regularly organising demonstration ponds with their own resources and delivering training using commercially viable models. Out of 2,349 fish farmers trained in pond management, more than 1,075 farmers have adopted improved practices in fish farming. Fisheries intervention has shown significant increase in its reach from total of 788 in year 1 to 3435 in year 2, this is over a 300% increase of beneficiaries reached. Female beneficiaries grew by 1,898 from year 1 to year 2. The cost per beneficiary in this intervention is £39, which is quite high compared to other value chains but trend indicates that cost will reduce as programme goes into year 3 and 4.

VfM performance compared to the original VfM proposition in the business case:

MADE's value for money approach was laid out in the business case, it was developed in the contract amendment in March 2015 and guided further by the recommendations made in the 2015 Annual Review. Assessment of VfM on outcome level could not be ascertained with evidence as data was not available for this. However, analysing on output level on VfM performance, targets were met and exceeded in some cases.

The programme is currently achieving adoption rates for improved farming practices ranging from 50% in Fisheries to 90% in Palm Oil GAP demonstration. Evidence generated shows that over 75% of 42,000 thousand supported by MADE reported adoption of improved farming and/or business practices. In the Household poultry, 2,750 clients have increased number of times their birds are vaccinated against New Castle Disease from once or twice a year to four times a year.

Year 2 cost: £3,350,118
Total Project cost: £7,524, 638

VfM Dimension	VfM Indicator	VfM results to Year 2
Economy	Total operational costs/total costs	£1,429,659* / £4,258,657** = 0.3 <i>*total operational costs from start of hybrid contract</i> <i>**total costs from start of hybrid contract</i>
Efficiency	Private sector investment leverage per £ spent.	Total Private sector investment: £1,279,652.17 Therefore £1,279,652.17 / £6,372,329 = 0.2
Cost per farmer or entrepreneur benefitted (engaged with projects)	Total Number of farmers: 42,562 Therefore £6,372,329 / 42,562 = £ 150	
Effectiveness	Cost per farmer/small scale rural entrepreneur recording an increase in sales, productivity and / or quality	Total Number of farmers: 30,055 Therefore £6,372,329 / 30,055 = £ 212
Beneficiary income gain per £ spent	<i>Impact level indicators not yet available</i>	

Equity	Cost per female farmer or entrepreneur benefitted (engaged with projects)	Total Number of female farmers: 18,119 Therefore £6,372,329 / 18,119 = £ 351
Cost per female farmer / small scale rural entrepreneur recording an increase in sales, productivity and / or quality	Total Number of female farmers: 13,288 Therefore £6,372,329 / 13,288 = £ 480	
Cost per poor farmer / small scale rural entrepreneur recording an increase in sales, productivity and / or quality	Total Number of poor farmers: 24,120 Therefore £6,372,329 / 24,120 = £ 264	
Cost per poor farmer / small scale rural entrepreneur recording an increase in sales, productivity and / or quality	Total Number of poor farmers: 32,772 Therefore £6,372,329 / 32,772 = £ 194	

Effectiveness

It was recommended in the last annual review to upscale more interventions in additional value chain which means engaging more partners. It is evident above as cost per farmer/ entrepreneur has reduced from as compared to previous year. Increase in income of farmers/entrepreneur has been seen but not equating proportionately to cost of engagement. This is expected as M4P approach does not realise immediate returns. In relation to labour, the project is ensuring good value for money by benchmarking fee rates against other projects, and using a significant number of long term local consultants. The project M&E framework has been developed but needs to be modified as discussed earlier.

Economy

Operational cost seems to have decreased by 3% from last year. The operational cost was £ 539,752 which was 16% of total budget for year 2, though its value is higher than last year but this year MADE recruited its full team of long term staff as compared to having a partial team in place a year before. 84% of total cost was dedicated to direct programme delivery. Although operational costs are significantly lower proportionally, MADE continues to review the value for money of its expenses, for example ensuring that the average cost of EU to Nigeria flights are kept at an approximate average of £900 below the budget cost of £1500.

Efficiency

The focus on grant expenditures has been primarily in order to encourage and accelerate private sector investment into the market systems interventions, as the grant deals and activities largely stipulate the necessity of the private sector partners investing their own money or resources. MADE ensures that costs to the programme are kept to a minimum by strengthening the capacity of grant partners to manage interventions and monitor results. And facilitation of linkages among relevant market value chains.

Equity

MADE has done better in capturing of equity factors recommended from last review especially on

performance reporting on women participation in economic growth. Table above shows a snapshot of cost and an increased number of female beneficiaries. However, there is more work to be done in M&E processes on gender. Also, programme has not demonstrated strong systematic methods of reaching the poor and reporting on it.

Recommendations

- MADE should further develop VFM indicators to adequately reach and measure the poor; and reporting performance of beneficiaries.
- It will be helpful for programme to properly articulate definition of the poor and cascade this down to partners. To ensure that scaling up of intervention does not further widen the gap of the poor in the future.
- Programme should carry out VFM analysis of the new market before adding it up in its current intervention markets.

Assessment of whether the programme continues to represent value for money:

The Programme has demonstrated good evidence in this review that it has provided good value for money. Of particular note is that MADE has outperformed on all of the Output indicators and already has excellent results at the outcome level for systemic change occurring with the programme, with 31,973 farmers making changes to their farming practices.

As stated in the business case, flexibility is key to success in the M4P approach and ensuring the ability to plan iteratively has been a key characteristic of the management function in the past year. The programme has been monitoring the projected spend per intervention vs. the type of beneficiaries reached over the life of the project, and making decisions about where to target funding. This has resulted in more funding being made available to the agricultural inputs value chain, whilst the value chains that have a higher cost per beneficiary are under scrutiny.

Quality of financial management:

Financial management of the programme has been progressively improving in forecasting and achieving monthly spends within acceptable variance limit.

Approved budget for FY 2015/16 was £3,316,845.30, programme spent £3,262,419.

Despite been informed of overseas development assistance spend target for programmes at the end of second quarter of last year, MADE ensured interventions remained consistent with strategy and achieved 82% of budgeted spend by December 2015. Bulk of spend was incurred in quarter 3 following recruitment of key staff and significant increase in access to finance activities.

Date of last narrative financial report	May 2016
Date of last audited annual statement	December 2014

E: RISK (½ page)

Overall risk rating: Moderate

Overview of programme risks:

- Delivery (Moderate)** – If the programme does not fully implement its monitoring and evaluation systems and report outcome and impact level results against logframe indicators it will not be able to show the delivery of its results at outcome and impact levels even if it may

achieve it. Therefore it is urgently required that MADE finalise its approach and M&E systems in close consultation with DFID.

□ **External contexts (Major) – 1)** Political context: The elections and peaceful transfer of government last year have strengthened democratic culture in Nigeria. However, the political polarisation between the Federal State and the opposition heartland of the Niger Delta States has led to political violence during electoral processes and affected collaborative policy development between the Federal State and the region. The increasing cases of criminality, kidnapping, renewed calls for Biafra independence, attacks on oil and gas installations, civil disturbances can disrupt project activities.

2) Economic context: The worsening economic situation with strong inflation, high energy and transport costs, low growth and flotation of the Naira against the Dollar can represent a serious impediment for some markets development but also could provide new opportunities (e.g. reduction of state subsidies, opportunities for local producers due to increased cost of imported goods).

□ **Operational (Moderate):** MADE should recruit new team leader and technical leader as soon as possible to continue to make progress with strong leadership guiding the local team and building strong partnerships with all stakeholders.

□ **Safeguards (Low):** Social attitudes in the Niger Delta States are changing in the light of the drop in oil prices and oil revenue to the state. Most states are technically bankrupt, as oil revenue can no longer cover their basic and pre-existing costs. Nigerian Government will have to rescue and stabilize State and local government budgets, the resulting public administration reform will cut or abolish subsidies, cut jobs, and raise unemployment. This will contribute to increased poverty in the short term as the implementation of economic adjustment and agricultural transformation will take time. There are already signs of a potential crime wave. In these circumstances the basic message of the MADE programme, on the need to boost non-oil economic activities and jobs, is a central plank in the economic reform process.

The social risks confronting the MADE project are therefore at least temporarily greater than they were a year ago, even though the support for MADE's basic objectives is now much wider at community and local level. The programme is successfully mitigating these risks by ensuring that women's and poor communities participate widely and benefit from the programme's interventions as evident from programme's results at output level.

□ **Fiduciary (Low):** The service provider DAI has extensive experience in managing DFID programmes and has well established accounting and financial control systems. It submits financial reports and invoices on time and during last year its financial reports were mostly found in order.

□ **Reputational (Moderate) –** MADE is partnering with private sector businesses which are legally registered entities in Nigeria and have established management systems in place. It carries out due diligence of these partners before signing any agreement with them. No direct budget support is being provided by MADE to Federal or State government in Nigeria.

Outstanding actions from risk assessment

MADE has not updated its political economy analysis as recommended in the last annual review.

F: COMMERCIAL CONSIDERATIONS (½ page)

Delivery against planned timeframe

The programme was contracted for GBP14.2m and has delivered on schedule with milestones reached prior to payment. The hybrid contract model has shown to be an effective delivery model and enables DFID to ensure that payment is made only after satisfactory performance.

In this arrangement, resources like labour are paid on completion of agreed milestones while the expenses are paid as soon as claims are submitted. This was felt to be the most effective means of managing the contract to ensure that DFID is aware of what expenses are incurred for and the supplier manages the delivery of the output in a flexible manner. This has worked well, providing incentive for timely completion of activities prior to payment.

The programme has additional financial resources to spend due to strengthening of Pound Sterling against Nigerian Naira by about 25 percent as most of the spend is in Naira.

While the programme was intended to focus on the core delta states of Delta, Rivers, Akwa Ibom and Bayelsa, there seem to be a shift of focus from the core delta states to peripheral states. Reason given for this is security concerns in the run up to the 2015 elections and has been discussed with DFID. It is however expected that it will use these locations to launch back to these core delta states as more opportunities emerge.

Performance of partnership(s)

The contract with DAI has performed well; the programme staff has been continuously meeting with DFID lead adviser and programme officer and has been providing regular updates of progress of the programme. The supplier has been responsive to client's needs and has worked flexibly in collaborating with other DFID programmes such as PropCom Maikarfi to leverage existing knowledge and taking useful lessons. It also took over some parts of the Meat and Leather programme of GEMS 1 programme as an exit strategy. It has coordinated well with UKTI and CDC on investment promotion in Niger Delta's agriculture markets particularly in Cassava. This flexible approach to implementing this contract has made the supplier a good partner.

Asset monitoring and control

The management of the programme assets has been good, with regular update to the asset register. Records of these assets are recorded in DFID electronic filing system – QUEST (4867304). The programme has set in place good control to ensure that asset are used for intended purpose and are handled with care. Although there was one case of theft of six laptops from its office, which was reported to police but remains unresolved. The service provider had to bear the cost of stolen laptops.

G: CONDITIONALITY (½ page)

Update on partnership principles (if relevant)

The Business Case was approved on the basis that it will contribute to reduction of poverty, operates in recognition of fiduciary risk in Nigeria and increasing domestic accountability. The programme has consistently been able to perform with these principles in mind; it has worked hard in addressing the reduction of poverty by offering access to improved agricultural practices to raise incomes and yields for farmers. It has implemented its interventions by working directly with the private sector actors rather than passing funds through the government because of the potential risk of mismanaging of funds. It is the objective of the programme that as it scales up, this development model will reduce the dependence on hand outs and will promote inclusive growth, thereby promoting domestic accountability in the region.

H: MONITORING & EVALUATION (½ page)

Evidence and evaluation:

Baseline studies have been conducted for five markets except for finished leather products. A mix of quantitative and qualitative methods has been used to collect data on generic indicators that will contribute to overall programme reporting. In addition information on sector-specific indicators will support the management of performance in each value chain. For this reason the baselines are assembled after the Theory of Change has been articulated to enable the appropriate parameters to be assessed.

Programme still needs to build a methodology for outcome level results assessments. It was able to report outcome level results for only one of the two outcome level targets. There is an urgent need to start recording results at all levels of logframe as recommended in the last annual review. Programme should also plan to recruit an external consultant to carry out a mid-term impact evaluation in this year, which will serve as a Baseline Study for the final impact evaluation planned to be carried out two years after the close of programme.

The M&E framework should consider how to incorporate measurement of systemic changes, which should be included in the logframe, and copying and crowding.

The programme has started to develop a systemised approach to lesson learning. This is essential in a programme such as MADE where the documentation of achievements is critical to attributing success and understanding how improvements and changes have occurred. It is important for MADE to consider further how they will capture the 'story' behind the changes and successes of their interventions. MADE should include in this lesson learning exercise assessment of the unintended positive consequences and ripple effects of the programme.

Monitoring progress throughout the review period

MADE has made good progress in building its monitoring system. It has started reporting results disaggregated by gender and by poverty levels as recommended in the last annual review. A quarterly reporting system for routine monitoring has just been put in place. It is also important for MADE to understand how private sector partners are collecting data (such as distribution and sales figures) which the programme may rely on for making payment by results. MADE should look further at understanding whether partners are capturing the data that is needed by MADE, and also whether they are capturing the data they need themselves for effective business management. There may be cases where some form of conditionality or capacity building could be required.

Comments from beneficiaries and partners:

"MADE has introduced me to new customers who were not using agro chemicals before, leading to increase in sales and expansion of market for us." – Sales representative of CANDEL Agro chemicals

"Women are increasingly participating in agriculture, but their role is not highlighted by men" – Agro dealer of Saro Agro Sciences

"MADE interventions are well aligned with our corporate business strategy, we opened new markets in Niger delta with MADE's support earlier than planned". – Marketing and Public Relations Manager of Syngenta

"We buyback empty bottles of agro chemicals from the farmers to avoid them being used as water containers". – CANDLE Agro chemicals Sales Manager

"MADE's interventions have improved farmers' livelihoods by introducing good practices and access to quality inputs." A farmer and Agro dealer

"Its important to make inputs and agro chemicals to be available at right time, access to finance to buy inputs is very important for us to avoid relying on taking advance from middlemen who then take away all our profit from the crop." A village chief and farmer

"I have been able to successfully reduce my fish mortality from 500 to 150 fish by learning good pond management from MADE". A fish farmer from Akwa Ibom state

"I have learnt better feed management, sorting of fish and proper water management of my fish pond from MADE, resulting in bigger fish and higher profit for me". A fish farmer from Rivers state

"My neighbours are also learning good pond management from me, which was trained to me by MADE". A fish farmer from Rivers state

"MADE introduced me to improved fish smoking kiln technology which helped me to establish my fish snack business". A fish smoking woman from Akwa Ibom state

"I grew my fish feed processing business due to a grant from MADE and recruited 13 employees from 3 last year". Owner of Agro Protein fish feed company

"We are now serving 9 communities with our vaccination services due to support from MADE as compared to 2 communities last year". Vaccinator of Zygozis poultry vaccine

"MADE introduced me to small scale poultry farmers due to small packaging size of vaccine." Turner Wright vaccine

"Sale of village poultry raises female incomes". Sales Manager Turner Wright vaccines

"MADE provided us a great help in establishing our cassava products processing capacity by providing grant and training. Thank you MADE for improving the livelihoods of women cassava farmers." Chairwoman of Giel Ventures women cassava co-operative.

"MADE introduced improved palm oil extraction technology to me and now I can extract 7-8 MT of oil from same amount of oil palm fruit instead of 2-3 MT from the manual pressing equipment that I used previously." A small scale palm oil processor in Akwa Ibom state.

"Before MADE, I bought 5,000 fingerlings and only harvested 400 fish. Now I am able to understand why I failed so badly and have improved my fish farming". A fish farmer.

Smart Guide

The Annual Review is part of a continuous process of review and improvement throughout the programme cycle. At each formal review, the performance and ongoing relevance of the programme are assessed with decisions taken by the spending team as to whether the programme should continue, be reset or stopped.

The Annual Review includes specific, time-bound recommendations for action, consistent with the key findings. These actions – which in the case of poor performance will include improvement measures – are elaborated in further detail in delivery plans. Teams should refer to the Smart Rules quality standards for annual reviews.

The Annual Review assesses and rates outputs using the following rating scale. ARIES and the separate programme scoring calculation sheet will calculate the overall output score taking account of the weightings and individual outputs scores

Description	Scale
Outputs substantially exceeded expectation	A++
Outputs moderately exceeded expectation	A+
Outputs met expectation	A
Outputs moderately did not meet expectation	B
Outputs substantially did not meet expectation	C

Teams should refer to the considerations below as a guide to completing the annual review template.

Summary Sheet

Complete the summary sheet with highlights of progress, lessons learnt and action on previous recommendations

Introduction and Context

Briefly outline the programme, expected results and contribution to the overall Operational Plan and DFID's international development objectives (including corporate results targets). Where the context supporting the intervention has changed from that outlined in the original programme documents explain what this will mean for UK support

B: Performance and conclusions

Annual Outcome Assessment

Brief assessment of whether we expect to achieve the outcome by the end of the programme

Overall Output Score and Description

Progress against the milestones and results achieved that were expected as at the time of this review.

Key lessons

Any key lessons you and your partners have learned from this programme

Have assumptions changed since design? Would you do differently if re-designing this programme?

How will you and your partners share the lessons learned more widely in your team, across DFID and externally

Key actions

Any further information on actions (not covered in Summary Sheet) including timelines for completion and team member responsible

Has the logframe been updated since the last review? What/if any are the key changes and what does this mean for the programme?

C: Detailed Output Scoring

Output

Set out the Output, Output Score

Score

Enter a rating using the rating scale A++ to C.

Impact Weighting (%)

Enter the %age number which cannot be less than 10%.

The figure here should match the Impact Weight currently shown on the logframe (and which will need to be entered on ARIES as part of loading the Annual Review for approval).

Revised since last Annual Review (Y/N).

Risk Rating

Risk Rating: Low/Medium/High

Enter Low, Medium or High

The Risk Rating here should match the Risk currently shown on the logframe (and which will need to be entered on ARIES as part of loading the Annual Review for approval).

Where the Risk for this Output been revised since the last review (or since inception, if this is the first review) or if the review identifies that it needs revision explain why, referring to section B Risk Assessment

Key points

Summary of response to iprogrammessues raised in previous annual reviews (where relevant)

Recommendations

Repeat above for each Output.

D Value for Money and Financial Performance

Key cost drivers and performance

Consider the specific costs and cost drivers identified in the Business Case

Have there been changes from those identified in previous reviews or at programme approval. If so, why?

VfM performance compared to the original VfM proposition in the business case? Performance against vfm measures and any trigger points that were identified to track through the programme

Assessment of whether the programme continues to represent value for money?

Overall view on whether the programme is good value for money. If not, why, and what actions need to be taken?

Quality of Financial Management

Consider our best estimate of future costs against the current approved budget and forecasting profile

Have narrative and financial reporting requirements been adhered to. Include details of last report

Have auditing requirements been met. Include details of last report

E Risk

Output Risk Rating: L/M/H

Enter Low, Medium or High, taken from the overall Output risk score calculated in ARIES

Overview of Programme Risk

What are the changes to the overall risk environment/ context and why?

Review the key risks that affect the successful delivery of the expected results.

Are there any different or new mitigating actions that will be required to address these risks and whether the existing mitigating actions are directly addressing the identifiable risks?

Any additional checks and controls are required to ensure that UK funds are not lost, for example to fraud or corruption.

Outstanding actions from risk assessment

Describe outstanding actions from Due Diligence/ Fiduciary Risk Assessment/ Programme risk matrix

Describe follow up actions from departmental anti-corruption strategies to which Business Case assumptions and risk tolerances stand

F: Commercial Considerations

Delivery against planned timeframe. Y/N

Compare actual progress against the approved timescales in the Business Case. If timescales are off track provide an explanation including what this means for the cost of the programme and any remedial action.

Performance of partnership

How well are formal partnerships/ contracts working

Are we learning and applying lessons from partner experience

How could DFID be a more effective partner

Asset monitoring and control

Level of confidence in the management of programme assets, including information any monitoring or spot checks

G: Conditionality

Update on Partnership Principles and specific conditions.

For programmes for where it has been decided (when the programme was approved or at the last Annual Review) to use the PPs for management and monitoring, provide details on:

- a. Were there any concerns about the four Partnership Principles over the past year, including on human rights?
- b. If yes, what were they?
- c. Did you notify the government of our concerns?
- d. If Yes, what was the government response? Did it take remedial actions? If yes, explain how.

- e. If No, was disbursement suspended during the review period? Date suspended (dd/mm/yyyy)
- f. What were the consequences?

For all programmes, you should make a judgement on what role, if any, the Partnership Principles should play in the management and monitoring of the programme going forward. This applies even if when the BC was approved for this programme the PPs were not intended to play a role. Your decision may depend on the extent to which the delivery mechanism used by the programme works with the partner government and uses their systems.

H: Monitoring and Evaluation

Evidence and evaluation

Changes in evidence and implications for the programme

Where an evaluation is planned what progress has been made

How is the Theory of Change and the assumptions used in the programme design working out in practice in this programme? Are modifications to the programme design required?

Is there any new evidence available which challenges the programme design or rationale? How does the evidence from the implementation of this programme contribute to the wider evidence base? How is evidence disaggregated by sex and age, and by other variables?

Where an evaluation is planned set out what progress has been made.

Monitoring process throughout the review period.

Direct feedback you have had from stakeholders, including beneficiaries

Monitoring activities throughout review period (field visits, reviews, engagement etc)

The Annual Review process