

Review of the Markets, Economic Recovery & Inclusion Program (MERI): Phase One

DFAT Management Response

Summary of Management Response

The review of the first phase of the Markets, Economic Recovery & Inclusion Program (MERI) highlights the strengths and challenges of the investment. It proposes 10 recommendations to be considered during the second phase of the program, implemented by UN Women until June 2023.

This Management Response was drafted by DFAT as a response to the review recommendations and was prepared in consultation with UN Women. MERI was rapidly designed as a COVID-19 emergency response to ensure the ongoing and safe operation of 12 formal urban markets across PNG at the request of PNG Prime Minister Marape. It was implemented in partnership with the Department for Community Development and Religion (DfCDR) from March 2020 to June 2021 and worked towards achieving two End of Investment Outcomes (EOIOs):

EOIO One: Reduced market related COVID-19 risks for women, vendors, People with Disabilities (PWD) and consumers

- Safety and sanitation practices in major markets improved.
- COVID-19 risk reduction measures replicated in secondary markets.

EOIO Two: Market-based livelihood opportunities for women and PWD restored towards pre-COVID-19 levels

- Capacity development and capability building of women vendors, PWD and other market actors.
- Open decision making and management processes that give voice to women vendors and PWD in market management structures and Provincial Administration decision making and spending on markets.

This review focussed on Phase One activities that was implemented by the Decentralisation & Citizen Participation Partnership (DCPP) managed by Abt Associates. PlanPac was sub-contracted by Abt Associates to implement minor infrastructure work upgrades. UN Women implemented the market governance components through a direct grant from Australian Department of Foreign Affairs and Trade (DFAT).

The review was organised around five main evaluation questions:

- i) To what extent was MERI an appropriate and relevant response to mitigate risks associated with COVID-19 in PNG markets? (Recommendation 1 and 2)
- ii) What impact did MERI have on reducing COVID-19 risks in targeted markets? (Recommendation 3 to 7)
- iii) How effective and efficient was the governance mechanisms—Local Project Implementation Teams (LPITs) and the MERI Program Task Force (MPTF)—within MERI?
- iv) How has MERI contributed to policy reform related to PNG Markets? (Recommendation 8 and 9)
- v) To what extent have gender and social inclusion principles been incorporated into the design and delivery of this program? (Recommendation 10)

Number	Recommendation	Response (Agree, Agree in part, Disagree)	Explanation	Action Plan	Timeframe
1	Consider developing MERI as a substantial long-term program which includes continued support for infrastructure investments to reduce COVID-19 and other health risks, capacity development for market management, and livelihood opportunities for women and other underrepresented groups.	Partly Agree	<p>The lessons generated from the establishment of Local Project Implementation Teams (LPIT) are vital to informing the establishment of market authorities. LPITs are multi-sectoral teams that facilitate inclusive decision-making. LPIT's had representatives from across the market authority, management, vendors, women, young people, and people with disabilities.</p> <p>DFAT partly agrees and acknowledges the potential of the program to inform future directions for long-term sustainable development of markets (and associated infrastructure) in PNG. The program continues to support change coalitions at multiple levels and operates alongside complex incentive structures and therefore must take an adaptive approach. Long term commitment beyond MERI will require consolidation of commitment at the subnational and national levels driven by key PNG Government national agencies.</p> <p>DFAT is supporting infrastructure upgrades at Kimbe Market (West New Britain), funded through the Economic and Social Infrastructure Program and the Wabag Market (Enga Province) which is funded through the Incentive Fund program. These two markets will be included in MERI Phase Two reporting requirements by UN Women.</p>	<p>DFAT will continue to support UN Women under MERI Phase Two to strengthen the capacity of market authorities, vendors, and local-level governments to manage market governance reform. Good governance is a key driver towards accountability of market revenue to sustain its business operation, promote inclusive public spaces, and help reduce the risk of communicable disease transmission.</p> <p>Kimbe and Wabag markets will be included in MERI Phase Two monitoring and evaluation framework as well as in the bi-annual reporting process.</p> <p>DFAT will continue to oversee the sharing of MERI program learnings (e.g., WaSH Minimum Standards for Markets learning briefs, infrastructure cost modelling) through the biannual MERI Phase Two steering committee meeting co-chaired by Department of Community Development and Religion (DfCDR). The steering committee membership includes representatives from Department of Provincial and Local Government Affairs (DPLGA) and Department of Prime Ministers & National Executive Council (DPMNEC). It provides the platform to share with complementary donor programs working in markets, such as the PNG-Australia Incentive Fund, Australia's Economic and Social Infrastructure Program and UN's Safe and Prosperous Districts Program.</p>	MERI Phase Two implementation period (now until June 2023)

2	Elicit regular feedback from key stakeholders at a national and local level providing periodic updates to project managers which maintain and improve information flows.	Agree	UN Women has an established market scorecard system that will continue to be used by market managers and vendors to assess self-performance. Information from the scorecards is consolidated into learning briefs, which could be shared with LPIT's, market authorities, partners, and national agency stakeholders.	To strengthen program implementation and adaptation, UN Women will produce a scorecard learning briefs to be regularly shared with LPIT's, market authorities and national agency stakeholders, as well as through the biannual MERI steering committee.	Phase Two implementation period (now – June 2023)
3	Clarify the specific starting point for support in each market to provide a stronger basis for determining program activities and the definition and measurement of progress over time.	Agree	<p>MERI Phase One was developed rapidly as an emergency response, and as such lacked a detailed monitoring and evaluation framework and a full implementation schedule.</p> <p>UN Women developed Market Profiles and Scorecards, while Planpac developed market infrastructure rapid assessments, which can be consolidated and adapted in MERI Phase Two.</p> <p>Based on a rapid assessment Planpac was able to implement infrastructure upgrades in 11 markets. Support to larger markets in Port Moresby and Lae comprised mostly PPE supplies intended to meet short-term emergency needs. However, the review found evidence that some upgrades made have already deteriorated to a point where they are no longer serving their intended purpose.</p>	UN Women to use existing learnings and assessments tools (such as the Market Rapid Assessment, Market Scorecards and LPIT Workplans) to review and consolidate evidence from markets. This will be presented as a learning brief for each market to guide the development of the LPIT annual workplans through iterative updates. A two-year project scope for MERI Phase Two will provide sufficient time for improved project planning and implementation. This will be reflected and updated in UN Women's MERI monitoring and evaluation framework.	Phase Two implementation period (now – June 2023)

4	<p>Conduct integrated assessment of the physical infrastructure and governance arrangements, including the political, institutional, and financial context in a market.</p>	Agree	<p>There is a need for a clear understanding of each individual market's operating environment (infrastructure, governance arrangements – institutional political, and financial context). This will be useful to determine the degree of support over the short to medium term.</p>	<p>Consolidated existing learnings and assessment tools from MERI Phase One <i>Refer to recommendation 3</i></p> <p>UN Women to explore opportunities to expand market profiles to include integrated assessment of physical infrastructure and governance arrangements (political, institutional) and financial context. This is to be reflected and updated in UN Women's MERI monitoring and evaluation framework (including DFAT funded infrastructure upgrades at Wabag and Kimbe markets).</p>	Phase Two implementation period (now – June 2023)
5	<p>Continue to engage MERI-supported markets to develop the collective capacity of market managers and stakeholders to (i) ensure critical infrastructure services (especially water and power) are available in markets, (ii) improve the availability of public information related to COVID-19 and potentially other communicable diseases, and (iii) reinvigorate the enforcement of COVID-19 protocols in markets</p>	Agree	<p>The LPITs will continue to be a key governance arrangement to facilitate advocacy by marginalised groups. Support is still required to strengthen the capacity of market management and market authorities to plan, advocate for budget and to secure funding for markets' priorities. This is imperative for market governance reforms, including maintenance infrastructure works as well as supply linkages to municipal services (such as water and power).</p> <p>DFAT acknowledges that UN Women have a decade of experience working in PNG markets consolidating their learnings through a Market Operation Toolkit. The toolkit outlines a process of managing and securing market finances, operations, and advocacy towards making markets safe and inclusive.</p> <p>The market infrastructure cost modelling process developed alongside the Minimum Standards for WaSH in Markets, can also inform and assist market management or authorities to manage infrastructure planning. However, the process for detailed budget planning and actual funding allocations is still required. UN Women's toolkit, further support</p>	<p>UN Women will continue to support and work with existing LPIT across DFAT funded markets (including at Wabag and Kimbe) to maintain awareness and compliance of COVID-19 protocols aligned to the Provincial Health Authority measures incorporated as part of the LPIT workplan.</p> <p>UN Women to support advocacy and empower market management and authorities through the established LPITs to identify opportunities to secure additional funds for supplemental supplies and funding commitments through the market authority/local level government. Funding commitments may be prioritised for financing municipal services (water, power), critical infrastructure and maintenance.</p> <p>MERI Phase Two will also work with and empower market managers through the market management trainings and use of Market Management Toolkits to improve market operations as business enterprises. Market management will be encouraged to participate in the market management trainings, at UN Women's annual market</p>	Phase 2 implementation period (now – June 2023)

			market managers to develop markets as financially self-sustaining businesses.	conventions and capacity building workshops (such as financial literacy).	
6	Refine and strengthen the Monitoring & Evaluation system building on the knowledge acquired during Phase One of MERI with a more detailed plan for formal evaluation.	Agree	UN Women are required to submit a Monitoring, Evaluation and Learning Framework (MELF) for MERI Phase Two, which incorporates planning for an end of program impact evaluation. Recommendations from this review will be considered and incorporated into the MELF.	UN Women to develop a fit for purpose MELF, in accordance with DFAT's Monitoring and Evaluation Standards.	By June 2022
7	Ensure a clear, single line of accountability for project performance and reporting	Agree	<p>UN Women is the implementing partner for the MERI Phase Two, in partnership with DfCDR. DFAT acknowledges that UN Women will also seek to establish MoUs at individual market locations. The stakeholder engagement arrangements established in the first phase (MERI Program Task Force) should be refined to include key Government of PNG agencies as part of the new MERI Steering committee to provide strategic advice and guidance on program implementation.</p> <p>DFAT funded Subnational Advisors (managed by Abt Associates) have been pivotal in navigating the local political economy and in establishing the LPITs. They will continue to play an ongoing role to support the local governance mechanism and monitor the program.</p>	<p>UN Women will lead program implementation and stakeholder coordination across MERI Phase Two. DFAT will establish monthly meetings with UN Women.</p> <p>Biannual MERI Phase Two Steering Committee co-chaired by Department for Community Development and Religion (DfCDR) will provide program oversight. UN Women is to provide secretariat functions for the meeting.</p> <p>DFAT will explore opportunities and collaboration through the new Australia-PNG Sub-national Program and the Building Community Engagement Program to support aspects of the next phase of MERI, including supporting the WaSH Minimum Standards for Market.</p>	Phase Two implementation period (now – June 2023)
8	Continue the process of engagement relating to policy agendas that have the potential to reduce COVID-19 transmission risks (WASH), promote increased investment in markets (Service Improvement Program funding),	Agree	National level engagement across the next phase of the program will be vital to maintain strategic direction. Markets are economic and social hubs that contribute to local economics and offer a venue for coordination across multiple policy agendas (WaSH and informal economy).	UN Women will consult national agencies represented on the MERI Steering Committee when developing of the informal economy implementation plans for each market location under MERI Phase Two. The lessons from implementation will also be shared to	Phase Two implementation period (now – June 2023)

	and enhance livelihood opportunities for vendors, especially women (informal economy policy)		<p>MERI Phase Two will continue coordination across national and subnational agencies through the agreed governance arrangements (LPIT and Steering Committee).</p> <p>Under MERI Phase One the WaSH Minimum Standards for Markets (WMSM) Technical Working Group (TWG) was led by DPMNEC, included DNPM, DPLGA and NDOH. These national agencies were instrumental in developing the standards and identified NDOH as a suitable home agency. LPITs and market vendors associations enabled DfCDR to also consult on the revised Informal Economy Policy. DfCDR is the home agency of the Informal Economy Policy, as well as the lead agency for MERI Phase Two.</p>	<p>contribute to the Informal Economy Policy dialogue.</p> <p>MERI Phase Two is advocating for the adoption of WaSH minimum standards for markets. DFAT will continue to support PMNEC to explore opportunities through the WMSM Completion Report to establish a policy for market operations and to pilot the market cost modelling to meet WaSH Minimum Standards for markets that may include further engagement with national agencies (DNPM, DPLGA and DOH).</p>	
9	Ensure a sufficiently long period of implementation based on each market context to institutionalise participatory decision-making structures at the local level and prepare case studies from different markets to promote knowledge sharing of good practices .	Partly Agree	<p>Institutional change is required to support participatory decision making at local levels; however, this may go beyond the timeframe of MERI Phase Two. The LPITs promote participatory decision-making by endorsing market workplans, establishing vendors associations and maintain relevant incentives for sustainable market development.</p> <p>Documenting and sharing of good practices and lessons is useful. The Markets Managers Convention (led by UN Women) and various stakeholder engagement platforms (LPIT, Steering Committee) provide opportunities for information sharing.</p> <p>Existing analysis and reporting templates from MERI Phase One (Market workplans, Profiles Market Scorecards) can also be incorporated into good practice case studies for each market.</p>	<p>The current implementation period for MERI Phase Two is June 2021-June 2023 and will build on these learnings. The knowledge, tools and skills gained through the program can be utilised by relevant market stakeholders and supported through established governance structures.</p> <p>UN Women will continue to support LPITs to implement inclusion and accountability measures in market decision making, with the understanding that institutional change (e.g. establishment of market authorities and vendors associations), will differ according to market locations.</p> <p>UN Women to explore opportunities to document and share good practices across different market locations from MERI Phase Two and other complimentary programs (<i>Safe and Prosperous Districts Program</i>)</p>	Phase 2 implementation period (now – June 2023)

				UN Women in consultation with PNG Government representatives will explore opportunities to pilot WaSH Minimum Standards for Markets based on the recommendations from the WMSM Completion Report. Lessons learnt from the WaSH infrastructure upgrades under MERI Phase One to be shared through the MERI Steering Committee and key national and local agencies.	
10	Improve the monitoring and evaluation framework to included Gender Equality Disability Social Inclusion (GEDSI) specific indicators that can be tracked over time.	Agree	<i>Refer to Explanation for Recommendation 6.</i>	UN Women to ensure the MELF captures GEDSI-specific indicators, including specific for women's economic empowerment in accordance with DFAT monitoring and evaluation standards. The MELF is to be approved by DFAT by June 2022 <i>Refer also to Actions for Recommendation 6.</i>	June 2022