



Australian Business Volunteers

SUBMISSION TO THE DEPARTMENT OF
FOREIGN AFFAIRS AND TRADE

CONSULTATION PAPER:
'PERFORMANCE BENCHMARKS FOR AUSTRALIAN AID'

February 2014

Australian Business Volunteers (ABV) welcomes the consultation with the NGO sector by the Department of Foreign Affairs and Trade (DFAT) in developing performance benchmarks for improving the effectiveness of the Australian aid program.

As an implementing partner with the Australian Government, other governments, corporates, the private sector, community organisations and volunteers, we are pleased to provide our perspective and insights around some of the broad and substantial issues canvassed in the Consultation Paper.

1. INTRODUCTION

- 1.1 Australian Business Volunteers (ABV) is a not-for-profit international development organisation that achieves its mission through our volunteers. For over 30 years ABV has deployed expert professional business volunteers overseas, implementing programs designed and based on the belief that the private sector is the engine for economic growth that can alleviate poverty by contributing to job creation and higher incomes.
- 1.2 ABV has a long history of partnering with Asia and Pacific governments, businesses and community organisations to build the capacity of their staff and strengthen their institutions over time.
- 1.3 ABV is a leading NGO partner for corporate volunteering programs, which provide a triple benefit to the organisation, the staff member, and the beneficiary partner.
- 1.4 ABV believes it is well placed to share some key insights from this experience and the lessons learnt to date, thereby contributing to the current Consultation Paper on the development of performance benchmarks for the Australian aid program.
- 1.5 Benchmarks are important in not only ensuring an effective and accountable Australian aid program, but also in assessing the tangible community impact the aid is having on the ground in improving the quality of life of the most marginalised people. Evaluating the process as well as the product is an important element of our approach to development work.

2. CONTEXT AND FOCUS OF THE SUBMISSION

- 2.1 ABV is uniquely placed in the development sector in Australia because of its mission and business focus, working with a range of organisations to improve their processes and capabilities through improved business acumen. Our volunteers contribute to strong development outcomes guided by our core value of altruism which:
- **Enable** through the transfer of skills and knowledge (action learning)
 - **Collaborate** with partners to develop and implement innovative solutions to identified needs
 - **Continuously improve** using a holistic project model (design, delivery, monitoring and evaluation).
- 2.2 Our core areas of expertise are business development, financial sector reform, organisational development and corporate governance, ICT, marketing and communications (See **Attachment A** for a detailed listing of the range of professional skills of our volunteers).
- 2.3 ABV's focus on business development is reinforced in the recent discussion paper by the Australian Council for International Development on *Benchmarks for an Effective and Accountable Australian Aid Program*. The discussion paper states that aid is effective in alleviating poverty and promoting economic growth by ensuring there are opportunities for people to participate in and benefit from growth, and by ensuring that this extends and includes the poor and marginalised groups (ACFID, January 2014, p7).
- 2.4 ABV's approach to poverty alleviation is through partnering with local business, government and civil society institutions at the country, regional and local level to promote sustainable socioeconomic development. This reflects international best practice indicating that outcomes are enhanced when communities are supported to drive their own priorities and needs.

3. ABV'S FUTURE DIRECTIONS – ASSESSING COMMUNITY IMPACT

- 3.1 Consistent with DFAT's interest in ways to improve assessment of the performance of implementing partners (DFAT Consultation Paper, p3), ABV's forward strategic planning is poised to review and strengthen its Monitoring and Evaluation Framework. This framework will continue to be underpinned by ABV's mission and guiding principles that better capture, measure and assess the tangible and sustainable socioeconomic impact of its approach to development, including collaborative ways to assess overall community impact.
- 3.2 This approach will require, in the long term, an assessment framework and set of benchmarks which are inclusive of the collective impact of all partners – government, civil society and other aid partners – on a community. ABV is supported in this work through its well established corporate partnership with IBM who globally are committed to establishing a 'Community Impact Assessment Model.'
- 3.3 A central element of ABV's business model is its commitment to implement a program over a sustained period of time. We do this through a range of short-term assignments that are jointly scoped by the partner and ABV to meet specific organisational and business needs. Over time, follow up assignments by our volunteers continue to build the capacity of our partners, generating joint participation and sustainability for when the program comes to an end.
- 3.4 ABV is committed to developing benchmarks for our programs that assess the benefits of our business model of short-term inputs consolidated over time. Some of these indicators will include the extent to which the programs:
 - Promote independence
 - Build partnerships between ABV and local organisations
 - Ensure focus on outcomes
 - Transfer knowledge and skills (mentoring, not doing)
 - Ensure the private sector play a crucial role in development
 - Encourage participation and creates ownership of the program driven by the partner
 - Encourage sustainable practice beyond the end of the program.

4. GUIDING PRINCIPLES FOR BENCHMARKING OF PERFORMANCE

4.1 ABV is keen to put in place future directions and priorities for performance benchmarking based on three fundamental primary guiding principles. We have drawn these from our successful business model and approach to development, practice experience, and volunteer and partner feedback, as well as from international development literature. The principles are based on:

- **Encouraging community-driven development that builds on the partnership approach** ensuring that local partners are not only consulted but drive and determine the priorities and take responsibility for the long-term project and its success.¹
- **Ensuring an integrated partnership approach** to community and socioeconomic development working with national, regional and local governments, the private sector, local businesses, civil society organisations and the local people.²
- **Building the capacity and capability of businesses** to increase economic growth delivered through a sustainable volunteering model of short-term assignments that are reinforced over time through follow up assignments combined with mentoring and guidance of targeted community business leaders.

4.2 These guiding principles have defined and guided ABV's work in the development sector. We believe our work in delivering the **Your Entrepreneur Scheme (YES Program)** demonstrates successful application of these principles that are so integral to establishing benchmarking and evidence-based outcomes.

4.3 The key characteristics of the **YES** program respond to some of the issues raised in the DFAT consultation paper on how performance of the aid program could be defined and assessed. Specifically, **YES** provides opportunities to assess the performance of the aid program in these ways:

1 One of the important features of ABV's work in developing countries is the flexibility around the content of programs and projects, enabling the local people at all levels to be active participants in designing the program and establishing its priorities and needs within the community context.

2 While ABV's focus is on working directly to strengthen the business sector, this is done within an overall context of understanding that successful partnerships envisage everyone doing something in the community, from citizens and organisations, to businesses, agencies, government and non-government organisations.

- at a whole-of-community level – particularly relevant where multiple players and aid interventions overlap, converge and together impact on a community.
- at a partner government or implementing organisation level – where partnerships adopt best development practice by ensuring the priorities are those of the targeted community and the mutual obligations of all parties to the partnership are agreed and built into the design of the program.
- at an individual level – where the direct individual outputs and outcomes are measured and evaluated over time.

5. ASSESSING SPECIFIC COMMUNITY OUTCOMES AND IMPACTS

5.1 As previously mentioned, ABV intends to pursue efforts in improving its ability to assess the community impacts of its interventions. This will require a robust framework that includes indicators for capturing, over time, the contribution of business development to improvements to socioeconomic outcomes such as:

- increases in the number of viable productive SMEs employing local people
- increases in the long-term business skill levels of local people
- increases in employment, including that of women and girls, those with disabilities and other marginalised groups
- improvements in the number of sustainable livelihoods in a community
- improvements in ‘whole of community wellbeing’ through integrated and collaborative partnerships at all levels, including with civil society organisations
- increases in the alignment of local community projects with donor priorities.

Whilst ambitious, the aim should also be to understand unintended consequences and negative impacts on family, cultural, community and economic systems as a result of collective aid and donor interventions.

6. FUTURE CHALLENGES

- 6.1 Volunteers with business expertise are the major resource driving the success of the ABV model. While comprehensive monitoring and evaluation processes exist to manage, support and assess the effectiveness of our volunteers in country and by project, ABV believes that there is more scope for DFAT to draw upon their expertise and experience and contribute to improving the effectiveness of Australian aid.
- 6.2 Volunteers are often the eyes and ears of development practice on the ground, gaining keen insights directly and from networks and relationships at the local community level about how aid and resources could be used more efficiently to contribute to whole-of-community outcomes. ABV would welcome the opportunity to work with DFAT and other aid partners to look at the role of volunteers more strategically. There may be more opportunity to do this following the recommendations of the recent *Evaluation of the Australian Volunteers International Development (AVID) program* by the Office of Development Effectiveness in DFAT (2014).
- 6.3 ABV believes that another major challenge for the aid sector is in developing methodologies for assessing 'Collective Impact'³ in communities, recognising that there are complex problems in most communities and countries where Australian aid is targeted with multiple donors, projects and layers of government all involved.
- 6.4 It has been recognised internationally that 'Collective Impact' programs have been proven to create lasting large-scale progress through government, NGOs and businesses, rigorously aligning their agendas, measurement and activities to achieve social change'.⁴
- 6.5 While individual NGOs and projects must be effective and accountable in achieving their specific initiatives, performance benchmarking must attempt to assess the collective impact of development aid.

³ Collective Impact is increasingly in wide spread use in development work internationally and domestically as it recognises that transformative social and economic change requires multiple organisations looking for resources and innovations through the same lens, having shared measurements, mutually reinforcing activities, continuous communications and backbone support for the entire initiative and coordinate participating organisations and agencies (Standford Social Innovation Review, "Embracing Emergence: How Collective Impact Addresses Complexity," January 21, 2013).

⁴ Desert Knowledge Australia, 'What is Collective Impact?' Desert Knowledge Australia is a national organisation that identified key projects that contribute to a social, economic and environmentally sustainable future for desert Australia.

- 6.6 DFAT could play an important role in creating and implementing a coordinated strategy among aligned stakeholders to work together on 'Collective Impact' assessments. This would give priority to developing ways of assessing and defining benchmarks at the 'whole-of-aid' program level, at the country and community level. This may require a greater focus on supporting processes to determine common outcomes and rules for interaction that lead to the emergent solutions, rather than just funding the solutions themselves.

ABV looks forward to continuing to be an active participant in the dialogue to establish best practice performance benchmarks to increase the effectiveness of Australian aid in improving the lives of some of our poorest neighbours.

7. IMPLEMENTING BEST PRACTICE STANDARDS – CASE STUDY

YOUR ENTREPRENEUR SCHEME (YES) – Strengthening businesses in Papua New Guinea

- 7.1 YES is a proven comprehensive training and mentoring program in business management for small business owners and managers in Papua New Guinea. It is unique in that it couples intensive management training with one-to-one mentoring by Australian business experts (refer to Attachment B).
- 7.2 The YES program:
- mobilises volunteer business experts to provide short-term intensive skills training in business planning, market research, finance, accounting, sourcing funds and cash flow, and people management and marketing. Training is accompanied by mentoring and guidance.
 - engages local successful business owners, bank managers and representatives from the local chamber of commerce to share their experiences, thereby increasing cultural, social and community relevance, and ownership.
 - targets participants who are local owners/directors of small business from a variety of sectors.
- 7.3 One of the strengths of YES is its ability to be responsive to diverse community needs and to be tailored to local circumstances and cultural contexts. The program focuses on supporting the private sector in targeted locations and the wider community through increasing sustainable business practices and more stable employment opportunities.
- 7.4 In keeping with the guiding principles of best development practice, the YES program in PNG will be implemented as a two-year comprehensive program. This will ensure an ongoing commitment to, and respect for, the local partners to ensure its own priorities drive the program by growing the local economy.
- 7.5 ABV believes that the YES model, using our best practice development principles, demonstrates effective approaches to development that should be captured through any benchmarking process.

- 7.6 The design principles and approach of the YES model has broad application to other communities in the Asia and Pacific region as it is built on local partnerships and can be tailored to local conditions and needs. It is a holistic development approach, responsive and adaptable to working with the priorities, community assets and diverse cultural contexts.

8. REFERENCES

Australian Business Volunteers Fact Sheets, May 2013

Australian Council for International Development, '*Benchmarks for an Effective and Accountable Australian Aid Program*', January 2014

Department of Foreign Affairs and Trade, Consultation Paper: Performance Benchmarks for Australian Aid, January 2014

Desert Knowledge Australia: *What is Collective Impact?*
<http://www.desertknowledge.com.au/CollectiveImpact>

Kania, J & Kramer M, in Stanford Social Innovation Review, "*Embracing Emergence: How Collective Impact Addresses Complexity*", 5, January 21, 2013

9. Attachment A: ABV AREAS OF EXPERTISE

Australian Business Volunteers (ABV) is an international development agency with a focused mission to strengthen businesses and, through them, communities. We do this by using expert volunteers to transfer skills and build the capacity of local businesses, state owned enterprises and non-government organisations.

Volunteers are drawn from ABV's database of pre-qualified business experts at the height of their field or in early retirement. The primary and secondary areas of expertise, from which we draw our volunteers, is categorised below.

ABV AREAS OF PRIMARY EXPERTISE

| | |
|--|---|
| <p>Business Development</p> <ul style="list-style-type: none"> • SME Training • Value chain analysis • Product design and development • Business readiness – getting a product to market • Business growth | <p>Financial Sector Reform</p> <ul style="list-style-type: none"> • Micro finance • Financial regulatory reform • Banking • Financial management • Accounting |
| <p>Organisational Development</p> <ul style="list-style-type: none"> • Strategic planning • Change management • Human resource management • Project management • Management and supervision • Office management | <p>Corporate Governance</p> <ul style="list-style-type: none"> • Board and director governance • Risk management • Internal audit • Procurement • Regulatory reform |
| <p>Information and Communication Technology</p> <ul style="list-style-type: none"> • ICT infrastructure (internet connection) • ICT equipment (hardware and software support) • ICT applications • Website development | <p>Marketing and Communications</p> <ul style="list-style-type: none"> • Marketing and communication strategies • Fundraising • Public relations |

ABV AREAS OF SECONDARY EXPERTISE

| | |
|--|--|
| <p>Education</p> <ul style="list-style-type: none"> • Curriculum development • Education management | <p>Sales and Service</p> <ul style="list-style-type: none"> • Hospitality • Eco tourism |
| <p>Arts</p> <ul style="list-style-type: none"> • Journalism training • Cultural preservation • Graphic design • Local arts and crafts promotion | <p>Trade and Agriculture</p> <ul style="list-style-type: none"> • Farm management • Horticulture • Mechanic • Carpentry and timber handling |

10. Attachment B: ABV TRAINING PROGRAMS



**AUSTRALIAN
BUSINESS VOLUNTEERS**

BUSINESS TRAINING PROGRAMS

Programs that educate and mentor businesses in Asia-Pacific

An Unique Approach

Australian Business Volunteers (ABV) offers comprehensive training programs in business management and governance to small, medium and large businesses in developing countries in Asia and the Pacific. Our training programs are unique, in that they couple education with one-on-one mentoring by business experts. The result is not only valuable business know-how and expertise for those that participate, but also support and guidance to implement what is learned in their workplace.

Key Features

- Two experienced ABV volunteers conduct the business or governance training over 3-5 days
- One-on-one mentoring is a core element of the program and is conducted in each of the participants' workplaces
- Each training program is tailored to the local business environment and the participants' business needs

Your Entrepreneur Scheme (YES)

YES is a practical course designed to raise the skill levels of entrepreneurs so they can develop and run a successful business. It is targeted to those running or managing an existing business that they wish to develop further, with participants selected on the basis that they have the enthusiasm to overcome weaknesses in their current management processes, and the desire to build their business capability.

The course consists of five one-day workshops conducted over a four week period. One-on-one mentoring sessions are conducted between workshops to provide guidance on goal setting and strategies to consider for their business before they return to the next workshop. YES covers the fundamentals of:

- Business planning
- Finance
- People management
- Marketing

Benefits reported by program participants include:

- Increased business volume
- Improved financial management
- Ability to assess feasible business opportunities
- Improved business operations

Better Business Governance (BBG) Program

BBG is a training program to teach participants basic legal, accounting and regulatory principles. Targeted participants include directors of private companies, government and not-for-profit boards, landholder companies, company secretaries and anyone who reports to a board.

There is an initial three day workshop which is followed by one to two weeks of mentoring in their workplaces where participants can work with a course presenter about specific governance issues in their organisations.

The program is adapted to ensure its relevance to local businesses, laws, experience and conditions by:

- Specific country and company BBG tool boxes, featuring local documentation, case studies and other educational aids.
- Local guest presenters that provide descriptions of their experiences of governance practices and provide peer support.

Participants are provided with updated general course materials and a training manual for future reference.

The BBG program is the result of 17 years of experience in conducting governance training in the Pacific.

My business now has direction and a step-by-step guide on how to achieve my business goals.
YES participant - Samoa 2010