



MID-TERM REVIEW OF THE AUSTRALIAN WATER PARTNERSHIP MANAGEMENT RESPONSE

The Australian Water Partnership (AWP) is DFAT's global water resources program. It mobilises Australia's internationally recognised expertise in water management to support DFAT's international development and foreign policy objectives. The program has completed one phase of core funding (\$20 million 2015-19) and is now in its second core funding phase (\$24 million 2019-23). AWP also implements other grants with specific regional or bilateral objectives, including the Australia–Mekong Water Facility (\$9.9 million 2019-2023).

Since its inception in 2015, AWP has drawn from its more than 200 Australian partners in the public, private, and academic sector to deliver technical assistance projects to strengthen water resource management. Projects have been delivered in around 30 countries in the Indo-Pacific and beyond.

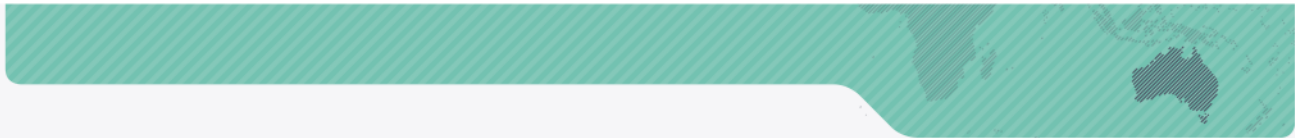
DFAT commissioned a mid-term review of AWP Phase 2 in 2021. The purpose of the review was to support ongoing improvement in AWP Phase 2 and inform a decision on a prospective AWP Phase 3. The review examined AWP Phase 2's effectiveness, implementation approach, relevance, gender equality, disability, and social inclusion (GEDSI), and monitoring and evaluation (M&E) arrangements.

The review found AWP to be a generally high performing program with strong foundations that is well-placed for continued evolution and growth. The review identified several areas for improvement in the current phase and any potential future phase. The review's recommendations are listed below alongside DFAT's responses. The review will serve as a key source for the design of a third phase of AWP.

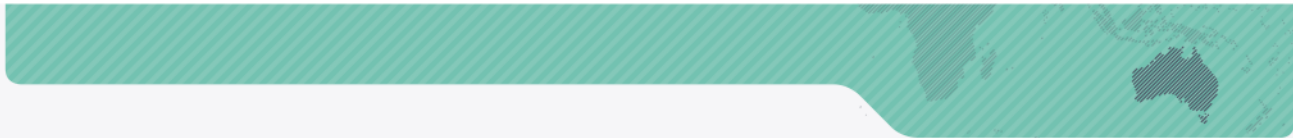
The report also identified that AWP is in a period of transition and reform and requires careful management. DFAT will work with AWP and eWater throughout this period to ensure programming continues, staff and stakeholders are not negatively affected, and the transition to any future phase is successful.

Mid-Term review recommendations and responses

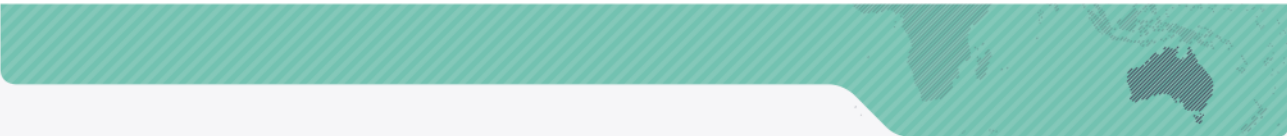
Recommendation	DFAT response
<ol style="list-style-type: none"> 1. DFAT prepares an investment concept for Phase 3 that: <ol style="list-style-type: none"> a. clarifies the desired balance between AWP's development, diplomatic, and trade drivers; and explores implications for AWP funding and structure; geographical and thematic scope, balance between proactive/long-term and reactive/short-term activities, etc. 	<p>Agreed. DFAT will proceed to design a third phase of AWP, including developing a concept note, in preparation for seeking a third phase of funding for the program.</p> <p>The concept note will consider and clarify DFAT's desired balance of development, diplomacy, trade, and technical cooperation objectives for the program, and identify implications for AWP's scope, strategies, structures, and resources. The concept note will confirm that development would remain the program's primary objective, given that it is funded by the Australian Government's Official Development Assistance (ODA) budget.</p>



Recommendation	DFAT response
<p>b. defines the Phase 3 design pathway. Given the atypical features of this design process, DFAT should consider its Adaptive Design and Procurement Pathway (ADAPT). Competitive selection of AWP's delivery partner/s will be important. DFAT should aim to clarify the implications of the design pathway for AWP staff contracts by March 2022.</p>	<p>The concept note will also identify the intended design pathway and timeline for Phase 3. This may involve the department's ADAPT Pathway and a competitive selection process to identify a delivery partner/s.</p> <p>DFAT will keep AWP staff informed of DFAT's plans. We will communicate to AWP staff and managing partner eWater our design pathway at the earliest opportunity. This will occur prior to March 2022.</p>
<p>2. DFAT balances the risk of perceived conflict of interest against other considerations when selecting the implementing partner for Phase 3. DFAT should consider requiring that the Phase 3 implementing partner cannot bid for AWP activities.</p>	<p>Agreed. DFAT will consider conflict of interest risks and their management when planning for a third phase. This will include the selection of implementing partner/s and potential requirements placed on them.</p>
<p>3. Phase 3 design process updates the following aspects of AWP, and propose transition strategies for the remainder of Phase 2:</p> <ul style="list-style-type: none">a. 'Demand-led' operational modelb. Thematic and geographic focus (including climate change)c. Approach to strategic portfolio management in priority geographiesd. Partnership strategy, including partnership management processes for international 'counterparts' and 'allies'; mechanisms for engaging Australian state and commonwealth government agencies, and the balance of AWP staff effort between Australian and international partnerse. Design and procurement processes, including innovations to enhance engagements with multilateral development partners e.g., rapid-response STA panel contracts; and more efficient, programmatic, and partnership-based procurement methods for larger activities.f. Degree to which AWP procurements are restricted to Australian tenderersg. Localisation strategies for both AWP functions and activity delivery	<p>Agreed. DFAT will consider the 10 matters raised here when designing a third phase of AWP Transition strategies will also be developed as needed.</p> <p>Regarding recommendations 3.b. and 3.c. in particular, any future phase of AWP would be designed to be consistent with relevant Australian Government policy. This currently includes the Foreign Policy White Paper, Partnerships for Recovery, Pacific Step-Up, and Climate Change Action Strategy.</p>



Recommendation	DFAT response
<ul style="list-style-type: none">h. ERP's remit, including ways to enhance its influence on AWP activity performance and quality, and implications for its skill basei. Australian Development Program linkages and coordination mechanisms, including with DFAT's water portfolio, DFAT Posts, and other global investments like Australia Awards or the Australian Volunteers Program (where cost-effective).j. Implications of above for AWP personnel resourcing (in Phases 2 and 3).	
<p>4. AWP implements transition strategies defined in the Phase 3 design process e.g., trialling innovations in AWP systems and processes for scale out in Phase 3, or conducting a collaborative updating and mapping of Australian water sector capacities in line with agreed Phase 3 thematic priorities (see recommendation 3)</p>	<p>Agreed. Should the program proceed to a third phase of funding, DFAT will work with AWP and eWater on transition strategies to bridge the two phases of the program and any key changes to the design.</p>
<p>5. AWP proposes further efficiencies in approval processes for activity concepts/TORs and procurement outcomes, for consideration by AWPAC, DFAT, and/or EWL Board.</p>	<p>Agreed. DFAT recognises that AWP have already taken steps to improve the program's efficiency and will support them in exploring further efficiencies.</p>
<p>6. AWP strengthens efforts to improve GEDSI-responsive activity implementation. As part of the current GEDSI review, AWP should commission primary data collection on GEDSI processes and results of a sample of ongoing or complete AWP activities, preferably in a collaborative way with Australian partners. Careful consideration should be given in the updated GEDSI implementation plan to the most cost-effective mix of strategies for making activity implementation more GEDSI-responsive.</p>	<p>Agreed. DFAT will support AWP to strengthen efforts to implement GEDSI-responsive activities, informed by the GEDSI review currently underway.</p>
<p>7. AWP improves alignment to DFAT's M&E Standards, in a staged manner as part of the performance system refresh process. This should include a focus on 1) monitoring why – not just whether – results are (or are not) being achieved; 2) monitoring AWP's implementation approach e.g., what difference is AWP's renewed 'strategy-driven' approach making to the strategic focus (and responsiveness) of its activity portfolio? How well is AWP enhancing</p>	<p>Agreed. DFAT will continue to encourage and support AWP to improve its monitoring and evaluation systems and activities. We recognise AWP's recent efforts to refresh and strengthen such systems.</p>



Recommendation	DFAT response
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and leveraging multilateral partner investments? 3) monitoring AWP's relevance e.g., linkages and coordination with DFAT's broader water portfolio; and 4) learning and adaptation processes that help to 'close the loop' between AWP performance information and decision-making e.g., six-monthly 'reflect and refocus' workshops.