

La Trobe Institute of Human Security and Social Change -Response to Consultation Paper: Performance Benchmarks for Australian Aid

20 February 2014

Summary

This submission focuses on the importance of benchmarks for Australian to take into account feedback from citizens, gender inequality and the contexts in which aid programs work. We make three related recommendations.

Recommendation 1: That performance benchmarks for Australian Aid incorporate clear mechanisms for accountability that include feedback from citizens, particularly women, marginalised groups and those with disabilities.

Recommendation 2: That performance benchmarks require the Australian aid program - at all levels - to properly analyse and seek to address the social and power relations which underpin gender inequality. This needs to be done in consultation with women, their organisations and movements.

Recommendation 3: That performance benchmarks are adopted and used in a manner that reflects the political, social, cultural and institutional context of the development process.

1. Introduction

The nature and approach to performance benchmarks will represent a significant shift in policy direction for the Australian Aid program aligned to the Government's intention to integrate Australian foreign, trade and aid interests. They will become an important means of justifying aid investments to the Australian public and communicating in new ways. The performance benchmarks will also send important signals to partner countries, international institutions and delivery organisations about Australia's commitment to poverty reduction, aid effectiveness, and quality, as well as reflecting Australia's global and regional positioning.

In making this shift, it is important for Australia's credibility and reputation that the lessons of the past are not ignored, and that we seek to be a leader in international practice and thinking on development issues. There is also an opportunity to adopt methods for the assessment of effectiveness that address the constraints of past practice.

The nature of international aid and development is rapidly changing, symbolised by the 'new global partnership' on development agreed at Busan¹, and the recalibration of Official Development Assistance by donors towards new 'global public goods' challenges such as climate change, terrorism, and increasing humanitarian disasters. Addressing the 'poverty trap' of middle income countries, for example in India where many of Asia's poor continue to live, challenges the old paradigm of resource and technical transfer from 'rich' to 'poor' countries and demands that

¹ Although some see Busan as the end of aid cooperation as we currently know it see <http://devpolicy.org/from-arbiter-to-advocate-what-the-dacs-2013-expansion-tells-us-about-its-future-part-2-20140218/>

development agencies develop new policy and implementation responses. Within this changing context, many of the lessons of past development practice are still critically relevant.

The Institute of Human Security and Social Change at La Trobe University has considered the performance benchmarks consultation paper from an understanding of the concept of feedback and ‘accountability’, as well as recent evidence about effective development practice². Recommendations are made in three areas that future benchmarks: incorporate mechanisms for feedback from those the aid program intends to benefit (as part of feedback and “social accountability” processes); reflect principles of gender equality and the engagement of women’s organisations in their definition and assessment; and are adopted and used in a manner reflects the social, political, cultural and organisational context of aid program delivery. The implications of these recommendations for the questions posed in the Consultation Paper are outlined, along with discussion of different approaches to “benchmarks”.

2. Recommendations and Implications

Recommendation 1: That performance benchmarks for Australian Aid incorporate clear mechanisms for accountability that include feedback from citizens, particularly women, marginalised groups and those with disabilities.

Defining and understanding the notion of “accountability” is fundamental to the process of establishing benchmarks for the Australian aid program. Within the Australian system of government, there is a fundamental accountability for financial administration and performance to taxpayers through the Minister and Parliament. This form of accountability recognises that an assessment of performance goes beyond a consideration of cost efficiency, but to questions of effectiveness, requiring an understanding of outcomes and impact. In the case of aid programs delivered to communities offshore, through a complex aid delivery ‘chain’, development theory and lessons from practice suggests that this notion needs to be extended even further³. Incentives and consequences for good performance need to be created at all steps in the ‘chain’, through greater transparency and participation of the citizens of both donor and recipient countries.

There are several reasons for introducing ‘social accountability’⁴ mechanisms that afford recipients of aid programs the opportunity to provide feedback on quality and performance. In a domestic context, the taxpayers are the recipients and beneficiary of the service, and they have the constitutional right to use their electoral power to provide direct feedback on the policy and programs provided, by exercising a choice to change Government, and between cycles to use their electoral influence to inform government policy and decision making⁵. The recipients of aid programs usually have no such recourse, or it is extremely constrained⁶. Introducing processes of accountability by participants in aid activities models good governance for the partner countries in which the aid program operates, and can lead to demand for better governance more broadly by those citizens from their own governments⁷. Furthermore there is growing body of evidence that not

² A [synthesis of some of this evidence](#) was presented by Roger Riddell in Australia in February 2014.

³ Roche, C 2009, *Promoting Voice and Choice. Exploring Innovations in Australian NGO Accountability for Development Effectiveness*, Australian Council for International Development, Canberra.

⁴ Malena, C, Forster, R and Singh, J 2004, *Social Accountability: An Introduction to the Concept and Emerging Practice*, Social Development Paper No. 76, The World Bank, Washington.

⁵ World Bank 2004, *World Development Report 2004: Making Services Work for Poor People*, OUP, Oxford.

⁶ The RAMSI [People’s Survey](#) commissioned by Australia is an example of seeking feedback from communities

⁷ Malena et. al., *op. cit.*

only can, enabling women, marginalised groups (such as people with disabilities, ethnic groups) to have a voice in the development process make a significant difference to outcomes⁸, **but their involvement in the establishment of indicators by which this can be assessed can substantially improve the effectiveness of the intended aid activity itself**⁹.

Minister Bishop's public references to "mutual obligation"¹⁰ also deserve further consideration. It is often understood in the sense that partner countries (or other partners, in the case of multilateral organisations, NGOs or others) should be expected to make their own contributions of resources, policy setting, or reform efforts to the commitment that Australia makes. The implication is that others should be 'accountable' for their contributions as a condition of support. This implies that Australia should also be accountable to its partners for the commitments it makes and actions it undertakes. It is not unprecedented for governments to acknowledge this form of accountability. The commitments made through the High Level Forums on Aid Effectiveness (at Accra and Paris) were attempts to introduce mutual accountability. Their perceived failure can be seen as due to the one-sided pressure from OECD-DAC donors to developing countries for policy reforms (on governance and budget allocation concerns in particular), without the corresponding fulfilment of obligations they made themselves to these frameworks (for harmonisation and funding predictability)¹¹. A key lesson from this international experience is that the mechanisms for measuring and reporting should also be external and independent, equally applicable to all parties, and transparent.

Implications for Consultation Paper questions:

How should performance of the aid program be defined and assessed?

How could performance be linked to the aid budget?

How can the assessment of the performance of our implementing partners be improved?

There are different ways to adopt this recommendation. A 'benchmark' is usually seen as a position on a scale relative to others. This is how many similar rating scales operate (such as the UN Human Development Index¹², Transparency International Corruption Index¹³, the Ease of Doing Business Index¹⁴, The Commitment to Development Index¹⁵). These indices place the Australian aid program relative to others against certain dimensions or criteria based on an independent analysis. Social accountability processes could be incorporated into this kind of benchmarking by seeking feedback from Australia's key stakeholders¹⁶. An example of this approach is found in the Keystone Reporting

⁸ See for example Dufflo et al (2012) [School Governance, Teacher Incentives, and Pupil-Teacher Ratios: Experimental Evidence from Kenyan Primary Schools](#), NBER Working Paper No. 17939; or JPAL's [summary](#) of Community-Based Monitoring of Primary Healthcare Providers in Uganda;

⁹ Zeitlin, A, Bategeka, L, Guloba, M, Kasiry, I and Mugisha, F 2011, *Management and Motivation in Ugandan Primary Schools: Impact Evaluation Final Report*, University of Oxford and Economic Policy Research Centre, Kampala.

¹⁰ See http://foreignminister.gov.au/speeches/2013/jb_sp_131030.html.

¹¹ See Riddell *op cit*

¹² United Nations Development Programme 2013, *Human Development Report 2013. The Rise of the South: Human Progress in a Diverse World*, United Nations Development Programme, New York.

¹³ See <http://cpi.transparency.org/cpi2013/>.

¹⁴ See <http://www.doingbusiness.org/rankings>.

¹⁵ <http://www.cgdev.org/initiative/commitment-development-index/index>

¹⁶ This would be consistent with recommendation 12 of the Development Policy Centre submission; "The aid program should itself commission and publish on a regular basis a stakeholder survey as a source of vital, external feedback on its performance"

initiative¹⁷ adopted by some non-government organisations. In this case, an independent body is commissioned to seek anonymised feedback from constituents and stakeholders and ‘benchmarks’ them against other organisations using the same criteria and method. Organisations are then provided with not only feedback on their performance, but how this compares to the perceived performance of others. This would be an innovative approach for the Australian Government to adopt, and might set new standard for others. This could be particularly relevant to engaging with non-traditional donors, such as China and India, and non-State organisations and private sector donor groups, under the new Global partnership. The benchmarking process would be scalable and applicable across the different levels of the program i.e. feedback of this kind could be sought at activity, program and policy level. One or more statements could outline the areas to be benchmarked:

- Improving ranking in: aid management administration, quality and efficiency, effectiveness and impact, and policy relevance and coherence (aid, trade and foreign interests) relative to other bilateral and multilateral donors; as independently assessed by stakeholders of the Australian aid program,

Social accountability could also be incorporated where benchmarks are established which set absolute measures, indicators, or standards for specific progress against a policy intention. This is the approach implied in the Consultation Paper and by the Government’s statements to date. At the whole of aid program level there could be a benchmark related to the policy intention of programs meeting the development priorities of developing country citizens (as assessed by those the aid is intended to benefit)¹⁸. At the Program level, benchmarks could incorporate reference to feedback from partner country governments and stakeholder groups, and their involvement in planning and strategic direction setting¹⁹. At the Partner level, standards could be introduced requiring implementing organisations to have systems and processes for feedback from those the programs are intended to benefit. And at the Project level adopting a standard that project management arrangements genuinely involve participants, particularly women, marginalised groups and people with disabilities, in the planning, design, monitoring and evaluation of activities could be required. This would be consistent with standards included in the ACFID Code of Conduct²⁰, and the SPHERE standards for humanitarian and emergency response²¹, but not adopted more broadly across international/multilateral organisations and commercial contractors.

¹⁷ See <http://www.keystoneaccountability.org/>.

¹⁸ Example: “Australian aid benefits those who need it most and meets their development priorities and needs.” (Assessed as a %, or [85%] target of satisfaction by stakeholders)

¹⁹ Example: “Country programs will determined in mutual agreement with partner countries and institutions” (Assessed as % or [85%] target, of mutually agreed Strategies for Programs)

²⁰ Australian Council for International Development 2010, *Code of Conduct*, Australian Council for International Development, Canberra.

²¹ The Sphere Project 2011, *Sphere Handbook. Humanitarian Charter and Minimum Standards in Humanitarian Response*, Practical Action Publishing, United Kingdom.

Recommendation 2: That performance benchmarks require the Australian aid program - at all levels - to properly analyse and seek to address the social and power relations which underpin gender inequality. This needs to be done in consultation with women, their organisations and movements.

Gender equality is critical to achieving effective and long-lasting development results. The Australian government has a commitment to gender equality in its development policy and activities. This commitment is shared by many of Australia's development partners, as well as women's organisations throughout the region.

Performance benchmarks with a focus on gender equality and its causes will help create the conditions necessary for citizens in donor and recipient countries to advocate for enhanced gender equality through policy reform. This includes addressing not just changes in policies, practices and political representation of women, but also supporting those who are seeking changes in the norms and attitudes which underpin gender inequality and prejudice.

There is important evidence for this. For example, Weldon and Htun (2013, p. 231)²², in a study of women in 70 countries over a thirty year period, found that strong domestic women's movements were essential in promoting pro-equality legislation and practice. Furthermore it was particularly important that they were able to use international and regional conventions and agreements as levers to influence policy-making in their own countries. They also found that international norms further strengthened efforts towards gender equality, encouraging gender equality advocates to demand the creation of new institutions to codify their ideas and to advance women's interests.

This suggests that benchmarks for an Australian Aid program need to encourage analysis and action at both the domestic and international level and to engage women's organisations and movements in both establishing those benchmarks and assessing performance against them.

Implications for Consultation Paper questions:

How should performance of the aid program be defined and assessed?

How could performance be linked to the aid budget?

How can the assessment of the performance of our implementing partners be improved?

The incorporation of gender equality into the final structure of performance benchmarks can be done in multiple ways. Processes for women, and their organisations to be involved in setting the benchmarks at each level need to be established, and domestic and international obligations and commitments should be referenced. At the whole of aid program level, a clear and unambiguous policy intention on gender equality would be a re-statement of Australia's commitment to gender equality in our region, and provide a vehicle for high level consultation and policy dialogue with partners. The Australian Government's success in advocating for a broad consistent commitment to child protection, and its growing influence in disability inclusive development²³ demonstrate that this high level policy commitment can have significant impact on the policy and practices of others.

²² Weldon, SL and Htun, M 2013, 'Feminist mobilisation and progressive policy change: why governments take action to combat violence against women', *Gender & Development*, vol. 21, no. 2, pp. 231-247.

²³ Commonwealth of Australia 2013, *Child Protection Policy*, AusAID, Canberra; USAID 2012, *United States Government Action Plan on Children in Adversity. A Framework for International Assistance: 2012–2017*, United States Agency for

An example of a high level policy statement benchmark on gender might be: “Advancement of gender equality and women’s leadership in the Indo-Pacific region”. This would be measured or assessed by key indicators of outcomes that the Australian aid program can target and influence, such as contributing to: increased female participation in political processes; increased women’s participation in the formal economy; and improving health and education indicators for women and girls. In addition, where higher level benchmarks at whole of aid and program levels are ‘sector’ or ‘policy priority’ based, then there could be explicit reference to the gender dimension of that area.²⁴

In each case, women and their organisations should be involved in setting the appropriate benchmark appropriate for their own context and priorities.

At the partner and project level a specific benchmark could be included as a standard that requires women and their organisations to be involved in the design, monitoring and evaluation of programs that are meant to benefit them. This would be in addition to the development of appropriate benchmarks cascading from whole of aid and program levels, set by women and their organisations that are appropriate to their context and aspirations.

Recommendation 3: That performance benchmarks are adopted and used in a manner that reflects the political, social, cultural and institutional context of the development process.

The Australian aid program operates in contexts that are complex, politicised, and highly unpredictable. Development itself is an inherently political process, one which requires in-depth understanding of how individuals and groups work politically in different institutional contexts²⁵. Failure to do so risks imposing an often unrealistic or overly ambitious agenda for change that leads to disappointment and disillusionment. This can, in part, be addressed by not prescribing too tightly on how outcomes are to be achieved or imposing a static view of objectives, but by promoting ‘iterative adaption’²⁶, and focusing on building better feedback loops in a systems of continuous improvement and mutual learning.²⁷

Focusing solely on benchmarks that are easily measurable and within the control of DFAT or its partners may encourage overly technocratic approaches, creating perverse incentives to partners and programs towards simplistic and ineffective solutions.²⁸ This was, for example, one of the constraints for donors in committing to progressing the Accra Declaration on Aid Effectiveness, where the targets for percentage of aid channelled through partner systems did not reflect the varying degrees of capacity within partner countries, nor the scope of different donors in their relative regions. Australia operates within many fragile environments, where the commitment to simplistic targets took attention away from the governance and capacity building pre-conditions

International Development, Washington DC.; Kelly, L and Wapling, L 2012, *AusAID Development for All Strategy: Mid-Term Review*, report prepared for AusAID, Canberra.

²⁴ For example, if a benchmark was concerned with an ‘education’ based target for the aid program, reference to women and girls’ participation would be critical. Or if the benchmark was about proportion of aid in the immediate Asia-Pacific, then reference in the benchmark or assessment indicator to specific priorities and needs of women and girls should be included, for example addressing inequity in literacy or morbidity and mortality rates between men and women.

²⁵ Booth, D 2013, *Facilitating Development: An Arm’s Length Approach to Aid*, Politics and Governance Group, Overseas Development Institute, London.

²⁶ Andrews, M, Pritchett, L and Woolcock, M 2012, *Escaping Capability Traps through Problem-Driven Iterative Adaptation (PDIA)*, CGD Working Paper 299, Center for Global Development, Washington, D.C.

²⁷ Barder, O., <http://www.owen.org/blog/7221>

²⁸ Riddell, RC 2014, *Does Foreign Aid Really Work?*, Background paper to keynote address to the Australasian Aid and International Development Workshop, Canberra.

necessary for the target to be met. Similar criticisms can be made about the Pacific Plan and Partnerships for Development targets and processes, where artificial targets were adopted with little political or social understanding of the potential impact and viability for Pacific nations.²⁹

Understanding the effectiveness of an aid agency or program requires bringing together *practice-informed knowledge* (knowledge from experience in implementing programs), and *citizens or participants' knowledge* (knowledge held by citizens, drawing on their daily experience) and *research-based knowledge*³⁰ in order to develop a fuller understanding of the 'performance' or impact. The *process* of accountability is also highly political, and can challenge powerful institutions and interests.³¹ A small number of limited benchmark targets may meet the interests of one group of stakeholders at a point in time. However it is harder to ensure that the broader national interest is being protected, that unforeseen risks are mitigated, and at the same time the aid program responds appropriately to changing circumstances, all of which are important to a growing and diverse range of interested stakeholders over time. The nature of the benchmarks and the ways in which information is gathered and communicated will likely need to be able meet these diverse needs, even if not immediately apparent.

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A consideration of complexity, politics and knowledge suggests that at the whole of aid program level, benchmarks could be less prescriptive, and more open to adaptation, but still reflect key elements of policy intent. For example: "promoting security and growth in Australia's immediate region by strengthening local governance systems and structures" provides a clear policy direction for resource allocation and program planning, while allowing room for local contextual application. The means of assessing the benchmark could then take into account a 'mixed methods' approach to data gathering and analysis. It could provide evidence about significant changes taking place in this area in different contexts, as well as provide feedback on what is working and what needs to be changed, in future programming and implementation. This underlying complexity and sophistication of the analysis could be simplified for decision-making through the use of sense-making processes, metrics and scales to synthesise and compare complex sets of data across different sites³².

At the program level, the higher order benchmark would be translated into a relevant policy priority that is agreed between key parties (normally Australia and the partner government). Using the same example, in the context of Papua New Guinea, a relevant benchmark at the program level might be: "strengthening local level governance and processes of accountability of elected representatives to their constituents" with a number of more specific indicators of success. These would still need to leave room for adaptation and refinement as lessons are learnt. A method for

²⁹ An analysis of the *Pacific Islands Forum Secretariat 2013*, Pacific Plan 2013. Annual Progress Report, *Pacific Islands Forum Secretariat*, Suva against the original intention supports this point.

³⁰ Jones, H, Datta, A and Jones, H 2009, *Knowledge, Policy and Power. Six Dimensions of the Knowledge-Development Policy Interface*, Overseas Development Institute, London

³¹ Ramalingam, B 2013, *Aid on the Edge of Chaos*, Oxford University Press, Oxford.

³² See for example the work of David Snowden <http://www.sensemaker-suite.com/smsite/index.gsp>

comparing effective governance by district and province could then promote incentives for reform and improvement amongst stakeholders³³.

At the partner level, it would be important to establish a standard for the system of quality improvement within all implementing organisations, such as currently is assessed through the Accreditation scheme for Australian NGOs and the Multilateral Assessment Framework for international organisations, but not yet extended to all implementing partners (commercial contractors and others). Such a standard should incorporate the need for feedback from those the programs are meant to be benefitting.

At the project level stronger standards for effective monitoring and evaluation systems could be articulated and assessed under the Department's quality assurance processes. There continue to be shortcomings in the application of internal standards for monitoring and evaluation, which the Office for Development Effectiveness and the Independent Evaluation Committee could be mandated to report on as part of a whole of agency benchmark on quality standards. An example might be: "85% of aid activities (projects) have satisfactory systems for monitoring and evaluation that receive feedback from stakeholders and promote continuous improvement" with the criterion for 'satisfactory' rating include that participant involvement and mixed methods, be employed. There are many practical examples where these approaches have been deployed effectively³⁴.

3. Issues and future challenges

The Government's adoption of benchmarks for the Australian aid program signals a new era of performance management and accountability which may have far reaching consequences for DFAT, partners, implementing organisations, with consequences for the Australian public's understanding of and commitment to aid and development. While significant effort has been invested by the former AusAID in systems and processes for performance management, internationally recognised by its peers³⁵, further work is needed to embed the lessons from good development practice into organisational systems and processes in what is now a newly formed Department of Foreign Affairs and Trade with responsibility for the aid program.

For aid and development agencies to improve their practice they require better feedback on their performance, particularly from those they seek to benefit. This in turn requires agencies to have the systems, policies and governance arrangements which enable them to learn from and adapt in the light of that feedback. This is an issue for the whole sector as well as individual agencies. Continued experimentation and innovation in this area is warranted, complemented by rigorous research. This would be an important contribution to not just the Australian aid program but to the policy and practice of international development cooperation more broadly.

Fiona Donohue, Paul Nichols, Chris Roche, February 2014

The Institute for Human Security and Social Change at La Trobe University is an interdisciplinary network of academics and practitioners that works to integrate theory and practice in the areas of international development, and indigenous community development in Australia. The Institute is concerned with global and domestic issues that require collective action. This includes improving our understanding of how institutional processes, incentives and governance might be shaped in ways that support effective development practice. The Institute undertakes applied research, consultancy, project management and public policy activities drawing on a mix of university, donor, client and private sector funding partnerships.

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