



FFA response to Consultation Paper: Performance Benchmarks for Australian Aid

These comments are presented by the Pacific Islands Forum Fisheries Agency (FFA).

Background:

FFA has a long standing and productive relationship with the Australian Government through various agencies on a technical, advocacy, funding and administrative basis. Funding support from DFAT is extremely important to FFA. While the total amount varies from year to year depending on specific project funding, it generally represents in the order of 40% of FFA's donor income and 25% of total income. Current funding sits at around USD6 million although a significant component of this is project funding due to finish in 2014/15.

Funds provided by DFAT and other donors are used to provide a diverse range of services that combine to ensure that FFA members¹ are able to implement sustainable management measures for their tuna resources, adequately enforce those measures and achieve additional economic and social development as a result².

Feedback

FFA welcomes the initiative of DFAT to examine Aid delivery mechanisms and monitoring tools to ensure maximum effectiveness for the funds distributed from the perspective of Australia and recipients.

Underlying premise

The consultation paper refers in several places³ to the concept that Aid should be (through various means) allocated to projects or partners with proven performance in order to increase effectiveness. FFA strongly agrees with that underlying premise and supports the conclusion that this would not only increase the value of outcomes delivered through Aid, but also justify continued investment to Australian taxpayers.

¹ Australia, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Republic of Marshall Islands, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu and Vanuatu.

² See key planning and reporting documents at <http://www.ffa.int/about>

³ Paragraphs 1, 3iv, 4, 6, 7 and 8

However, there is an additional premise that is mentioned briefly that should also feature heavily in any benchmarking; and that is the relevance of the program or activity to Australia's foreign policy as referenced in Paragraph 1 of the consultation paper. FFA sees this as an important consideration, particularly as it relates to programs that focus on increasing the stability, self-determination, economic prosperity, food security and social development within the Pacific and amongst Australia's closest neighbours.

Cost is also a direct factor that should be incorporated into benchmarking, particularly as it relates to the relative success (but not necessarily failure) of an investment or intervention. That is, a low cost intervention that yields moderate positive results may be viewed as effective as a high cost intervention that achieves higher level results.

These three factors would need to be used together to benchmark the overall value of a particular investment, rather than just its intrinsic success rate.

Performance Benchmarks

Ideally, performance of the aid program should be assessed at the finest operational scale possible – usually at the level of implementing agency, but perhaps from time to time at a project level.

Aggregation of performance benchmarking at higher levels is likely to result in a dilution effect whereby specific high performing components are overlooked, with the potential for funding cessation to the detriment of recipients and possibly Australia.

Budget Consequences

FFA agrees with the assertion that performance benchmarks should have consequences, and contends that consequences should be both positive and negative. FFA also agrees that in order to determine the relative performance of programs or organisations, specific performance indicators are required. However, it is not likely to be useful to seek to develop a single set of KPIs that all programs would be assessed against as this would lose sight of the issue and situation specific nature of aid delivery.

The KPIs used to assess each program or organisation should be built into their design, so that performance can be assessed in a tailored manner before being combined with the degree of relevance and importance to Australia to determine the overall value of the contribution.

For example, FFA delivers services and outputs to its members that occupy a similar technical space to many activities undertaken by the UN Food and Agriculture Organisation, but with far more locally oriented actions that more directly drive economic, social and sustainability outcomes. The KPIs used to assess these regionally and nationally tailored outcomes would need to be substantially different to those used to assess the effectiveness of the global programs administered by FAO.

Improving Implementing Partner Performance

FFA has benefited from incremental improvements to performance, planning, monitoring and evaluation as a result of the positive working relationship with Australian agencies and agrees with the importance of this process to justify continued funding support.

FFA is a multilateral organisation, but was not part of the AMA. FFA has reviewed the AMA, however and finds it a useful basis for assessing relative performance. The data used to complete the assessments should be part of the routine monitoring and evaluation of the organisation, and should be based on criteria driven by the members of that organisation. This is particularly relevant for FFA, which has a relatively small and well focussed Governing Council that Australia is an active member of, including through direct participation of DFAT fund managers.

It is encouraging to note that the second “underlying premise” suggested above of relevance to Australia’s national interest is already part of the AMA, and FFA would suggest that cost should also be a factor for consideration.