



Plan

**Response to DFAT Consultation
Paper on Performance
Benchmarks for Australian Aid**

Plan International

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About Plan

Plan is one of the worlds' oldest and largest children's development organizations. We work in 50 developing countries across Africa, Asia and the Americas to uphold and defend child rights and lift millions out of poverty. Plan is independent, with no religious affiliation.

In 2012 Plan raised just over 27 million dollars from Australian supporters and received 10.5 million dollars from the Australian Government through AusAid to support programs in the countries where we work.

Introduction and Overview

Plan International Australia is pleased to provide this submission in response to the government's consultation paper on performance benchmarks for the Australian Aid Program. Plan supports an aid program that is effective and accountable as well as the desire to measure performance to ensure that aid is being spent in the right places and on the right things. Over the past few years, Plan along with many other development agencies, has worked to provide detailed information to government about the work that we do, the people that we reach and the outcomes that we contribute to, based on the evidence we routinely collect as a core part of our programming.

It is important, however, in devising appropriate performance measures that the complexity of the social, economic and political systems in which aid is delivered is taken into account. It is also important that in developing its new performance framework the government takes account of the work already in place at national and international levels which governs the performance of the aid program, and which emphasises the central importance of development effectiveness.

The government has spoken about the need to link aid with trade and to prioritise economic growth in the aid and development portfolio. Economic growth is key to addressing many global development challenges, however this cannot be considered in isolation from issues of equity and questions about who benefits from aid, as has recently been pointed out by Christine Lagarde, the head of the IMF.¹ The impact and effectiveness of aid and development is deeply dependent on addressing gender equality, inclusion and environmental sustainability. This is clearly reflected in the emphasis being given by the Government to working with women and girls, the importance of enabling effective health and education systems and continued provision of humanitarian aid. Any future determination on performance measures and standards would be deficient without giving full consideration to elements such as these, which are widely recognised as core to aid effectiveness.

How should Performance of the Aid program be Defined and Assessed?

1. A clear and detailed policy framework

Any set of performance measures need to be grounded in a clear understanding about the goals or outcomes that are being targeted. This clarity was previously provided by the *Comprehensive Aid Policy Framework*. That framework took into account the complexities of the Australian aid program

¹ Peter Wilson, 'First Among Men' Sydney Morning Herald, February 15, 2014.

and made clear the purpose of Australian aid and what the strategic goals of the program were.² The framework also set specific targets to be reached under each of these goals.³

If this framework is now to be replaced, a new and detailed policy framework is urgently required. That framework must contain a number of things:

- a) **A clear set of goals.** To date, the overarching goals of the aid program have been informed by the Millennium Development Goals. If that is continued, consideration will need to be given to the current global dialogue about how these goals are to be developed or adapted in the post 2015 context. From Plan's perspective, these priorities should aim to improve the lives of children and young people through education, health and sustainable economic development. The empowerment of women and girls should also be included as a priority area and be addressed in programming by, for example, setting targets to ensure that equal numbers of girls and boys not just access their education, but, crucially, also *complete* their education. The Government has flagged the importance of promoting economic growth in the countries that we assist. There is ample evidence to show that failing to educate girls in particular comes at an enormous economic cost and means lost opportunity in relation to the opportunities for economic advancement that a quality education can bring.⁴

- b) **Recognition of relevant international and national standards.** Globally agreed standards for effectiveness exist and many nations have agreed to adhere to these standards, or at least to work towards meeting them.⁵ The Paris principles for Aid effectiveness and the Accra Declaration for Action provide detailed and practical guidance about improving development effectiveness. The Busan Partnership of Effective Development Cooperation highlights the importance of transparency and value for money. These documents enshrine the internationally agreed principles and standards which underpin what is accepted as good development practice. They are all also consistent with the government's desire to invest wisely, strategically and in innovative programs. In Australia the ACFID code of Conduct also explicitly mentions value for money, requiring signatories to make effective use of resources and to ensure that their activities are structured to enable the measurement of costs. In addition, NGOs wishing to receive government money are required to undergo a rigorous and exacting accreditation process every 5 years.

If the government wishes to retain the international standing attributed to the Australian Aid program and its achievements or indeed to strengthen this reputation, it is important that established international and national standards be taken into account in the development of any new performance measurement frameworks specific to the Australian aid context.

² *Helping the World's Poor through Effective Aid: Australia's Comprehensive Aid Policy Framework to 2015-16.*

³ *Ibid*, p 7 .

⁴ For example, based on World Bank research and economic data and UNESCO education statistics, the economic cost to 65 low and middle income and transitional countries of failing to educate girls to the same standard as boys is estimated to be a staggering US\$92 billion each year. This is just less than the \$103bn annual overseas development aid budget of the developed world. See: Plan International, *Paying the Price: The Economic cost of failing to educate girls*, 2008.

⁵ These include the *Paris Declaration Declaration for Aid Effectiveness(2005) and the Accra Agenda for Action(2006)*.

c) **Informed by core principles.** It is important that any framework also be underpinned by core principles that govern and ensure effectiveness and quality. Such principles should include the following:

- Inclusive: The principal of inclusivity would require aid programs to commit to reaching the most vulnerable and marginalised;
- Rights based: aid programmes are governed by our international human rights obligations, including the Convention on the Rights of the Child,
- Protective: aid programmes protect women and children
- Participatory: aid programmes involve appropriate engagement with the communities they are targeting.

2. *Australia's 'National Interest' includes maintaining our track record and reputation in the region*

Minister Bishop has spoken on a number of occasions about the need to have an aid program that is in the 'national interest'.⁶ At her recent address to the aid policy workshop at ANU, she stated that it was in Australia's national interest to deliver responsible, affordable and sustainable aid. She also said that it was in our national interest to work towards peace and prosperity in our region. Plan International agrees that these factors form part of our national interest. However, it is also true that it is in Australia's national interest to act in accordance with our international obligations and agreements.

These include international human rights conventions which serve as the opportunity for Australia to provide leadership in regional and development contexts. An example is for Australia to maintain its support to the core initiatives and commitments of the East Asia Summit, which include:

"to promote common development through mutual support and cooperation and to continue providing in accordance with internationally recognized policies and guidelines, responsible, accountable and transparent support to developing countries in the forum, including funding, equipment and technology support and transfer, technical assistance and capacity development to promote equitable development and to achieve concrete and sustainable results in order to benefit the local economy and the people of those countries" and "promoting food security and nutrition, especially by improving increasing sustainable agricultural production and productivity, protecting bio-diversity, jointly responding to climate change, securing food and energy supplies for the most vulnerable population, especially women and children and promoting sustainable development".⁷

Our national interest is also served by continuing to deliver a highly effective aid program that provides the conditions for growth with equity, which contributes poverty eradication, security and stability. This is of particular importance with our neighbours and in fragile state settings; an area for which we are, as a nation, internationally known.⁸

⁶ The Hon Julie Bishop, *Opening address - 2014 Australasian Aid and International Development Policy workshop*, 14 February 2014. <http://www.foreignminister.gov.au/speeches/2014/jb_sp_140213.html>

⁷ http://www.dfat.gov.au/asean/eas/121120_declaration_eas_development_initiative.html

⁸ Office of Development Effectiveness, *Lessons from Australian Aid*, January 2014.

3. Consider similar aid programs from comparable donors

If the existing performance frameworks are to be replaced, it may be worth considering what other comparable aid donors are doing in relation to measuring their own performance. For example, the DFID 'Results Framework' provides a very clear framework for measuring results and performance.⁹ The framework is guided by the Millennium Development Goals but also captures indicators to measure other factors, including:

- outcomes directly linked to DFID interventions;
- indicators for measuring DFID's operational effectiveness to improve results and value for money;
- indicators to monitor improvements in efficiency or DFID's internal corporate processes.

The framework is a tool that is being used to monitor and manage performance and to report publically – it includes actual results and the metrics used to measure organisational effectiveness and efficiency.

How Could Performance be linked to the Aid Budget?

Linking performance to funding can ensure that certain minimum standards are met. However, the risks of linking payment to performance must also be understood. Australia plays an important role in the region as a donor in fragile environments, being one of only six donor countries to devote more than half of its country specific aid to fragile and conflict affected states.¹⁰ Aid in such contexts may not be able to be linked to budgets in any simple way. Incentive payments may lead to corruption, or there may simply not be the capacity in the local environment to meet the performance requirements. In such contexts, where geopolitical implications or regional security concerns are paramount, it may in fact be counter-productive to the national interest to incentivise aid funding. On a more micro scale, this also presents the risk that programming approaches will be skewed to what is most easily measured rather than to facilitating the processes and interventions required to bring about significant economic and social change in otherwise fragile and complex settings.

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

Plan is supportive of accountability and reporting mechanisms, but new performance benchmarks that target NGO and other civil society performance must be built around an understanding of the particular and unique value brought by civil society organisations to aid and development and based on a clear understanding of the many ways in which NGOs are already held accountable.

1. The Value of NGOs and CSOs in delivering Aid

Civil society organisations, including NGOs make important contributions to social capital and are often innovative in their approaches to capacity building in developing countries. CSOs are often best placed to reach the 'poorest of the poor', because of their longstanding relationships, their capacity to work

⁹ Department For International Development, *DFID's Results Framework – Managing and Reporting DFID Results*. <https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/175715/DFID-external-results.pdf>

¹⁰ Office of Development Effectiveness *Lessons from Australian Aid – 2013 Report on Independent Evaluation and Quality Assurance*, January 2014, 4.

with partners to identify and support development approaches which are specific to the local context, and the knowledge and experience which enables them to work with local communities which may not otherwise be accessible to programs and resources that donors provide.

This was recognised in the ANCP Thematic review conducted by AusAID¹¹, which found that Australian NGOs were very well placed to develop integrated programs that directly targeted the barriers and disadvantages experienced by marginalised people. NGOs working in developing countries have a clear understanding of the fact that that poverty is underpinned by more than just economic factors.

Australian NGOs are able to reach parts of the community through their connections to civil society partners more effectively than multilateral organisations or government. These relationships enable direct and effective relationships with the poorest and most marginalised.¹²

Any benchmarking system that seeks to measure how effective and efficient NGOs are at assisting in the reduction of poverty, should take into account the fact that to reach the poorest and most marginalised in complex development environments takes time, relies on the ability to continuously review and adapt programming to suit local conditions, and requires approaches which are inclusive of those who are most disadvantaged. There is a risk that if programs are focussed only on short term results they may ultimately target those who are easier to reach rather than those who are most marginalised.

The recent report from the Office of Development Effectiveness concluded in its recent report¹³ which found that holistic strategies in the provision of assistance were important in harnessing the strengths of Civil Society. The report also found that in low-capacity settings, building the capacity of institutions (rather than individuals) in ways that are tailored and paced to reflect local realities holds most potential for success.¹⁴ This is the core to the way that NGOs tend to work.

NGOS also have important contributions to make to policy dialogue from the ‘bottom up’ which can be effectively combined with ‘top-down’ institutional reform partnerships to support effective evidence based policy development and improve service delivery.¹⁵

2. Existing Frameworks and Accountabilities

There are already a number of frameworks and accountability mechanisms to which the NGO sector is held to account on the basis of their performance.

The MELF

The Monitoring and Evaluation and Learning Framework for the ANCP program (the MELF) was developed in consultation with ACFID, ANCP NGOs and AusAID, and was released in 2012. The objective of the MELF was to enable both the quality and reach of the ANCP to be more effectively measured. This framework aligned strongly with internal reporting requirements for the former AusAID, but also recognises the importance of collecting, analysing and learning from both qualitative

¹¹ AusAID NGO Cooperation Program (ANCP) 2011 Thematic Review – How do ANCP activities engage with the poorest and most marginalised people – Final Report 2012, 3.

¹² Ibid.

¹³ Office of Development Effectiveness, *Lessons from Australian Aid – 2013 report on Independent Evaluation and Quality Assurance*, January 2014.

¹⁴ Ibid, 1.

¹⁵ Ibid, 7.

and quantitative information about NGO development programs. The implementation of the framework has generated data which has enabled a more rigorous analysis and understanding of the reach and impact of the ANCP. A recent review found that the MELF was improving accountability and performance coverage.¹⁶ Given the recent development and implementation of this framework there is still considerable scope to ensure that it facilitates a much stronger evidence base for the ANCP and its contribution to effective aid development.

It is important to note that ANGOs have willingly taken up this work in the endeavour to ensure that their programs are operating from a strong evidence base and to be accountable to the people with whom they work as well as to the donors which support that work. In part, this commitment also reflects the understanding that the delivery of an effective program relies not only on learning from what is successful but also from what does not work. It is critically important to recognise that when programs do not go according to plan that it is not necessarily a sign of poor performance. Indeed, these opportunities can provide scope for learning, innovation and new ways of working which might impact positively on performance. It is imperative that any new benchmarking standards allow for these complexities, rather than reducing complex development work to 'good' or 'poor' performance.

Aid Program Performance Reports (APPRS)

APPRS were introduced in 2008 and are an important way for country and regional programs to report against their objective in yearly reports. A review of the APPRS done in 2013 found that, while there was still a certain degree of variability in the quality of APPR reports, they nevertheless provide important guidance to senior managers, sector specialists and program and quality managers on the enablers of, and barriers to good performance.¹⁷

ANGO Accreditation

Australian NGOs are required to meet a rigorous and comprehensive set of standards through the accreditation process. These standards have been endorsed by the sector over a long period of time. These processes systematically govern the quality, accountability and effectiveness of ANGO Practice in the context of widely accepted principles and standards. Any benchmarking process would need to integrate or draw in some central way upon these already existing processes.

None of these existing processes, standards and frameworks preclude further measures from being introduced. Overall targets in relation to high level goals and priorities can work if they are part of a detailed aid policy framework.

Conclusion

The effective delivery of aid is an important issue, however it is clear from both national and international perspectives that this cannot be reduced to measures which fail to address the complexity of development setting and processes. Much of the development process is focussed on long term change. It is important to be clear about what this change is and how best to effect it in those communities which are most disadvantaged. The development of appropriate benchmarks relies on

¹⁶ Report of the Review of the Monitoring and Evaluation Framework for the AusAID NGO Cooperation Program, March 2013, 3.

¹⁷ Office of Development Effectiveness *2013 Quality Review of Aid Program Performance Reports*, 1.

articulating the policy against which performance will be measured. In doing so, it is critical that the performance standards engender and support a positive focus on long term effectiveness and impact rather than reducing the focus on what constitutes good and poor performance to the short term delivery of activities. Longer term capacity building is critical for the sustainability of development, but if the measurement of performance is only considered in the short term these may not appear to be performing well.

An approach which denies the complexity of development work would not do justice to the work already in place to ensure the effectiveness of the aid program or, indeed, to the real opportunity to strengthen innovative, evidence based practice which is inclusive, accountable, transparent and which makes best use of resources to facilitate long term economic and social development.