



**Australian Government**

**Department of Foreign Affairs and Trade**

# ***Performance of Australian Aid 2014-15***

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# Overview

1. The performance framework for Australia's aid
2. Key findings from *Performance of Australian Aid 2014-15*
3. Using performance information and areas for improvement



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# 1. The performance framework for Australia's aid



## The performance framework for Australian aid

- ***Making Performance Count: enhancing the accountability and effectiveness of Australian aid*** launched in June 2014
- Sets out 10 strategic targets to measure the performance of the aid program
- Identifies other performance measures, eg: performance benchmarks at the country program level, performance assessment of key delivery partners
- Commits DFAT to producing an annual *Performance of Australian Aid* report



How is the performance of the Australian aid program assessed?		
What performance is assessed?	What is performance measured against?	How is performance reported?
<b>WHOLE OF AID PROGRAM</b>	10 strategic targets 6 aid policy priorities	DFAT's Annual Report Performance of Australian Aid
<b>PROGRAMS</b>		
Country and regional aid programs	Program objectives, performance benchmarks, mutual obligations	Annual Aid Program Performance Reports
Global aid programs	Program-specific performance frameworks	Strategic evaluations by Office of Development Effectiveness Multilateral Performance Assessments
<b>INDIVIDUAL AID INVESTMENTS</b>	<p>7 aid quality criteria:</p> <ul style="list-style-type: none"> <li>• Relevance</li> <li>• Effectiveness, including disability inclusion</li> <li>• Efficiency</li> <li>• Monitoring &amp; evaluation</li> <li>• Sustainability</li> <li>• Gender</li> <li>• Risk management &amp; safeguards</li> </ul> <p>Other criteria:</p> <ul style="list-style-type: none"> <li>• Innovation</li> <li>• Private sector engagement</li> </ul>	Annual Aid Quality Checks Independent operational evaluations
<b>KEY AID DELIVERY PARTNERS</b>	<p>5 assessment criteria:</p> <ul style="list-style-type: none"> <li>• Lasting results &amp; impact</li> <li>• Value for money</li> <li>• Collaboration, communication, responsiveness</li> <li>• Policy alignment, risk management, innovation</li> <li>• Effective personnel</li> </ul>	Annual Partner Performance Assessments



## Annual performance reporting calendar for Australian aid

- **May - Investment Quality Reporting**
  - Aid Quality Checks on individual aid investments (481 in 2014-15)
  - Partner Performance Assessments on aid delivery partners(418 in 2014-15)
  - Aggregate Development Results reporting on 20 selected key results areas
- **August – Program Quality Reporting**
  - Annual Aid Program Performance Reports on country & regional programs (26 in 2014-15) and other programs (ANCP)
  - Country program specific performance benchmarks (189 in 2014-15)
  - Annual Sector Snapshots (12 in 2014-15)
- **Throughout year**
  - Strategic evaluations (8 in 2014-15)
  - Operational evaluations (70 completed (est.), 19 published in 2014-15)
  - Multilateral Performance Assessments (4 completed in 2015)
- **End of year – Performance of Australian Aid report**



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## **2. Key findings from *Performance of Australian Aid 2014-15***



# Performance of Australian Aid 2014-15

- **Reported on:**
  - **performance against 10 strategic targets (Ch1);**
  - **country, regional programs (Ch2);**
  - **global program performance (Ch3); and**
  - **sector and thematic performance (Ch4)**
- **Performance assessments in the report were quality assured by the Office of Development Effectiveness (ODE) overseen by DFAT's Independent Evaluation Committee**



## Five key messages from the Performance of Australian Aid Report, 2014-15

- **Very good progress against the 10 strategic targets:**
  - 7 achieved; 2 on track; 1 not achieved (Gender equality)
- **Country /regional program performance holding steady with new performance benchmarks starting to be applied effectively**
- **Delivery partner performance is adequate or better in all areas**
- **Investment level performance continues to be assessed very positively**
- **Wider range of performance information gathered /reported than ever before**
  - quantitative, qualitative and descriptive



## Whole of aid program strategic targets

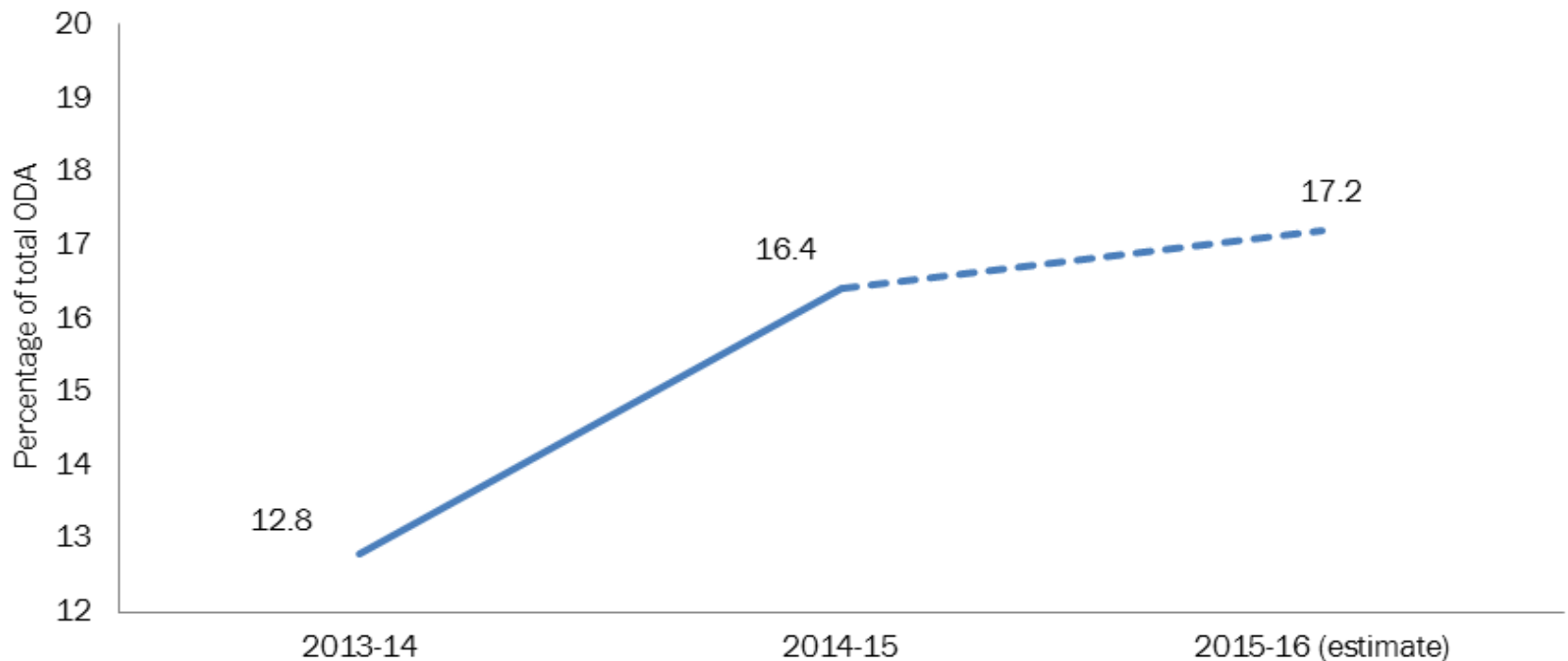
- Target 1 – Promoting prosperity
- Target 2 – Engaging the private sector
- Target 3 – Reducing poverty
- Target 4 – Empowering women and girls
- Target 5 – Focusing on Indo-Pacific region
- Target 6 – Delivering on commitments
- Target 7 – Working with the most effective partners
- Target 8 – Ensuring value for money
- Target 9 – Increasing consolidation
- Target 10 – Combatting corruption



## Target 1: Promoting prosperity

Promote economic development by increasing Australia's aid for trade investments to 20 per cent of the aid budget by 2020

Status: **On track**





## Target 2: Engaging the private sector

All new investments will explore innovative ways to promote private sector growth or engage the private sector in achieving development outcomes

Status: **Achieved**

- The aid program achieved this target in 2014-15, with all new investments exploring innovative ways to promote private sector growth or engage the private sector.



## Target 3: Reducing poverty

By July 2015, all country and regional programs have Aid Investment Plans that describe how Australia's aid will promote economic growth in ways that provide pathways out of poverty

Status: **Achieved**

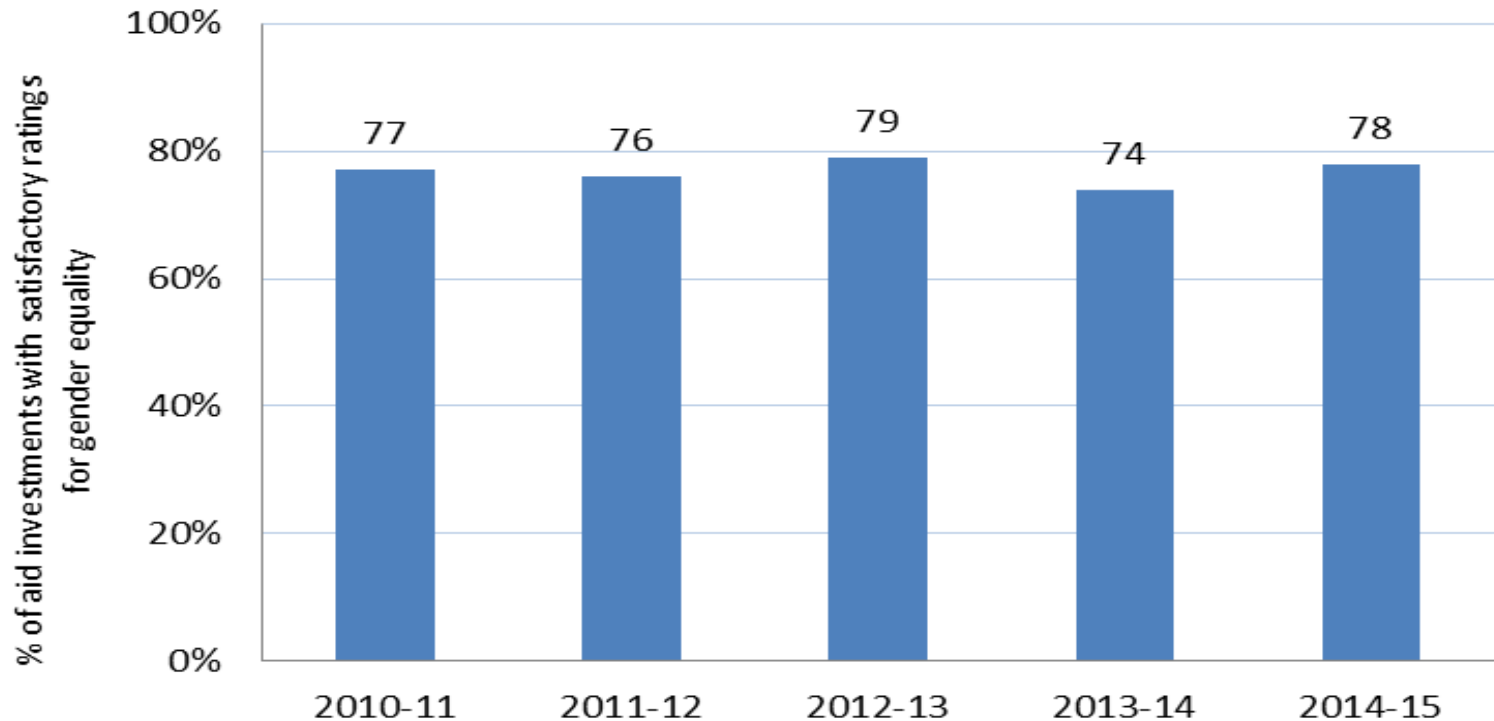
- Aid Investment Plans have been completed and published for all major country and regional programs.



## Target 4: Empowering women and girls

More than 80 per cent of investments, regardless of their objectives, will effectively address gender issues in their implementation

Status: **Not yet achieved**

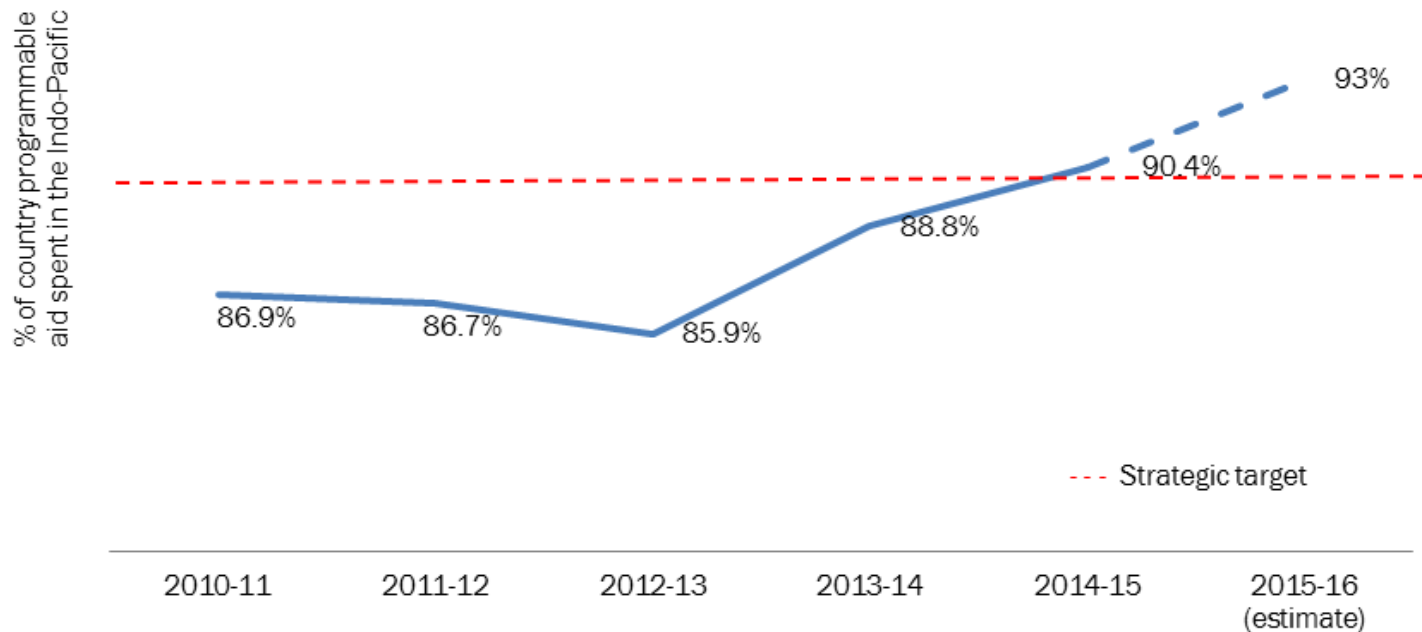




## Target 5: Focusing on the Indo-Pacific region

Increase the proportion of country program aid that is spent in the Indo-Pacific region to at least 90 per cent from 2014-15

Status: **Achieved**





## Target 6: Delivering on commitments

From July 2015, progress against mutual obligations agreed between Australia and its key partner governments and organisations will form part of program performance assessments

Status: **Achieved**

- This target was achieved in November 2015 with the publication of 2014-15 Aid Program Performance Reports on the DFAT website.



## Target 7: Working with the most effective partners

By July 2015, design and apply new systems to assess the performance of the aid program's key delivery partners and ensure stronger links between performance and funding

Status: **Achieved**

The target was achieved in 2014-15 with:

- the introduction of Partner Performance Assessments;
- a strengthened Multilateral Performance Assessment process for multilateral organisations receiving core funding;
- reforms to systems for assessing performance under the Australia-NGO Cooperation program; and
- progress in linking performance to payments in aid agreements.



## Target 8: Ensuring value for money

Deliver high standards of value for money in at least 85 per cent of aid investments. Where standards are not met and improvements are not achieved within a year, investments will be cancelled.

Status: **Achieved**

In 2014-15:

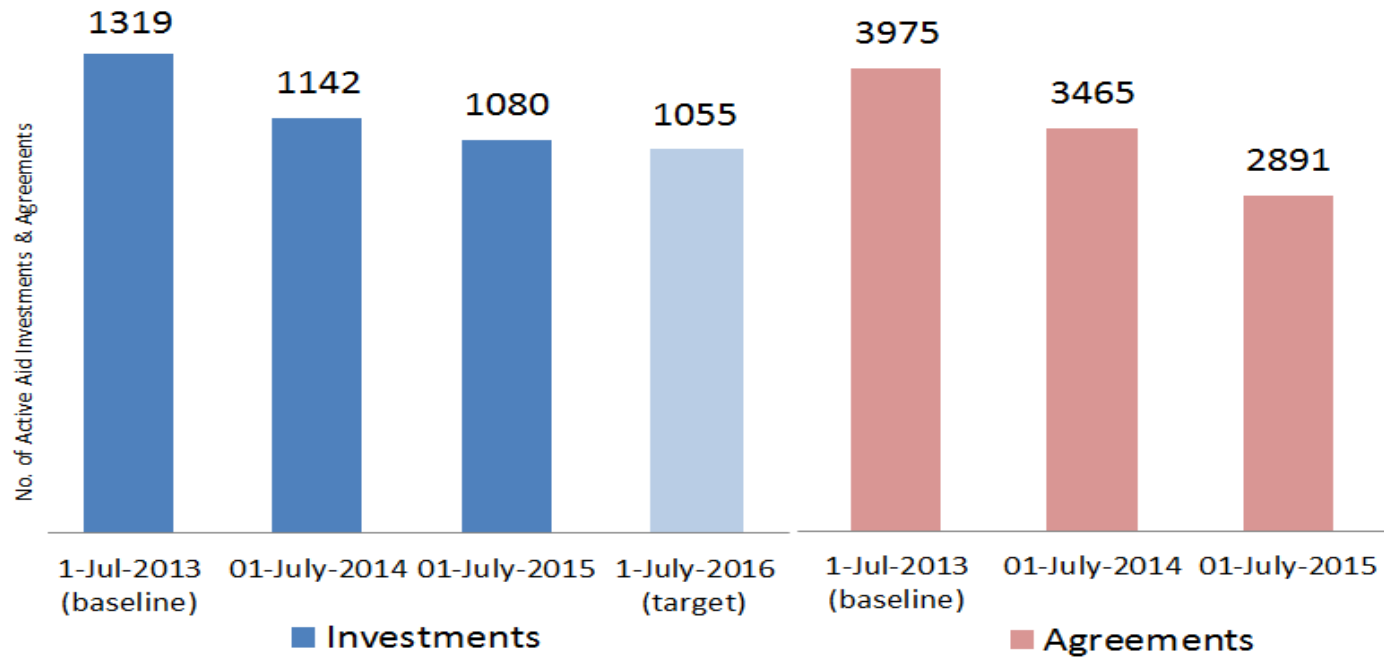
- 90 per cent of aid investments were assessed as performing effectively.
- 87 per cent of aid investments were assessed as performing efficiently.
- 18 investments were assessed as underperforming in both effectiveness and efficiency and identified as Investments Requiring Improvement (IRI).



## Target 9: Increasing consolidation

Reduce the number of individual investments by 20 per cent by 2016-17 to focus efforts and reduce transaction costs

Status: **On-Track**





## Target 10: Combating corruption

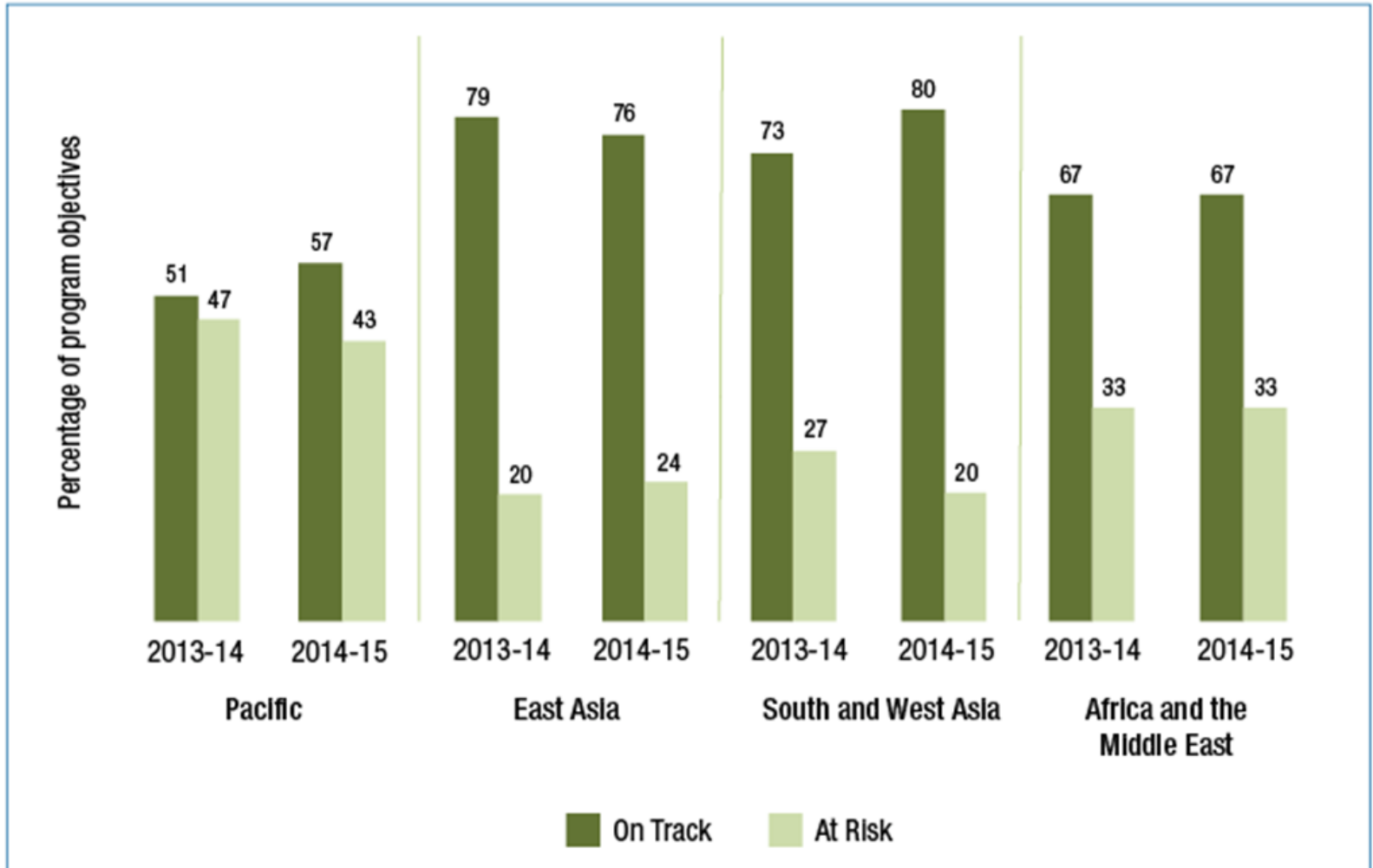
Develop and implement new fraud control and anti-corruption strategies for all major country and regional programs by July 2015

Status: **Achieved**

- This target was achieved in 2014-15 with new fraud and anti-corruption strategies developed and in place for all major country and regional programs in July 2015.



## Performance against program objectives by region





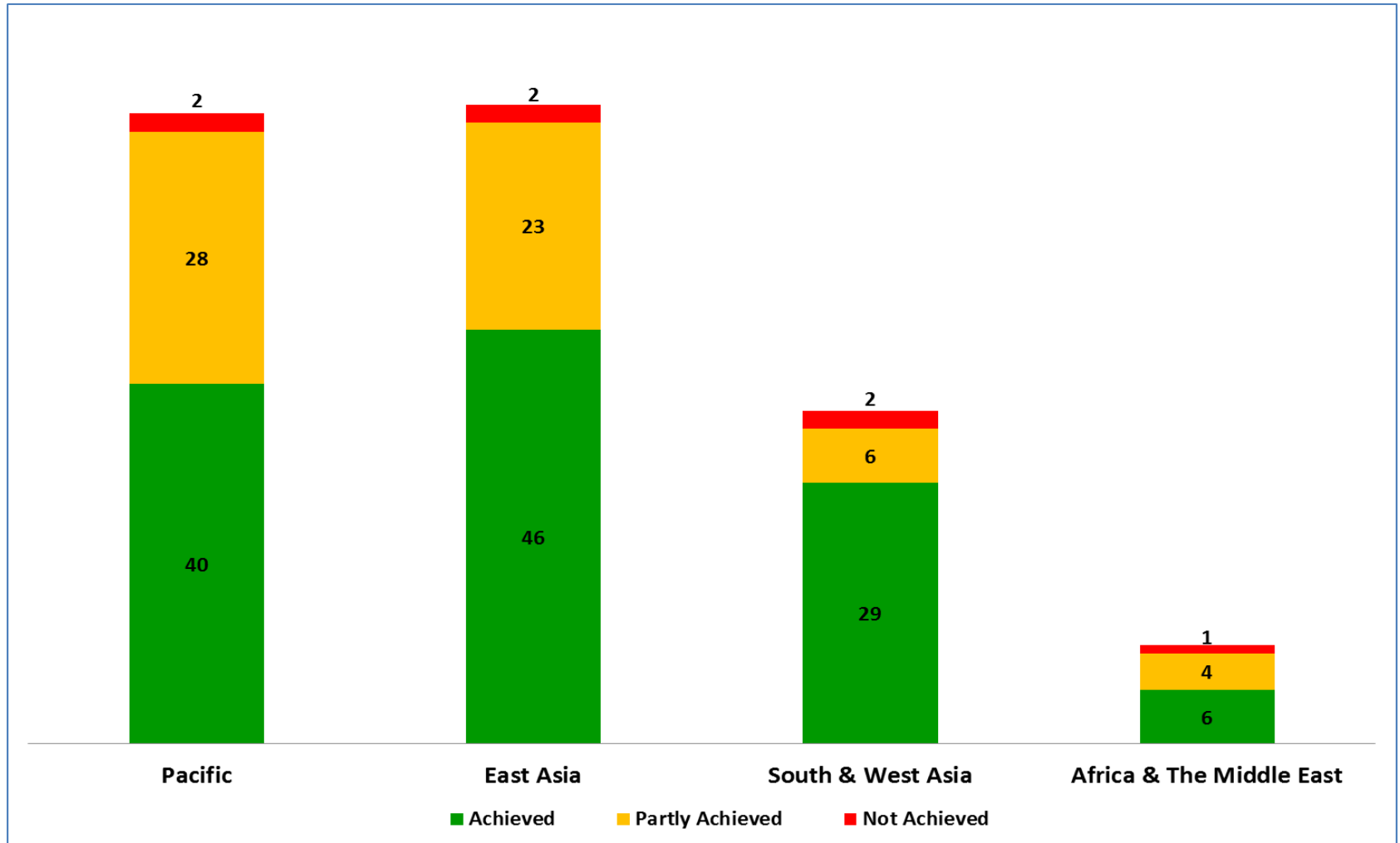
## Performance against benchmarks

Performance benchmarks assist with assessing progress against a country program's objectives.

- 189 performance benchmarks were identified for 2014-15, including:
  - 59 in Education and Health
  - 40 in Effective Governance
  - 33 in Infrastructure and Trade
- Overall performance against benchmarks:
  - 64% (121) were achieved
  - 32% (61) were partially achieved
  - 4% ( 7 ) were not achieved
- Most frequently used types of benchmarks were outputs, outcomes and aggregate results.



## Performance benchmarks by country/regional programs



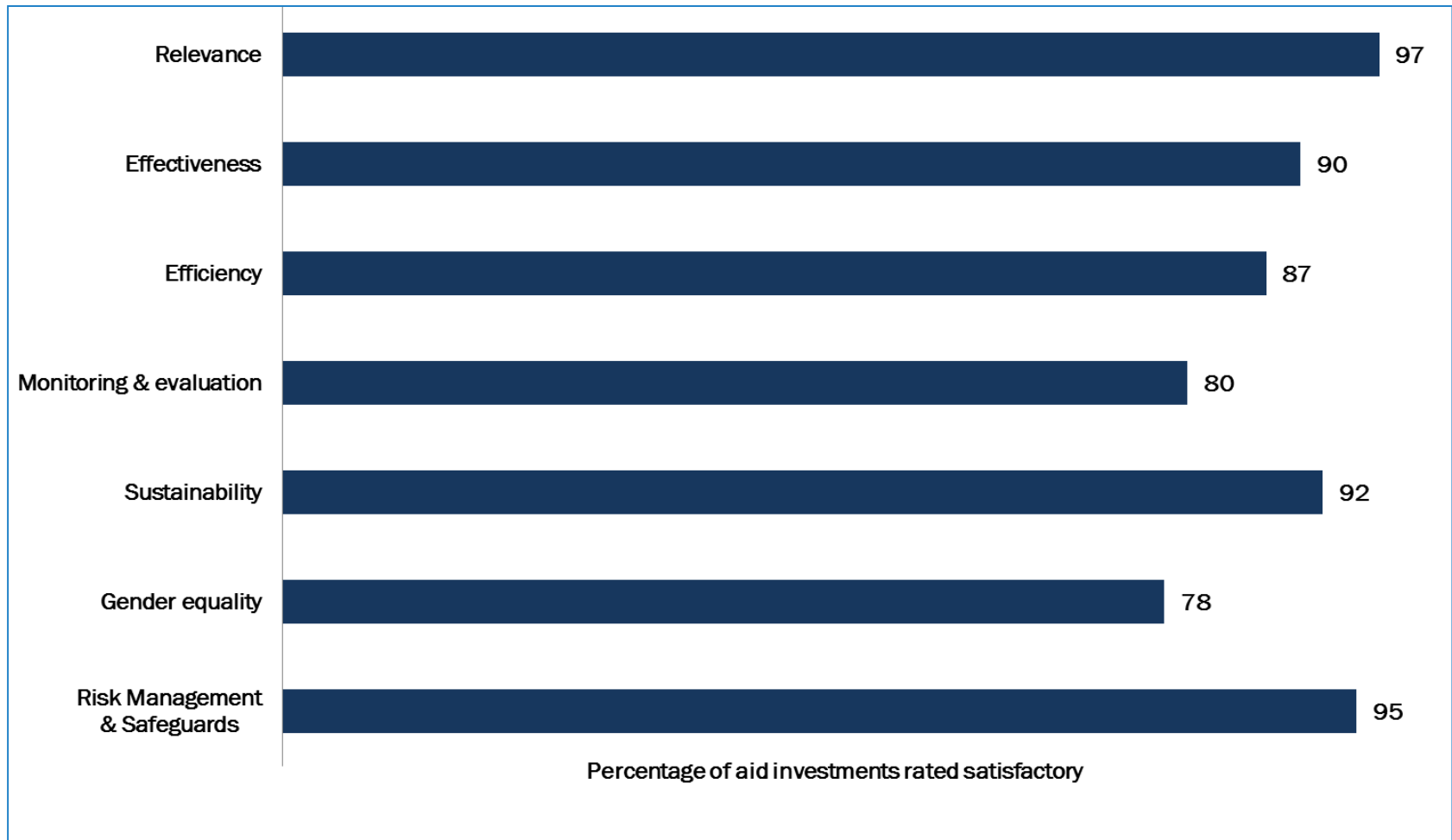


## Types of Performance Benchmarks for 2014-15

Benchmark type	Example
<b>Milestone</b>	<b>Papua New Guinea:</b> Master planning phase of ANGAU Hospital completed and approved by DFAT and PNG Government stakeholders by mid-2015.
<b>Output</b>	<b>Laos:</b> 115 schools have water and sanitation facilities meeting Government of Laos quality standards with district funded operation and maintenance plans in place.
<b>Aggregate result</b>	<b>Burma (Myanmar):</b> 6,300 households with increased access to financial services, and markets.
<b>Outcome</b>	<b>Afghanistan:</b> 70 per cent of civil servants trained in public sector management have improved their work practices and ability to perform their job.
<b>Program management</b>	<b>Pacific Regional Program:</b> Reduce the number of investments from 75 to 55 by June 2015.
<b>Partnership</b>	<b>Philippines:</b> Facilitate six partnership agreements between Philippine and Australian academic institutions.
<b>Policy</b>	<b>Solomon Islands:</b> Agreed Economic and Financial Reform Program matrix for 2014-15 between donor partners and the Solomon Islands Government.

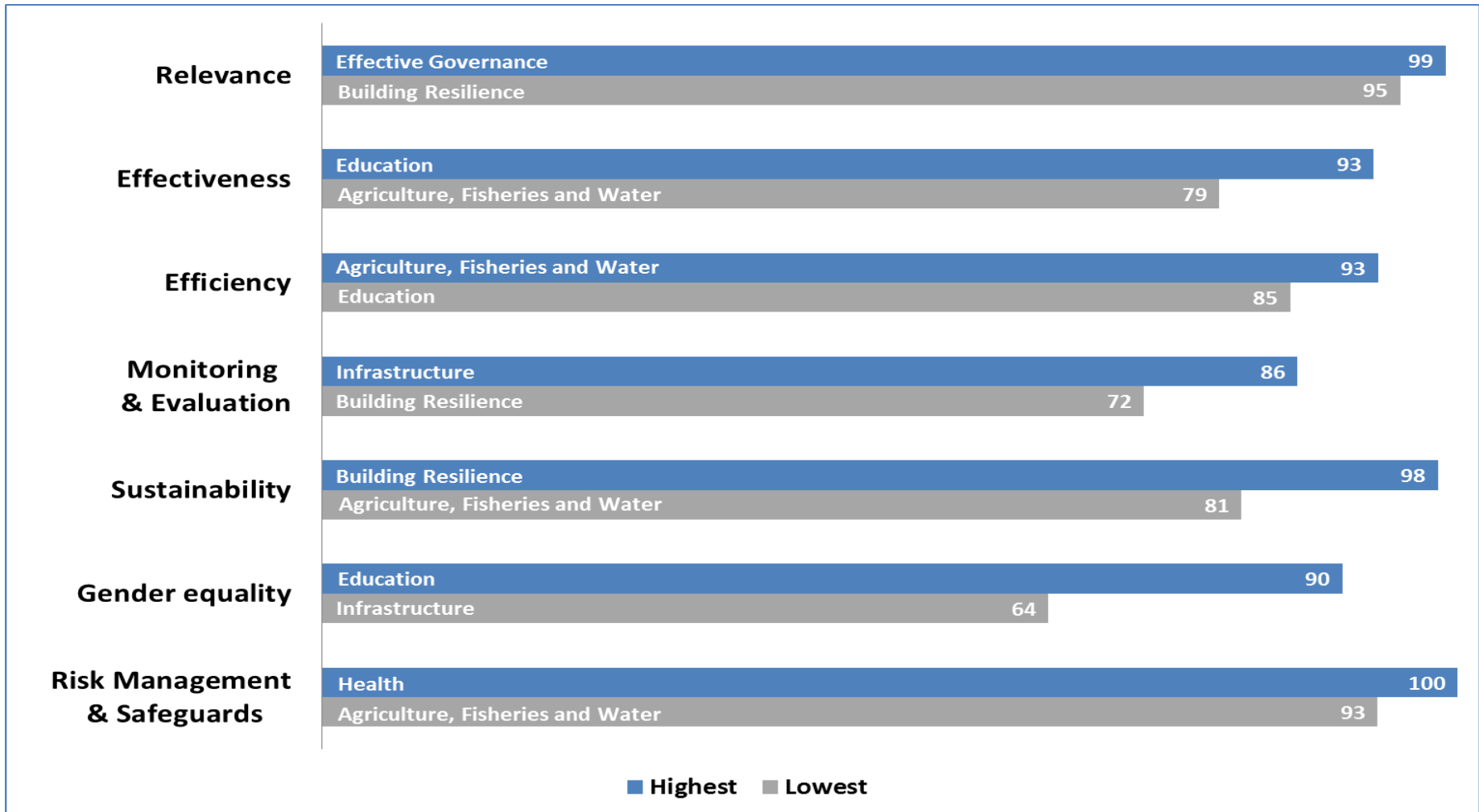


## Investment performance- whole of aid program



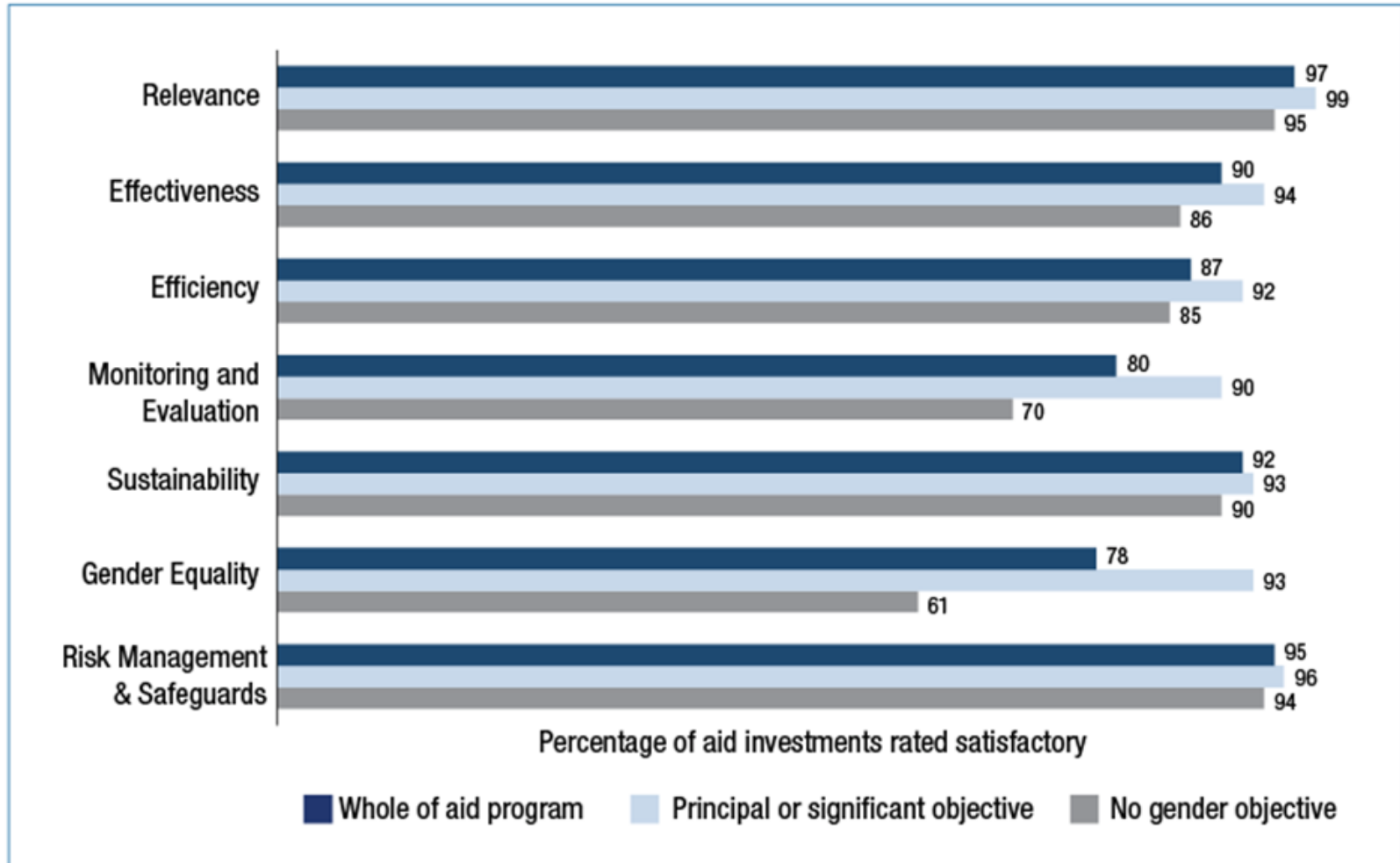


## Investment performance – best and worst by investment priority area



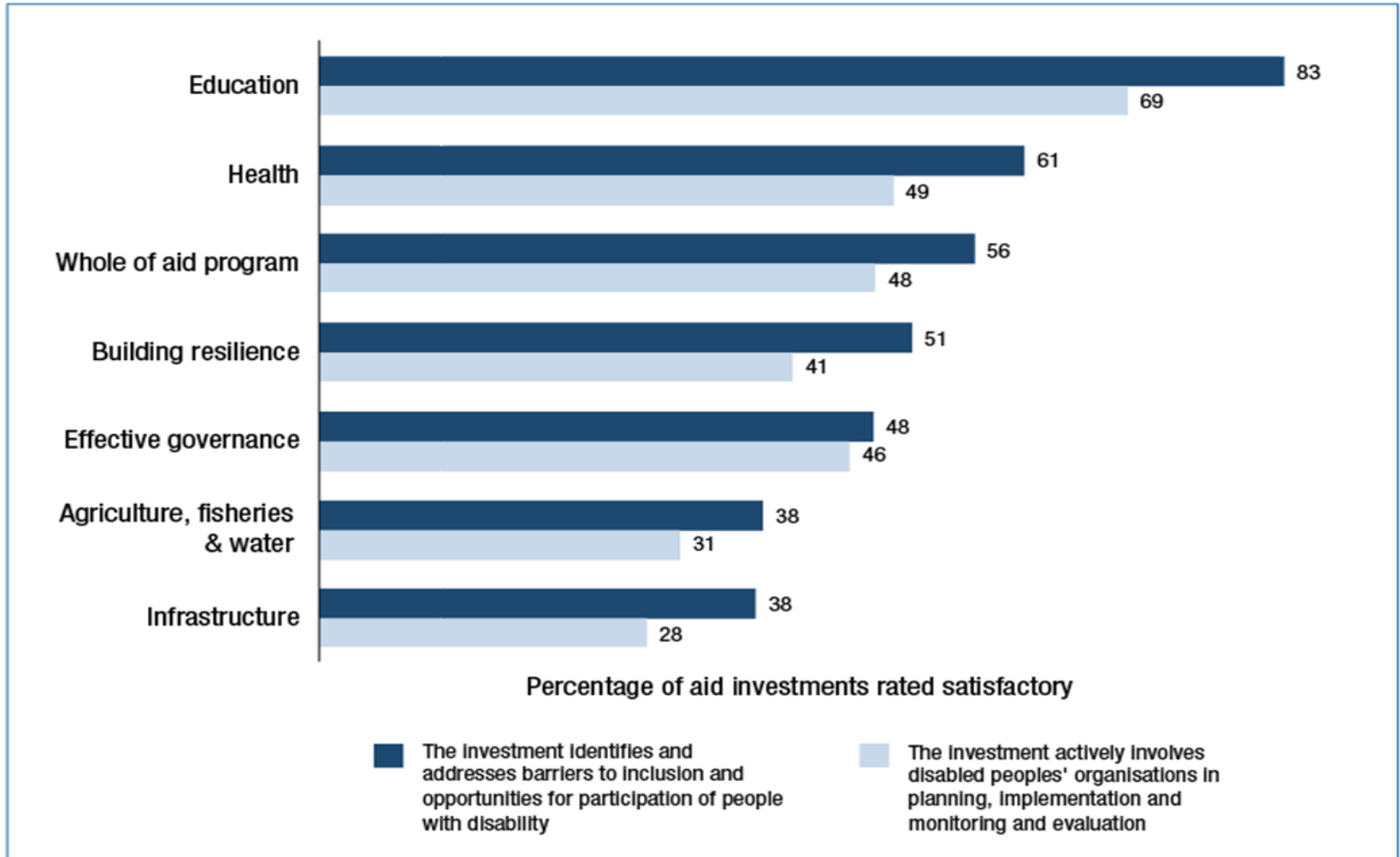


## Investment performance - Gender equality



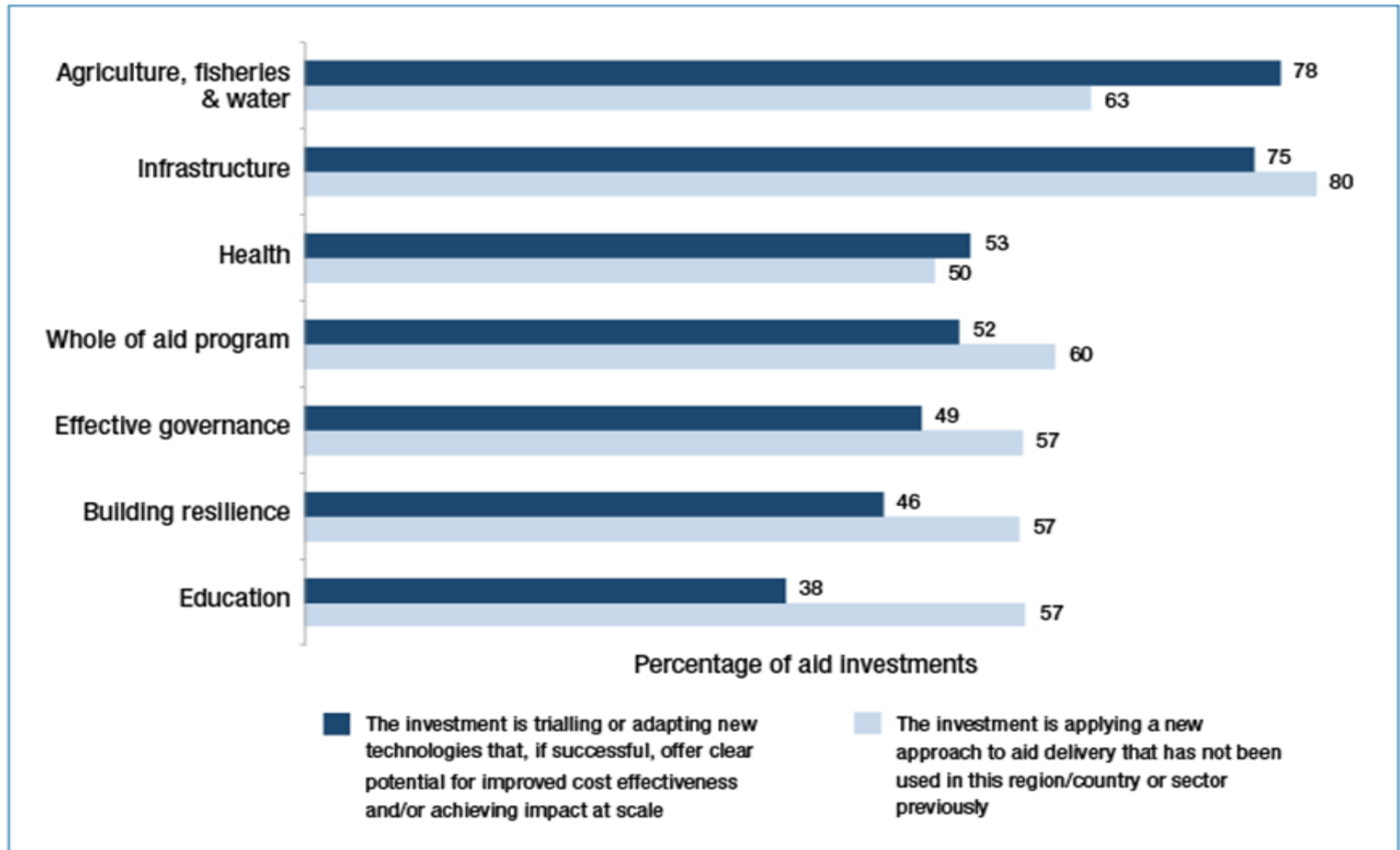


## Investment performance – Disability inclusion





## Investment performance - Innovation





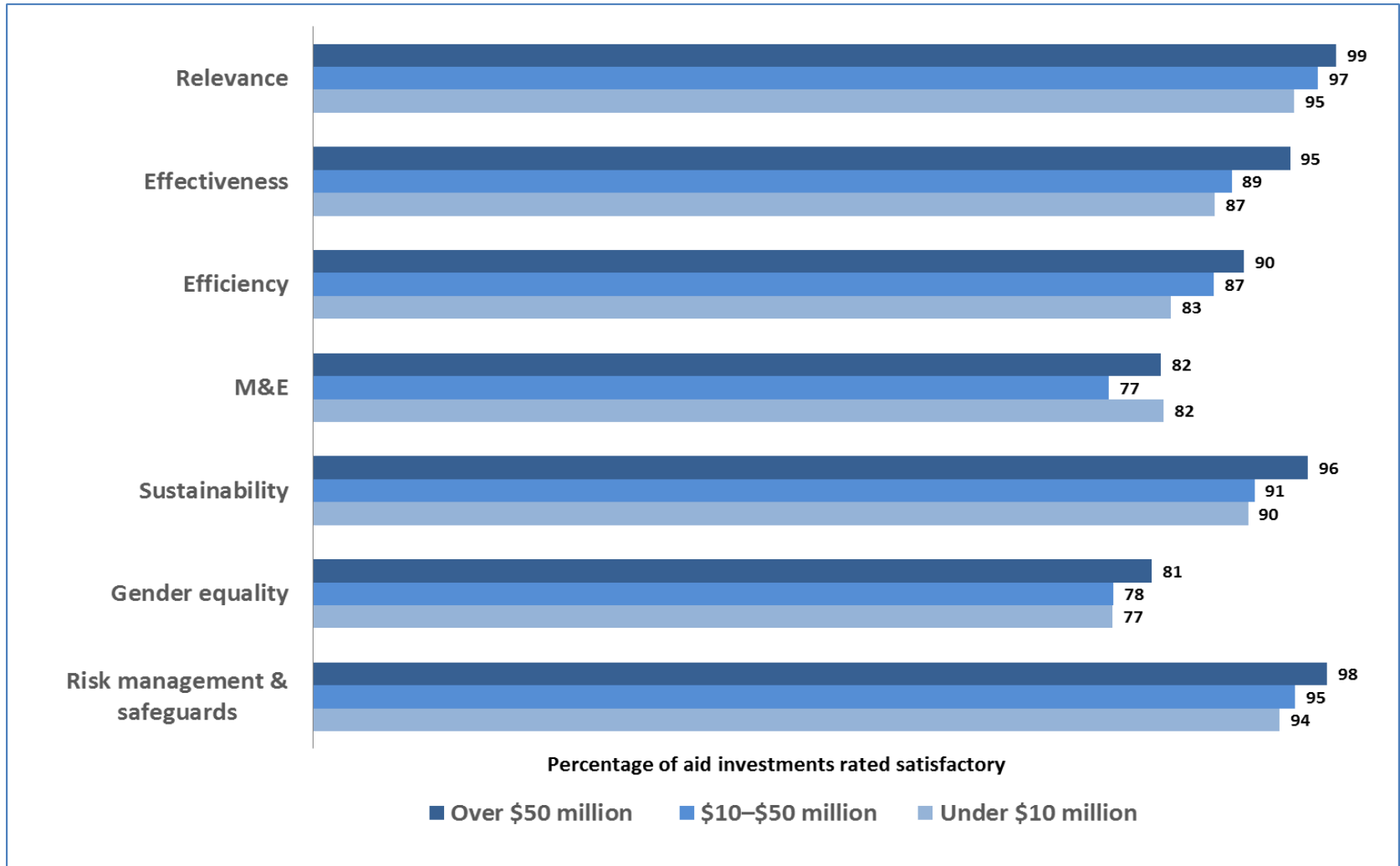
## Investment performance at sub-criteria level

The six poorest performing sub-criteria:

Effectiveness	Q6	the investment actively involves disabled peoples	47.8%
Effectiveness	Q7	identifies and addresses barriers to inclusion for people with a disability	56.3%
Effectiveness	Q8	identifies and addresses barriers to inclusion for indigenous peoples	66.6%
Sustainability	Q4	other non-ODA funding sources support investment outcomes	69.4%
Sustainability	Q6	there is a clear exit strategy	71.8%
M&E	Q6	M&E arrangements strengthen local M&E systems and/or capacity	73.9%



## Investment performance by size of investment





## Implementing partner performance by partner type

Over 92 per cent of eligible aid agreements were assessed

Partner type	Number of PPAs	Overall value of agreements assessed (\$m)
NGOs	130	\$1,620
Commercial suppliers	101	\$3,762
Multilateral Organisations	187	\$3,062

Over 93 per cent of assessments completed had ratings of adequate (4.0) or higher.

Commercial Partners	NGOs	Multilateral Organisations	Overall Partner Rating
5.0	4.9	4.5	4.8



## Multilateral Performance Assessments (MPAs)

- **A rolling process for assessing performance of multilateral organisations receiving significant core funding commenced in 2015**
  - Assessments completed for ADB, WFP, UNICEF and UNDP – all organisations rated at least “good” against all criteria
  - Assessments for World Bank and a number of more specialised agencies underway or scheduled for 2016-17
- **Assessments will inform dialogue with individual organisations and reviews of individual funding agreements**
  - Assessments use standardised performance criteria



## Transparency

- Since June 2014, approximately 350 new aid-related documents have been released on the DFAT website, including:
  - 2014-15 aid budget summary
  - 25 Aid Investment Plans
  - 11 sector / thematic strategies
  - 27 Aid Program Performance Reports
  - 8 strategic evaluations
  - 19 operational evaluations
  - 2014-15 Performance of Australian Aid report
- DFAT's Annual Procurement Plan, contracts awarded and aid-related business opportunities are published on AusTender ([tenders.gov.au](http://tenders.gov.au))
- Other aid information is made public through the OECD and IATI



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### **3. Using performance information and areas for improvement**



## How DFAT uses performance information

- to improve existing investments
- to inform design of new investments
- to inform program strategy and planning
- to inform policy dialogue and performance discussions with aid partners
- to inform funding decisions



## Improvements to Aid Performance Reporting in 2015

- **Inclusion of humanitarian aid**
- **Inclusion of risk management and safeguards**
- **Incorporation of value for money**
- **More detailed information on results**
- **Inclusion of innovation, disability, private sector engagement**
- **Introduced end-of-investment reports**
- **Standardised investment ratings**
- **Standardised assessment of partner performance**



## Areas for future attention / improvement

- Refresh the 10 strategic targets
- Use performance reporting to improve gender equality, M&E and disability inclusion
- Pay more attention to areas of weaker performance
- Make greater use of the results of evaluations /FAQCs
- Improve quality and transparency of operational evaluations
- Focus on development outcomes rather than inputs /outputs
- Analyse sustainability in more depth
- Use performance reporting better to inform discussions with partners
- Complete 2015 performance reforms



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## Comparing investment ratings: 2014 v 2015

- 5 out of 6 measures of investment performance improved in 2015, and 3 (sustainability, efficiency and M&E) improved by 6%.

Some possible explanations:

- consolidation and closure of lower quality investments
  - inconsistent application of reforms to investment quality reporting
  - changes to wording of rating scale
- Changes to ratings scale were to improve data quality and accessibility /usefulness
    - robustness of ratings has been maintained
    - but need to exercise caution in comparing ratings between years



## Changes to definitions on Six-point Quality Rating Scale

2014 QAI Scale		2015 AQC Scale
6	<b>Very high</b> ; needs ongoing management and monitoring only	<b>Very good</b> ; satisfies criteria in all or almost all areas
5	<b>Good</b> ; needs minor work to improve in some areas	<b>Good</b> ; satisfies criteria in most areas
4	<b>Adequate</b> ; needs some work to improve	<b>Adequate</b> ; on balance satisfies criteria; does not fail in any major area
3	<b>Less than adequate</b> ; needs work to improve in core areas	<b>Less than adequate</b> ; on balance does not satisfy criteria but does not fail in any major area
2	<b>Poor</b> ; needs major work to improve	<b>Poor</b> ; does not satisfy criteria in major areas
1	<b>Very poor</b> ; needs major overhaul	<b>Very poor</b> ; does not satisfy criteria in many major areas



## Changes in Investment Quality Criteria: Efficiency

2014 QAI	2015 AQC
<p data-bbox="54 394 954 591"><b>Is the investment making appropriate use of Australia's and other partner's time and resources to achieve investment outcomes?</b></p> <p data-bbox="54 648 374 691">Assess whether:</p> <ul data-bbox="54 705 954 1162" style="list-style-type: none"><li>• Outputs are being delivered within the stated timeframes and whether these are providing value for money.</li><li>• The budget is being spent as expected.</li><li>• The inputs are adequate to achieve the investment outcomes.</li><li>• The different parts of the management system are working well.</li></ul>	<ul data-bbox="977 394 1889 1310" style="list-style-type: none"><li>• Activities and outputs are delivered on time and in a cost-effective manner.</li><li>• Predicted budgets compare well to actual expenditure.</li><li>• The investment's planned funding and timeframe are sufficient to achieve the intended outcomes.</li><li>• There is sufficient staff (both DFAT and partners) with the necessary skills to manage the investment.</li><li>• The investment modality and implementation arrangements are appropriate and proportional to the outcomes sought.</li><li>• Implementation arrangements are well harmonised with other donors.</li><li>• Implementation arrangements are aligned with partner government systems.</li></ul>