

AusGuide

Part

1A

Introduction

Associated guidance

Part 1B: *Overview of program management*

AusGuideline 1.1: *Key aid terms and concepts*

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Contents

1 Results based aid	1
1.1 Australian Government aid: programs and activities	1
1.2 Funding for results	1
1.3 Producing program outcomes	2
1.3.1 Development outcomes	2
1.3.2 Program management outcomes	2
1.4 Aidworks program objectives	3
2 Program management & activity stages	4
2.1 Implementing & designing activities	4
2.2 Activity stages	4
2.3 Functions & stages: the key relationships	4
3 Managing for aid quality	5
3.1 What is aid quality?	5
3.2 What is AusGuide?	6
4 The AusAID team based approach	7
5 Key themes	8
6 AusGuide users and use	8
7 AusGuide structure	9

1 Results based aid

1.1 Australian Government aid: programs and activities

The majority of the Australian Government's international development initiatives are delivered through AusAID. However, significant development initiatives are also developed and delivered under the programs of other Australian Government agencies.

The development cooperation managed by AusAID is delivered through a number of AusAID programs. Most AusAID development programs consist of a package of development initiatives (typically called "development activities" or just "activities") implemented in developing countries under a clear program strategy. These AusAID activities involve

- all forms of aid, and
- a range of development partners, particularly Australia's partner governments in Asia and the Pacific.

Information on forms of aid (including aid modality, type of delivery organisation and financing arrangement) is consolidated in AusGuideline 3.2 *Selecting forms of aid*.

Whether delivered through AusAID's programs or the programs of another agency, Australian Government aid is characterised by working partnerships between Australian Government agencies, and a whole-of-government approach at both the operational and policy level.

1.2 Funding for results

The Australian Government's international development program is results based. The commitment of funds to AusAID Programs, and to specific development activities under those programs, is based on an assessment that the use of those funds in that way will produce a difference in outcomes which

- serves the relevant objectives of the Australian Government and other development partners, and
- is sufficiently large or important to justify expenditure of the amount of funds concerned.

The objective of the Australian Government's aid program is to serve Australia's national interest by assisting developing countries to reduce poverty and achieve sustainable development. Thus, any results of implementing an AusAID Program (or development

activity) which have positive (or negative) impacts on poverty or sustainable development are benefits (or disbenefits).

In addition, some Programs (and activities) will produce results which contribute to other major policy or strategic objectives of the Australian Government (or a partner Government). These contributions to other major objectives are a key additional benefit of such development programs (or development activities), and need to be explicitly recognised.

1.3 Producing program outcomes

AusAID's business practices require each AusAID program to have a set of planned program outcomes. There are two main types, *development outcomes* and *program management outcomes*.

These are reflected in the two main types of "Program Objective" which each AusAID program must identify and register within Aidworks (*see below*).

1.3.1 Development outcomes

The planned *development outcomes* for a specific program are the results of program activities (or of the operation of the program as a whole), which are *benefits* relative to the development and/or whole-of-government policies and priorities of the Australian Government (and our development partners).

For example, such things as *improved maternal and child health* in the Western Provinces, *improved financial management* in the public sector, or *enhanced partnerships* between key economic governance agencies in Australia and their counterparts in the partner country. (Typically, such types of result are identified in the relevant program strategy).

1.3.2 Program management outcomes

There are a number of core program management functions (with key program management outputs or outcomes) which

- are essential to the effective and efficient production of the planned development outcomes, but which
- do not produce development outcomes in themselves.

These include

- preparation and approval of *high quality program strategies*,
- preparation and approval of *high quality activity designs* (across all forms of aid), and

- *high quality evaluations* of the implementation of both program strategies and program activities which draw *lessons of experience* for future implementation.

Resources used to undertake these functions are an integral part of Official Development Assistance (ODA): that is, official aid expenditure.

1.4 Aidworks program objectives

Each AusAID program must register a set of Program Objectives within Aidworks.

For Programs that fund an identifiable set of development activities, these Objectives need to include planned development outcomes specific to that program.

Aidworks provides a facility for each Program to define and record its own planned development outcomes as individual "Program Objectives".

In addition, Aidworks provides each program with three generic Program Objectives which relate to standard AusAID program management functions. These are

- ***Initiative design***: which covers all tasks and outputs involved in identifying and preparing designs for all forms of aid initiative
- ***Program planning and support***: which covers all planning and support for AusAID programs which is not at the activity level, *such as*
 - producing, monitoring and evaluating program strategies,
 - consultations and visits relating to the program as a whole - including High Level Consultations, and
 - operating Program Support Units (PSUs) at Post and other specialised AusAID work arrangements which support implementation at the program level.
- ***Initiative evaluation***: which covers all tasks and outputs involved in the evaluation of initiatives following activity completion.

Finally, Aidworks provides each program with two other generic Program Objectives

- ***Unspecified***: which is used when planned development outcomes cannot be given a standard Development Assistance Committee (DAC) sector code (that is, when the planned development results do not fall into a standard DAC development sector), and
- ***Contingency***: which is used for budgeting. All budgets in Aidworks must be allocated against one or more Program Objectives. If specific funds are included in a budget to allow for unforeseen budgetary needs (such as cost overruns), then those funds are allocated to contingency.

2 Program management & activity stages

2.1 Implementing & designing activities

For any public sector program which is results based, there is a distinction between

- the program work which actually produces the desired outcomes (the policy benefits), and
- planning and preparatory work which is necessary to develop that work program and put it in place so that it can produce those outcomes and benefits

For AusAID's development programs,

- the program management function of delivering a program of work (or undertaking a set of actions) which will itself produce the planned development outcomes is known as *implementing* an activity,
- while the function of planning and preparation of this program of work (or set of actions) is known as *designing* an activity.

2.2 Activity stages

All AusAID development activities pass through three successive stages, which are registered in Aidworks

- the preparatory stage,
- the implementation stage, and
- the post completion stage

The *preparatory stage* precedes the commencement of implementation. What is done during the preparatory stage will vary widely, and the stage may be quite short. At a minimum, however, it will include managerial and financial approval to commence implementation of the planned development activity.

The *implementation stage*

- *commences* when the program of work which will itself produce the planned development outcomes begins, and
- is *completed* when that program of work ends.

2.3 Functions & stages: the key relationships

Designing the activity is a key aspect of the preparatory stage. However, under AusAID's business practices, some activities commence implementation on the basis that design work

will continue during implementation to extend or complete the activity design. Thus, although the process of design always precedes the implementation stage, it can, in selected cases, continue in parallel with implementing the activity.

This relationship between

- the two functions of *designing* and *implementing*, and
- the standard stages in the life of an individual aid activity

is presented diagrammatically below.

FUNCTION	STAGE:	
	Preparatory stage	Implementation Stage
Implementing		
		Approval
Designing		

Note that the designing function is marked in darker colour up to the beginning of approval, since some process of defining the activity to be approved must always precede the approval step itself.

Conversely, the designing function is indicated in a lighter shade after the commencement of approval (and through implementation) since undertaking design at these points is optional: and will be used for some activities, and not others.

3 Managing for aid quality

3.1 What is aid quality?

The Australian Government's aid program is of high quality if it effectively and efficiently meets the relevant policy objectives of the Australian Government and its development partners.

For AusAID operational purposes, aid quality consists in

- high quality program strategies (or policy frameworks), and high quality implementation of those strategies or frameworks, *plus*
- high quality activity designs (under those strategies), and high quality implementation of those designs (across all forms of aid).

which produce results which serve the relevant policies and priorities of the Australian Government and key development partners.

3.2 What is AusGuide?

AusGuide is a manual for aid practitioners which consolidates AusAID's core principles and practices for achieving aid quality. It presents AusAID's core corporate guidance on these matters.

It is intended to provide

- an analytical understanding of our main aid quality principles and practices, and how they fit together into an overall system of program management, and
- a range of advice and tools on how to undertake significant tasks and responsibilities

Its purpose is to support the effective and efficient management of the Australian Government aid programs managed by AusAID.

To this end, AusGuide provides

- an operational framework within which AusAID officers can undertake the core business of program management,
- a set of decision options at different stages of program management which aim to promote both clear decision making and operational flexibility,
- a set of analytical tools, detailed guidelines and quality requirements which will help promote good practice and enable officers to deliver the aid program with excellence, and
- material for designing and delivering training in program management for AusAID staff.

For the development of both *program strategies* and *development activities*, AusGuide presents a small number of key corporate decision points at which AusAID managers (and our development partners) must decide

- to proceed to further work in preparation and/or implementation, *or*
- to discard the work which has been done (i.e. reject a proposed program strategy or aid initiative), *or*
- to send back the work that has been done for further refinement prior to it being re-submitted to the same decision point.

AusGuide also outlines what is needed in terms of analysis (and documentation of that analysis) to provide a sound basis for decision at these key decision points.

4 The AusAID team based approach

The development and delivery of Australian Government aid is team based. AusAID works closely and collaboratively with a range of development partners including

- other Australian Government agencies, state and Commonwealth
- Partner Governments
- NGOs, including Australian, international and partner country NGOs
- multilateral organisations, and
- other bilateral donors

Within Australia, in particular, AusAID works with a range of other partners, including other Commonwealth Government Departments and agencies, state and local government authorities, and specialised public sector and private sector institutions, including Universities.

Internal teams within AusAID are also critical. Experience demonstrates that high quality aid depends on bringing together and integrating knowledge and experience from a range of areas within the Agency. A wide range of our internal institutional capacities need to be utilised for major program management steps.

Thus, AusAID's internal program management is heavily team based. Key areas involved in most major program management functions include

- the relevant in-Canberra program desk(s)
- the relevant AusAID sections at Posts
- the specialist AusAID advisers, and
- the Contract Services Group (CSG) within Australian Partners Branch

A range of other in-house areas provide more specialised (but essential) inputs to key program management tasks, including the Audit, Evaluation and Quality Improvement sections of ORE, Finance and Budget Section, and Health, Population and Gender Section.

Specific advice on the need for the team-based approach at key stages of program management, and in key tasks, is provided in the main AusGuide Parts, and in relevant AusGuidelines.

5 Key themes

Key themes emphasised in these guidelines include:

- the importance of using teams and peer reviewers in Program management, both within AusAID and with other stakeholders in Australia and overseas,
- the key responsibilities and role of the Activity Manager,
- a focus on the continuous improvement of aid quality, particularly in designing, contracting and implementing aid activities,
- the importance of poverty reduction and achieving sustainable development as the central integrating factor in Australia's aid program, and
- the need to establish performance monitoring and evaluation systems that will support continuous improvement in AusAID's operations, promote transparency and enhance accountability.

6 AusGuide users and use

These guidelines are primarily for the use of AusAID staff, specifically those responsible for managing the preparation and implementation of development activities.

The guidelines also provide important information for other stakeholders involved in designing and delivering the development assistance program. These stakeholders include sectoral design consultants, contractors, non-government organisations and recipient government personnel within partner agencies.

The procedures and tools provided should be used to guide but not constrain AusAID's operations. Designing and delivering effective development assistance is a complex task which cannot be carried out mechanically.

Innovative approaches to planning and implementing the aid program are encouraged, while recognising that there will remain some basic risk management and accountability procedures which must be adhered to. Procedural guidelines can only support management decision making and cannot substitute for the individual and collective knowledge, experience and judgement of the users.

7 AusGuide structure

AusGuide consists of two elements

- the main Parts, which provide an outline of the key elements of AusAID program management systems and practices for major stages in program management, and explain how these fit together into an integrated system, and
- the AusGuidelines which provide more detailed and/or more specialised information and guidance on key topics or tasks.

The main parts cover the main stages of AusAID program management. They are

Introduction & Overview of program management

Part 1A: *Introduction*

Part 1B: *Overview of program management*

Program Strategies

Part 2: *Program Strategies*

Activity design

Part 3A: *Identification and assessment of initiatives*

Part 3B: *Preparing activity designs*

Part 3C: *Appraisal and approval*

Activity implementation

Part 4: *Activity implementation*

Completion and evaluation

Part 5: *Completion and Evaluation*

Part 1B provides an overview of AusAID program management. The other main Parts (and AusGuidelines) cover the main stages of AusAID program management, and provide information on

- the purpose of the stage,
- steps, tasks, responsibilities and decision options, and
- documentation requirements.

Referenced within each document are a number of additional documents which provide important source materials and more detailed guidance on undertaking specific tasks, including attached annexes, separate AusGuidelines and other AusAID reference documents.