

# AusGuide

Part

# 1B

## Overview of Program Management

### **Associated guidance**

Part 1A: *Introduction*

AusGuideline 1.1: *Key aid terms and concepts*

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**Australian Government**  
**AusAID**

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# 1 Introduction

## 1.1 The Australian Government's aid program

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 well-defined 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.

AusAID is responsible for the quality of AusAID programs. However, other Australian Government agencies often contribute to setting the direction of those programs, and/or developing individual activities under them.

Where activities are developed under non-AusAID programs, other Australian Government agencies will usually take the lead role, but AusAID may advise and participate.

## 1.2 Australian development policies

The objective of the Australian Government's aid program is to advance Australia's national interest by assisting developing countries to reduce poverty and achieve sustainable development.

Poverty is regarded as the central integrating factor of Australian aid. AusAID's strategy for reducing poverty has four pillars

1. Strengthening frameworks for sustainable and inclusive growth that will benefit the poor.
2. Supporting interventions that enable the poor to increase their productivity.
3. Encouraging governments, institutions and donors to be more accountable to the poor.
4. Reducing vulnerability of the poor.

Within this framework, AusAID has a number of more specific Australian Government development policies relating to particular issues or themes. These provide guidance on such matters as

- health and HIV/AIDS
- education
- agriculture and rural development
- governance and human rights
- gender and development, and
- environment
- water sector activities

AusAID officers developing program strategies, or development activities, need to take these policies into account, and can access and review them through the policies site on the Intranet.

### 1.3 Managing for 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).

Any results of a development program (or individual activity) which impact positively (or negatively) on poverty or sustainable development are benefits (or disbenefits) relative to this framework. Similarly, a development program or activity can serve a more specific Australian Government development policy, relating to a specific issue or theme.

In addition, however, development activities can have results which also serve other major policy objectives, including contributions to

- the effective working relationship between governments
- diplomatic or general intergovernmental relations, or relations with key global or regional institutions
- trade liberalisation, both regional and global

- peace, stability or security within a partner country
- global or regional peace, stability or security
- key regional objectives, such as economic integration, regional economic stability and cross-cultural understanding
- key cross-border or transnational issues, such as customs, quarantine (human and animal), cross-border pollution, illegal drugs, money laundering, people trafficking (including for sexual exploitation), people smuggling, or cross-border terrorism, or
- key whole-of-government objectives which relate to particular circumstances in a specific country, such as Australia's whole-of-government objectives in East Timor, Afghanistan, Iraq, and the Solomon Islands.

Such results are valued by Australia and our partners for both

- the contribution made to poverty reduction and sustainable development, and
- the contribution to other major policy objectives

and contribute to the quality of the Australian aid program.

## 2 Aid partnership

The Australian Government's development cooperation program is based on development partnerships between Australia and other key development partners, especially those Governments in developing countries who work jointly with us for development.

Within the Australian Government itself, there are also key internal development partnerships, particularly between AusAID and other Australian Government Departments and agencies who play a significant role in international development.

### 2.1 Government-to-government partnerships

#### 2.1.1 Multicountry development partnerships

Under AusAID's regional programs, some Australian assistance is delivered under multicountry partnerships between the Australian Government and a small group of partner governments.

A multicountry partnership is often established under an existing regional association of developing countries, particularly in the Asia-Pacific region. However, freestanding multicountry partnerships can also be established to implement a single regional activity.

### 2.1.2 Bilateral development partnerships

Most of Australia's development cooperation with partner countries is undertaken under a bilateral partnership between the Australian Government and a particular partner government.

The partnership is based on mutual ownership of a joint development cooperation program by the Australian Government and the partner government. The two governments jointly deliver the program.

The development partnership involves joint ownership of and work on

- program and sectoral strategies (including the key country strategy)
- the identification, design and approval of program initiatives
- the implementation of agreed initiatives, and
- drawing the lessons of development experience from program implementation, at both the strategy and activity level.

The partnership is supported by policy dialogue between the two governments that addresses

- the partner government's national development policies and strategies
- the Australian Government's development cooperation policies and strategies
- the governance practices and capacities in the partner country, particularly those relevant to the joint program
- the development cooperation practices and capacities of the Australian Government
- the agreed policy and strategic framework for implementing the joint program by the two governments as outlined in the agreed country strategy, and
- key issues that arise in activity and program implementation.

The periodic High Level Consultations on Development Cooperation (HLCs) between the partner governments review the joint program, and allow for high-level policy dialogue. However, consultation and policy dialogue can occur at any time between the governments.

## 2.2 Other partners

### 2.2.1 External partners

Other key partners often include

- communities in which a development activity is taking place
- Australian, international or local NGOs or community organisations
- multilateral and/or regional organisations, or
- other bilateral donors.

### 2.2.2 Internal Australian Government partnerships

There are a range of internal partnerships within the Australian Government for the development and delivery of development cooperation. AusAID, in particular, works closely with a range of organisations and individuals from the Australian public sector, including

- Commonwealth and state Departments and agencies
- statutory authorities
- local government organisations, and
- educational institutions.

## 3 The team based approach

### 3.1 Basic framework

AusAID has a team-based approach to program management. Standard participants in the development and implementation of both AusAID *program strategies* and *development activities* include

- a range of areas in AusAID: with an *internal AusAID team* which often includes the program desk, the Post, an AusAID sector adviser and AusAID's Contracts area, CSG - as well as a range of other areas of AusAID when specialist input is required
- other Australian Government agencies, as appropriate, and
- other development partners, particularly *Partner Government authorities*.

Private sector consultants are often used for expert input, particularly in small teams for studies and field missions. This includes local consultants mobilised by the Post.

Any program strategy or activity needs to be developed and agreed with relevant implementation partners. (For a joint activity, partner government ownership is essential).

Under any joint program, AusAID managers need to plan the development and the implementation of any *program strategy* or *development activity* in a way which maximises partner engagement with (and ownership of) that strategy or activity.

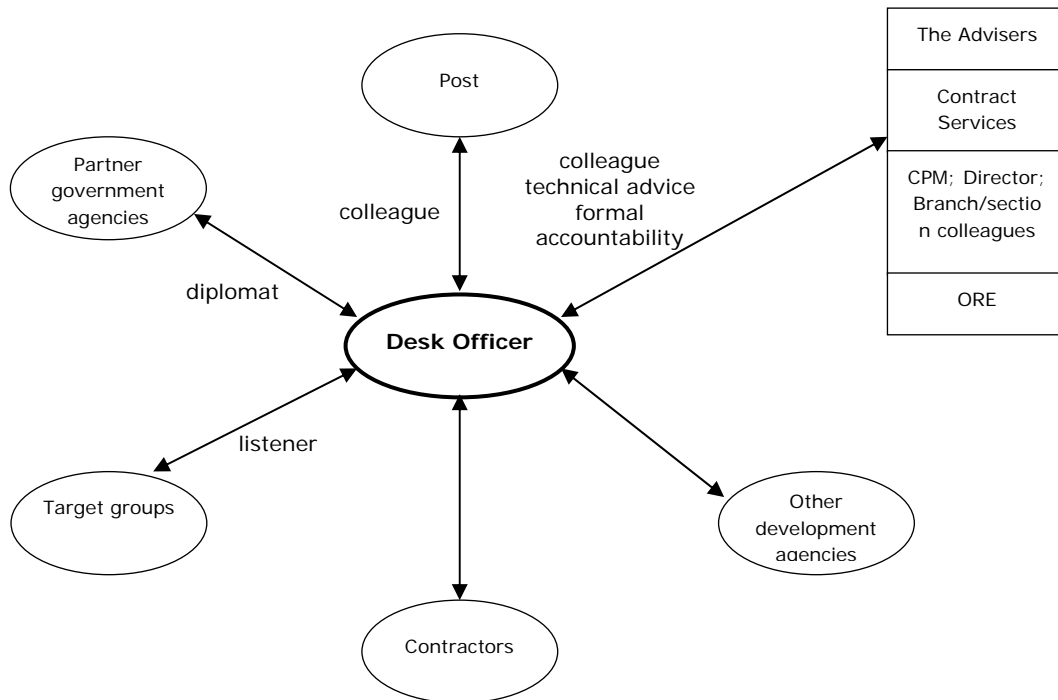
This team based approach greatly affects the way AusAID undertakes all significant program management functions.

*Each of the following main Parts of AusGuide outlines how the team based approach applies to the program management tasks and functions which that Part presents. Similarly, a*

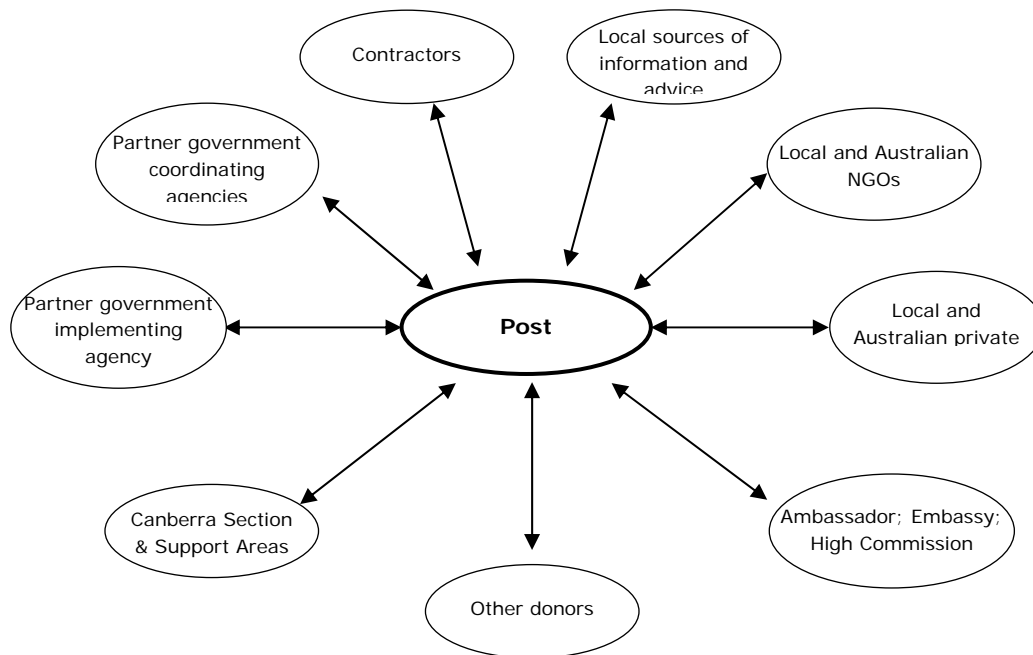
*number of the AusGuidelines also outline how the team based approach applies in their subject area.*

Below are two diagrams which give an indication of the web of relationships which need to be established and maintained by both AusAID desk officers in Canberra, and AusAID personnel at Posts - in order to support the team based approach.

**Figure 1 Canberra desk officer's web of relationships**



**Data source:** adapted from "Bridging the Gap"

**Figure 2 Post personnel's web of relationships**

### 3.2 Peer review

One key team-based input is peer review. As work proceeds in preparing either a program strategy or development activity, both sector advisers and the post will play an ongoing peer review role, providing peer comment on (and peer input to) emerging findings, and written reports.

For development activities, CSG will also play a core role, commenting on costings, and on design issues that relate to delivery by Contract or other written agreement.

Other development partners should also provide peer comment and input, particularly the relevant partner government authorities and other Australian Government agencies.

As well as general peer review input, the peer team members also participate in the key peer review meetings held at both the activity and strategy level: that is

- the *Concept Peer Review Meeting (CPRM)* and *Appraisal Peer Review Meeting (APRM)* held at key points in the preparation of development activities with a total value of more than \$3 million, and

- the formal peer review meetings held to develop each program strategy, and to review it during implementation.

### 3.3 The internal AusAID team

It is a key principle of AusAID program management that the development and implementation of both

- high quality program strategies, and
- high quality development activities

requires effectively mobilising knowledge and expertise from a range of areas and individuals within the Agency. A number of aspects of AusAID's internal institutional capacities need to be brought into play.

The internal team work required varies from task to task, and between the functions of activity design and activity implementation.

*Annex A* provides an indication of the general roles and responsibilities of the members of the AusAID internal team within the key *activity design* program management function, while *Annex B* provides the same information in relation to *activity implementation*.

## 4 Managing risk & sustainability

### 4.1 Risk

Delivering the aid program is inherently risky. It involves multiple relationships, complex contractual arrangements and difficult development problems.

Activities are often undertaken in a difficult and unpredictable environment where the local capacity to absorb assistance, and the real agendas of key stakeholders, are difficult to ascertain.

These risks need to be analysed and managed throughout activity design and implementation to enable more reliable planning, greater certainty about financial and management outcomes, and improved decision-making.

Activity managers and planners must take a structured and systematic approach to identifying, analysing and addressing risk. They should work with key stakeholders (particularly implementing agencies and beneficiaries) to devise and implement responses that are appropriate to the potential impact of the risk.

They need to ask: ‘What unexpected events or situations might arise?’ and ‘What should be done to manage these?’

AusGuideline 6.3 *Managing risk* provides guidance to activity designers and activity implementers, including the Activity manager.

Key principles of risk management to keep in mind are

- risk analysis should start early in activity design – during activity identification
- risk analysis and management should involve key stakeholders
- identifying risk is not useful unless strategies are then identified for preventing, mitigating, transferring, or accepting risks
- remember to adequately analyse the capacity and constraints of counterpart implementing agencies. Many activities underachieve because of unrealistic expectations concerning the counterpart agencies’ contribution, and
- managers must be flexible enough to respond to changing circumstances on the ground during activity implementation.

The key assumptions identified in the Logframe Matrix (if one has been prepared) are a very useful source for identifying and then analysing risk.

## 4.2 Managing sustainability

Development activities are often implemented on the basis of an expected stream of benefits - some of which are expected to occur prior to the date of activity completion, and some of which are expected to occur after completion.

Sustainability relates to planned post-completion benefits. If all the planned post-completion benefits will eventuate, then the activity is fully sustainable. Conversely, if those planned benefits (or some of them) will not occur, then the activity is not sustainable (or not fully sustainable).

Thus, the risks to sustainability are just the risks to realising that set of benefits (if any) which were expected to flow after the date of activity completion.

Sustainability analysis is thus a special category of risk analysis. It focuses on those factors which are needed in order for the expected post-completion benefits to occur (and also on the specific factors which could prevent the benefits occurring).

A sustainability strategy is a strategy based on this analysis which seeks to monitor and take action as necessary in relation to the factors which might either support or prevent the

realisation of the expected post-completion benefits. It is adopted, and then implemented, to maximise the probability of those benefits occurring.

A structured and iterative approach must be taken to identifying, analysing and addressing risks to sustainability. Like other risk management, the sustainability strategy requires a systematic process of assessing and dealing with uncertainty. Both are iterative processes that involve monitoring and review.

AusGuideline 6.4 *Promoting practical sustainability* provides guidance on sustainability analysis, sustainability strategies, and sustainability management.

Because of their similarities, the risk management plan and the sustainability strategy can be presented together in the design documentation and activity annual plans (where these are prepared).

## 5 Measuring performance

To measure outcomes effectively, managers need to collect and systematically use *performance information*. They use this information to make judgements about which outputs have been achieved and how these outputs contribute to outcomes.

Performance information is the cornerstone of internal performance measurement and external accountability. When designing performance measures remember to

- specify performance measures early (during activity preparation)
- link performance measures to the activity's objectives
- focus on measuring outputs and outcomes – not simply reporting on activities and inputs
- use a combination of quantitative and qualitative measures, and
- draw on the lessons of experience (including the lessons in AusAID's Knowledge Warehouse - AKWa).

The activity's logframe matrix (if there is one) should greatly assist in defining certain types of performance measure.

For activities of any size and complexity a specific Monitoring and Evaluation (M&E) framework for that activity must be designed during activity preparation.

Activity Managers must enter performance information into Aidworks to assist analysis and reporting. SMTs also need to be completed for reporting of performance information.

## A The AusAID team based approach to activity design

AusAID's team based approach is important throughout design. For major activities where the design process requires a number of successive steps, the responsible work unit will allocate an officer(s) as the task manager(s) for design for that activity.

This design manager(s) will coordinate AusAID's processes for activity design and approval, but will typically draw on other parts of the AusAID team for major inputs at key points in design, particularly

- the AusAID work unit at the relevant Post (or Posts)
- AusAID's advisors, and
- AusAID's procurement and contracting specialists (the Contracts Services Group - CSG - within Australian Partners Branch, AUSP).

The task manager will also coordinate AusAID's wider peer review processes, including the key concept peer review meeting (CPRM) and appraisal peer review meeting (APRM).

Major team inputs would be expected particularly before the two key activity design decision points

- the decision in activity identification on whether or not AusAID (and its partners) will proceed to prepare a design for implementation, and
- the key decision to commence implementation of a proposed activity.

### A.1 AusAID at Post

AusAID personnel at Post have a key role in design.

#### A.1.1 Liaison and consultation with in-country partners

They will undertake liaison and dialogue with Partner Government authorities across all steps of activity design, including

- preparation of the operational pipeline (as a key concrete element of the program strategy)
- joint work planning from the beginning of the strategy period, on a whole of program basis
- joint work planning, at the level of an individual initiative
- selecting areas of work
- initial work planning within the area of work
- preparation of options, including studies and missions
- formal assessment of an option at the end of activity identification
- planning and agreeing the steps of activity preparation, and undertaking those steps, and

- planning and agreeing appraisal and approval and undertaking those steps.

### **A.1.2 Studies and missions**

Re missions and studies in particular, AusAID at Post will

- agree general approach with counterparts
- comment on draft TOR forwarded by Canberra
- once AusAID has finalised proposed TOR, seek agreement to the TOR from partner Govt authorities
- by agreement, arrange meetings and itineraries, and
- by agreement, undertake any necessary in-country preparatory work, possibly including
  - gathering in-country information
  - undertaking pre-mission meetings with key respondents for the mission, to make them focus on the imminent mission, explain the TOR and mission purpose to them, and, where appropriate, ask them to gather preliminary information - or undertake preparatory work - prior to the arrival of the mission in-country
  - mobilising and managing local consultants to undertake preparatory work and/or participate in the mission itself
  - forwarding information gathered through one or more of the above processes back to Australian to be utilised in pre-mission preparatory work by the in-Australia members of a design team
  - forwarding to key counterparts in-country (including partner government authorities) any preparatory discussion papers (or other written outputs) prepared by the team in any preparatory work in Australia prior to departure, and securing a response to those outputs if required
- participate in study missions, as appropriate.

### **A.1.3 Analytic contributions to the design process**

The Post will provide peer comments on the work and findings of successive steps of the design process, including studies and missions, and inputs from AusAID's development partners.

The Post will participate in in-country design work, including studies and missions, as appropriate.

### **A.1.4 Local consultants**

In some countries, the Post will

- develop its knowledge of the local consultancy market, particularly in fields regularly required in AusAID design processes, such as economic and financial analysis, gender, the environment and social analysis (including its knowledge of proven consultants in these fields), and
- as needed, select, mobilise and manage local consultants to contribute to the design process, either independently or as part of a wider design team.

## A.2 The AusAID advisers

The advisers will continue to perform a variety of functions throughout the design and approval process.

### A.2.1 Planning and design advice

The advisers will, as needed, provide ad hoc advice and technical assistance to design managers in relation to

- applying AusAID's corporate guidance on design to individual cases and circumstances
- planning and scheduling specific stages of the design process
- planning and scheduling specific studies and missions
- contributing to the subsequent preparation of written Terms of Reference (TOR) which are based on this planning and scheduling. (By agreement, the sector adviser can either draft the TOR, or clear draft TOR prepared by the program desk), and
- preparing (and amending) the "activity preparation plan" for the whole activity, which is first defined at the end of activity identification.

### A.2.2 Peer review and design studies

As needed, the advisers will also

- agree to serve as ongoing members of the peer review team for activity design across the design process for a particular major activity
- contribute to design analysis, and the preparation and/or clearance of mission reports and activity design documentation across the design process
- manage and/or undertake appraisal of the designs for major activities, and/or
- participate in (or lead) selected field missions.

### **A.2.3 Supporting use of consultant teams for design**

The advisers also have important corporate functions in relation to determining the membership of design teams of consultants, and the individual tasks of the team members. In this regard, a long-standing function is to

- have informal discussions with the design managers to develop their thinking on the set of tasks to be done, and the type of person (or persons) to do them (and how long this might take, and what methodologies might be employed, etc), and/or
- either prepare or clear the Terms of reference which articulate these requirements (and prepare or clear individual terms of reference, and required professional characteristics, of individual team members, as a basis of selection and contracting), and/or
- assist the design manager in planning the selection process (including informing them of AusAID's standard methods to identify, select and contract the necessary short term consultants), and/or
- participating in the selection/identification process, including
  - coming up with the names of suitable people under period offer (or FMA 8 limited selections), and/or
  - assisting the design manager assess and rate individuals (or competing teams) in small value selections conducted by the program desk.

## **A.3 Contract services**

The staff of AusAID's Contract Services Group (CSG) within Australian Partners Branch will provide advice and assistance on both

- contract and procurement related aspects of the activity design which is under development, and
- contract-related or procurement issues that arise in contracting study teams (or other specialised inputs) to contribute to AusAID's design processes.

CSG staff should be members of the AusAID design team for significant new Australian Government aid initiatives. CSG should be approached as early as possible to discuss its role in the design process.

### **A.3.1 Contributions to the activity design**

During activity design, CSG will provide guidance to design managers (and study teams) on

- how to ensure that any envisaged Australian Government contribution to the activity which is planned to be delivered by way of Contract (or other written Agreement) is designed and documented so that

- the contribution is capable of being effectively specified and delivered as services under a written agreement, and
- the contribution is sufficiently clearly and fully documented to allow the effective and efficient preparation of a Scope of Services for a Contract (or other delivery Agreement)
- how to ensure that costings for the inputs to be delivered under a contract are prepared in a competent and standardised way (and adequately recorded in design documentation) so as to support
  - accurate forward financial planning for programs which may fund implementation of the activity
  - accurate cost estimates for approvals by financial delegates, particularly FMA 9 delegates
  - soundly based tendering, and assessment of the financial elements of tender proposals
  - well-based contract negotiations on costs and payments with the selected supplier
  - standardised and professional descriptions of cost categories, and the effective preparation of budgets, financial limits, and bases of payment, in contracts for implementation of development activities, and
  - effective implementation of the activity within the planned (and contracted) funding levels.

CSG assistance and advice will include attendance at AusAID briefings and debriefings for study teams (and individual consultants) undertaking work as part of the activity design process.

CSG will also provide advice on the approaches that can be taken to developing the procurement and contracting strategy for the delivery of the Australian Government's contribution to the proposed activity.

### **A.3.2 Advice on contracting design services and inputs**

During activity design, CSG will also provide advice on

- policy and practices for the selection and contracting of suppliers of services in the design process, including study teams and individual consultants, and
- the negotiation, preparation and management of Contracts, and other agreements, for the delivery of design services

*See the CSG site on the Intranet for a range of guidance on procurement and contracting, and the services which can be provided by CSG.*

## B The AusAID team based approach to implementation

### B.1 Overview

Under AusAID's strategic plan, an activity manager at Post has key responsibility for managing AusAID's role in implementing an activity within the Post's arrangements for work teams and staff supervision. (Similarly, if activity management is retained in Canberra, there will be an activity manager on the Canberra program desk with this key responsibility).

Overall, however, AusAID activity management remains team-based, with the responsible activity manager managing and coordinating contributions from

- other specialist areas of AusAID, and
- other sources of technical advice and expertise contracted under the relevant country program.

As indicated in Part 4 of AusGuide, an activity manager is supported by an AusAID work team when addressing major activity management issues. These teams include participants as required from specialised areas in Canberra, including AusAID advisers, the Contract Services sections and the Office of Review and Evaluation.

### B.2 Major studies and reports

There will also be a team to support any implementation review (i.e. "mid-term review"). The activity manager is able to seek support and advice in

- planning the activity
- preparing terms of reference
- identifying and selecting the team
- contracting
- pre-departure briefing from relevant areas of AusAID in Canberra for the team (if it is mobilised from within Australia)
- consideration and clearance of any draft reports (particularly from the AusAID advisers), and
- assessing the need for any followup actions.

Team support is also available in the consideration and approval of draft activity Annual Plans, particularly from the AusAID advisers (but also Contracts, if there are contractual implications).

### B.3 Ad hoc advice

In addition, as required, specialised AusAID areas in Canberra offer expert *ad hoc* technical advice and assistance in

- the use of AusAID IT-based systems (the IT and Aidworks helplines)
- legal matters (coordinated by the Contract Services Group)
- contractual matters (the Contract Services Group)
- activity design issues (the Advisory Group)
- major activity progress and activity review issues and documents, including the draft annual plan (the Advisory Group)
- key quality improvement methods, systems and practices, including AusGuide principles, and the SMT (Audit Section, Quality Improvement Section and Evaluation Section in the Office of Review and Evaluation - ORE)
- fraud control, risk management, audit methods and systems, and financial risk management (Audit Section in the Office of Review and Evaluation)
- financial policy and regulations, and the Australian Government's payments systems (the Finance and Budget Section)
- training and Program Support Unit contract issues (the Personnel Development Unit)
- records management (the Administrative Support Unit), and
- public affairs and media issues (the Public Affairs Group).