

# AusGuide

Part

# 4

## Activity implementation

### **Associated AusGuidelines**

- 4.1 Mobilising activities
- 4.2 Baseline studies
- 4.3 Monitoring activities & managing contracts
- 4.4 Preparing an annual plan
- 4.5 Using a technical advisory group
- 4.6 Undertaking an implementation review

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**AusAID**

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# 1 Introduction

## 1.1 Purpose and scope of implementation

The purpose of implementation is to deliver the agreed outputs and planned development results of the activity design to meet the objectives of both the Australian Government and relevant development partners, particularly the partner government.

This requires that

- all the partners to implementation deliver the necessary inputs, including those agreed to in any activity-specific memorandum of understanding (MOU) between Governments and in any delivery agreement, and
- the partners to implementation manage these resources to produce the outputs and planned development results of the activity.

Activity implementation involves both activity mobilisation and ongoing activity management.

Mobilisation is the phase in which all the initial arrangements, personnel and resources needed for an activity are put in place both in Australia and in the partner country.

Activity management involves the main partners in implementation – the partner government, a delivery organisation and the Australian Government (usually AusAID) – working together to ensure that the objectives and planned results of the activity are achieved. Activity management includes managing risk, building sustainability, managing the delivery agreement (often a contract), and monitoring the activity.

## 1.2 Activity design during implementation

For most development activities supported by AusAID, there is a *preparatory phase* prior to implementation. In most cases, the preparatory phase involves design of at least an outline of the proposed activity, prior to approval for implementation. In many cases, the activity design is considered complete at the point of approval for implementation, with no plan for further activity design work.

However, over the last few years, AusAID has moved into significantly more flexible activity preparation. As part of this change, there are now a range of activities which are given initial approval to commence implementation

- with an incomplete or open-ended design, and
- on the basis that there will be additional design work after approval.

In some cases, the additional, post-approval, design work may be undertaken prior to the start of implementation. However, more typically, the design work is undertaken during implementation, in parallel with work which is intended to generate specific development benefits.

In either case, it is essential that the design documentation which is the basis for the initial approval to implement should state (in outline) the extra work which needs to be done on design, and present an indicative plan for how that work should be done.

## 1.3 Using AusGuide during implementation

### 1.3.1 Using Part 4

Part 4 is intended to apply across the full spectrum of forms of aid and type of delivery arrangement. However, it is only *guidance* and may need to be adjusted to the specific circumstances of an individual activity. Careful professional judgement will need to be exercised in applying it to a range of cases.

A small number of mandatory corporate requirements are indicated by the use of words such as "must" and by highlighting **those mandatory requirements** in red. (In black and white printing, these appear in a different style of font).

In applying Part 4, AusAID managers should ensure they effectively utilise the AusAID team based approach, drawing on the full range of expertise and advice available across the Agency. (See section 7.1, *The team based approach*, and Annex A, *AusAID activity management: roles and responsibilities*.)

### 1.3.2 Using AusGuide for design during implementation

The basic principles and practices of activity design during implementation are considered to be fundamentally the same as in the preparatory phase. For this reason, Part 4 does not provide specialised advice on the methods and practices of activity design work during implementation.

AusAID's corporate guidance on design principles and practices is presented in the AusGuide parts on Activity design

- Part 3A *Identification & assessment of initiatives*
- Part 3B *Preparing activity designs*, and
- Part 3C *Appraisal and Approval*

Parts 3B and/or 3C will usually be the most relevant for design during implementation.

If extra design work is planned during implementation, the design documentation at the point of approval should outline

- what needs to be done, and
- which elements of the design need to be completed or revised.

This should provide a good indication of which aspects of AusAID's design guidance are relevant. AusAID activity managers should consult with sector advisers (or other expertise in the Agency) when considering which parts of AusAID's principles and practices for activity design apply in a particular case.

For activities with design during implementation, a key initial step is for the relevant AusAID team to review the indicative planning for the design process, and confirm (or vary) that planning. If there is no indicative plan for the design work, then an essential early step is to prepare one.

For significant new design work during implementation, peer review and independent assessment processes may be needed, including appraisal for new elements of the activity design. This may include an independent and professional appraisal and/or an Appraisal Peer Review Meeting.

## **2 Government-to-Government partnerships**

### **2.1 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 group of developing countries, such as ASEAN or the Secretariat of the Pacific Community. However, freestanding multicountry partnerships can also be established to implement a single regional activity.

### **2.2 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 development partnership involves joint ownership of and work on

- program and sectoral strategies (including the 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.

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

Under the bilateral development partnership, many major initiatives are joint activities that combine an agreed Australian Government contribution to an activity with an agreed contribution from the partner government. However, there are also many freestanding activities that have a contribution from the Australian Government but no matching contribution of resources from the partner government.

Both joint and freestanding activities can be reviewed by the Australian and partner governments as part of consultation on the joint program.

## 2.3 Program strategy and development policies

The country strategy is a major product of the development partnership. It relates to a planned implementation period of 3 to 5 years, and is a key document used by both governments.

The country strategy provides a policy and strategic framework for implementing the joint development cooperation program. It governs the identification, design, approval and implementation of activities under the program. It reflects the policies and priorities of both governments.

Activity implementation is also subject to the broader legal and policy frameworks of both countries and both governments. There are a number of sectoral and thematic development cooperation policies of the Australian Government that need to be followed, when applicable, during activity implementation. There are also applicable Australian laws, particularly in relation to environmental management.

There are also partner country laws and partner government policies relevant to implementation. For example, partner government policies and partner country laws on environmental impact assessment may apply to joint activities, in addition to Australian Government policies and Australian laws. Labour and employment laws also often apply.

Any Australian Government development cooperation policies or Australian laws applicable to a specific activity should be identified during the activity design process and recorded in the activity design documentation. Relevant partner country laws and partner government policies should also be identified and recorded. The activity's design should be fully consistent with these policies and laws.

### **3 Aid delivery approaches**

AusAID has two main aid delivery approaches

- direct Australian Government delivery, and
- using delivery agreements

#### **3.1 Direct Australian Government delivery**

A small number of activities are directly delivered by AusAID. These include the Small Activities Scheme which may make grants to local organisations for small-scale local activities. In most countries, it is operated directly by the post.

In addition, there is an increased involvement of AusAID personnel in the direct delivery of activities in some countries. AusAID staff or the staff of other Australian Government agencies may be seconded to in-line positions in partner governments, or provide other assistance such as twinning arrangements funded by AusAID.

In some countries, the Australian Government's development cooperation work also includes substantial direct delivery of activities by other departments and agencies of the Australian Government. That is, the other department or agency does not deliver an AusAID activity under a delivery agreement, rather it implements a development initiative as part of its own operations.

In this case, the other department or agency is acting under its own mandate as an arm of the Australian Government, although there may be extensive consultation with AusAID and with other interested parts of the Australian Government to ensure effective coordination.

## 3.2 Using delivery agreements

For the majority of AusAID activities, there is a written agreement between AusAID and another organisation to

- provide the personnel and/or other inputs needed to deliver the Australian Government's contribution to a development activity, and
- undertake the detailed management and administration of those resources in the partner country to support successful implementation of the activity.

The organisation that delivers and manages the Australian Government's contribution to an activity is called the 'delivery organisation'. The written agreement between AusAID and the delivery organisation is called the 'delivery agreement'.

When delivery agreements are used, the direct involvement of AusAID's own personnel in the delivery of the Australian contribution is usually kept to a minimum. This allows AusAID personnel to concentrate on key tasks and functions for each activity to ensure

- delivery of a high-quality program, and
- a good standard of Australian public sector accountability.

# 4 The activity implementation framework

## 4.1 The implementation partners

In most partner countries there are four main activity implementation partners in AusAID programs

- the partner government's central aid coordination authority
- the counterpart agency
- the Australian Government (represented by AusAID and/or another Australian Government agency), and
- the delivery organisations that deliver the Australian Government's contribution to activities under written agreements with the Australian Government. (In most countries the majority of delivery organisations are NGOs or managing contractors).

Some activities have other partners who participate in implementation. These partners will be noted in the design documents. Additional implementation partners at the sectoral level will be noted in the country strategy (or other high-level policy document).

Most partner governments have central aid coordination authorities that are responsible for overseeing or coordinating the overall joint program.

For a joint activity, a counterpart agency is identified in the design process to

- deliver the partner government's agreed contribution, and
- work in partnership with the delivery organisation to implement the activity.

However, the division of responsibility between the counterpart agency and the central coordination authorities varies substantially from country to country.

All AusAID activity managers and delivery organisations need to learn about the roles and responsibilities of both types of agency in their particular countries. Good knowledge of partner institutions, their responsibilities and how they operate is essential. One aspect of this is an understanding of the partner government's budget processes.

For a freestanding activity, there is no input from the partner government. But almost always there will be local participants in such activities who are likely to contribute, at a minimum, time and effort.

## 4.2 Implementation agreements

There are two main types of written agreement that govern activity implementation

- the agreements between the Australia Government and the partner government, and
- the agreement between the Australian Government and a delivery organisation for the management of the Australian contribution to a development activity.

### 4.2.1 Agreements between governments

There are two types of written agreement between the Australian Government and the partner government that govern activity implementation: the umbrella agreement and the activity-specific MOU.

The **umbrella agreement** (often an international treaty) establishes the principles and arrangements under which the joint program of development cooperation with that country is implemented. These include the basic principles for developing and implementing specific activities under the program.

An **activity-specific MOU** (prepared under the umbrella agreement and often called the ‘subsidiary agreement’) records the formal commitment by both governments to specific additional arrangements for implementing a particular joint activity. It records the agreed objectives of the activity and outlines its components and the work to be undertaken under each component. In addition, it outlines the agreed activity management structure (in line with the requirements of the umbrella agreement).

The activity-specific MOU also sets out the contributions that each government is formally committed to make during the implementation of the activity. This includes

- contributions of both real and financial resources (including activity staff from the delivery organisation and counterpart agency)
- the inputs and work that the Australian Government will deliver (normally via a delivery organisation)
- the inputs and work that the partner government will deliver (normally via the counterpart agency), and
- the respective roles of the delivery organisation and the counterpart agency.

For a joint activity, the two agreements in combination determine the basic consultation, management and monitoring requirements for that particular activity.

The two agreements determine

- ownership of the activity, overall responsibility for its implementation, and the division of implementation responsibilities between the implementation partners
- the agreed requirements of both governments for management and monitoring, including
  - the management and monitoring obligations and roles of AusAID and the partner government’s central aid coordination authorities, and
  - the respective management and monitoring obligations and roles of the delivery organisation and the counterpart agency, and
- any commitment from either Government for ongoing inputs and/or responsibilities after completion of the joint activity - including any commitments from the partner Government to maintain assets, skills, practices and other products of a joint activity after that activity is completed.

In addition, for a large-scale multi-year activity, the two agreements typically require the establishment of a joint management committee (JMC) and set its core management and monitoring functions. This key management and consultative body has different names in different countries, sometimes being called a ‘project coordinating committee’.

## 4.2.2 Agreements to deliver the Australian contribution

### (a) Commercial contracts for implementation

Most of the Australian Government's aid delivery contracts are with project management companies. However, the organisations that AusAID can engage to deliver Australian aid under commercial contract include

- NGOs
- educational institutions
- specialised Australian public institutions, often delivering services in a specialist field
- international organisations, and
- private individuals, generally for small and simple activities.

Aid delivery contracts are enforceable under commercial law on the same basis as any other commercial contract for the delivery of services.

Most of AusAID's major country programs include large-scale, multi-year joint activities. In most cases, AusAID delivers the Australian Government's contribution to these major joint activities via contracts. These contracts normally require the contractor to deliver and manage all of the Australian inputs and work specified in the jointly agreed activity design.

### (b) Other delivery agreements

The main types of other delivery agreement are

- ROUs or MOUs with Australian public sector departments or agencies
- activity funding agreements with international organisations under which
  - AusAID pays for all the international resources contributed to the activity, or
  - both AusAID and the international organisation contribute resources to the activity (making the delivery agreement a 'co-financing' arrangement), and
- agreements with NGOs or community organisations, which can be
  - standard agreements with Australian NGOs to undertake NGO projects under the AusAID/NGO Cooperation Program or a country program, or
  - specialised agreements used by AusAID within a partner country to support activities by local NGOs or community organisations through local NGO grant schemes or the Small Activity Scheme.

These agreements are often shorter and simpler than a contract, and require less intensive management and monitoring from AusAID than do contracts. However, the management and monitoring requirements depend on the wording of the particular agreement. Thus, a key task

for an AusAID activity manager is to review the specific requirements of any delivery agreement for which they are responsible.

If an activity manager needs advice on the meaning of an agreement, the Contract Services Group in Canberra should be contacted for assistance.

### 4.3 Other working partnerships

Although high-level, government-to-government, partnerships are central to the delivery of Australia's aid program, other working partnerships often need to be established to implement individual activities. These partnerships can involve a wide range of participants, including

- partner government bodies at the central, provincial or local government level
- the community in which the activity is taking place
- Australian, international or local NGOs or community organisations
- multilateral and/or regional organisations, or
- other bilateral donors.

Effective working partnerships, established as required, are essential to implementing a high-quality program.

## 5 Activity mobilisation

*For detailed information on mobilisation, see AusGuideline 4.1, Mobilising an activity.*

### 5.1 Prior to implementation

Prior to activity implementation, the basic agreements for implementation are put in place. In particular

- if a delivery organisation is needed, then the organisation is selected, and the delivery agreement is negotiated and signed, and
- in the case of a joint activity, an activity-specific MOU is signed between the Australian Government and the partner government.

Specific guidance on selecting delivery organisations and preparing delivery agreements is provided on the Contract Services Group (CSG) site on AusAID's Intranet. Activity managers can also seek direct advice from CSG.

For a joint activity, any delivery agreement must be consistent with the two agreements between the Australian Government and the partner government: the umbrella agreement and the activity-specific MOU.

In particular, the delivery agreement must be fully consistent with the agreements between the two governments on

- the division of roles and responsibilities between the delivery organisation and the counterpart agency, and
- the activity management and monitoring arrangements.

Thus, the delivery agreement should not be signed until there is final agreement to the text of the activity-specific MOU.

## 5.2 In early implementation

Once all implementation agreements are signed, the implementation partners put in place the initial physical and organisational arrangements needed to undertake the activity.

At the commencement of mobilisation, the activity manager should consult with partner officials to ensure that there is agreement on any steps to be taken by the delivery organisation, the counterpart agency, the partner government's central aid coordination authorities and AusAID.

### 5.2.1 Delivery organisation

The delivery organisation undertakes all the preparations required in its home country and the partner country to meet its full obligations under the delivery agreement. In particular, as necessary, it

- sets up its field operations in the partner country
- establishes its management and administrative systems in both its home country and the partner country
- mobilises the initial resources (including personnel) to be delivered
- prepares a mobilisation plan if this is required by the delivery agreement, and
- undertakes initial briefings and consultations with the other implementation partners.

### 5.2.2 AusAID

After the implementation agreements are signed, primary AusAID management responsibility for the activity (and full information and records on the activity) is usually passed to the post.

In particular, the country desk in Canberra which coordinated the activity's design, approval and contracting hands over the activity to the activity manager at the post who will manage its implementation.

### 5.2.3 Partner government

During mobilisation, partner government authorities mobilise the partner government's inputs to implementation. This usually requires arranging the commitment of partner government funds (and other resources) within the budgeting and resource allocation systems of the partner government. It may also require any counterpart agency to set up specific management arrangements as provided in the activity design and the activity-specific MOU.

In addition, the partner government takes the administrative and legal steps needed for the delivery of the agreed Australian Government contribution, including

- arranging immigration status, visas and work permits for activity personnel
- facilitating customs clearances and tariff exemptions for imported activity supplies, and
- arranging taxation exemptions for expatriate activity personnel, expatriate delivery organisations, and activity supplies purchased in the partner country.

### 5.2.4 Joint preparations

There are also joint preparations (for joint activities)

- a JMC (or other strategic management structure) is established by the Australian and partner governments, and the individual representatives on the committee are appointed
- other activity management structures and practices are put in place by the delivery organisation's implementation team and the counterpart agency
- AusAID and partner government authorities arrange initial consultations and briefing with the implementation team
- an activity office is established, or other workplace arrangements put in place, for the in-country activity personnel provided by the delivery organisation and/or the counterpart agency.

## 6 Activity management

### 6.1 An integrated system of management

The three main partners in activity implementation – the partner government, the delivery organisation and the Australian Government (usually represented by AusAID) – work

together to ensure that the activity's objectives are met. The three partners form an integrated system of management in which each partner has different roles and responsibilities (see Annex A for details of these roles and responsibilities).

The activity management and monitoring responsibilities of the Australian Government and the partner government are agreed in the umbrella agreement and the activity-specific MOU. The delivery agreement sets the responsibilities of the delivery organisation.

The delivery agreement may also impose additional activity management and monitoring responsibilities on AusAID, depending on the exact wording of the agreement in relation to the responsibilities of the Australian Government.

Within this framework, the two activity implementers (the delivery organisation and the counterpart agency) are responsible for undertaking the activity management and administration required to deliver the activity and produce the agreed activity outputs. They also have responsibilities to the two governments to report jointly on the progress of activity implementation.

AusAID and the partner government's central aid coordination authorities do not participate in the day-to-day management of the activity (although they may intervene in major difficulties that cannot be resolved by the activity implementers). However, they participate in a high-level strategic management process along with the two activity implementers. In this process, the participants

- periodically review overall activity progress, particularly the activity's outputs and development results, and
- periodically review (and, if necessary, adjust) the overall direction of the activity.

For each major activity this strategic management is typically undertaken through a JMC (see Section 6.4, Role of joint management committees).

Where Australia is providing sectoral assistance, the strategic management of activities can be undertaken through a sector-wide management mechanism that oversights a range of joint development work. Sector-wide joint management arrangements may include other donors, as appropriate.

## 6.2 Risk management

For additional information on AusAID risk management principles and practices, see AusGuideline 6.3 *Managing risk*.

### 6.2.1 The risk management framework

Risk management is a key part of activity management. Risk management includes all management and administration intended to

- keep the activity progressing towards achieving the planned work, outputs and development results in the face of impediments and risks, and
- monitor and respond to identified risk factors – anything that might impede the activity's successful implementation or reduce its benefits.

Risk management during activity implementation is supported by a structured management system. This system is developed when the activity is being designed and is recorded in the design documentation (but can be amended during activity implementation). In summary, the standard AusAID design analysis

- identifies and analyses the risks to successful implementation in a risk analysis
- indicates how each risk should be monitored and managed, and which individuals or organisations are responsible for managing the risks
- summarises these individual management responsibilities in a risk matrix (a standard requirement in AusAID activity documentation for large activities), and
- presents a risk management plan if there are considered to be significant risks to be overcome in implementation.

### 6.2.2 Risk management plans

An activity risk management plan summarises the results of the risk analysis, and presents a framework of risk management measures to reduce and control risks. Monitoring risks and the effectiveness of risk management should be part of routine management. (The issues tracking tool from the SMT can assist with this risk monitoring function.) The frequency of this monitoring and the responsibility for it should be specified in the risk management plan.

Ongoing review of the activity and the re-evaluation of risks are essential to ensure a risk management plan remains relevant. Generally, the activity's risk management plan should be reviewed and updated annually.

### 6.2.3 Roles and responsibilities in risk management

#### **(a) Overview**

Most of the detailed activity risk management is undertaken by the delivery organisation and the counterpart agency. They have joint responsibility for the day-to-day management and administration of the activity, and have prime responsibility for monitoring the risks to

implementation. They are also responsible for reviewing and updating the risk analysis, risk matrix, and any risk management plan, particularly when preparing an activity's annual plan.

AusAID and the partner government's central aid coordination authorities also play a role in risk management through

- their general monitoring responsibilities
- their participation in the JMC (or other high-level management body) for the activity, and
- their role in reviewing each draft annual plan.

In addition, the activity design process sometimes identifies a specific risk that is most effectively managed either by AusAID or the coordination authorities. In this case, the activity design will normally allocate the management of this risk to the party that can best deal with it and record this in the risk matrix.

#### **(b) Delivery organisation and counterpart agency**

The delivery organisation and counterpart agency are responsible for monitoring and overcoming identified risks to the production of the agreed activity outputs and the achievement of the planned developmental benefits of the activity.

The design documentation presents a cause and effect analysis of the connection between the activity outputs and the expected development benefits. It outlines the anticipated chain of cause and effect from the outputs to the benefits. In short, the documentation explains how the achieving the activity outputs is expected to result in the production of the development benefits.

The activity implementers, particularly the delivery organisation, need to be familiar with this analysis. They are expected to monitor whether the underlying causal analysis continues to apply.

They must identify and report to AusAID and the partner government (through the JMC) any changes to the underlying situation or causal relationships that will

- affect the achievement of the planned development benefits of the activity over time (either positively or negatively), or
- alter the risks to activity implementation and to the achievement of the planned development benefits.

If a significant change of circumstances brings into question either the validity of the underlying assumptions on which the design is based or the planned management of risk, the implementers should also work together to formulate suggested options for remedial actions, including any necessary adjustments to the activity design.

The delivery organisation and the counterpart agency are expected to analyse such issues when preparing the draft annual plan. A key part of preparing this draft is reviewing and, if necessary, updating the activity risk analysis, risk matrix and any risk management plan. These tasks might be needed more frequently for high risk activities. If so, this requirement will usually be identified in the activity design.

The delivery organisation also has a responsibility to prevent fraud risks through measures such as establishing sound financial control procedures, maintaining audited financial records for the activity and maintaining an asset register.

### **(c) AusAID**

AusAID's role in the management of risks to activity implementation is an integrated part of AusAID activity monitoring (see Section 6.6, 'Monitoring activity implementation').

As noted in Section 6.6, the Post's annual *Portfolio Monitoring Plan* (PMP) is a central tool in the management of activity implementation risks by the post. (This Plan was previously known as the *Country Portfolio Risk Assessment and Monitoring Plan* - the CPRAMP - which has now been simplified and re-named).

The PMP assesses and records the individual level of risk over the planning year for each activity in the total portfolio of Australian development activities for which that Post is responsible. On this basis, the PMP identifies and briefly outlines a proposed program of monitoring by the Post for each activity. (See section 6.6.4).

The PMP is not used to assess risks to the implementation of individual activities which arise from the Post's own tasks and functions in activity implementation. Rather, the PMP focusses on risks to activity implementation arising from

- the development situation in which the activity is implemented, and
- the tasks and functions carried out by the other implementation partners who are working with AusAID (for example, the delivery organisation, the counterpart agency and the partner government's central coordination authorities).

AusAID has another tool, the Post Risk and Fraud Management Plan (RFMP) Information Package, to help Post managers assess and manage the risks inherent in the tasks and functions carried out by AusAID itself, using its own staff or the contractors in the Program Support Unit.

The Information Package assists managers at the post to analyse the risk profile of program management tasks and administrative functions directly undertaken by AusAID personnel at the post, and to develop Risk and Fraud Management Plans for these tasks and functions.

Selective use of the package by post managers will help assure them that the key business processes of their post are efficient and that essential controls are in place.

Each RFMP will cover a wide range of management and administration tasks undertaken by the Post. This includes all the activity implementation tasks directly undertaken by the Post itself (even though the majority of Post management and administration is not part of activity implementation). For example, the RFMP will cover each Post's annual coordination work in relation to draft annual plans for the portfolio activities.

From year 2005/06, posts will need to include the relevant Risk and Fraud Management Plan with their annual PSU plan and budget. These would normally be submitted by 30 April each year.

## 6.3 Responding to fraud and other criminal activities

### 6.3.1 Fraud

Fraud against the Commonwealth is defined as 'Dishonestly obtaining a benefit by deception or other means'. **AusAID employees and contractors must take into account the need to prevent and detect fraud as part of their normal responsibilities.**

AusAID has a policy of zero tolerance towards fraud. **All instances of fraud detected or suspected by AusAID employees or contractors must be reported immediately to the Director, Audit Section, in Canberra.**

If an activity manager has reported actual or possible fraud to the Director of the Audit Section, the activity manager **must not** undertake any further action, including any discussions with a contractor or any other person external to the Australian Government, without the guidance of the Audit Section.

This will ensure subsequent investigations are conducted in a manner consistent with AusAID's responsibilities under Commonwealth Fraud Control Guidelines issued in May 2002 and avoid the contamination of evidence in the event criminal, civil or disciplinary action is taken. Circular No. 8 of July 2005, *AusAID Guidelines and Procedures when Suspecting Fraud*, outlines the processes that **must be followed** if fraud is suspected. The circular can be accessed on the AusAID Intranet under the 'Circulars' button on the home page.

### 6.3.2 Other criminal activities

**AusAID employees and contractors must report any suspected criminal activity other than fraud immediately to the Director, Audit Section, in Canberra.** Advice **must** be

obtained through the Audit Section prior to any further action, including follow-up discussions.

These procedures apply to any actual or suspected breach of the criminal law of Australia, or the criminal law of a partner country.

### 6.3.3 Terrorism and personal security issues

It is incumbent upon all those involved in managing and implementing Australia's overseas program to make all reasonable efforts to ensure that aid funds and resources are not being used to support terrorist activity. Given the broad range of development activities AusAID is involved with in partner countries, it is essential that all those involved in AusAID activities are aware of their legal obligations and adopt strategies to avoid any associations with terrorism.

AusAID's *Guidelines for Strengthening Counter-Terrorism Measures in the Australian Aid Program* provides a brief outline of the relevant Australian laws and some basic guidance on strategies that could be adopted. The Guidelines (September 2004, updated March 05) are available on both the AusAID intranet and internet sites. The Department of Foreign Affairs and Trade website ([www.dfat.gov.au](http://www.dfat.gov.au)) should also be consulted for information on counter-terrorism issues and links to other national Australian counter-terrorism sites.

AusAID personnel and delivery organisation staff also need to be aware of terrorism risks and general personal security risks to themselves in the relevant country. The Department of Foreign Affairs and Trade website contains Travel Advisory notices. These provide up to date information about the security environment in a particular country, including in relation to possible terrorism threats or problems with law and order. The Australian Embassy or High Commission can also provide advice on these matters.

## 6.4 Role of joint management committees

A JMC is part of the high-level management structure for a major joint activity. It has different names in different countries and is also known as a 'project coordinating committee' (PCC).

Where Australia is providing sectoral support a high-level arrangement for joint management of a cluster of activities across a sector may be established instead of a JMC. This arrangement may include other donors.

A JMC usually meets about every six months. The primary role of the JMC (or alternative high-level management body) is to

- review progress in activity implementation, and

- identify and agree on desirable adjustments to the activity design or implementation approach.

The membership of a JMC usually includes

- AusAID as the representative of the Government of Australia
- the central aid coordination authorities and the counterpart agency as the representatives of the partner government, and
- the delivery organisation.

Other organisations can be made members of the committee if they have some specific role or key interest in activity implementation.

Typically, the JMC is chaired by a senior partner government official. The relationship between the counterpart agency and the central coordination authorities on a JMC will vary considerably from country to country. The relationship may also vary from activity to activity within a partner country.

A JMC (or other high-level management body) is a decision-making body, with formal decisions recorded in its minutes. These decisions are a key reference for subsequent activity management by all parties.

For this reason, the persons attending a JMC meeting may need to consult with more senior managers in their organisations before agreeing to a proposed JMC decision on a significant issue. Where possible, this consultation should occur before the JMC meeting.

**No AusAID representative is permitted to agree to a JMC decision that would increase the Australian Government's total financial commitment to an activity without prior written agreement to the higher commitment from an AusAID FMA 9 delegate.**

A six-month progress report is usually prepared for each JMC meeting and is submitted to committee members before the meeting. (Note that when a JMC meeting is considering a draft annual plan, progress reporting is included in the annual plan rather than a separate six month report). This is a joint report of the delivery organisation and the counterpart agency. It reviews overall implementation progress against the activity's annual plan, and analyses any variation from planned outcomes.

The JMC also reviews and endorses draft annual plans. Possible adjustments to the activity are often considered at this point.

## 6.5 Annual plans

*For details on the preparation, consideration and approval of annual plans, see AusGuideline 4.4, Preparing an annual plan.*

The annual plan is the key document for defining, justifying and programming activity implementation on an annual basis. It is also the primary reference for within-year monitoring of activity progress by all participants.

Each annual plan has two basic parts

- a review and assessment of progress to date, and
- an implementation strategy and a joint work program for the coming year that
  - incorporates any lessons from the assessment of activity progress
  - outlines the expected outputs and development results of the proposed joint program of work, and
  - describes the inputs, work and outputs of both the Australian Government and the partner government.

If an annual plan recommends changes to the activity design, delivery agreement or activity-specific MOU, the plan must include the necessary change frames, setting out the details of the proposed changes.

Each year, the delivery organisation prepares the first draft of an annual plan for the next year.

**When preparing the first draft, the delivery organisation must consult the counterpart agency both on progress to date and on the proposed joint work program for next year.**

The delivery organisation submits the draft to AusAID three months prior to the beginning of the annual plan period. If an annual plan relates to the Australian financial year, the first draft should be sent to AusAID by 31 March. If the annual plan relates to the partner country's financial year, the first draft should be submitted three months prior to the start of that year.

The activity manager coordinates AusAID's assessment of the first draft. The activity manager may then require the delivery organisation to modify the draft. The revised draft is circulated to the JMC members for consideration. If acceptable, it receives endorsement from the JMC.

**AusAID representatives must not endorse any annual plan that involves an increase in the Australian Government's total financial commitment to the activity without prior written approval of this increase from an AusAID FMA 9 delegate.**

Final approval of the annual plan by AusAID follows JMC endorsement. Under AusAID standard contracts, AusAID must give approval in writing. However, **the activity manager**

**must not give written approval until the contractor has agreed to any contract amendments that are needed in order to implement the annual plan.**

Once final approval is given, the annual plan is used by both the delivery organisation and the counterpart agency for their work programming and management.

## 6.6 Monitoring activity implementation

For detailed information on monitoring, including roles and responsibilities, see AusGuideline 4.3 *Monitoring activities and managing contracts*.

### 6.6.1 Overview

Activity monitoring is a key function of activity management. It is essential that activity monitoring systems and practices meet the requirements of both the partner government and the Australian Government.

An agreed monitoring and evaluation (M&E) framework is a key part of the design of most significant AusAID development activities.

For a joint activity, monitoring involves an active partnership between the counterpart agency and the delivery organisation. It also involves some overview roles and functions for the partner government's central aid coordination authorities and AusAID.

The following tasks are an integral part of joint activity monitoring by the implementation partners

- gathering, collating and recording information about the processes and results of implementation, including information relating to the planned work, outputs, outcomes and impacts of the activity
- analysing the causes and effects of any identified divergence from the planned work, outputs or development results, and
- subsequently analysing options for remedial adjustments to the implementation of the activity to correct any weakness in delivery or reduction in the planned development results.

Each implementation partner in a joint activity has its own monitoring roles and tasks that reflect its different responsibilities in activity management. Each partner needs to be provided with a somewhat different set of core information in the activity reports that record the results of monitoring.

In addition, there is a joint activity monitoring process in which the implementation partners consult each other on progress and future direction. The information for this process needs to be included in the annual plan and (where applicable) six-month progress reports.

#### 6.6.2 Baseline studies

For detailed information on designing and undertaking a baseline study, see AusGuideline 4.2 *Baseline studies*.

Often an activity design requires the delivery organisation to undertake a baseline study of the activity situation shortly after implementation begins. The purpose of the study is to provide an information base on the initial situation against which to monitor and assess activity progress and success during implementation and after the activity is completed.

The baseline study is tightly focused on the information required to assess the results and success of the activity. The study is usually designed and undertaken in close consultation with partner government authorities.

#### 6.6.3 Monitoring by the activity implementers

The activity implementers (the delivery organisation and the counterpart agency) have their own monitoring needs to support their own management responsibilities under the delivery agreement and the activity-specific MOU.

In addition, they have responsibilities to monitor and report on overall progress to the other implementation partners. Both of the activity implementers are required to:

- monitor the implementation of each annual plan, and
- report in summary and exception-based form to the other members of the JMC on overall progress in delivering the annual plan.

Both are also expected to monitor and report on progress towards achieving the planned development results of the activity.

For a contractor, these reporting responsibilities to other parties should be stated clearly in the contract. For a counterpart agency, they should be clearly stated in the activity-specific MOU.

For a delivery organisation operating under an agreement which is not a contract, reporting obligations are also determined by the agreement. (These reporting requirements are sometimes less than under a commercial contract).

#### 6.6.4 Monitoring by the AusAID post

##### (a) Monitoring a specific activity

When monitoring an activity the post focuses primarily on

- progress in producing the outputs of the activity, and
- progress towards the planned development results of the activity (the planned benefits) which are expected to flow from those outputs

This focus includes the benefits to any target population, and progress towards achieving

- the activity objectives at the component, purpose and goal levels, and
- the planned longer term impacts of the activity.

In most cases, joint activities require greater monitoring by the post than do freestanding activities, and contracts often require greater monitoring by the post than do other delivery agreements. However, the required level of monitoring by the post depends on the design of the activity and the management and monitoring provisions of the delivery agreement (and, if applicable, the activity-specific MOU). If the post needs advice on the wording of a delivery agreement it should consult the Contract Services Group.

When monitoring, the Post should use the established arrangements provided for in the delivery agreement (and, if applicable, the activity-specific MOU) as much as possible - rather than calling for new or *ad hoc* reporting.

To assist in monitoring, AusAID may contract independent TAGs to provide ongoing technical advice during activity implementation. Such advice can assist the post in monitoring. Depending on their terms of reference, some TAGs may also provide advice to the delivery organisation or the counterpart agency to assist them in their own monitoring work.

##### (b) The Post's annual monitoring program

Each year the post plans an annual monitoring program for its portfolio of development activities. This program is based on risk assessment and risk management across the post's portfolio. It is the basis for allocating the post's limited personnel to key post functions.

The results of the planning process are recorded in the Post's *Portfolio Monitoring Plan* (PMP). The PMP is a mandatory AusAID program management tool, although its format can be developed to meet local circumstances. **Each post must have a current PMP.**

The PMP presents in summary form

- a risk rating for each activity, and

- a schedule of the planned monitoring program activity by activity, including indicative timings for key events for each activity, such as receipt of the draft annual plan, JMC meetings, monitoring visits or discussions with the delivery organisation's team leader, six-month progress reports, SMT preparation, reviews and TAG visits.

The PMP used to be known as the CPRAMP (the *Country Portfolio Risk Assessment and Monitoring Plan*). The current name better reflects its function, and the requirements for the plan have been reduced to the simple framework noted above.

### **(c) Using the Simplified Monitoring Toolbox (SMT)**

AusAID provides the Simplified Monitoring Toolbox (SMT) System as a resource for standardising certain, basic, data-collection aspects of monitoring. As a minimum requirement, all relevant activities need to annually complete the Corporate Reporting Tools (Benefits and overall rating sheets) from the Toolbox.

Completion of these corporate reporting tools should be combined with preparation of the annual progress reporting in the Annual Plan, and should form part of the payment milestone (if any) provided for Annual Plan preparation. The resulting (SMT) corporate report (reporting benefits and overall activity rating) should be attached to the draft annual plan. This reporting is used for compiling portfolio-wide information for Agency-level reporting to Parliament and the AusAID Annual Report.

Activities also have the option of using monitoring tools in the toolbox to replace some standard elements of their reporting frameworks, although the tools should not be used to replace six monthly or annual plan progress reporting. These monitoring tools have been designed to be useful at the level of individual activity monitoring.

Use of these tools, while not obligatory, is strongly encouraged as it helps standardise key aspects of activity monitoring across the Agency. However, they are only of value if the information they gather is actually used by those managing activities.

Completion of SMT tools is always a shared exercise between the delivery organisation and the activity manager.

Information on the Simplified Monitoring Toolbox (SMT) is available through the 'Subject' button of the AusAID intranet main page, or on AusAID's internet site by searching for 'SMT'. (Note: Activity Monitoring Briefs (AMBs) are no longer used by AusAID).

## 6.7 Contract management and performance assessment

For detailed information on contract management, see AusGuideline 4.3 *Monitoring activities and managing contracts*.

### 6.7.1 Contract management

As already noted, many delivery organisations are managing contractors operating under contract. The management of most contracts for the implementation of development activities is allocated to the relevant AusAID Post.

In this case, the post is responsible for ensuring that the contractor performs the services outlined in the scope of services of the contract in accordance with the agreed price, time frame and standards of quality.

The post is also responsible for ensuring that the Australian Government meets its own contractual obligations. This includes making payments for the delivery of services, and responding promptly to any milestone reports (particularly those with payments attached).

### 6.7.2 Contractor performance

Managing contractor performance is an essential part of good activity management. The performance of a managing contractor greatly influences activity success.

Activity managers need to be familiar with the CSG Policy Guideline on Contractor Performance (September 2005). The Contract Services Group can give advice on the meaning of this guideline and how to apply it in particular cases.

Activity managers are encouraged to raise, discuss and document performance issues with contractors on a regular basis. For a major activity, performance discussions should take place at least annually, but preferably every six months. The activity manager should consider holding them prior to important points in the implementation process, such as JMC meetings and/or when a SMT is being prepared. The discussions should involve raising and documenting good performance as well as areas where it is considered that performance needs to be improved.

**Performance discussions must be documented in a formal and focused way.** Formal reports on contractor performance must be prepared and handled in a way consistent with natural justice. The contractor has the right to see performance reports and to respond in writing (see the Policy Guideline on Contractor Performance). The Contract Services Group can advise on natural justice requirements.

The SMT process involves assessment of contractor performance. Activity managers need to ensure that assessments of contractor performance in SMTs are consistent with assessments in formal reports and discussions with the contractor on performance.

## 6.8 Sustainability

### 6.8.1 Overview

Sustainability is the continuation of benefits after major assistance from a donor has been completed. Systematic analysis of the likely sustainability of benefits has been required for many years in the AusAID activity design process. Most activities are designed to produce sustained benefits.

AusAID requirements for responding to sustainability issues in activity design (and in implementation) were strengthened in June 2003. The design documentation for a major joint activity must now include an explicit sustainability strategy based on the sustainability analysis. The strategy should define the development benefits to be sustained and specify how each of the main constraints to sustainability will be addressed during implementation.

The designs for some current activities were prepared under earlier requirements. The design documentation for these activities should include a systematic analysis of sustainability issues. However, many designs will not contain a separate sustainability strategy.

Organisational responsibilities for supporting the sustainability of activity benefits (including responsibilities for implementing the sustainability strategy) will be reflected in the activity-specific MOU and the delivery agreement.

The MOU should secure the partner government's commitment to sustain the activity benefits after the Australian Government's inputs end. The MOU may include a clause that outlines how the partner government proposes to allocate recurrent resources to maintain assets, skills and other products of the activity after Australian assistance finishes.

Responsibility for building sustainability during implementation is shared among the implementation partners. There is no single way to achieve sustainability. Each activity will have its own approach to building sustainability, which needs to be periodically reviewed and updated.

### 6.8.2 Partner government

The counterpart agency is usually responsible for

- taking all relevant action during implementation to meet its responsibilities under the MOU to secure sustainable benefits from the activity (and, if there is an sustainability strategy, providing all necessary support for implementing that strategy), and
- contributing to the annual plan review of sustainability issues and the updating of sustainability approaches (including the sustainability strategy if one has been developed).

In addition, the Partner Government is responsible for implementing any agreements it may make to sustain activity benefits after activity completion. This can include commitments for ongoing funding or other support to maintain assets, skills, practices and other products of a joint activity after completion.

### 6.8.3 Delivery organisation

The delivery organisation has a responsibility to manage implementation in a way that maximises the likelihood that benefits will be sustained.

This includes

- contributing to the implementation of any agreed plans or strategies to build an activity's sustainability
- reviewing and, if necessary, updating the activity's sustainability analysis (and any sustainability strategy) when preparing the annual plan, and
- ensuring that the annual plan includes the necessary resources and work to support sustainability (and any sustainability strategy).

For additional information on sustainability, see AusGuideline 6.4 *Promoting practical sustainability*.

## 6.9 Financial management

Activity managers are responsible for activity financial management. This includes taking responsibility for reviewing, updating and reporting on

- estimates of activity expenses for the current year, and
- estimates of activity expenses in future years as an input to program pipeline planning and management.

For individual contracts or other forms of delivery agreement it involves certifying payments and monitoring the level of expenditure against the agreement, particularly to ensure that financial limits are not exceeded.

It also includes entering and maintaining accurate and up-to-date financial data on an activity on AidWorks.

## 7 Support systems for activity management

### 7.1 The teams-based approach

The activity manager has the key responsibility for managing AusAID's role in implementing an activity, within the post's arrangements for work teams and supervision.

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.

An activity manager is supported by an AusAID work team when addressing significant activity management issues. These teams include participants as required from specialised areas in Canberra, including sector advisers, the Contract Services Group and the Office of Review and Evaluation.

In addition, as required during activity implementation, specialised AusAID areas in Canberra offer expert 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 review issues and documents, including the draft annual plan (the Advisory Group)
- quality improvement methods, systems and practices, including AusGuide principles (the Quality Improvement Section)
- SMTs (the Evaluation Section)
- fraud control, risk management, audit methods and systems, and financial risk management (the Audit Section)
- 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).

## 7.2 Technical support mechanisms

AusAID's activity management is often supported by technical support mechanisms such as technical advisory groups, quality assurance (QA) mechanisms and implementation reviews. These are put in place as part of the country program and can provide additional professional advice to support activity implementation and to strengthen QA processes.

### 7.2.1 Technical advisory groups (TAGs)

For detailed information on technical advisory groups, see AusGuideline 4.5 *Using a technical advisory group*.

TAGs are a common support mechanism. These are independent groups of experts who provide technical, institutional and managerial advice to activity managers during implementation.

TAGs report directly to AusAID. Some remain fully independent of activity implementation by providing advice to only AusAID, and not to delivery organisations or counterpart agencies. However, others do provide expert advice to delivery organisations or counterpart agencies. Usually this will be determined in the TAG's terms of reference.

Background documents on the role and utility of TAGs are also available through AusAID's Knowledge Warehouse (AKWa), a document database accessed through AusAID's website ([www.ausaid.gov.au](http://www.ausaid.gov.au)) and on the AusAID Intranet.

### 7.2.2 Alternative quality assurance mechanisms

The Philippines Country Program has trialled a new approach to assuring the quality of the program. This model has two separate quality assurance (QA) mechanisms.

The first is the QA panel (QAP), an expert group subcontracted by the delivery organisation. The QAP assists the delivery organisation in a peer review capacity to ensure that the deliverable products and services linked to the payment milestones meet the performance standards either specified in the delivery agreement or subsequently agreed during implementation.

The QAP adds value to the process of delivering key products and services by

- becoming involved in developing the strategy for delivery
- providing peer support as required during delivery and
- reviewing draft and final documents associated with the deliverables.

When the milestone deliverables are completed, the QAP certifies in writing that it has assessed the deliverables associated with the milestone and that they meet the agreed

performance standards. Under the Philippines model, the activity manager automatically accepts the QAP's certification as definitive evidence that the milestone has reached the quality standard necessary to support payment.

The second mechanism is a QA contractor (QAC), retained by AusAID under a separate independent contract. The QAC does two things

- It periodically audits the delivery organisation to check that it is adhering to the rules and practices of its internal QA system, including those relating to the use of the QAP. (Such an audit might be carried out once a year).
- If, after AusAID pays for a milestone, questions arise about whether the milestone met the necessary quality standard under the delivery agreement, AusAID can ask the QAC to undertake an independent assessment (known as an output assessment). If the QAC is not satisfied with the quality of the milestone and the delivery organisation's response to its assessment, the QAC may recommend, for example, that AusAID impose a financial penalty, based on the relevant part or all of the milestone payment. This financial penalty is provided for in the delivery agreements that use this system. Where a dispute arises, AusAID does not participate or intervene in the deliberations of the QAP or the QAC.

### 7.2.3 Implementation reviews

For detailed information on implementation reviews, see AusGuideline 4.6 *Undertaking an implementation review*.

An implementation review, such as a mid-term review, is a major study of activity progress undertaken by an independent expert team during activity implementation. It almost always involves a field study – often taking two or three weeks. The review team reports to the activity manager.

A review provides an opportunity for an independent assessment of the progress made by an activity towards achieving its outputs and objectives, and the likelihood of benefits being sustainable. If a review team finds that an activity is not progressing as planned, it should propose changes in implementation that would improve the prospect of the activity achieving its objectives.

## A AusAID activity management: roles and responsibilities

Effective and efficient activity management at posts is central to the long-term quality of the Australian Government's aid program. Set out below are the respective roles and responsibilities of the four main participants in activity implementation – the counterpart agency, the partner government central aid coordination authorities, the delivery organisation and AusAID. A more detailed outline of the activity manager's responsibilities is presented in Appendix 1 of this Annex.

### The counterpart agency

The counterpart agency will

- deliver the counterpart contribution to the activity, in accordance with the activity specific MOU, the agreed activity design and any agreed annual plan
- participate effectively in the agreed management processes of the activity, including both the day-to-day and strategic processes (including the JMC and the annual planning process), and
- provide, in partnership with the delivery organisation, joint reporting on activity progress and outcomes to the two governments.

### The central aid coordination authorities

The central aid coordination authorities will

- formally speak on behalf of the partner government as a whole in relation to umbrella agreement matters, or whole-of-program issues, which arise in implementation of the activity
- support the mobilisation and use of Australian inputs to the activity by facilitating
  - the provision of the necessary immigration status, visas and work permits for expatriate activity personnel
  - customs clearances and tariff exemptions for imported activity supplies, and
  - the necessary taxation exemptions for delivery organisations, expatriate activity personnel and activity supplies (including activity supplies purchased in the partner country), and
- participate in the joint strategic management of the activity, particularly in regard to
  - monitoring and reviewing overall activity progress, and
  - reviewing and, as necessary, adjusting, the direction of the activity.

Depending on the internal governance arrangements of the partner government, this will involve participation in a JMC or other high-level management body, and consultations with AusAID at post, and with visiting AusAID officials from Canberra.

#### The delivery organisation

The delivery organisation will deliver and manage the Australian contribution in accordance with the terms and conditions of the delivery agreement.

Where the delivery organisation is a contractor, the contractor will, within the framework of the AusAID contracts charter

- deliver the services specified in the contract, in accordance with the terms and conditions of the contract, and
- meet the quality standards for services, deliverables and payment milestones specified in the contract.

For a joint activity under contract, the contractor is responsible and accountable to AusAID for

- maintaining a harmonious and effective working relationship with counterparts and stakeholders
- working jointly with the counterpart agency to implement the agreed joint work program
- liaising with counterpart officials to encourage timely planning for, and delivery of, the agreed counterpart inputs
- reporting on progress via the major periodic reports (the annual plan and the six-month progress report) and the SMT (if any), so that AusAID, the counterpart agency and the partner government's central authorities are provided with focused and relevant information necessary to discharge their management, monitoring and corporate reporting obligations
- providing ad hoc reporting to AusAID on
  - any factor with the potential to have a major negative impact on the implementation of the activity as a whole, and
  - any external factor outside its control that is compromising its capacity to meet its contractual obligations
- having in place a reliable internal quality assurance (QA) system directed at ensuring that deliverables and payment milestones meet the quality standards specified in the contract, and
- using the annual plan process as the primary vehicle for bringing to the implementation partners' attention proposed changes to the activity's design, resource levels, Australian

and partner government contributions, contractor services, or activity-specific MOU arrangements.

For a delivery organisation working under an other form of agreement, responsibilities will be determined by the provisions of that agreement.

## AusAID

The activity manager at post performs their role as part of an AusAID work team, with an immediate supervisor, and working relationships with colleagues at post (sometimes including specialised advisers at large posts), and specialised areas of AusAID in Canberra. Additional support may also be available from TAGs and/or quality assurance contractors or panels funded under the country program.

Within this framework, the AusAID activity manager will

- coordinate AusAID's participation in the strategic management of the activity, with a particular focus on securing the key developmental outcomes of the activity, and high-level monitoring
- manage AusAID's relationship with the counterpart authorities (and, if necessary, other key stakeholders) during implementation
- manage any contract for which they are responsible, and monitor the contractor's performance
- manage any other form of delivery agreement for which they are responsible, in accordance with the terms and conditions of that agreement
- monitor economic, social and institutional developments in the partner country likely to affect the implementation or benefits of the activity (including changes in partner government policies or governance capacities), and
- meet AusAID management requirements, including financial management

## Appendix 1: Activity manager responsibilities

In carrying out the roles outlined in Annex A, the activity manager is responsible for

### *Strategic management*

- supporting mobilisation of the activity, including briefing any expatriate field team after its arrival in country, and introducing them to the counterpart authorities
- participating in the strategic management and monitoring work of the JMC, or other joint, high-level, activity management mechanism established by the implementation partners
- contributing to post risk assessment and work planning for the Portfolio Monitoring Plan, particularly in relation to the activity manager's individual activities
- ensuring that the Portfolio Monitoring Plan is followed for the activity, utilising the SMT, other key activity reporting (including the annual plan and six-month reports), informal contacts with senior counterpart officials, and field visits, as appropriate, with a primary post focus on the outputs, outcomes and ultimate benefits of the activity
- reviewing and reporting on an activity's overall progress against the activity design at the outputs and outcomes levels, emphasising progress in relation to achievement of stated objectives at the higher levels in the logframe, including the medium to longer term developmental benefits
- commissioning, where appropriate, independent reviews of activities, and assessing the result of the reviews
- referring any emerging implementation difficulties to the activity implementers (the delivery organisation and counterpart agency) in the first instance, for corrective action – but, giving serious consideration to AusAID intervention, in consultation with AusAID management, if it becomes evident the activity implementers cannot resolve the difficulty and the difficulty is likely to reduce the benefits of the activity as a whole or produce significant relational problems with the partner government or other key stakeholders
- checking that the draft and final annual plan meets the management and information needs of all the implementation partners, including through direct consultation with the other partners – giving particular attention to the review of the activity's risk management plan, which is undertaken as part of annual plan preparation
- using the draft annual plan as the basis for
  - identifying and assessing possible changes in an activity's design
  - consulting with the JMC partners on the proposed changes
  - obtaining the approval of an AusAID FMA 9 delegate for any increase in the total funding level, and
  - preparing any amendments to the delivery agreement (in consultation with the Contracts Services Group) or to the MOU (in negotiation with the partner government)

*Relationship management*

- encouraging joint management and monitoring of an activity through the JMC (or other high-level mechanism) and developing a relationship of informal contact with senior partner government officials
- proactively engaging with senior partner government officials and other relevant stakeholders on issues outside the delivery organisation's control affecting the implementation of an activity
- liaising and coordinating with other donors, as appropriate, in relation to
  - the activity
  - related activities supported by other donors
  - any co-financed parts of the activity, and
  - relevant donor coordination and governance issues

*Contract management and assessing contractual performance*

Within the framework of the AusAID contracts charter

- ensuring the contractor takes responsibility for managing and resolving issues which it is responsible for under the contract
- managing contract variations and amendments, in consultation, as needed, with the Contract Services Group
- maintaining thorough contract-related records
- assessing and reporting on the contractor's performance against its contractual obligations
- ensuring that the Commonwealth meets its obligations under contract, including coordinating and/or certifying the making of payments to the contractor for the delivery of the contract services

*Monitoring the implementation environment*

- monitoring economic, social and institutional developments in the partner country likely to affect the implementation or benefits of the activity (including changes in partner government policies or governance capacities)

*Meeting AusAID management requirements*

- undertaking activity financial management, including taking responsibility for reviewing, updating and reporting on
  - estimates of activity expenses as an input to AusAID current year financial management at both the activity and program levels, and
  - estimates of activity expenses in future years as an input to AusAID's financial planning for future years at the program level, and pipeline planning and management

- entering and maintaining accurate and up-to-date activity data on AidWorks, including financial management data and data required for corporate reporting obligations, and
- reporting, as necessary, to supervisors, and to AusAID management more generally, on activity implementation progress and issues – all such reporting providing appropriately analysed information that meets the core needs of the readers and has an emphasis on problem solving and recording results achieved.

## Shortened forms

|       |   |
|-------|---|
| FMA 9 | Financial Management and Accountability Act, Regulation 9 |
| JMC   | joint management committee                                |
| MOU   | memorandum of understanding                               |
| NGOs  | non-government organisations                              |
| PCC   | project coordinating committee                            |
| PSU   | Program Support Unit                                      |
| QA    | quality assurance   |
| ROUs  | records of understanding                                  |
| SMT   | simplified monitoring toolbox                             |
| TAGs  | technical advisory groups                                 |