



Australian Government

AusAID

Office of Development Effectiveness

ODE Terms of Reference | Dec 2006

# Office of Development Effectiveness

## Terms of Reference

### Background

Against the backdrop of increasing aid budgets, aid effectiveness issues have come to the forefront of international development thinking. In Australia, the Prime Minister announced that plans to double Australian aid by 2010 would be subject to the effectiveness of the application of additional resources.

As a key priority of the Aid White Paper, the Office of Development Effectiveness (ODE) was established in April 2006 to improve the effectiveness of Australian Government policies and programs on the development of recipient countries. The ODE is guided by a high level steering group of government and independent experts and would report directly to the AusAID Director General.

### Roles and responsibilities

The primary role of the ODE will be to monitor the quality and evaluate the impact of Australian government aid interventions. These findings will be used as the basis for preparation of an Annual Review of Development Effectiveness and for strengthened engagement with the international aid community on matters of aid quality. The findings will also be used to advise the Director General on ways of improving the performance of Australian aid.

Specifically, the ODE will work in six areas:

- > Undertaking in-depth evaluations of policies, country strategies and individual interventions guided by priorities set by the Director General and by the Development Effectiveness Steering Committee. This is likely to see an increase in the proportion of Australian aid initiatives subjected to evaluation, and greater public disclosure of results. The preparation of independent completion reports will remain the responsibility of implementing programs and agencies.
- > Monitoring the performance of Australian aid interventions, policies and strategies against clear, agreed quality standards. Note that the ODE will not be responsible for collecting original quality data and ratings – these will continue to be the responsibility of implementation programs and agencies. It will, however, undertake periodic spot-checks to verify that systems are being used correctly and that ratings are realistic. It will also advise the DG on the efficiency and effectiveness of quality systems.
- > Building capacity within the Australian development program to apply sound aid management principles. This will involve the ODE in the identification and preparation of materials that summarise findings from Australian and other development agencies.
- > Influencing the international development agenda through sharing results from evaluations and other work with multilateral agencies, bilateral donors and relevant research institutions.
- > Raising awareness of the performance of the Australian aid program by preparing an Annual Review of Development Effectiveness to be presented to Cabinet in advance of budget deliberations and

subsequently published for wider public dissemination.

- > Advising on the development of new country strategies, particularly in relation to the adequacy of the performance framework, the deliverability of objectives and the degree to which they incorporate lessons.

### Approach

The responsibilities of the ODE do not end with the preparation of high quality documents on performance. It also has a responsibility to disseminate its findings, to build capacity within the Australian government and to ensure that the management of performance within the aid program improves. This requires the Office to adopt an approach which is technically credible, responsive and accessible to those responsible for implementing Australia's aid program.

Nonetheless, the potential workload of such an office is substantial. It will therefore have to ensure that its work responds only to clear priorities, including those expressed by the Development Effectiveness Steering Committee. It will also need to make extensive use of contracted local and international expertise, particularly to undertake an expanded program of evaluations.

### Reporting

The ODE reports directly to the Director General of AusAID. Its work is guided the Development Effectiveness Steering Committee (DESC), chaired by the Director General, comprising two AusAID Deputy Directors General, deputy secretaries from DFAT, Treasury, DoFA and PM&C, and the AusAID Principal Economist. The DESC advises on ODE's work priorities, comments on the Annual Review of Development Effectiveness and advises the Minister on the quality of major new country strategies, and the Cabinet for new ODA budget proposals. External experts will be identified and included on the Group from time to time.

### Resources

The ODE is a small, high profile unit. It is headed by a senior Executive Officer and has two Advisers on Development Effectiveness and Performance Assessment, who are responsible for the technical quality of the work. The Office will include a mix of advisers, AusAID staff and external contract employees. Other agencies will be given the opportunity to second staff to the Office; an official from the Australian Federal Police joined ODE in October 2006. The Office will develop a network of evaluation and performance management specialists from around the country who will undertake much of the field work.