

# Terms of Reference for the Australian Multilateral Assessment (AMA)

## Introduction

1. Assistance through multilateral development organisations is an integral element of Australia's aid program. Australia's support for these organisations fulfils our obligation as a good international citizen. Working with and through multilateral organisations also allows Australia to benefit from these organisations' specialist expertise and extends our reach and impact, particularly in geographic areas where we have little or no presence on the ground. In 2009-10, around 40 per cent of the aid program was channelled through multilateral organisations (approximately \$1.3 billion).
2. The Government in *An Effective Aid Program for Australia: Making a real difference – Delivering real results* agreed the following.
  - a. Recommendation 15: Core funding to multilateral organisations ...should be significantly increased as a share of total spending. Details are to be determined by the Government through the 2012-13 budget process. Decisions on allocations will be based on an assessment of poverty, national interest, capacity to make a difference, and current scale and effectiveness in line with their mandate.
  - b. Recommendation 17: Core funding to multilateral organisations should be linked to performance and relevance to Australia through the introduction of a multilateral rating system.
3. In *An Effective Aid Program for Australia* the Government also committed that: In 2011, Australia will undertake an assessment of the effectiveness of our key multilateral partners, which we will publish, to ensure that our objectives are aligned and that we are working together as best we can to achieve results on the ground.

## Purpose

4. The Australian Multilateral Assessment (AMA) will develop a multilateral rating system based on the aid policy and program priorities outlined in *An Effective Aid Program for Australia*. It will assess multilateral organisations in relation to their:
  - a. poverty orientation and impact, taking account of their mandate;
  - b. capacity to make a difference;
  - c. value for money; and
  - d. alignment with Australia's development objectives.

5. The findings of the AMA will feed into the Australian Government's aid budget process, in which resource allocation will be based upon the criteria from the government's response to Recommendation 15 of the Independent Review of Aid Effectiveness (see paragraph 2.a. above).

## **Methodology and Reporting**

6. The final AMA Report will include recommendations on the use of the rating system on an ongoing basis, including links to existing international assessment processes such as the Multilateral Organisation Performance Assessment Network (MOPAN), and on the need for systems and processes to facilitate ongoing assessment.
7. The AMA aims to be rigorous while avoiding duplicating the efforts of other donors that have recently undertaken similar reviews, including the United Kingdom's 2011 Multilateral Aid Review (UK-MAR). The AMA will also draw heavily on relevant Australian reviews of multilateral organisations.
8. The AMA Task Force will develop an analytical framework and methodology, to be utilised in the AMA, by the end of August 2011. The draft framework and methodology will be circulated to key stakeholders for comment, including multilateral posts, interested Australian Commonwealth Government agencies, and the Australian Council for International Development, prior to formal peer review and approval by the Development Effectiveness Steering Committee (DESC)<sup>1</sup>.
9. As much as possible, assessments will be made on the basis of existing material rather than by seeking tailored material from multilateral partners. In particular, the AMA Task Force within AusAID will liaise with the UK Department for International Development (DFID) and with the MOPAN Secretariat to access relevant information and analysis from recent assessments. The AMA Task Force will review publicly available material from multilateral organisations, including any responses to the UK-MAR and information on recent reform initiatives.
10. Multilateral organisations to be assessed will be engaged regularly throughout the assessment process, and will be invited to provide relevant briefings and documentation. Each multilateral organisation being assessed will be given the opportunity to comment on their draft assessment.
11. The depth of individual assessments of each multilateral organisation will vary, with a more comprehensive assessment being undertaken for those where

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<sup>1</sup> The Development Effectiveness Steering Committee (DESC) assists to strengthen the effectiveness of Australia's development assistance. It strengthens coordination of the aid program and plays an advisory role to the Government on major aid strategy and budget proposals. The DESC is chaired by the AusAID Director General and includes Deputy Secretaries from the Department of the Prime Minister and Cabinet, the Department of Foreign Affairs and Trade, the Treasury and the Department of Finance and Deregulation. It also includes a Deputy Director General and the Chief Economist from AusAID.

Australia is a major funding contributor, or the organisation has a strong presence in major partner countries of Australia's aid program. Particular attention will also be paid in the assessment process to UN organisations due for review in 2011-12 (under multi-year partnership agreements with the Australian Government), as well as those organisations assessed as performing poorly by the UK-MAR. In the former case, this assessment process will be a key input to the scheduled reviews.

12. A draft report will be finalised by 14 November 2011 for consideration by the DEWG, and then the DESC.
13. The final assessment report will be provided to AusAID by 5 December 2011 for consideration by the DESC at the next available opportunity. Following DESC endorsement, the AMA Report will be provided to the Minister for Foreign Affairs and, through him, other relevant Ministers so as to inform 2012-13 budget deliberations.
14. The final report will be published as soon as is practicable. The AMA Task Force will develop a communications strategy for the distribution of the report and its findings to all stakeholders.

## **Governance and Stakeholder Engagement**

15. The AMA Task Force will provide the secretariat for the review. The Task Force will be supported by consultants engaged by AusAID in developing the methodology and conducting the assessment. Relevant AusAID institutional areas will be closely involved in compiling the evidence required for the assessment, as well as forming requisite judgments on performance in close consultation with counterparts in other Australian Commonwealth Government agencies and with the Australian Council for International Development (ACFID).
16. The draft AMA findings will be presented to the Development Effectiveness Working Group (DEWG)<sup>2</sup>, which will act as a Steering Committee for the AMA. The final report will be presented to the DESC, through the AusAID Director General. The DEWG will provide timely advice and guide decisions at key stages of the review process. The assessment will be managed on a day-to-day basis by the Head of the AMA Task Force in AusAID (at SES Band 1 level).
17. The DESC will agree the terms of reference for the assessment, the final methodology to be used, the multilateral organisations to be reviewed, and receive the final AMA report for endorsement.
18. In addition, a broader inter-departmental committee, at the SES Band 1 level, will be established in August 2011 to ensure maximum consultation with all

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<sup>2</sup> The Development Effectiveness Working Group (DEWG) is an inter-departmental committee at SES Band 1 level that reflects the membership as the DESC (see Footnote No.1).

relevant whole-of-government partners, in particular to share information on the progress of the AMA and seek their inputs as appropriate. In addition to DESC/DEWG member agencies, the inter-departmental committee will include representatives from: Attorney-General's; Agriculture, Fisheries and Forestry; Australian Centre for International Agricultural Research; Climate Change and Energy Efficiency; Defence; Education, Employment and Workplace Relations; Health and Ageing; Immigration and Citizenship; and Sustainability, Environment, Water, Population and Communities.

19. Members of the public will be invited to make contributions to the AMA through written submissions. The AMA Task Force will liaise through ACFID with Australian Non-Government Organisations interested in the role and activities of multilateral organisations to obtain their assessments of multilateral performance in areas of particular relevance to them, such as humanitarian response.
20. The AMA Task Force will complement a review of documentation with assessments of effectiveness on the ground through country visits to a number of AusAID focus countries where there is a strong multilateral presence. The AMA Task Force will also undertake consultations with partner governments and NGOs working in selected AusAID focus countries to gain their perspectives on multilateral performance. Where appropriate, consultations will be held with multilateral organisations at headquarters level.

### **Multilateral organisations to be reviewed**

21. The AMA will assess a multilateral development organisation if:
  - a. in 2009-10 the organisation received core funding from AusAID of more than \$2 million and/or non-core funding of more than \$5 million from AusAID; or
  - b. in 2009-10 the organisation received any core and/or non-core funding from AusAID and scored poorly in the UK-MAR; or
  - c. there is a reasonable likelihood of new or increased Australian funding; or
  - d. there is a national interest case for assessing a particular organisation.
22. Generally, the AMA will not assess multilateral organisations that only have a regional presence and membership or are used predominantly as contracting or delivery agents.
23. The list of organisations to be assessed will be approved by the DESC once the methodology for the assessment has been approved. A provisional list of Australian-funded multilateral organisations to be reviewed is at Attachment A.

## Attachment A

	<b>Multilateral Organisations proposed for assessment</b>	<b>Rationale for inclusion</b>
1	African Development Bank (AfDB)	Meets funding threshold
2	Asian Development Bank (ADB) - including the Asian Development Fund (ADF)	Meets funding threshold
3	Climate Investment Funds (CTF)	Meets funding threshold
4	The Development Programs of the Commonwealth Secretariat (ComSec)	Meets funding threshold / Assessed as poor by UK multilateral aid review
5	Consultative Group on International Agricultural Research (CGIAR)	Meets funding threshold
6	Education for All Fast Track Initiative	Meets funding threshold
7	Food and Agriculture Organization (FAO)	Meets funding threshold / Assessed as poor by UK multilateral aid review
8	Global Alliance for Vaccines and Immunisation (GAVI)	Meets funding threshold
9	Global Crop Diversity Trust	Possible increase in future funding
10	Global Environment Facility (GEF)	Meets funding threshold
11	Global Facility for Disaster Reduction and Recovery (GFDRR)	Meets funding threshold
12	Global Fund to Fight AIDS, TB and Malaria (GFATM)	Meets funding threshold
13	Inter-American Development Bank	Possible increase in future funding
14	International Committee of the Red Cross (ICRC)	Meets funding threshold
15	International Finance Corporation (IFC)	Meets funding threshold
16	International Fund for Agricultural Development (IFAD)	Possible increase in future funding
17	International Labour Organization (ILO)	Meets funding threshold / Assessed as poor by UK multilateral aid review
18	International Monetary Fund (IMF) Technical Assistance Trust Funds	Meets funding threshold
19	International Organization for Migration (IOM)	Meets funding threshold / Assessed as poor by UK multilateral aid review
20	Joint United Nations Programme on HIV/AIDS (UNAIDS)	Meets funding threshold

21	Kyoto Protocol Adaptation Fund	Possible increase in future funding
22	Multilateral Fund for Implementation of the Montreal Protocol (MPMF)	Meets funding threshold
23	Office of the High Commissioner for Human Rights (OHCHR)	Meets funding threshold
24	Private Infrastructure Development Group (PIDG)	Possible increase in future funding
25	UN Capital Development Fund	Meets funding threshold
26	UN Children's Fund (UNICEF)	Meets funding threshold
27	UN Development Programme (UNDP)	Meets funding threshold
28	UN Educational, Scientific and Cultural Organization (UNESCO)	Assessed as poor by the UK multilateral aid review
29	UN Environmental Programme (UNEP)	Possible increase in future funding
30	UN High Commissioner for Refugees (UNHCR)	Meets funding threshold
31	UN Human Settlements Program (UN HABITAT)	Meets funding threshold / Assessed as poor by UK multilateral aid review
32	UN International Strategy for Disaster Risk Reduction Secretariat (ISDR)	Meets funding threshold / Assessed as poor by UK multilateral aid review
33	UN Mine Action Service (UNMAS)	Meets funding threshold
34	UN Office for the Coordination of Humanitarian Affairs (OCHA)	Meets funding threshold
35	UN Office of Drugs and Crime (UNODC)	Possible increase in future funding
36	UN Peacebuilding Fund	Possible increase in future funding
37	UN Population Fund (UNFPA)	Meets funding threshold
38	UN Relief and Works Agency (UNRWA)	Meets funding threshold
39	UNFCCC Least Developed Countries Fund	Meets Funding Threshold
40	World Bank - including the International Development Association (IDA)	Meets funding threshold
41	World Food Programme (WFP)	Meets funding threshold
42	World Health Organization (WHO)	Meets funding threshold

The following are proposed not to be included in this assessment because they do not meet one or more of the criteria in paragraph 21.

<b>Multilateral Organisations proposed not to be included in this assessment</b>
Global Green Growth Institute
International Atomic Energy Agency (IAEA)
International Federation of the Red Cross (IFRC)
International Trade Centre (ITC)
World Trade Organisation (WTO) Technical Assistance Trust Funds
UN Central Emergency Response Fund (CERF)
UN Democracy Fund (UNDEF)
UN Department of Economic and Social Affairs (UNDESA)
UN Department of Political Affairs (UNDPA)
UN Framework Convention on Climate Change (UNFCCC)
UN Information Centre (UNIC)
UN Institute for Disarmament Research (UNIDR)
UN Office for Project Services (UNOPS)
UN Women