



# Appendices





# Appendix 1—Assessment framework and determination of ratings

## Assessment framework

The assessment framework involved seven components broken into 24 criteria as follows.

### Results and relevance (Why we fund)

*Component 1:* Delivering results on poverty and sustainable development in line with mandate

*Criterion 1a:* Demonstrates development or humanitarian results consistent with mandate (Delivers results)

*Criterion 1b:* Plays critical role in improving aid effectiveness through results monitoring (Monitors and reports results)

*Criterion 1c:* Where relevant, targets the poorest people and areas where progress against the MDGs is lagging (Targets poorest)

*Component 2:* Alignment with Australia's aid priorities and national interests

*Criterion 2a:* Allocates resources and delivers results in support of Australia's development objectives (Supports Australia's objectives)

*Criterion 2b:* Effectively targets development concerns and promotes issues consistent with Australian priorities (Aligns with strategic goals of aid program)

*Criterion 2c:* Focuses on crosscutting issues, particularly gender, environment and people with disabilities (Focuses on crosscutting issues)

*Criterion 2d:* Performs effectively in fragile states (Effective in fragile states)

*Component 3:* Contribution to the wider multilateral development system

*Criterion 3a:* Plays a critical role at global or national level in promoting the coordination of development or humanitarian efforts (Promotes coordination)

*Criterion 3b:* Plays a leading role in developing norms and standards that facilitate the achievement of development outcomes, or in providing large-scale finance or specialist expertise (Makes a critical difference)

*Criterion 3c:* Fills a policy or knowledge gap, or develops innovative approaches (Promotes knowledge, policy or innovation)

## Organisational behaviour (How they perform)

### *Component 4: Strategic management and performance*

*Criterion 4a:* Has clear strategy and plans, effectively implemented (Clear strategy and plans)

*Criterion 4b:* Governing body is effective in guiding management (Effective governing body)

*Criterion 4c:* Has a sound framework for monitoring and evaluation, and acts promptly to realign or amend programs not delivering results (Uses monitoring and evaluation systems)

*Criterion 4d:* Leadership is effective and human resources are well managed (Effective leadership and human resource policies)

### *Component 5: Cost and value consciousness*

*Criterion 5a:* Governing body and management regularly scrutinize costs and assess value for money (Management scrutinises costs)

*Criterion 5b:* Rates of return and cost effectiveness are important factors in decision making (Cost effectiveness a focus of programs)

*Criterion 5c:* Challenges and supports partners to think about value for money (Challenges partners on value for money)

### *Component 6: Partnership behaviour*

*Criterion 6a:* Works effectively in partnership with others (Works effectively with others)

*Criterion 6b:* Places value on alignment with partner countries' priorities and systems (Aligns with partner priorities and systems)

*Criterion 6c:* Provides voice for partners and other stakeholders in decision making (Provides voice for stakeholders)

### *Component 7: Transparency and accountability*

*Criterion 7a:* Routinely publishes comprehensive operational information, subject to justifiable confidentiality (Routinely publishes information)

*Criterion 7b:* Is transparent in resource allocation, budget management and operational planning (Clear process for resource allocation)

*Criterion 7c:* Adheres to high standards of financial management, audit, risk management and fraud prevention (Strong accountability mechanisms)

*Criterion 7d:* Promotes transparency and accountability in partners and recipients (Promotes transparency of partners)

## Determination of ratings

Ratings of Very strong, Strong, Satisfactory, Weak or Not applicable are given for each organisation against each criterion. The average of the criteria ratings within each component is used to form the component rating. All criteria are equally weighted. Scores of 'Not applicable' are not included in the computation of the component rating.

Ratings were determined based on the benchmarks for ratings of Very strong, Strong, Satisfactory and Weak for each criterion outlined below.

All ratings were based on assessment against the development-related aspects of organisation's mandates.

Determination of ratings involved a process of assessing both absolute and relative performance against the benchmarks on each criterion. This was done by weighing up the evidence available on the performance of each organisation in relation to each criterion, and where possible, comparing performance relative to other organisations with a similar mandate or mode of operation.

For some criteria, such as 'routinely publishes information', it was relatively easy to compare the effectiveness of approaches across organisations. For other criteria, such as 'uses monitoring and evaluation', the differences across organisations made direct comparisons difficult. In cases where comparisons were not possible, the AMA used absolute judgements against the benchmarks below.

The AMA made every possible effort to use objective evidence when scoring. A series of moderation processes and peer review meetings were used to attempt to ensure that scores were soundly based. Nevertheless, some subjective judgements were necessary given the wide variations in mandates, modes of operation and quantity of evidence across the 42 organisations in the AMA.

One consequence of the focus on evidence-based ratings is that ratings do not reflect reform efforts that have been initiated but have not yet had time to prove their effectiveness. The methodology for the AMA states that reform efforts that have been initiated will be taken into consideration in ratings. This holds true where there is evidence that reforms are already having a positive impact. Where the evidence on the impact of reforms is not yet clear, no credit has been given in the ratings.

## Evidence used in determining ratings

The AMA used the following sources of evidence to inform assessments and ratings:

### 1. Publicly available documentation, including:

- > reporting of the multilateral organisations themselves
- > reports from the Multilateral Organization Performance Assessment Network (MOPAN)
- > assessments of multilateral organisations undertaken by other bilateral donors (including the UK, Canada, the Netherlands, Norway and Sweden)
- > responses by multilateral organisations to the UK-Multilateral Aid Review findings.

### 2. Engagement with the headquarters of multilateral organisations

- > Multilateral organisations were advised of their inclusion in the AMA through a letter from the AusAID Director General in mid-August. They were subsequently provided with a copy of the methodology when it was finalised in early September.
- > Meetings were held at headquarters level with 38 of the 42 multilateral organisations included in the AMA.
- > Due to time constraints, the AMA was unable to meet with the United Nations Relief and Works Agency in Ramallah, the United Nations Office on Drugs and Crime (UNODC) in Vienna, the Montreal Protocol Fund in Montreal and the African Development Bank (AfDB) in Tunis. A meeting was held with the UNODC regional office in Bangkok. AfDB had been consulted as part of a recent Australian Government review that was a key input to the AMA.
- > Headquarters meetings focused on issues flagged by the AMA team in writing in advance of each meeting.
- > Headquarters meetings were supplemented by visits to the regional offices of a range of organisations in Bangkok and Manila.
- > Multilateral organisations were provided with an opportunity to comment on a draft of their individual assessment.

### 3. Consultations with partner governments, civil society and other donors

- > Field visits were undertaken to Indonesia, Solomon Islands, Vietnam, the Philippines, Sri Lanka, Kenya and Ethiopia to examine the effectiveness of multilateral organisations at country-level.
- > Each field visit involved consultations with the partner government, civil society representatives, other bilateral donors, multilateral organisations themselves and Australian Government representatives.



- > Each field visit focused on a subset of the multilateral organisations included in the AMA, although where evidence was found on the effectiveness of multilateral organisations that were not the explicit focus of field visits this information was included in the AMA's considerations.

#### **4. Analysis and reporting from within the Australian Government, including:**

- > annual reporting summarising the status of major multilateral partnerships
- > outcomes from recent high level consultations
- > verbal briefings from government officials in Australia and at overseas missions, including through an inter-departmental committee
- > recent reviews of specific multilateral organisations, most particularly in relation to the African Development Bank and International Fund for Agricultural Development.

#### **5. Response to a survey of Australian overseas missions**

- > Australian overseas missions with accreditation to any developing country were asked to provide feedback to the AMA
- > they were asked to report against the assessment framework on any aspect of the effectiveness of any of the 42 multilateral organisations in the AMA
- > they were asked to draw on existing knowledge and were not expected to undertake original research
- > responses to the survey were received from 26 Australian overseas missions: Baghdad, Beijing, Beirut, Brasilia, Buenos Aires, Cairo, Dhaka, Islamabad, Kabul, Kathmandu, Lima, Manila, Mexico City, Nauru, Nuku'alofa, New Delhi, Phnom Penh, Port Moresby, Port Vila, Ramallah, Rangoon, Santiago, Suva, Tarawa, Tehran and Vientiane.

#### **6. Consultations with Australian stakeholders, including:**

- > meetings with the chairs of Parliamentary Associations focused on development-related issues
- > a roundtable meeting with interested Australian NGOs chaired by the Australian Council for International Development
- > meetings with social partners (representatives of business groups and unions) in relation to the assessment of the International Labour Organization.

#### **7. Public submissions**

- > Public submissions were open for a six week period and closed on 25 October 2011.
- > Eleven submissions were received by the deadline. The list of public submissions received is in Appendix 2.

## Benchmarks for ratings

Ratings of Very strong, Strong, Satisfactory or Weak were given in relation to each criterion. Ratings were based on the benchmarks that follow.

All ratings were made only in relation to the development-related aspects of organisations mandates and operations.

The term ‘programs’ in the definitions below covers all the development-related work of organisations, including: normative and standard-setting work; policy, advisory, research and analytical work; and program and project delivery. The term ‘value for money’ in the definitions refers to the best balance between the quality and cost of a program that is appropriate to achieve a desired outcome.

## Results and relevance (Why we fund)

*Component 1:* Delivering results on poverty and sustainable development in line with mandate

### **Criterion 1a: Delivers results**

Very strong: Clear independently verified evidence of delivering high impact development results at an institutional level and across most programs.

Strong: Clear independently verified evidence of delivering high impact development results across most programs although difficult to assess the extent to which results represent value for money at an institutional level.

Satisfactory: Evidence of positive development impact across a majority of programs, although performance may be mixed.

Weak: Inadequate evidence of positive development impact across a majority of programs (although specific programs/activities may still produce positive results).

### **Criterion 1b: Monitors and reports results**

Very strong: Clear and widely used system for monitoring and reporting to key stakeholders on results at all levels, including aggregate reporting of development results attributable to the organisation.

Strong: Clear system and widely used system for reporting to key stakeholders on the results of programs but no systematic aggregation of reporting of development results attributable to the organisation.

Satisfactory: Organisation ensures monitoring and reporting on results to key stakeholders of all programs, but this is not done in a systematic or consistent way across the organisation.

Weak: Results from programs are not consistently monitored and/or not adequately reported to key stakeholders.



**Criterion 1c: Targets poorest**

Very strong: Systematic and effective effort across the organisation to target and direct the benefits of programs to the poorest and most vulnerable groups within countries/regions.

Strong: Organisations generally includes consideration of ways to maximise benefits for the poorest within program decisions.

Satisfactory: Many programs may benefit the poorest but this is not a key factor in decision making across the organisation.

Weak: Targeting of the poorest rarely or poorly considered in program decisions.

**Component 2: Alignment with Australia's aid priorities and national interests****Criterion 2a: Supports Australia's objectives**

Very strong: Mandate/programs very closely aligned with Australia's interests; and/or very responsive to constructive influence from Australia on development issues.

Strong: Mandate/programs closely aligned with Australia's interests; and/or generally responsive to constructive influence from Australia on development issues.

Satisfactory: Aspects of mandate/programs align with Australia's interests; and/or been responsive to constructive influence from Australia on some development issues.

Weak: Little or no alignment with Australia's interests; and/or has generally been unresponsive to constructive influence from Australia on development issues.

**Criterion 2b: Aligns with strategic goals of aid program**

Very strong: Mandate/programs have a very high degree of alignment with one or more of the Australian aid program's five strategic goals.

Strong: Mandate/programs have a high degree of alignment with one or more of the Australian aid program's five strategic goals.

Satisfactory: Aspects of mandate/programs have a high degree of alignment with one or more of the Australian aid program's five strategic goals.

Weak: Mandate/programs do not align strongly with one or more of the Australian aid program's five strategic goals.

### **Criterion 2c: Focuses on crosscutting issues**

Very strong: Organisation has clear policies on applicable crosscutting issues that evaluations show to be effectively and consistently applied in programs.

Strong: Organisation has clear policies on most applicable crosscutting issues and crosscutting issues evaluations show to be generally well applied in programs.

Satisfactory: Organisation has clear policies on most relevant crosscutting issues although these may be inconsistently applied across programs; and/or organisation lacks relevant policies but generally pays adequate attention to crosscutting issues in programs.

Weak: Organisation lacks policies on most relevant crosscutting issues and evaluations confirm does not pay adequate attention to crosscutting issues in programs.

### **Criterion 2d: Effective in fragile states**

Very strong: Has a strong track record of operating effectively in fragile states through adjusting programs to take account of the operational environment in fragile states and (where relevant) has specific policies to guide staff and programs in fragile states that are consistently applied.

Strong: Has a good track record of operating effectively in fragile states through active adjustment of programs to take account of the operational environment in fragile states, with some success; and/or (where relevant) has specific policies to guide programs in fragile states that are generally applied.

Satisfactory: Takes into account the operational environment in fragile states when planning and implementing programs, but this is not a key factor in decision making.

Weak: Takes little or no account of the operational environment in fragile states when planning and implementing programs.

## **Component 3: Contribution to the wider multilateral development system**

### **Criterion 3a: Promotes coordination**

Very strong: Role in coordinating development efforts is relied upon by a broad range of development stakeholders and is seen as highly effective.

Strong: Role in coordinating development efforts is relied upon by a broad range of development stakeholders and seen as generally effective; and/or relied upon by development stakeholders in a specialised sector/theme and is seen as highly effective.

Satisfactory: Plays a role in coordinating development efforts and is seen by development stakeholders as adding some value.

Weak: Plays a role in coordinating development efforts but is seen by development stakeholders as adding little value.

**Criterion 3b: Makes a critical difference**

Very strong: The organisation has a critical role in setting norms and standards or providing/coordinating large-scale finance that is widely used by a broad range of development stakeholders and is seen as highly valuable.

Strong: The organisation has a critical role in setting norms and standards or providing/coordinating large-scale finance that is widely used by a broad range of development stakeholders and is seen as generally valuable; and/or are used by development stakeholders in a specialised sector/theme and seen as highly valuable.

Satisfactory: The organisation plays a role in setting norms and standards or providing/coordinating large-scale finance that is used by some development stakeholders and seen as useful.

Weak: The organisation plays a role in setting norms and standards or providing/coordinating large-scale finance that is generally not used or not seen as valuable by relevant development stakeholders.

**Criterion 3c: Promotes knowledge, policy or innovation**

Very strong: Knowledge products, policy work or innovations are widely used by a broad range of development stakeholders and are seen as highly valuable.

Strong: Knowledge products, policy work or innovations are widely used by a broad range of development stakeholders and seen as generally valuable; and/or are used by development stakeholders in a specialised sector/theme and are seen as highly valuable.

Satisfactory: Knowledge products, policy work or innovations are used by some development stakeholders and seen as useful.

Weak: Knowledge products, policy work or innovations are generally not used or not seen as valuable by relevant development stakeholders.

## Organisational behaviour (How they perform)

### *Component 4: Strategic management and performance*

**Criterion 4a: Clear strategy and plans**

Very strong: Has a clear, overarching strategic planning document that directs decision making throughout the organisation and implementation is monitored.

**Strong:** Has a clear, overarching strategic planning document that generally informs decision making; and/or there are organisation-wide systematic means to direct decision making but there is no overarching strategic planning document.

**Satisfactory:** Program-level strategies and plans inform decision making but overarching strategic planning documents are lacking or do not generally drive decision making.

**Weak:** Strategies and plans are not in place at program level or do not generally drive decision making.

***Criterion 4b: Effective governing body***

**Very strong:** Governing body provides clear strategic direction and (where necessary) drives and monitors improvements or reform efforts.

**Strong:** Governing body generally effective in overseeing strategic direction and holding management to account for performance.

**Satisfactory:** Governing body provides adequate oversight of management performance and (where necessary) supports management-initiated reform efforts.

**Weak:** Governing body does not provide adequate oversight of management performance and/or is an obstacle to management-initiated reform efforts.

***Criterion 4c: Uses monitoring and evaluation systems***

**Very strong:** Has organisation-wide systems for monitoring and evaluating program performance that meet all accountability and learning needs and are consistently applied across the organisation to inform decision making.

**Strong:** Has organisation-wide systems for monitoring and evaluating program performance that meet all accountability and learning needs and are generally used across the organisation and inform decision making.

**Satisfactory:** Ensures that monitoring and evaluation is part of all programs but the influence on decision making is generally limited to the individual program level.

**Weak:** Monitoring and evaluation is not a systematic requirement in programs or is not used to inform decision making or improve programs when necessary.

***Criterion 4d: Effective leadership and human resource policies***

**Very strong:** Leadership has been successful in driving changes to improve effectiveness and human resource policies facilitate the recruitment and placement of the highest calibre staff possible.

**Strong:** Leadership is in the process of driving changes to improve effectiveness; and/or human resource policies are generally effective in facilitating the recruitment and placement of high calibre staff.

**Satisfactory:** Leadership is supporting improvements to effectiveness; and/or human resource policies are adequate to recruit and place staff that can effectively perform required duties in a timely manner.

**Weak:** Leadership is not supporting improvements to effectiveness; and/or human resource policies are not adequate to recruit and place staff that can effectively perform required duties in a timely manner.

#### *Component 5: Cost and value consciousness*

##### ***Criterion 5a: Management scrutinises costs***

**Very strong:** Senior management and the governing body systematically consider value for money issues in organisation-level decision making.

**Strong:** Senior management and the governing body regularly focus on issues relating to value for money and take action when necessary, although it is not a systematic driver of organisation-level decision making.

**Satisfactory:** Senior management and the governing body consider value for money in strategic planning or when taking major organisation-level decisions and take action when major issues or concerns relating to cost effectiveness and value for money arise.

**Weak:** Senior management and the governing body do not adequately focus on value for money when taking major organisation-level decisions.

##### ***Criterion 5b: Cost effectiveness a focus of programs***

**Very strong:** Value for money is a systematic and important consideration in the planning and implementation of programs, a major factor in decision making and problems are pro-actively addressed.

**Strong:** Value for money is a systematic consideration in the planning and implementation of programs, a factor in decision making and problems are addressed as they arise.

**Satisfactory:** Value for money is generally considered in the planning and implementation of programs and any major problems that emerge are addressed.

**Weak:** Value for money considerations do not generally feature in decision making.

### **Criterion 5c: Challenges partners on value for money**

Very strong: Value for money issues are systematic and important considerations in agreements or interactions with partners and progress is closely monitored.

Strong: Value for money issues are systematically included in agreements or interactions with partners and problems are addressed as they arise.

Satisfactory: Value for money issues are a factor, but not systematically included, in agreements or interactions partners and any major problems that emerge are addressed.

Weak: Value for money considerations do not generally feature in agreements or interactions with partners.

## **Component 6: Partnership behaviour**

### **Criterion 6a: Works effectively with others**

Very strong: Building effective partnerships with relevant development stakeholders is a systematic focus of decision making and relevant stakeholders consistently view partnership behaviour as effective and look to the organisation for leadership.

Strong: Building effective partnerships with relevant development stakeholders is a factor in decision making and relevant stakeholders generally view partnership behaviour as effective.

Satisfactory: Willing to work with relevant development stakeholders to improve effectiveness and a majority of relevant stakeholders generally view partnership behaviour as effective.

Weak: Partnerships with relevant development stakeholders not generally a factor in decision making; and/or a majority of relevant stakeholders generally view partnership behaviour as ineffective.

### **Criterion 6b: Aligns with partner priorities and systems**

Very strong: Appropriate alignment with partner priorities and systems is a systematic focus of decision making and relevant stakeholders consistently view approach to alignment as best practice.

Strong: Appropriate alignment with partner priorities and systems is a factor in decision making and relevant stakeholders generally view approach to alignment as appropriate.

Satisfactory: Generally willing to align with partner priorities and systems to improve effectiveness and a majority of relevant stakeholders generally view approach to alignment as appropriate.



Weak: Appropriate alignment with partner priorities and systems not generally a factor in decision making; and/or a majority of relevant stakeholders generally view approach to alignment as poor practice.

**Criterion 6c: Provides voice for stakeholders**

Very strong: The views of all key stakeholders are important and systematic drivers of decision making and relevant stakeholders are satisfied with the extent of their engagement and influence on key decisions.

Strong: The views of all key stakeholders are a key factor in decision making and most relevant stakeholders are generally satisfied with the extent of their engagement and influence on key decisions.

Satisfactory: Generally willing to engage with all key stakeholders to improve effectiveness and a majority of relevant stakeholders are satisfied with the extent of their engagement and influence on key decisions.

Weak: The views of all key stakeholders not generally a factor in decision making; and/or a majority of relevant stakeholders are dissatisfied with the extent of their engagement and influence on key decisions.

*Component 7: Transparency and accountability*

**Criterion 7a: Routinely publishes information**

Very strong: Fully compliant with the International Aid Transparency Initiative requirements on disclosure of information.

Strong: Systematically releases all relevant information in a clear way that is easily accessible on its website.

Satisfactory: Releases key (but not all relevant) information on its website in a way that is reasonably accessible to stakeholders.

Weak: Does not publicly release key information in a way that is accessible to stakeholders.

**Criterion 7b: Clear process for resource allocation**

Very strong: Has a clear and transparent means of allocating un-earmarked resources across countries or programs that is based on objective information, consistently applied.

Strong: Systematically uses criteria to allocate un-earmarked resources across countries or programs but with some degree of subjectivity exercised by senior management or the board.

Satisfactory: Rationale for allocation of resources across countries or programs published in annual report or other key document but is not necessarily known ex-ante.

Weak: No publicly available rationale for allocation of resources across countries or programs.

***Criterion 7c: Strong accountability mechanisms***

Very strong: Effective financial management, audit, risk management and fraud prevention systems are in place, are key factors in decision making and are independently assessed as fully effective.

Strong: Appropriate financial management, audit, risk management and fraud prevention systems are in place, are factors in decision making and are independently assessed as generally effective.

Satisfactory: Appropriate financial management, audit, risk management and fraud prevention systems are in place (although are not generally factors in broader decision making), and any problems identified by independent assessments are addressed.

Weak: Financial management, audit, risk management and fraud prevention systems may be in place but are not subject to independent verification or have been independently assessed as inadequate.

***Criterion 7d: Promotes transparency of partners***

Very strong: Transparency and accountability issues are systematic and important considerations in discussions or agreements with partners.

Strong: Transparency and accountability issues generally feature in discussions or agreements with partners and any problems are addressed as they arise.

Satisfactory: Transparency and accountability issues are raised periodically in discussions or agreements with partners and any major problems that emerge are addressed.

Weak: Transparency and accountability issues do not generally feature in discussions or agreements with partners.

## Appendix 2 — List of submissions

Submissions to the Australian Multilateral Assessment were received from:

- > Burnet Institute
- > International Finance Corporation
- > International Labour Organization
- > KSBSI-Indonesia
- > Manna Gum
- > Oxfam
- > RESULTS International (Australia)
- > Save the Children
- > Vanuatu Chamber of Commerce and Industry
- > Vision 2020 Australia
- > World Vision Australia.