**Management Response to AACGS Mid Term Review 2012**

**Document purpose**

This document provides a management response to the 2012 Mid-Term Review of the Australia-Africa Community Grants Scheme[[1]](#footnote-1).

**Summary**

This document acknowledges that the Africa Program’s policy environment has changed since the Mid Term Review of Australia Africa Community Grants Scheme was undertaken. The decision has been made to ensure that AACGS continues to provide ‘coverage’ in Africa rather than being focussed on a small number of African countries, noting that some AusAID Posts may restrict their programming to two or three countries in their countries of accreditation. Senior management has also determined to shift the program ‘hub’ from Pretoria to Nairobi and consequently has determined not to contract out program administration.

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|  | **Recommendation** | **AusAID response** |  |
| 1 | AusAID should continue to implement AACGS for the remainder of the timeframe committed, and then conduct an independent review to determine further directions in the developing context. | Agreed. There is no need for fundamental changes to the overall program goal of contributing to the achievement of Millennium Development goals in Africa at the community level or to the program’s objective of enabling organisations in a broad range of Africa countries to access flexible funding for effective community-level development activities. However, the minimum funding level will be increased to $50,000 with a maximum of $75,000 for activities of 12 months duration and a maximum of $150,000 over 2 years for multi-year activities. This will enhance sustainability of program outcomes and reduce administrative burden on AusAID, particularly in light of the new due diligence assessment requirements. That will require substantial resources. |  |
| 2 | AusAID should consider adopting a consultative sub-regional approach to annual AACGS budget allocation; facilitated either by Pretoria or Canberra. | Partially agreed. AusAID will adopt a consultative approach to annual allocation of AACGS budget facilitated by Nairobi which will be the new program ‘hub’. Posts will be consulted on annual allocations which will allow AusAID to respond to new/emerging opportunities in particular countries’ or regions each year. |  |
| 3 | AusAID should consider providing additional administrative support to assist Scheme management activities—especially during periods of peak workload. | The time and financial resourcing required to source external administrative and secretarial assistance are likely to outweigh the benefits of incorporating them into the program with less than 2 years to go.Consideration is being given to contracting someone to undertake the new due diligence assessments in conjunction with AusAID staff to get an accurate idea of the amount of time involved in this process.Likewise, AusAID will investigate engagement of M&E consultants in line with the decision to substantially enhance reporting on the program.  |  |
| 4 | Within AusAID there should be discussion to determine the strategic purposes of the Scheme, and willingness to adjust the funding guidelines to align with an agreed strategic intent. | Agreed. Discussions have been held with senior management at Post on the strategic intent of the Scheme. This has informed decisions to continue with a pan-Africa scheme (achieving breadth) that is flexible in regard to the types of activities eligible for funding. Discussions are underway on a more strategic approach to communication and reporting on the AACGS e.g. identifying a thematic focus each year, either for the whole continent or on a regional basis. |  |
| 5 | AusAID should consider outsourcing administrative functions currently undertaken by the Pretoria post to the AAPF. Key program/representative functions should be retained at all posts in order to maximise the strategic benefits of the scheme to the agency.  | Not agreed. The AAFP is no longer an option following the decision to consolidate the AAPF to focus on extractives governance from 2014.The overall coordination of the AACGS processes will move from Pretoria to Nairobi. The handover will take place following the AVID Planning meeting in October 2013.Program/representative functions will be maintained by Posts with contractors engaged as required. |  |
| 6 | AusAID should consider engaging an independent monitoring mechanism to routinely support AusAID staff with field visits of a sample of projects. Such a mechanism could be engaged directly or through AAPF. | Partially accepted - as the AAPF is no longer an option the administrative processes currently in place will continue to be followed for 2013/14 and 2014/15.The requirement that grant recipients undergo a Basic Due Diligence Assessment prior to signature of the Grant Agreements will enhance the risk management of the AACGS by ensuring organisations with robust financial systems and strong administrative processes are supported.The Independent Completion Report scheduled for March 2015 could provide an opportunity to undertake a retrospective evaluation of the sustainability of a group of AACGS activities. |  |
| 7 | AusAID should engage AAPF to provide ‘secretariat’ services to support to AACGS staff at posts other than Pretoria with the extent of these services to be determined by each post on a needs basis | Not agreed. The AAFP is no longer an option following the decision to consolidate AAPF to focus on extractives governance from 2014. Contractor will be engaged as required. |  |
| 8 | AusAID should reflect on the extent to which the AACGS should proactively align with the agency’s gender and disability corporate focus or continue with opportunistic engagements. There may be value in agreeing on a ‘quota’ for projects each year to address priority themes.  | Partially accepted. AusAID will continue with opportunistic engagements but continue to seek opportunities to enhance opportunities for women, children and PLWD to engage in programs. Strict alignment to quotas would be resource intensive and potentially exclude some valuable programming. The MTR demonstrates that a substantial number of projects are having sound gender and disability outcomes, despite not being specifically aligned with these thematic areas.  |  |
| 9 | Given that the current funding cycle is usually limited to 12 months, AusAID should continue to seek projects that integrate with existing agencies such as schools, health clinics and agriculture extension agencies to ensure projects are not isolated but engage with existing initiatives to reinforce existing government policies/processes and thus maximise impact and the likelihood of sustainability. | Agreed in principle, with flexibility for posts to make own programming decisions.  |  |
| 10 | AusAID should define a coherent theory of change for the Scheme and articulate the desired ‘end states’ the projects are expected to contribute towards.  | Accepted in principle noting that detailed theories of change will not be required because the administrative burden and cost of development of detailed theories of change would constitute a substantial percentage of total program costs and therefore potentially cause a substantial reduction in outputs and outcomes. |  |

**Appendices.**

**Table 1.  Current spread for AACGS 12-13 is:**

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| **Pretoria Post** | **Nairobi** | **Accra** | **Abuja (DFAT)** | **Cairo (DFAT)** | **Pt Louis (DFAT)** | **Multi-country**  |
| RSA:                       7DRC:                      1Malawi:                2Moz:                      2Namibia:              1Zim:                       2 | Ethiopia:              2Kenya:                  6Somalia:               1Tanz:                     3Uganda:                 2Burundi:               1 | Liberia:                 3Sierra Leone:     1 | Benin:                   1Nigeria:                3Niger:                    1 | Sudan:                  3Egypt:                   1 | Madagascar:       1Comoros:            1 | (Moz, Zambia, Swazi, DRC)   (Madagascar and Comoros)2 |

1. This management response was approved by AusAID in August 2013. AusAID has since been integrated into the Department of Foreign Affairs and Trade. [↑](#footnote-ref-1)