

## Independent Progress Report of the Australia Africa Partnerships Facility MANAGEMENT RESPONSE

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### Aid Activity Summary:

Aid Activity Name	Australia Africa Partnerships Facility		
AidWorks initiative number	INJ018		
Commencement date	December 2009	Completion date	June 2015
Total Australian \$	\$125,000,000 (excluding GST)		
Total other \$	No financial contribution from other donors		
Delivery organisation(s)	Cardno Emerging Markets		
Country/Region	Africa Regional		
Primary Sector	Various		
Aid activity objective	AAPF began operating in December 2009 to enable the Australian Government to broaden and strengthen Australia's links with a growing number of African countries.		

### Independent Evaluation Summary

**Evaluation Objective:** The current phase of the Australia Africa Partnerships Facility (the Facility) will end in June 2015. To inform management decision regarding the scope and shape of funding through AAPF until the end of the current phase and in preparation for any continuing assistance under the AAPF, or a successor program, this review assessed the relevance, effectiveness, and efficiency of the AAPF in responding to development needs in Africa. The review had two principle objectives:

- **The first was a retrospective assessment;** a comprehensive review of AAPF against the criteria set out in DFAT's Guidelines with a particular focus on: (i) the operational management of the facility as a whole; and (ii) an independent assessment of the quality of a sample of activities.
- **The second was prospective;** the review team was tasked to make recommendations for improving the delivery and effectiveness of a mechanism such as AAPF to improve capacity building in the continent, including by (iii) considering the shape and size of the facility required to support Australia's changing focus in Africa.

**Evaluation Completion Date:** June 2013

**Evaluation Team:** Kaye Bysouth, Team Leader; Paul Crawford, Monitoring and Evaluation Specialist; Julie Mundy, Capacity Development/Partnerships Specialist.

### Management Response

#### Brief overview of DFAT's assessment of the quality of the report

- a. DFAT is committed to the efficient and effective delivery of Australian aid, and periodically commissions independent reviews of key development programs. The Independent Progress Review (IPR) of the AAPF provided an opportunity to assess the operational management of the AAPF and to inform future

planning regarding the scope and shape of the AAPF in the event of an extension to the existing program, or the potential design of a successor program.

- b. During the review period (2009-2012) the AAPF funded 113 activities across 54 countries. DFAT recognises the challenges associated with evaluating the AAPF, given the spread of activities and the time and resources available for the IPR. We support the agreed purposive sampling method of selecting 15 activities and field visits to 4 countries. We agree that the purposive sample was sufficient to meet the objectives (i) and (ii) of the IPR, but was not representative of the whole AAPF during the review period (2009-2012). As the third objective of the review was to “consider shape and size of the facility required to support Australia’s changing focus in Africa”, it was reasonable to expect the review team to consider the changes that were taking place in the first 6 months of 2012-13. DFAT provided the IPR team full access to information of the AAPF operations during this period.
- c. The review provides some helpful suggestions in improving the systems and overall management of the AAPF. It also provides some good analysis on the achievements of the AAPF but also areas to consider to achieve more sustainable impact. DFAT agrees with the majority of the recommendations and has already actioned or is actioning agreed recommendations.
- d. However, we do not agree with all recommendations and believe some of the conclusions in the report are not adequately backed up by clear supporting evidence. Use of anecdotal comments and references to individuals interviewed are often drawn on or used to back up broader claims without other supporting evidence. The report does not indicate the degree to which the individual views are shared across respondents and if the information is brought together from a range of sources. As a result it can be difficult to determine what the evidence base is behind some of the conclusions in the review. In a number of instances there is supplementary information to which the IPR report makes no reference (such as progress reports, Activity Completion Reports, financial updates, quality reports, reviews). In a number of instances this information contradicts the findings of the IPR.
- e. Overall, DFAT feels the IPR does not acknowledge how the AAPF has shaped a strong platform for longer-term investments and engagement in Africa particularly, but not limited to, the area of Extractives for Growth. The AAPF was central to supporting the African Union in the promotion of the African Mining Vision. Through the AAPF Australia was the first donor to support the establishment of the African Minerals Development Centre which is becoming the primary Africa centre for sharing best practice and improving transparency in the mining sector.
- f. The IPR (p. 8) states that the AAPF *‘would appear to have been highly successful in meeting the diplomatic intent of its objectives... that the best possible development outcomes were achieved within the context of a rapidly deployed aid modality, disbursing a rapidly expanding budget. However, with the exception of work in mining for development, many of the achievements of the AAPF have yet to be capitalised upon.’* We agree with this statement and note that this is not contradictory to DFAT’s approach in implementing the AAPF. In the early phase of the AAPF, the Facility allowed the aid program to test our potential support in a range of countries and sectors. As the expanded aid program in Africa has matured, AAPF has increasingly focused activities in areas where Australia has particular expertise (mining governance being a particular example).
- g. The IPR comments that *“in most cases, the facility is not the appropriate modality to deepen development relationships in the absence of a coherent ‘aid architecture”*. DFAT agrees that the AAPF alone is not the right modality to sustain and deepen long term development relationships, however, when it supports broader bilateral investments in the agricultural and extractives sector it has proven to be a very effective way of providing relevant technical expertise. Without the AAPF, DFAT would often not have had the partnerships in place to build longer term development programs.
- h. In relation to the IPR critique of the PAF (Appendix H), DFAT acknowledges the benefits in having a performance framework which clearly articulates measures for success or achievement of investment outcomes, however notes that this is more challenging with a Facility mechanism. DFAT will incorporate the lessons learned in performance and quality in the design of any successor program.
- i. Some of the proposed research questions did not receive much attention. For example, under ‘efficiency’ the following questions were only addressed to a limited extent: ‘Are the monitoring, reporting, acquittal and risk management processes adequate? Have the monitoring, reporting, acquittal and risk management processes been implemented to the required standard? If not, why not?’
- j. The IPR outlines significant management challenges and duplication created in implementing the AAPF. Many of the management points raised in the report have merit and DFAT has considered how to streamline decision making and implementation of the AAPF. However, some of these conclusions appear to be influenced by a lack of consideration of the historical context around the changing resourcing of the Africa program and the operating context of the AAPF. Specifically:

- a. The IPR does not acknowledge the need to adapt management arrangements to cater for the considerable change in the Africa program and resources from when the AAPF was first established in 2009 until the end of 2012. Over this period, the number of staff in the Africa program has increased significantly in Canberra and African posts. As a program that had considerable program and political risks attached to it, it is understandable that there is debate and different views as to how decentralised such a program could be and how much can be managed by a contractor.
- b. The nature of engagement with multilateral, regional and some bilateral organisations requires DFAT to retain some direct management responsibility of individual activities. This approach is also recommended by the AAPF Operational Review conducted in August 2012. The contract includes a flexible scope of services to allow for flexible utilisation of the MC depending on the context. In our view, this was an efficient way of utilising the MC expertise to achieve results in circumstances where DFAT may not have the in-house resources to directly manage or monitor individual activities.
- c. The IPR comments that “*The MC attests that the nature and level of tasking has dropped substantially*” (p.16). In DFAT’s opinion, this is a reflection of the decreased number of requests for AAPF support that require the MC’s involvement, due to the shift in focus from rapid expansion to longer-term engagement.
- d. There are several references (p.17) regarding the financial approval processes which could be more balanced. For example, the comment that “*The processes related to financial approval are of particular and growing concern to the MC. Funds for implementation are paid in advance, not as reimbursables*”. The report does not note that: (i) the pre-payment model was included in the tender document for the AAPF; and (ii) the pre-payment arrangement was subsequently included in the Basis of Payment negotiated and agreed with the MC.
- e. The IPR also notes “there being a lack of any single person who has a clear understanding of the actual expenditure”. DFAT disagrees with the comment as the AAPF program manager in Pretoria maintains a database tracking all AAPF actual and pipeline expenditure, which is regularly reviewed by the AAPF managing contractor and DFAT senior management.

### Assessment of a sample of activities

- k. Five activities are noted as having “less than positive results” (p.10 & 11). We provide the following comments in response to this rating:
  - o *Mozambique Tete Planning* – the source quoted had a very limited role in project activities, being based in Tete Province as opposed to Maputo. As a result of constraints within the Mozambique counterpart ministry, remaining funds from the activity were transferred to another ministry. The resulting activity is ongoing.
  - o *Diplomatic Training* – although acknowledging the comment on requests for more Australian content, feedback from course participants (gained through surveys distributed on the final day of the course and those distributed one month after course completion) has been positive, with participants noting that the training program had increased their skills and confidence in areas relevant to their work. Participants also reported that they had shared knowledge gained from the training with others in their workplace, strengthening not only individual capacity but institutional capacity. The courses have also helped raise Australia’s profile among both participants and institutional partners in Africa.
  - o *ACIAR* - The AAPF support through ACIAR was designed to be a rapid response to local needs and demands - including pilot studies and capacity building. ACIAR considers that across all activities, bilateral relations have been strengthened with more than 10 African countries. The work in southern Africa was innovative and led to a grant under the Australian Development Research Awards Scheme. ACIAR considers the remarks in the IPR need to be supported by wider evidence.
  - o *AFRITAC South* – although “comparatively minor”, Australia’s contribution was the initial seed funding that prompted the IMF to create an Africa Training Institute (ATI). Australia’s subsequent catalytic funding for the ATI and further contributions to enable recent training of Comorian Government officials in Mauritius was considered by the IMF as best practice by a donor partner in enabling south-south cooperation.

## DFAT's response to the specific recommendations made in the report

DFAT agrees with some of the recommendations in the review and will take appropriate actions to fulfil the recommendations, as outlined below.

Recommendation	Response	Actions	Responsibility
<p>1. The AAPF objectives are reformulated to reflect the role of the facility in providing 'niche assistance' within the context of the Africa Program Strategy and 'aid architecture'.</p>	<p>Noted</p> <p>a. While DFAT <u>agrees</u> with focussing the AAPF on providing 'niche assistance' for development and cost effectiveness reasons (p. 20), this recommendation will be considered in line with the consolidation of the Africa program's geographic and sectoral focus and budget. We note that whole of Government consultations undertaken in 2013 highlighted the importance of Australia to continue to be a flexible and responsive donor in Africa within our chosen areas of work. Multi-country delivery mechanisms like AAPF are highly valued by African governments and help Australia to maintain a basic level of support across the continent, particularly in areas of Australian expertise.</p> <p>b. DFAT will review the objectives of the AAPF program and their relevance as a wider review of the Africa program and the design of a successor program focussed on extractives governance.</p>	<p>a. For consideration in:</p> <p>(i) any possible extension to the current AAPF contract; and</p> <p>(ii) the design of any successor program.</p> <p>b. For consideration in the design of any successor program</p>	<p>DFAT Pretoria</p> <p>DFAT Pretoria</p> <p>DFAT Canberra and Pretoria</p>
<p>2. Relevant AusAID country and sub-regional strategies are required to discuss choices of aid modality, including the role for the AAPF and links with the rest of the program</p>	<p>Noted</p> <p>DFAT <u>agrees</u> with this recommendation and it is being considered as part of the development of an Aid Investment Plan.</p>	<p>For consideration in development of any future African country and sub-regional strategies.</p>	<p>DFAT Africa Branch, Canberra</p>

Recommendation	Response	Actions	Responsibility
<p>3. A Joint Workshop is conducted involving AusAID staff from Posts and MC personnel to: (i) Carry out an audit of relationships formed with PG organisations as a result of AAPF funding; (ii) Determine the future of these relationships within the context of the emerging Africa Program Strategy; (iii) Decide upon the appropriate aid modality to handle on-going relationships with priority PG organisations</p>	<p>Agree</p> <p>a. DFAT has engaged Cardno to undertake a relationship audit on a regional basis. This will include with African Governments, other Australian Government departments, multilateral and regional partners and relevant universities. The relationship audit will identify:</p> <ul style="list-style-type: none"> <li>• The relationships developed through the AAPF</li> <li>• Which relationships should continue/discontinue and the strategy to continuing/discontinuing the relationship</li> <li>• The responsible officer for managing the relationship.</li> </ul> <p>b. The outcomes of the relationship audit will inform decisions about which future aid modalities are relevant to support the Governments objectives in Africa.</p>	<p>a. Completed. MC staff met with AAPF DFAT staff from various Posts during Aug/Sept 2013 to undertake a relationship audit.</p> <p>b. Appropriately discontinue non-priority relationships.</p> <p>c. For ongoing relationships, consider appropriate aid modality</p>	<p>DFAT Pretoria/Cardno</p> <p>DFAT officer responsible (as identified in relationship audit)</p> <p>DFAT officer responsible (as identified in relationship audit)</p>
<p>4. AusAID appoint a full time, continent based, A-based AAPF Manager who has complete oversight of the workings of the facility.</p>	<p>Disagree</p> <p>There is currently an Australian officer at Pretoria Post who has oversight and performs the key management functions for the AAPF. In addition, a Canberra-based officer and officers at each African Posts provide support to the A-Based AAPF Manager. An AAPF planning meeting was held in July 2013, where management comments to the Facility Process Review were finalised and Canberra and Post staffing structures reviewed to avoid parallel performance of functions. In the context of available resources, DFAT believes that this resourcing model has been appropriate to date.</p>	<p>No action required</p>	

Recommendation	Response	Actions	Responsibility
<p>5. The management response to the October 2012 Facility Process Review is finalised as soon as possible and clear directions provided to staff to avoid, as far as possible, parallel performance of functions</p>	<p>Agree</p> <p>As noted in DFAT's management response to Recommendation 4, an AAPF planning meeting was held in July 2013, where management comments to the Facility Process Review were agreed. In addition, Canberra and Pretoria Post have defined the roles and responsibilities to strengthen AAPF processes.</p>	<p>No action required</p>	
<p>6. The MC's contract is revisited to delink the contractor from responsibility for the facility as a whole and focus the contract on only those services for which the MC is directly responsible and genuinely accountable</p>	<p>Disagree</p> <p>In line with implementing the recommendations from the Facility Process Review Report (refer to Recommendation 5), DFAT has put in place mechanisms to clearly define the MC's roles in activities whether directly managed or otherwise (e.g. the one page Grant Procurement and Management Agreement). The current contract's scope of services enables the delivery of flexible and responsive support in Africa, highlighted by the IPR as an achievement of the Facility. As we envisage a continuing need in the short-term for a flexible and responsive mechanism, we do not support a revision in the flexibility of the MC's current contracted scope of services.</p>	<p>As part of implementing the recommendations of the Facility Process Review, AusAID will continue to look at procedures which help better define the MC's role.</p>	<p>DFAT Pretoria</p>