

Mid-Term Review: BRAC Strategic Partnership Arrangement Phase 2 (Bangladesh)

MANAGEMENT RESPONSE

Investment Summary

Initiative Name	BRAC Strategic Partnership Arrangement Phase 2 (Bangladesh)		
AidWorks initiative number	INJ579		
Commencement date	1 April 2016	Completion date	30 June 2020
Total Australian \$	95,000,000		
Delivery organisation(s)	BRAC		
Implementing partner(s)	BRAC		
Country/Region	Bangladesh		
Primary sector	Multi-sectoral – primary education, skills development, women's economic empowerment, extreme poverty reduction		
Initiative objective/s	<p>The Strategic Partnership Arrangement (SPA) Phase 2 is a trilateral arrangement between DFAT, BRAC and DFID covering the period 2016-2020. Australia has committed AUD\$95 million to the partnership and DFID has provided £223 million.</p> <p>Under the SPA Phase 2, DFAT and DFID provide core funding to BRAC to support the implementation of its Strategic Plan (2016-2020). The plan encompasses BRAC's development programs and its ambitious institutional strengthening agenda to transform its business model in the context of Bangladesh's transition to middle-income country status. Increasing program relevance and financial sustainability in Bangladesh's changing poverty landscape are core goals of BRAC's strategic plan.</p> <p>The objectives of the SPA as agreed in the SPA Terms of Engagement are:</p> <ol style="list-style-type: none"> 1) To deliver faster progress towards the achievement of nationally and internationally accepted development goals in Bangladesh, with a particular focus on people facing multiple deprivation, discrimination or exclusion. 2) To support BRAC's institutional change and development plans. 3) To increase knowledge sharing and lesson learning between partners. 4) To increase the capacity of all partners to use knowledge and evidence for program improvement, to contribute to discussion of development issues in Bangladesh and globally, to support the Government of Bangladesh in its development responsibilities, and to undertake advocacy. 5) To deliver development assistance through an approach that promotes effectiveness, efficiency, flexibility and innovation. 		

Mid Term Review Objective:

The purpose of the Midterm Review (MTR) was to assess how the SPA is tracking against its objectives, with a view to identifying both achievements and challenges, highlighting lessons learned and providing recommendations for improvement over the remainder of the program. The review focused on objectives two to five, covering BRAC's institutional strengthening activities and SPA partnership objectives, and included an assessment of the effectiveness of partnership governance and management mechanisms, and the value-add of the partnership modality.

The MTR was intended to be a learning process for all three partners – DFAT, BRAC and DFID – and DFAT led the review on behalf of all partners.

Mid Term Review Completion Date: 31 December 2018

Mid Term Review Team:

Kaye A Bysouth – Independent Consultant, Partnership and Monitoring and Evaluation Specialist.

DFAT's response to the Mid Term Review report

DFAT considers the review to be of a good quality – it sufficiently addressed the questions in the Terms of Reference and the Evaluation Plan, and it met DFAT's monitoring and evaluation standards. The MTR also maximised the engagement of all SPA partners. Findings and recommendations are based on extensive consultation with key stakeholders at strategic and operational levels across the three partners, including members of the two partnership governance bodies, the Steering Committee and Working Group.

The MTR provides practical recommendations to strengthen BRAC's systems, to enhance the value-add of the partnership modality, and to strengthen partnership governance mechanisms.

DFAT has accepted all the recommendations from the MTR report. Consistent with the partnership commitment to joint evaluation and learning, all SPA partners reflected on the MTR findings, lessons learned and recommendations. This management response is prepared by DFAT, and reflects decisions on recommendations made by the SPA Steering Committee. The management response also records progress to date by SPA partners in implementing agreed actions, with the majority already completed. The Steering Committee will continue to monitor progress against recommendations, supported by DFAT Dhaka post.

Key findings of the Mid Term Review report

- The partnership modality, centred on shared objectives, core flexible funding and collaborative governance, is adding value compared to alternative modalities (eg. project based grant). The partnership has enabled BRAC to pilot and scale up programs in response to emerging needs; innovate within existing programs; sustain efforts and deliver outcomes in hard to fund rights-based programs, such as women's empowerment; pilot social enterprise approaches; and increase organisational efficiency and effectiveness by improving management systems.
- Partners have made limited progress against the specific partnership objectives on knowledge management (objectives 3 and 4), and these objectives have become disconnected from their anchor in the BRAC Strategy. The review recommended that a new approach be adopted, focused on expanding the influence of the SPA through policy dialogue utilising BRAC's proven development models.
- SPA partnership objectives as agreed in the SPA Terms of Engagement could be improved to enhance clarity and measurability. The review also recommended that the SPA Results Framework be revised to increase the alignment of outcomes with the BRAC Strategy and to introduce quality measures.
- While BRAC has made substantial progress in achieving its institutional strengthening goals, major tasks still lie ahead to improve organisational systems and processes. In particular, the review recommended that BRAC reengineer its approach to monitoring and evaluation to increase focus on program performance and that financial scenario planning be undertaken.

Response to recommendations

RECOMMENDATION	RELATED FINDINGS/ KEY LESSONS	RESPONSE (AGREE/PARTIALLY AGREE/DISAGREE)	TIMEFRAME
<u>Recommendation 1:</u> The SPA Steering Committee to discuss the current level of investment by BRAC in organisational development (including ICT) with a view to approving an increased level of investment to ensure that management systems, processes and behaviours are fully embedded.	BRAC has made substantial progress in building capability to deliver on its new strategic directions and has achieved impressive results. Despite this, and noting BRAC's ambition to improve systems to support increased program effectiveness and efficiency, major tasks remain, and sustained effort will be required to fully embed systems, processes and behaviour. There is a possible underinvestment in organisational development, recognising the difficulty of establishing international comparators.	Agreed DFAT supports BRAC increasing SPA funding to institutional strengthening. The Steering Committee have discussed this recommendation and noted BRAC's plan to increase investment in institutional strengthening, including through the new Senior Director (Operations) position which will provide strategic oversight to institutional strengthening activities.	BRAC to brief Steering Committee by April 2020 on budget for institutional strengthening in next BRAC Strategy (2021-2026)
<u>Recommendation 2:</u> The SPA Steering Committee seek advice from BRAC regarding potential financial scenarios (including internal and external funding sources) for implementation of the remainder of the BRAC Strategy (to 2020) and beyond. These scenarios could range from the minimum feasible financial scenario (i.e. funding priorities that are indispensable to fulfilling BRAC's mission within a fixed timeframe) to the ideal.	While the BRAC Strategy (2016-2020) provides a detailed budget, it does not include a detailed financial plan that outlines targets for income generation and income diversification, and that would support BRAC to track its progress against financial goals and identify any impact on development results.	Agreed BRAC has prepared Financial Scenarios for the remainder of SPA Phase 2, and these were discussed at the April 2019 Steering Committee meeting.	Completed.
<u>Recommendation 3:</u> The SPA Steering Committee seek advice from BRAC on the preferred financial scenario beyond 2020	As above.	Agreed The Steering Committee discussed this recommendation at its April 2019 meeting. BRAC have committed to developing financial scenarios for	Discussions to be completed by June 2020

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(including internal and external funding sources) and the role of SPA funding within that scenario, in order to facilitate SPA partner medium term financial planning.		beyond 2020 in the context of their new strategy (2021-2025), and presented preliminary scenarios at the November 2019 Steering Committee meeting. Discussions on the role of SPA funding are being undertaken in the context of discussions about the next BRAC Strategy.	
Recommendation 4: The SPA Steering Committee and Technical Working Group (TWG) to ensure that the consideration of 'Value for Money' in both the evaluability assessment and ToR for the End of SPA Phase 2 Review integrate attention to the quality, as well as the quantity of results and the adaptive principles and transformative approaches implemented by BRAC.	The core flexible funding and collaborative governance of the SPA partnership modality is delivering more value for money than other modalities. The partnership has enabled BRAC to pilot and scale up programs in response to emerging needs; innovate within existing programs; sustain efforts and deliver outcomes in hard to fund rights-based programs, such as women's empowerment; pilot social enterprise approaches; and increase organisational efficiency and effectiveness by improving management systems.	Agreed DFID, as the lead on the end of SPA Phase 2 evaluation, has agreed to explore the recommended approaches to VfM contained in the UK Independent Commission for Aid Impact's report – <i>DFID's approach to VfM in programme and portfolio management: a performance review</i> , which is referenced in the MTR.	Completed
Recommendation 5: The passive concept of a 'knowledge partnership' is replaced by the active concept of 'expanding influence' in all relevant SPA documents and the Knowledge Partnership Action Plan is replaced by a jointly developed and implemented Partnership Engagement and Policy Dialogue Framework (Appendix E) to give	There has been limited progress against SPA objectives 3 and 4. A lack of specificity on the purpose of the knowledge partnership and a lack of practical mechanisms to achieve results hampered efforts. Institutional factors also contributed (eg. staff turnover; changing institutional incentives). The SPA objectives have become disconnected from their anchor in the BRAC Strategy priority of increasing BRAC's impact by sharing their proven development models.	Agreed The Steering Committee agreed to Recommendations 5 and 6 at the April 2019 meeting. Activities will focus on BRAC's proven graduation model for extreme poverty reduction. A policy dialogue action plan has been developed and is in implementation.	Completed

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practical expression to the shared intent to expand the influence of BRAC approaches.			
<u>Recommendation 6:</u> The SPA Steering Committee formally agree on the focus for a joint advocacy campaign to be carried out before the end of SPA Phase 2 and task the Communications / Advocacy staff in each agency to work together to design a campaign involving management and staff at multiple levels.	As above	Agreed As above.	Completed
<u>Recommendation 7:</u> The SPA Steering Committee to consider the ways in which DFID and DFAT might support BRAC to gain access to the socially responsible investment markets in the UK and Australia (e.g. via the provision of technical assistance to assist BRAC to meet pre-requisites to receive ethical investment funds; to develop private sector partnerships / relationships).	There is an opportunity for BRAC to explore new financing instruments that leverage private capital.	Agreed The Steering Committee discussed at their April 2019 meeting and agreed that BRAC would advise partners of its interest in support as needed.	Completed

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<p><u>Recommendation 8:</u> The SPA Working Group review and modify the revised draft of the Terms of Engagement (Appendix G) and suggested amendments to the SPA Results Framework - Pillars 2 and 3 (Appendix H), with a view to submitting to the SPA Steering Committee for approval.</p>	<p>SPA Terms of Engagement (ToE) - While the ToE objectives served a valuable purpose in building collaborative intent between the SPA partners, they are also being used to provide a framework for accountability purposes. Given this purpose, the objectives could be reframed to increase clarity and measurability, and remove duplication.</p> <p>SPA Results Framework (RF) - The development of the RF by SPA partners, and of the underpinning M&E structures to gather and validate data by BRAC, is a significant achievement. The RF is however being used primarily as an accountability tool focused on reporting quantitative program results with comparatively little attention to the collection and analysis of qualitative and strategic information.</p>	<p>Agreed.</p> <p>The Steering Committee formally agreed to new shared SPA Objectives in April 2019. The objectives reflect the agreed new approach to “expanding influence” in Recommendation 5.</p> <p>The Steering Committee approved a revised RF, responding to the recommendation, in November 2019. The Steering Committee noted the long term work required for BRAC’s M&E to support reporting on the suggested approach to institution strengthening, and agreed that BRAC would progress this in the context of their next Strategy (2021-2025). The Steering Committee also noted the connection between recommendation 8 and recommendations 9 and 10 on BRAC’s approach to M&E, and agreed that further opportunities to improve the strategic focus of the SPA RF would be pursued as BRAC improves its M&E frameworks.</p>	<p>Completed</p>

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<u>Recommendation 9:</u> The SPA Steering Committee discuss BRAC's current approach to M&E and the need to re-engineer the approach to provide both a structure and standards for reporting on performance and quality (including cross-cutting commitments) and to support strategic, programmatic and organisation-wide decision making.	While BRAC's Strategy (2016-2020) prioritises the need to improve learning and evidence based decision making within programs, its current approach to M&E describes progress (against quantitative targets), but does not provide insights into how results are achieved, and the success or otherwise of key program strategies and the BRAC strategy. Quality measures could be introduced to assess progress against cross cutting commitments such as gender equality and disability inclusion.	Agreed The Steering Committee have discussed this recommendation and noted BRAC's commitment to re-engineer its M&E frameworks. As a first step BRAC has engaged an M&E consultant to develop a roadmap, and DFAT and DFID are providing technical support. BRAC will brief the Steering Committee on their proposed approach and timeline at their next meeting.	BRAC to brief Steering Committee on its M&E Roadmap by April 2020
<u>Recommendation 10:</u> The SPA Steering Committee discuss the level of investment in M&E over the period 2016 to 2018 and consider whether this level of investment is adequate to facilitate the design and implementation of a comprehensive M&E system for BRAC (Recommendation 9; Appendix I).	BRAC's investment in M&E is below international M&E standards of 4-7% of budget.	Agreed The Steering Committee have discussed this recommendation and noted BRAC's intention to review their level of M&E investment following consideration of the Roadmap that is being developed in response to Recommendation 9. The Steering Committee also noted that BRAC is developing a methodology to track all M&E expenditure across the organisation.	BRAC to brief Steering Committee by April 2020.