



Australian Government
AusAID

Attachment B

Quality at Entry Report for Sri Lanka Community Forestry Project

A: AidWorks details <i>completed by Activity Manager</i>			
Initiative Name:	Sri Lanka Community Forestry Program		
Initiative No:	INK103	Total Amount:	AUD5,230,000
Start Date:	September 2011	End Date:	August 2016

B: Appraisal Peer Review meeting details <i>completed by Activity Manager</i>	
Initial ratings prepared by:	Dunstan Fernando and Borhan Ahmed
Meeting date:	3 June 2011
Chair:	Steven Wawrzonek A/g Director SAS
Peer reviewers providing formal comment & ratings:	– Graham Rady Director Asia Programs Quality Adviser and Claire Ireland Environment Adviser/ETG AusAID
Independent Appraiser:	– Not Relevant
Other peer review participants:	<p><i>In attendance:</i> Ananda Mallawathantiri – UNDP Task Manager; Mark Bailey, Counsellor, Development Cooperation for South Asia, Colombo Post; Edward Archibald, Counsellor designate to Colombo/SAS; Sally Mackay, First Secretary (DC), Colombo Post; Melissa Kamp, Second Secretary (DC) Colombo Post; and Dunstan Fernando, Senior Program Manager, Colombo Post</p> <p><i>Apologies:</i> Gina De Pretto, Manager, Asia Program Quality/SAS; Susan Ferguson, Gender Adviser, Gender Policy & Coordination</p>

C: Safeguards and Commitments (completed by Activity Manager)		
<i>Answer the following questions relevant to potential impacts of the activity.</i>		
1. Environment	Have the environmental marker questions been answered and adequately addressed by the design document in line with legal requirements under the <i>Environmental Protection and Biodiversity Conservation Act</i> ?	Yes
2. Child Protection	Does the design meet the requirements of AusAID's Child Protection Policy?	Yes

D: Initiative/Activity description <i>completed by Activity Manager (no more than 300 words per cell)</i>	
3. Description of the Initiative/Activity	<p>What is it?</p> <p>This is a \$5.23 million program of assistance, administered by UNDP on AusAID's behalf, implemented by the Government of Sri Lanka's (GoSL's) Forest Department, to encourage the scaling up of the Community Forestry Program (CFP).</p> <p>The activity is due to start in July, 2011 and be completed in June 2016.</p>
4. Objectives Summary	<p>What are we doing?</p> <p>The activity has a stated Goal of "to improve the management of natural resources to support livelihoods and contribute to poverty reduction in dry and intermediate zones"</p> <p>At the activity is divided into two broad component level objectives:</p> <ul style="list-style-type: none"> (i) Field activities – "to reduce deforestation and forest degradation by involving communities in forest management"; and (ii) Institutional support – "to build the capacity of the Forest Department so community forestry approaches can be implemented nationally". <p>The peer review considered that the program objective to be clear and is in support of the Country Strategy priorities. It has provided adequate definition of specific changes of outcomes as its definition of success. Objectives of two broad components are also clear and measurable. Combination of the Logframe and the M&E framework provides a clear picture on broad outputs and outcomes.</p>

E: Quality Assessment and Rating <i>(no more than 300 words per cell)</i>			
Criteria	Assessment	Rating (1-6) *	Required Action (if needed) ‡
1. Relevance	<p>The peer review noted that the proposed program is part of the core work plan of the Forestry Department (FD). With the program's approval by the FD and the Department of External Resources (ERD) it is clear that this activity is a priority for external support.</p> <p>From an AusAID perspective it is also clear that this activity is consistent with AusAID's broader policies of: (i) supporting the MDGs; (ii) AusAID's Environment and Climate Change Strategy (2010); and AusAID's recently developed Sri Lanka Country Strategy (2011-15).</p> <p>While the overall rationale for the program still remains valid at the national level there is not enough evidence presented in the revised design document to determine whether the original design (dated Nov 2009) is still the most relevant.</p>	5	Post needs to revise the PDD with UNDP and FD to provide evidence to determine that the program proposal still remains relevant and valid for the current context in Sri Lanka. The situation analysis needs to be updated.

E: Quality Assessment and Rating *(no more than 300 words per cell)*

2. Effectiveness	<p>The peer review noted that while the proposed program builds on experience and lessons of the previous program (SLANRMP), which was working at the level of improved incomes, it is important to ensure that there is irrefutable evidence of its effectiveness and sustainability at the impact level.</p> <p>There is also a need to clarify the per site cost estimates to ensure why one should be confident of these current estimates. A concern was that there was a dispute regarding costs per site. The peer review felt that a main risk was that it was difficult to know accurately what to pay the FD per site. It is important that UNDP assesses and work on these very early in implementation.</p> <p>Another significant risk to successful promotion of varying non-forestry type business livelihoods enterprises was the fact that they require technical advice on good practice management and appropriate new technologies, access to additional finance or credit, and marketing services rather than the advice from the FD only.</p>	<p>4</p>	<p>The revised design document needs to address how the changes in management structure might affect the impact of the program and how these impacts have been internalised. There is a need to accurately clarify the per site cost estimates to ensure why one should be confident of these current estimates, Also clarify about the mobilising of non-forestry resources needed for successful promotion of livelihoods enterprises.</p>
3. Efficiency	<p>The peer review noted that while UNDP is a highly professional partner, there is a need to clarify and better explain what relevant experience and expertise it has within the forestry sector in Sri Lanka and document its synergies with other national and sectoral programs in Sri Lanka. The formal governance arrangements were discussed adequately. A larger Program Coordinating Unit (PCU) has been proposed for the smooth functioning of the program. Appointment of a Sociologist will enhance the institutional capacity of the Forest Department and detailed social analysis/impact studies are expected from him.</p> <p>The annual work plan process and supervisory mission will address the governance issues. There is a need to clarify the procurement arrangements and whether there is consultation with WIPS on fiduciary risk assessment processes.</p>	<p>4</p>	<p>The revised design should elaborate on the procurement arrangements and UNDP's experience in this sector. Clarify where the PCU will be physically located. experience in this sector. The costs of the model budget are needed to be confirmed as accurate.</p>

E: Quality Assessment and Rating <i>(no more than 300 words per cell)</i>			
4. Monitoring & Evaluation	<p>The peer review noted that the design provided a good Logframe and a more detailed monitoring and evaluation (M & E) framework.</p> <p>The engagement of a TAG, the processes of the MTR and the ICR are considered appropriate.</p> <p>However, the design should consider disaggregating the community indicators in the M&E framework so that the social impact of community forestry management on income levels and the incidence of poverty is more clearly assessed and monitored. In particular, there is a need to strengthen M&E from a poverty reduction point of view. The position of a Sociologist is seen as key for improving impact.</p>	5	<p>Consider disaggregating the community indicators in the M & E Framework so that social impact is more clearly monitored.</p>
5. Sustainability	<p>The peer review felt that this program should address sustainability concerns proactively. It considered that from a FD institutional level it is good that the program will be working through the GoSL systems to strengthen them.</p> <p>There was a concern that it was unclear about the FD's ability to keep funding support to established sites after year three or the estimated needs.</p> <p>At the community level, it is unclear what the evidence is about the sustainability of the livelihoods enterprises. It will be important that through regular policy dialogue and engagement in annual monitoring AusAID needs to ensure the FD is considering sustainable financing options for the program.</p> <p>Question was also asked what commitment had been shown by the FD/GoSL to the program in the last 18 months since the design.</p> <p>It is suggested that AusAID should work with UNDP to closely monitor the availability of increased financing and adequacy of the FD capacity to ensure longer-term sustainability of the program. It was also noted that the GoSL is in agreement to provide SL Rs80 million for the program as counterpart contributions.</p> <p>From the social sustainability perspective another concern was raised whether the microfinance and micro-enterprise programs would be continued in the post-project period. Post to ensure that this issue is addressed as part of ongoing policy dialogue during implementation. Dialogue on an eventual phase-out strategy for the FD/GoSL should commence from early on in the program.</p>	4	<p>Emphasise the need to assess the longer-term sustainability and the impact level in</p> <ul style="list-style-type: none"> • feedback to Forest Department and UNDP; and • monitoring closely during implementation. <p>Through policy dialogue and engagement in annual monitoring AusAID needs to ensure the FD is considering sustainable financing options from the program's commencement</p>

5. Gender Equality	<p>The peer review felt that gender has been discussed as an overarching policy issue in the design document. However, there is the need to strengthen/integrate gender considerations at the strategic and institutional and strategic level rather than predominantly focussing at the project level.</p> <p>The project data would need to be gender-disaggregated. It would be useful to develop a specific gender (and broader social inclusion) action plan to demonstrate these issues are being considered in all aspects on program planning, implementation, and M&E as well as at the broader institutional and strategic level in the FD.</p> <p>Ensuring support and buy in to the sociologist's role by the FD/GoSL will be essential for ensuring the program's poverty and gender equality potential overall. Ensuring lessons on why a sociologist could not be recruited by the FD feed into institutional support component of the program early on in the implementation.</p> <p>It was also suggested to engage a gender specialist at the beginning of the program to look at previous evaluations and work out the gender action plan for the program.</p>	<p>4</p>	<p>. Strengthen/integrate gender considerations at the strategic and institutional and strategic level rather than predominantly focussing at the project level. Project data would need to be gender-disaggregated. Develop a specific gender (and broader social inclusion) action plan to demonstrate these issues are being considered in all aspects on program planning, implementation, and M&E as well as at the broader institutional and strategic level in the FD.</p> <p>Ensure buy in to the sociologist's role by the FD/GoSL for the program's poverty and gender equality potential overall.</p>
7. Analysis and Learning	<p>The peer review considered that while the analysis in the revised design is sound, the situation analysis and lessons learned sections need to be updated to determine in the document to validate the appropriateness of the current design for the current context in Sri Lanka, especially considering the new developments and changes in the sector in the last 18 months. For example, what lessons have been learnt by the FD through at least the two budget cycles since the design was put together? What activities are they currently engaged in and prioritising? Is community based forestry is taking place in post-conflict areas? What has been the level of support to the program from other parts of the Government?</p>	<p>5</p>	<p>These particular sections of the revised PDD should be updated to ensure the validity of the appropriateness of the revised design</p>

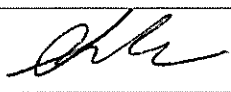
*** Definitions of the Rating Scale:**

Satisfactory (4, 5 and 6)		Less than satisfactory (1, 2 and 3)	
6	Very high quality; needs ongoing management & monitoring only	3	Less than adequate quality; needs to be improved in core areas
5	Good quality; needs minor work to improve in some areas	2	Poor quality; needs major work to improve
4	Adequate quality; needs some work to improve	1	Very poor quality; needs major overhaul

‡ **Required actions (if needed):** These boxes should be used wherever the rating is less than 5, to identify actions needed to raise the rating to the next level, and to fully satisfactory (5). The text can note recommended or ongoing actions.

F: Next Steps <i>completed by Activity Manager after agreement at the Appraisal Peer Review meeting</i>		
Provide information on all steps required to finalise the design based on <i>Required Actions</i> in "C" above, and additional actions identified in the peer review meeting	Who is responsible	Date to be done
1. Finalise the minutes of the Appraisal Peer Review and the agreed QAE ratings	Desk / Post	End June
2. Obtain A/g Director SAS approval for APR minutes and QAE ratings	Desk / Post	Early July
3. Finalise the revision of the Program Design Document incorporating actions/recommendations suggested by peer reviewers	Post / UNDP / Desk	July
4. Draft FMA Reg 9/10 seeking the Delegate's approval for the Program	Post / Desk	Early August
5. Negotiate and finalise MOUs with GoSL and Partnership Contribution Agreement with UNDP separately to facilitate the release of AusAID contributions to UNDP	Post / Desk	August
6. Program launching	Post / UNDP	September

G: Other comments or issues <i>completed by Activity Manager after agreement at the APR meeting</i>
<ul style="list-style-type: none"> Not Applicable

H: Approval <i>completed by ADG or Minister-Counsellor who chaired the peer review meeting</i>		
<p>On the basis of the final agreed Quality Rating assessment (C) and Next Steps (D) above:</p> <p><input checked="" type="checkbox"/> QAE REPORT IS APPROVED, and authorization given to proceed to:</p> <p style="margin-left: 40px;"><input checked="" type="radio"/> FINALISE the design incorporating actions above, and proceed to implementation</p> <p style="margin-left: 40px;">or: <input type="radio"/> REDESIGN and resubmit for appraisal peer review</p> <p><input type="checkbox"/> NOT APPROVED for the following reason(s):</p> <p>_____</p> <p>_____</p> <p>_____</p>		
Steven Wawrzonek <name of MC/ADG> A/g Director SAS,	signed: 	3/11/11 <date>

When complete:

- Copy and paste the approved ratings, narrative assessment and required actions into AidWorks and attach the report.
- The original signed report must be placed on a registered file

Quality Criteria - Consider these questions when assessing:

Relevance – “Why are we doing this?”

- Is the specific role of Australian aid (aid objectives) in contributing to a Partner’s priority development outcomes clearly articulated?
- Does the activity contribute to higher level objectives of the Australian aid program as outlined in a Partnership for Development, and/or relevant country, regional and thematic strategy?
- Does the activity target priority needs not addressed by other development partners, and/or how is Australia otherwise seeking to harmonise its assistance?
- If working with/through another partner (e.g. UN, WB, PIFS), consider *both* the clarity and relevance of Australian *objectives for the partnership*, (why we chose to work this way) and the partner’s aid objective(s) *vis a vis* the development context, partner priorities and beneficiaries’ needs.
- Is the design relevant to the context specific analysis and lessons? i.e. does contextual analysis clearly inform:
 - the proposed approach to addressing the identified development issues?
 - the modality and financing arrangements selected?

Effectiveness – “Will it work?”

- Are the objectives for this activity (aid objectives), clear, measurable and achievable within the stated timeframe?
- Is it clear how we think change will occur (theory of change) i.e.:
 - are the relationships linking analysis, objectives and our approach clear and plausible?
 - are the underlying assumptions clearly outlined?
- Are main risks and plans to prevent or mitigate them identified?
- Does the design identify key partnerships which may contribute to achieving objectives?

Efficiency – “How will we do it?”

- Are proposed technical solutions and associated implementation arrangements high quality, appropriate to the context and good value for money?
- Where appropriate, are implementation arrangements harmonised with other donors and aligned with partner government systems?
- Are roles and responsibilities of all development partners and all actors involved in activity implementation clearly identified?
- Is the activity adequately and appropriately resourced to achieve the desired objectives?

Monitoring and Evaluation – “How will we know?”

- Will proposed monitoring and evaluation help us to know how it is all working? Do proposed arrangements clearly support management, accountability and lessons-learning needs (including ongoing quality and performance reporting)?
 - is it focused on priority information needs and not overly complex?
 - is it clear what will be assessed, by whom, when and how (including baselines where appropriate)?
 - can this also inform analysis and judgement of contribution to/achievement against higher level objectives of the program?
- Will data be gender-disaggregated to measure impact on men and women, boys and girls?
- Will monitoring and evaluation arrangements use or contribute to strengthening local monitoring and evaluation systems and/or capacity? If strengthening the capacity of partner performance management is an *objective of the activity*, will this be tracked and managed accordingly? (Note this would then need to be identified in the Objectives summary and assessed against “Effectiveness”.)
- Is monitoring and evaluation adequately resourced?
- Where we are jointly implementing with other partners and/or funders, are there *AusAID specific objectives* for engagement in the activity/partnership, and do monitoring and evaluation arrangements address this?

Sustainability – “Have we planned for benefits to last?”

- Is it clear what sustainable benefits/change the activity aims to generate? Is sustainability in fact an aim of, or reasonably achievable by, the activity? Benefits may be assessed in terms of either or both:
 - objectives/outcomes – what the activity itself is aiming to achieve (Australian aid objectives), and what would result for that in terms of immediate or longer-term shared development outcomes; and
 - processes – how the activity will operate.
- Have specific constraints to sustainability, in the context of the proposed activity, been identified and addressed?
 - this should include consideration of financial, human resource and political constraints
- Are the strategies for achieving sustainability explicit?
 - are they integral to the activity objectives, approaches and monitoring and evaluation?
- How likely are beneficiaries and/or partner country stakeholders to have sufficient ownership, capacity and resources to maintain desired activity outcomes after Australian Government funding has ceased?
- How well are any **emerging environmental, climate and disaster challenges** (e.g. extreme weather events, resource degradation, pollution, disasters and climate change related impacts) or opportunities (e.g. for Disaster Risk Reduction or adaptation) being addressed in activity design?
- Does the activity aim to build resilience to cope with changing conditions and future uncertainties?
- How is the design ensuring no significant negative environmental impacts are likely (including complying with the Environment Protection and Biodiversity Conservation Act) and does it pursue opportunities to enhance the environment?

How will monitoring and evaluation be used to assess and report on environmental sustainability of the activity?

Gender equality – “How are we going to achieve it?”

- How will the activity contribute to advancing gender equality or support women’s and men’s equal engagement in, and benefit from, the activity?
- How well does the design integrate gender equality into objectives and the consideration of risks and sustainability?
- Does the design identify how the activity will work to develop capacity on gender equality objectives of program staff, counterparts, development partners, and/or the broader community?
- Is the monitoring and evaluation framework able to assess and report on progress towards gender equality results?
- Does the design propose gender expertise be accessed during implementation?
- Does the design provide for gender equality considerations and impacts at the policy level and with counterparts at the program level?
- Will the monitoring and evaluation assess and report on progress towards desired gender equality objectives, outcomes and impact?

Analysis and Learning – “How well have we thought this through?”

- Does analysis takes into account (as appropriate) political, institutional, economic, financial, organisational and human resource issues?
- Are lessons from previous experience in the sector and/or country taken into account?
- Does sufficient analysis underpin the theory of change?
- Does the analysis appropriately address and integrate other agency commitments and safeguards including gender equality, disability, environment, anti-corruption and child protection?
- Does the analysis take into account which partnerships are going to be critical in achieving the objectives and why?

Safeguards and Commitments

As part of activity design and implementation, attention is typically given to the risk **posed to** the success or effectiveness of an activity, and less often on the risk of potential harm **caused by** an activity. Policies and procedures that address the potential risk of harm that can result from an aid activity are known as **safeguards**. Cross-cutting policies and procedures aim to improve aid quality and effectiveness, while safeguards policies and procedures aim to "do no harm". Cross-cutting issues often have "safeguard" implications, but not all safeguard issues will be cross-cutting issues. In AusAID, the following areas have both cross-cutting and safeguard implications. This section will be progressively added to as further guidance on safeguards issues is developed along with corresponding questions that must be addressed before commencing an initiative in AidWorks.

Environment (see the Guideline, *Integrating Environment into Activity Design*)

If there are environmental impacts that need to be considered, appropriate action needs to be taken from the very beginning in the design. Assess whether the design has answered and addressed the following questions:

1. Is the activity in an environmentally sensitive location or sector?
2. Is there potential for the activity to have an impact on the environment?
3. Is the explicit, or implicit, aim of the activity to have a positive environmental impact?
4. Is the activity relevant to multilateral environmental agreements?
5. Could the activity have significant negative environmental impacts?

Consider both the impact of the design and implementation phases, and of the ongoing activity, and what, if any, action is required to comply with the EPBC Act.

For additional information see *AusAID's Environmental Management Guide for Australia's Aid Program* or contact the Sustainable Development Group on +61 2 6206 4174.

Child Protection - AusAID's Child Protection Policy provides a clear framework for managing and reducing risks of child abuse by persons engaged in delivering Australian aid program activities. This policy applies to all AusAID staff, including those based overseas, and to all contractors and non-government organisations funded by AusAID. See guidance, *Child Protection Procedure Manual* (page 4), and the *Child Protection Policy*.

Choose **N/A** if the activity does not involve working with children or if the activity is to be implemented by one of the following:

1. Partner Government
2. An Australian Whole of Government Partner
3. Multilateral organisations
4. Donor governments

For additional information contact the Child Protection Officer on +61 2 6206 4184 or email CPO@ausaid.gov.au