

Australian Government





AusAID Assessment of Civil Society Organisations Part B: Effectiveness Assessment Methodology Consultation Draft

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Background

AusAID's Civil Society Engagement Framework (CSEF) provides a structure for Australia's engagement with civil society, in Australia and overseas, and links increased funding for civil society organisations (CSOs) to their effectiveness, capacity and relevance to Australia's development interests. The Framework sets out how Australia will work more effectively with CSOs to increase the impact of aid on the world's poorest. The CSEF outlines five objectives: improved effectiveness and impact, sustainability, reduced risk and shared accountability, efficiency and value for money, and diversity and innovation.

Introduction

The Australian Government seeks to improve development impact by linking increased funding to CSO effectiveness, capacity and relevance to Australia's aid objectives, by consistently tracking and reporting results and by promoting better practice approaches.¹ Civil Society and AusAID have a long history of working in partnership, and a significant proportion of the Australian aid program is invested in activities involving CSOs. AusAID currently partners directly with approximately 260 Australian, international, and local in-country CSOs and provided funding of almost AUD\$600 million to CSOs in 2011-12.²

As part of a shared commitment to improved effectiveness and impact and deeper engagement with CSOs under the AusAID Civil Society Engagement Framework, AusAID is seeking to develop a methodology to assess the effectiveness of CSOs, to inform its approach to increased funding to CSOs. The EAM will integrate with AusAID's Due Diligence Framework³, which seeks to assess partner risk. Together, the two assessment tools will provide a basis for AusAID to understand partner capacity, risk and effectiveness and will inform partnership and funding decisions. Together, these processes will inform AusAID's approach to assessing value for money in the context of CSO partnerships.

The draft EAM outlined in this paper has considered the vast range of effectiveness principles, assessment approaches and tools being utilised by INGOs, CSO peak bodies and multilaterals and the proceedings and principles which have emerged from the international effectiveness discourse through the Paris, Accra, Istanbul and Busan processes and the CSO consultations in Siem Reap. To ensure alignment, it has considered relevant AusAID policies, guidelines and tools, including the *Civil Society Engagement Framework*, the *Performance Management and Evaluation Policy* and the *Investment Design Quality Standards*.

¹ AusAID Civil Society Engagement Framework: Working with civil society organisations to help people overcome poverty, June 2012

² Working Beyond Government: Evaluation of AusAID's engagement with civil society in developing countries, October 2011 – www.ode.ausaid.gov.au

³Assessment Standards for Civil Society Organisations under the AusAID Due Diligence Framework are currently in draft form and in public circulation for consultation and feedback.



Complete consensus on the definition of effectiveness and how it should be measured has so far eluded the development sector. It is likely that, due to the very nature of development work—the complex context within which is it engaged and the vast range of delivery mechanisms and partners—attempts to reach this consensus will continue to confound. Nevertheless, when reviewing the wide range of literature outlining the principles, approaches and tools being utilised by INGOs, CSO peak bodies, donors, multilaterals and those which have emerged from the systematic global discourse over recent years, there is a great deal of common ground and shared understanding. There are also some critical differences, although these are few.

The Effectiveness Assessment Methodology proposed in this paper aims to enhance our understanding of CSO capacity to deliver effective development process and outcomes through the assessment of Principles of Practice. These reflect practices that are internationally recognised as key to development effectiveness. The CSO EAM Principles of Practice are:

- - 1. Development Strategy
 - 2. Inclusiveness and Equality
 - 3. Empowerment, Community Ownership and Participation
 - 4. Equitable Partnerships and Respect
 - 5. Results and Accountability
 - 6. Sustainable Change
 - 7. Relevance and Coherence

The most critical factor in adopting a Principles of Practice approach is that, in assessing a CSO's organisation-wide practices and systems, this approach will provide an understanding of a CSO's practice across its entire portfolio of projects and will provide greater assurance to AusAID and other stakeholders of CSO effectiveness. CSOs' practices to monitor, analyse and report their results and outcomes will be assessed as part of this. Importantly, this approach also provides meaningful pointers for learning and improving practice by analysing the individual practices that lead to effective development.

Document Purpose

This document will form the basis of consultations with internal and external stakeholders. Feedback on the Draft Effectiveness Assessment Methodology (EAM) should consider alternatives or improvements to (a) Effectiveness Principles of Practice and (b) the Method of Assessment. Feedback should reflect on the challenges that Civil Society Organisations (CSOs) may face in meeting the EAM requirements and propose alternatives that would otherwise satisfy the need to assess the effectiveness of CSOs. Stakeholder feedback will inform revisions of the Draft EAM and the development of guidelines and tools for the assessment of CSOs.

We are seeking feedback on Draft AusAID Assessment of Civil Society Organisations, Part A: Due Diligence Assessment Standards for CSOs; and Part B: Effectiveness Assessment Methodology.



Comments on the overall assessment standards and methodology, and suggestions on how to implement them, can be provided in the form of emails, written submissions or annotations to the documents. Feedback should be sent to: ngoengagement@ausaid.gov.au by **31 May 2013**.

We also encourage you to fill in the survey appropriate to your position as either a CSO or a peak body on both the Due Diligence Framework and Effectiveness Assessment Methodology before **17 May 2013**:

We also encourage you to fill in the survey appropriate to your position as either a CSO or a peak body on both the Due Diligence Framework and Effectiveness Assessment Methodology before **17 May 2013**:

<u>Due Diligence Assessment Standards for CSOs</u> – CSOs: http://www.surveymonkey.com/s/WFKSJ9D Donors and peak bodies: http://www.surveymonkey.com/s/SKCXBST

Effectiveness Assessment Methodology

CSOs : http://www.surveymonkey.com/s/W6CWH7R Donors and peak bodies: http://www.surveymonkey.com/s/SLR7PKW

Global Approaches to Effectiveness Assessment

The methodologies undertaken internationally to assess CSOs vary, both in the nature of the methodology and in the criteria by which CSOs are assessed. The closest alignment to an assessment of CSO effectiveness that can be used as a reference point is the assessment that international NGOs undertake of their members against a set of quality standards. Typically, these standards are self-regulated but may be peer reviewed. Organisations may be rated against standards, but the focus is typically on learning and development and not on receiving an overall rating.⁴ There are also now a number of international NGOs that have developed their own development effectiveness frameworks which seek to collect performance information against a set of standards and indicators.⁵

There have been many efforts by CSOs to self-regulate and this typically manifests in a sector wide Code of Conduct or set of standards. An inventory undertaken by the One World Trust in 2009 counted more than 130 self-regulatory initiatives by NGOs and other CSOs and found that the underlying principles of most of the initiatives are very similar.⁶ The lack of external or independent scrutiny of self-regulatory methods has been criticised as an inherent weakness;

⁴ Refer to ActionAid ALPS or Oxfam International Standards as examples

⁵ Such as the Australian NGOs ChildFund, Habitat for Humanity and ABM

⁶ One World Trust, Responding to NGO Development Effectiveness Initiatives, World Vision Briefing Paper Number 122, November 2009

however, it has been noted that the ACFID Code of Conduct⁷ differs in that self-assessment against the obligations of the Code of Conduct is mandatory and there is a level of scrutiny of compliance by ACFID.⁸

There have been some attempts at setting industry benchmarks against which NGOs would achieve a certification⁹ and ratings organisations that evaluate an NGO's functions and publish their conclusions,¹⁰ but these tend to be focused on institutional performance relating to management, fundraising and transparency, rather than development effectiveness.

Donor approaches to assessing CSO effectiveness usually reside in undertaking program reviews and evaluations, rather than undertaking any overall organisational assessment. The exception to this is the AusAID NGO accreditation and New Zealand accreditation processes, which include aspects of effectiveness in a much broader institutional capacity and risk assessment. There are also other donor processes, such as the UNDP Partner Capacity Assessment Process which include some aspects of effectiveness in a broader capacity assessment that is designed to inform UNDP of partner capacity rather than provide eligibility to any funding scheme.

Similarly, most international NGOs have their own capacity assessment processes for implementing partners that include aspects of development effectiveness but more predominantly focus on institutional systems and capacity. Most of these processes have been designed with a view to learning, capacity development and self-regulation.

In summary, from the broad review of international practice undertaken in the development of the AusAID CSO EAM, the formal assessment of CSO effectiveness at an institutional level by a donor is new territory. It is not new for bilateral or multilateral organisations, as there are a range of methodologies that seek to rate and rank the performance of these institutions.¹¹ Nor is it new for organisations to be involved in some form of peer review or self-assessment against a Code of Conduct or a set of quality standards, but it is new for this type of assessment of CSOs to be undertaken at an institutional level by a donor such as AusAID.

⁷ A code of conduct for Australian non-government organizations developed by the members of the Australian Council for International Development – www.acfid.org.au

⁸ The Evolution of NGO Accountability Practices and their Implications on Philippine NGOs – a literature review and options paper for the Philippine Council for NGO Certification by Daniel A Songco

⁹ SGS NGO Benchmarking: a service certification standard aimed at assessing the accountability and performance of non-profit institutions

¹⁰ BBB Wise Giving Alliance, Charity Navigator and the American Institute of Philanthropy's ratings guide

¹¹ QuODA; OECD's DAC peer review process; Multilateral Operational Performance Assessment Network; and Multilateral Development Banks' Common Performance Assessment System



Defining CSO Effectiveness

Over the past ten years, there has been significant work undertaken internationally to define the determinants of development effectiveness, and CSO effectiveness more particularly. In the CSO domain, this began with individual organisations defining their own quality standards, and others, like ACFID, developing early frameworks articulating development effectiveness for the NGO sector.¹² This work gained momentum alongside the increasing focus of donor governments on aid effectiveness, particularly since the First High Level Forum on Aid Effectiveness in Paris in 2005. Alongside donor governments' work on aid effectiveness, the Global Open Forum on CSO Development Effectiveness was established with the financial support of bilateral donors. This was a CSO driven initiative aimed at reaching agreement on common principles and objectives of CSO development effectiveness. The product of the Open Forum's extensive consultations with thousands of CSOs around the world is the International Framework for CSO Development Effectiveness, which includes the Principles for CSO Development Effectiveness. This Framework was presented and endorsed at the Fourth High Level Forum of Aid Effectiveness at Busan in 2011.

The Framework is centred on what is commonly known as the Istanbul Principles, which include:

- 1. Respect and promote human rights and social justice
- 2. Embody gender equality and equity while promoting women's and girls' rights
- 3. Focus on people's empowerment, democratic ownership and participation
- 4. Promote environmental sustainability
- 5. Practise transparency and accountability
- 6. Pursue equitable partnerships and solidarity
- 7. Create and share knowledge and commit to mutual learning
- 8. Commit to realising positive sustainable change

Given the international status, wide acceptance and coherence of other practices with the Istanbul Principles, these have principally informed the proposed seven AusAID CSO Effectiveness Principles of Practice recommended in this paper. AusAID's Principles of Practice have been cross-referenced with a range of other frameworks that seek to identify development effectiveness, the result being that there is in fact broad commonality with the Istanbul Principles.¹³ The proposed AusAID Principles of Practice that will optimise effective development process and outcomes are:

¹² ACFID 2004 NGO Effectiveness Framework

¹³ refer to Annex 1 for analysis of documents reviewed



CSO EAM Principles of Practice

<u>1. Development Strategy</u> – in recognition that the extent to which a CSO informs itself of the context in which it works and undertakes deep analysis of the way in which it plans to address development challenges has a significant bearing on the effectiveness of its initiatives. 'Value for money' will be explicitly assessed within this Principle of Practice. It will assess the extent to which CSOs make well-informed and intentional investment decisions that include consideration of the overall costs and development benefits of their initiatives.

<u>2. Inclusiveness and Equality</u> – in recognition of the important role that CSOs play in supporting equal opportunities and positive discrimination in order to enhance the role of marginalised, vulnerable and under-represented groups in the development process, with a particular focus on women and girls.

<u>3. Empowerment, Community Ownership and Participation</u> – in recognition that affected populations are the primary stakeholders in development and that their involvement and empowerment is central to the effectiveness of development and represents a unique advantage of CSO partnerships.

<u>4. Equitable Partnerships and Respect</u> – in recognition that partnerships based on mutual respect, transparency and understanding, and where diversity and differences are recognised and respected, are the foundation of CSO effectiveness.

<u>5. Results and Accountability</u> – in recognition that monitoring, analysing and reporting results and outcomes to the full range of stakeholders, including primary stakeholders, are critical aspects of effectiveness. Implicit in this is the importance of learning and accountability, integrating evidence from development practice and results, engaging primary stakeholders equally in this process and drawing on their perspectives and knowledge to improve practice. It is expected that analysis of results includes a 'value for money' assessment—i.e. an assessment of the overall costs and development benefits of initiatives.

<u>6. Sustainable Change</u> – in recognition of the importance of the long-term viability of development project outcomes, self-reliance, ownership and autonomy to effectiveness, including close consideration of environmental sustainability.

<u>7. Relevance and Coherence</u> – in recognition that, to be most effective for primary stakeholders, development initiatives must be relevant to local priorities, CSOs' own objectives and those of all partners, including AusAID.

The proposed AusAID CSO Effectiveness Principles of Practice include two principles which are not directly referred to in the Istanbul Principles—the principle of 'Development Strategy' and the principle of 'Relevance and Coherence'. The principle of 'Development Strategy' emphasises the importance of CSOs undertaking deep analysis of any context and developing an approach that is both grounded in the expressed needs of primary stakeholders and shows a thorough understanding of the theory of change which will lead to the desired results. As partners to government and recipients of public funds, CSOs need to demonstrate their analysis of 'value for money', that they are making wellinformed and intentional investment decisions that include consideration of the relative costs and benefits of their initiatives. In doing so they should have considered whether there are alternative approaches to delivering the intended outcome. This principle does not favour CSOs who support low-cost, short-term initiatives but places emphasis on CSOs having processes that promote a rounded analysis of their own development strategies. This principle seeks to ensure that CSOs have analysed and understood the context in which planned activities will occur and that they continue to review their understanding as the context changes.

The principle of 'Relevance and Coherence' recognises that, as partners engaged in a broader context of development cooperation, CSOs are more effective when their work is aligned with local priorities and implemented alongside other supporting initiatives. This is consistent with the principles of alignment and harmonisation articulated in the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action. The principle reflects the recognition among many CSOs that they are more effective when they are able to work at multiple levels of society to create sustainable change. CSOs have close and often unique connections with local processes, but they also seek change at national and global levels.¹⁴

The full set of seven Principles of Practice provides a framework for an Effectiveness Assessment that reflects a set of internationally recognised values and assesses the capacity of a CSO to make strategic and informed decisions that will maximise their effectiveness. The Principles of Practice also complement those outlined in the *AusAID Civil Society Engagement Framework*.

Factors Guiding the Assessment Process

The CSO Effectiveness Assessment process will also take into account the following factors:

1. Value for Money

The Effectiveness Assessment Methodology informs AusAID's value for money assessment of CSOs in that it assesses the extent to which CSOs represent effective delivery partners. This approach recognises that assessment of a CSO against the Principles of Practice will provide comprehensive organisational level performance information. It recognises that the performance of a CSO is best measured through an assessment of overall organisational effectiveness, rather than through a cost-based quantitative assessment at a programmatic

¹⁴ International Framework for CSO Effectiveness



level of inputs and outputs or, more specifically, outputs per unit input. The EAM specifically assesses 'cost and value consciousness' within the Principles of Practice of 'Development Strategy' and 'Results and Accountability'. The dual focus on effectiveness and cost consciousness within the EAM is a robust approach to assessing value for money. Along with the assessment of risk through the Due Diligence Framework and consideration of the overall cost of a funding commitment, the EAM provides a basis on which AusAID is able to make informed decisions that take into account value for money in any funding context.

2. Non-exclusion

An Effectiveness Assessment will equip AusAID to understand CSO capacity and identify particular aspects of good practice or areas for improvement. AusAID may still elect to partner with an organisation whose capacity needs further development if there are broader community benefits that would be gained through such a partnership and where the risks of lower partner capacity are managed or supported. In this way, the methodology does not seek to exclude organisations from partnering with AusAID, as long as they are able to meet minimum levels of effective practice.

3. Accommodating Diversity

It is recognised that CSOs consist of a wide variety of models, organisational capacities and structures with a range of development approaches and strengths. It is also recognised that CSOs work in very different contexts globally and that some of these contexts limit development effectiveness. The assessment process will require those undertaking the assessment to take these variations into account. Guidelines and tools for Assessors will ensure diversity of capacity and context is accommodated.

4. Consistency

The Effectiveness Assessment process will be used to assess the effectiveness of all CSOs engaging with AusAID. The same 7 Principles of Practice and Assessment Methodology will be used for all CSOs. Standards will be clearly outlined in a table format and will be publicly available. To assist assessors to make consistent assessments, clear descriptions will be developed for each standard.

5. Transparency

A standardised report for each CSO will be prepared for AusAID and the CSO and made publicly available, with the consent of the CSO. The commitment to transparency is recognised in both the Istanbul Principles for CSO Development Effectiveness and the AusAID Transparency Charter.

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6. Evidence based

Effectiveness Assessments will be based on the most current, objective and verifiable information available whilst still accommodating diversity of CSO structure and capacity. Each standard will be assessed against evidence provided by the CSO; evidence that is publicly available; and other evidence that may be provided to AusAID, such as third-party evaluation reports or assessments. All evidence provided will be listed and referenced in any assessment made.

CSOs will have an opportunity to present statements of effectiveness against each of the Principles of Practice within the Effectiveness Assessment process. CSOs will also have an opportunity to refer to or provide evidence supporting their claims of effectiveness. These statements of effectiveness and supporting evidence will form a key part of the Effectiveness Assessment of the CSO.

7. Learning and Quality Improvement

The Effectiveness Assessment process will not rank organisations against each other or take a pejorative or punitive approach to the use of its findings. The methodology is designed to facilitate learning and continual improvement of practice. Ratings will be provided to CSOs against each of the Principles of Practice but will not be aggregated into an overall score or ranking. This has been done quite intentionally to enhance opportunities for learning at the specific Principle of Practice levels, where improvements to practice can be most usefully informed by the assessment's findings.

8. Knowledge Sharing

The use of a central register of findings will lead to increased understanding across AusAID of CSOs and will facilitate access to this information and partnerships by different business units.

9. Fit for Purpose

The EAM's Principles of Practice and methodology are designed to assess and understand institutional or organisational capacity to optimise effective development process and outcomes. The Effectiveness Assessment process will provide eligibility for CSOs to access funding schemes. The *AusAID Civil Society Engagement Framework* also proposes that increases in funding be linked to CSO effectiveness. The EAM will provide a platform for AusAID to make that linkage, but how this will be applied is yet to be determined.

The EAM is not designed to appraise designs or evaluate the results of individual initiatives. These should still be assessed in accordance with AusAID's other quality appraisal processes of the day, such as the current *Investment Design Quality Standards*. The methodology will therefore not bias easily evaluated, short run successes. The methodology is designed to assess the effectiveness of the approach of CSOs, based on principles that are internationally recognised as key to development effectiveness.

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10. Recognition of existing processes

Where comparable or more substantive Effectiveness Assessment processes already exist, such as AusAID or CSO evaluations, aspects of the AusAID Australian NGO Accreditation process or the ACFID Code of Conduct annual self-assessment process, their findings will be considered as legitimate evidence in the Effectiveness Assessment process.

Method of Assessment

CSOs will be assessed against each of the CSO Effectiveness Principles of Practice outlined in section 9 of the Assessment Framework at the end of this document. Each Principle of Practice will be accorded equal weighting. Some standards have been provided in the table in this document as a starting point for discussions, and these will be further elaborated on and refined following feedback from consultations with the sector and other stakeholders. Once complete, these will provide the clarity and transparency required to develop guidelines to undertake assessments.

CSOs will be assessed at the level of each of the 7 Principles of Practice and a finding against each of these will be provided. These findings will not provide a basis for ranking CSOs against each other or reduce the assessment of a CSO's effectiveness to a single number. The EAM method of assessment takes a 'balanced scorecard' approach, where performance information is not aggregated into a bottom line numerical score. The focus in a balanced scorecard approach is on examining key aspects of performance, recognising that each performance area is unique but interrelated. This approach is recommended for two reasons. Firstly, it will avoid the temptation to simply average or aggregate the findings into a potentially meaningless score that does not recognise the importance of each principle of practice individually. Secondly, keeping the findings at this level will facilitate learning and improvement in effective practice. It is at the individual 'practice' levels that CSOs and AusAID can learn the most about particular CSO strengths or aspects of practice identified that need strengthening.

There is also recognition, however, that to be useful as a tool that informs decision making, there is a need for the tool to provide some type of overall assessment of a CSO's effectiveness.

The exact assessment scale to be used at the Principle of Practice level has not yet been finalised. It may consist of descriptive categories or use a system of colours, for example. The most appropriate rating system will be informed through consultations with the sector and AusAID, and at this stage suggestions are very welcome. The final system must satisfy AusAID's need for evidence-based, usable information and foster a level of trust among CSOs with regard to the results of their Effectiveness Assessment being publicly available.

While the specific categories remain open for discussion, it will need to represent the varying degrees of effectiveness in some manner, such as:

- Minimum level of effectiveness practice in place—meets minimum standards but requires improvements to practice
- Moderate level of effectiveness practice in place—meets good standards of practice but may require some minor improvements depending on scale and nature of development interventions
- High level of effectiveness practice in place—meets high-level standards and no action is required, and provides an opportunity for additional 'funding factor'.

These different levels of effectiveness practice would be applied for each Principle of Practice and this would inform an overall assessment of CSO effectiveness. The differentiated assessment between minimum, moderate and high levels of effectiveness will be guided by a description of standards for each level. Where an organisation is not able to meet minimum levels of effectiveness, it would receive an assessment of 'not effective'.

Sampling and Prioritisation

All CSOs will be assessed against the CSO Effectiveness Principles of Practice. Assessment findings will remain valid for up to 5 years. CSOs will be gradually assessed over the next 5-year period, being prioritised as follows:

- 1. New CSOs seeking to engage with AusAID.
- 2. CSOs with an existing partnership with AusAID receiving significant funds per year and/or CSOs delivering aid in sensitive or higher risk sectors.
- 3. CSOs with an existing partnership with AusAID receiving smaller funds per year.

Use of Assessment Findings

Along with the assessment of a CSO under the Due Diligence Framework, Effectiveness Assessment findings will provide a basis for AusAID to make partnership and funding decisions. As is the case under the Due Diligence Framework, the Effectiveness Assessment allows AusAID to understand CSO capacity and any potential risks.

In the first instance, Effectiveness Assessment findings will inform funding eligibility in much the same way that AusAID NGO Accreditation currently accords accredited Australian NGOs with the eligibility to access ANCP funds—i.e. if an organisation is assessed as being effective, it will be eligible to apply for particular funding schemes. As a secondary funding marker, the Effectiveness Assessment will reward high levels of CSO capacity to deliver effective development through a 'funding factor' such as that awarded to NGOs achieving Full Accreditation—i.e. if an organisation is rated as highly effective, it may be eligible for increased



funding where program design incorporates this approach. This would act as a reward system for good practice and an incentive for CSOs to improve practice.

It is likely that the way that different areas of AusAID will use the findings of Effectiveness Assessments will vary depending on the design of a funding scheme or opportunity. It logically follows that those CSOs who are rated as highly effective will have access to greater funding opportunities. However, there may also be situations in which AusAID is able to accommodate support to CSOs who have only minimum levels of effectiveness in place if the context warrants this type of support, such as in post-conflict contexts where civil society capacity may generally be very low. In these cases, the Effectiveness Assessment findings will equip AusAID to provide support to CSOs, alongside other capacity building and risk mitigation strategies as required, to address issues identified in the CSO's Effectiveness Assessment. Those organisations which are assessed overall as 'not effective' would not be eligible to apply for AusAID funding.

By enhancing AusAID's understanding of CSO practices that optimise effective development, the EAM will also provide AusAID with the necessary information to share experiences of good practice and support CSOs to strengthen particular aspects of practice and capacity.

The Assessment Framework - see over page.

This paper was drafted with the assistance of independent consultants Belinda Lucas and Jo Thomson.



Dimensions of Effectiveness	Standards to focus the assessment			
Principles of Practice	MINIMUM level of effectiveness	MODERATE level of effectiveness	HIGH level of effectiveness	Possible Means of Verification—i.e. CSO may not have and does not require all this evidence
1. Development Strategy This aspect of practice recognises the importance of having deep contextual analysis and a clear understanding of the theory of change and program logic and the significant bearing these practices have on the effectiveness of development process and outcomes.	 To be determined following consultation 1.1 CSO has systems to analyse and understand the context in which planned activities will occur 1.2 CSO has practices that demonstrate well-informed and intentional investment decisions that include consideration of the relative costs and benefits of their initiatives 1.3 CSO has a system to understand and articulate the theory of change, program logic and anticipated development outcomes 1.4 CSO undertakes initiatives with regard to maximising impact through coordination at different levels 			
2. Inclusiveness and Equality This aspect of practice recognises the important role that CSOs play in targeting the most marginalised, vulnerable and less represented groups of people in the development process and the significant bearing this has on the effectiveness of development outcomes. Integral to this aspect of practice is a commitment to gender equality and women's rights.	To be determined following consultation 2.1 CSO engages in addressing the rights of vulnerable and marginalised people 2.2 CSO engages in addressing the rights of people with disabilities and their representatives 2.3 CSO engages in addressing the effect of gender inequalities and inequities			



Dimensions of Effectiveness	Standards to focus the assessment			
Principles of Practice	MINIMUM level of effectiveness	MODERATE level of effectiveness	HIGH level of effectiveness	Possible Means of Verification—i.e. CSO may not have and does not require all this evidence
3. Empowerment, community ownership and participation This aspect of practice recognises the importance of local communities and/or primary stakeholders being fully empowered actors in the development process. Central to this is the recognition of the long-term benefit of building local community capacity to advocate for and claim their rights.	3.2 Community engagement and participation is evident in the work of the CSO3.3 CSO builds local community capacity			
4. Equitable partnerships and respect This aspect of practice recognises that partnerships based on mutual respect, transparency and understanding, where diversity and differences are recognised and respected, are key to development effectiveness.				



Dimensions of Effectiveness	Standards to focus	s the assessment		
Principles of Practice	MINIMUM level of effectiveness	MODERATE level of effectiveness	HIGH level of effectiveness	Possible Means of Verification—i.e. CSO may not have and does not require all this evidence
5. Results and Accountability This aspect of practice recognises the importance of mutual accountabilities and that the development process takes place in complex, dynamic contexts and that effectiveness is enhanced where CSOs capture evidence of changes, critically analyse performance, incorporate structured reflection and engender mutual learning and a culture of adaptation.	 5.1 CSO has systered to continuously i 5.2 CSO has systered activity—this show programs. 5.3 CSO involves 5.4 CSO demonstrational content of the systeme statemet activity and the systeme statemet activity acti	mprove performance ems in place to monitor an ould include the assessmen primary stakeholders in re	d review the whole-of-life it of costs both at an organ flection, learning and adap suring mutual accountabili	development results and outcomes and cost of managing and resourcing an isational level and when delivering otation processes ties, sharing its results, good practices



Dimensions of Effectiveness	Standards to focus the assessment			
Principles of Practice	MINIMUM level of effectiveness	MODERATE level of effectiveness	HIGH level of effectiveness	<u>Possible</u> Means of Verification—i.e. CSO may not have and does not require all this evidence
6. Commit to realising positive sustainable				
change	To be determined	d following consultation		
This aspect of practice recognises the importance				
of the long-term viability of development	6.1 CSO includes exit strategies in project analysis and design			
outcomes, as well as the strengthening of CSOs.				
Sustainability comprises self-reliance, ownership, autonomy in political and economic terms and the				
preservation of the environment for future	6.3 CSO integrates project structures into the existing structure of communities in a manner that supports			
generations. It includes phase-out or exit strategies developed jointly by the partners and	and strengthens			
designed in ways that will contribute to building	6.4 CSO uses development cooperation as a means to contribute to wider policy and institutional			
sustainability.	development obj	lectives		



Dimensions of Effectiveness	Standards to focus the assessment			
Principles of Practice	MINIMUM level of effectiveness	MODERATE level of effectiveness	HIGH level of effectiveness	<u>Possible</u> Means of Verification—i.e. CSO may not have and does not require all this evidence
7. Relevance and coherence This aspect of practice recognises the importance of the alignment of development initiatives to local priorities, CSOs' own objectives and those of all partners, including AusAID. It also refers to the importance of CSOs working at multiple levels of society to create sustainable change.	 7.1 CSO ensures 7.2 CSO ensures approach 7.3 CSO contribut 7.4 CSO positivel 	that initiatives that it supp tes to the strategic goals o	f the Australian aid prograr evelopment agenda by eng	own mission, vision and strategic



Annex 1: Review of International Principles and Practices relating to CSO Effectiveness

Document	Content	Relevance
UNDP and Civil Society Organisations – A Toolkit for Strengthening Partnerships	Includes a CSO Capacity Assessment Tool that provides country offices with a broad framework to assess capacity whee selecting a CSO partner.	This tool looks at institutional capacity (ie governance and management), but does not look at effectiveness.
Phase.	Outlines NGO Evidence Principles and associated checklist as a tool for assessing the quality of evidence collected and used by NGOs to measure, learn from and demonstrate their impact.	This looks at the quality of evidence to measure impact, but is not deigned to assess effectiveness. It has a scoring system where each indicator is scored and a total score is provided for each principle. This scoring model could be considered for the CSO EAM.
AusAID Australian Multilateral Assessment Methodology:	Assesses multilateral organisations against seven components: delivering results on poverty and sustainable development; alignment with Australia's priorities; contribution to the wider multilateral system; strategic management and performance; cost and value consciousness; partnership behaviour; and transparency and accountability.	There is some overlap within this assessment of due diligence, capacity assessment, and effectiveness. The individual criteria are geared towards multilateral organisations and many could not be easily correlated to CSOs. The methodology draws heavily on information already available.
(ANCP) 2011 Thematic Review: How do	This review looked at the role ANGOs play within the Australian aid program in their focus on reaching the poorest of the world's poor.	Issues of effectiveness were discussed in this report, but they were specific to working with the poorest of the poor.



Document	Content	Relevance
The Accra Agenda for Action (AAA) - www.oecd.org/dac/effectiveness	An international agreement that aims to highlight the need for specific reforms in the aid sector to achieve improved aid effectiveness. The AAA resulted from the Accra Third High Level Forum on Aid Effectiveness (24 September 2008) and is designed to complement the implementation of the Paris Declaration on Aid Effectiveness, signed in March 2005.	The AAA calls on civil society to: - play a dynamic role in making citizens' concerns and need heard; and - help ensure that donors and developing countries fulfil their commitments
Assessing the Competence and Credibility of the Civil Society Organisations in Tanzania: a tool for organisational self-assessment	A tool that focuses on the institution of the CSO, including governance, staffing, financial management, and systems.	There are aspects of the assessment that correlate to assessing factors leading to effectiveness, but the focus is more on the overall organisational capacity.
Australian Red Cross Country Prioritization Tool	Includes a criteria on effectiveness which includes an assessment of absorptive capacity; clearly designed, planned and implemented programs; clearly targets the beneficiary population including the most vulnerable; a good volunteer base; demonstrated interest in program assessment and learning; and evidence of community engagement and participation.	These criteria have correlation to the Istanbul principles and have influenced some of the indicators proposed in the AusAID CSO EAM.

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Document	Content	Relevance
aid effectiveness – an options paper (Simon Burrall and David Roodman;	effectiveness and proposes five possible approaches to developing an aid effectiveness measure for governments of developed countries.	Key point is that there is recognition that there are a number of different actors that influence development outcomes beyond the provision of aid. 'Determining the effectiveness of an individual agency's aid within the context of this range of positive and negative influences is very difficult.' Proposes that those factors which are under the control of agencies are a good starting point. Highlights the challenge of collecting high quality data for enough criteria to differentiate between donors without extensive in-country research. Discusses the challenges of a value for money measure where there is no initial index and because donors use a variety of instruments and aid modalities.
works with civil society in developing countries (September 2010)	society contributes to development. The six pathways	The six pathways are consistent with the Istanbul principles, but provide some nuances that assist in making the principles practical. The CSO EAM principles are consistent with these six pathways.

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ODE Briefs: Working Beyond Government – Evaluation of AusAID's engagement with civil society in developing countries (October 2011)	The evaluation looked at international good donor practice in engaging with civil society and examined AusAID's experience across three countries: PNG, Vanuatu and the Philippines. The focus was on work with local civil society rather than partnerships with Australian NGOs.	direct action groups, human rights organisations, and in some contexts, clan groups.
	It noted that 'AusAID or its intermediaries have often relied on competitive rounds, even when this may be at odds with the purpose of strengthening civil society. It can create	One of the recommendations was that AusAID 'choose partners through targeted rather than competitive approaches, where appropriate'.
	shopfront NGOs that have no real legitimacy but are created in the hope of securing donor funds'.	This has influenced the development of the CSO EAM as a strengths based process which does not provide a basis for ranking organisations.
ACFID Code of Conduct and AusAID Accreditation – Complementarity and mutual support for NGO Good Practice	A table that aims to highlight how the principles and obligations of the revised Code of Conduct align with the requirements and criteria of AusAID accreditation.	This table shows that both the Code and Accreditation requirements centre on the importance of sustainable development principles and practice in agency operations. These common development principles are reflected in the CSO EAM principles.
AusAID Review of the Asia Foundation by KPMG in September 2011	A 'due diligence' review commissioned by AusAID which had seven key focus areas: governance; financial; development philosophies and management practices; forward planning; technical capacity; partnerships; systems, processes and procedures; value for money; monitoring; and environmental policy.	Similar to AusAID accreditation, this review tended to focus on systems, controls and procedures to mitigate risk. It did include a value for money focus area which essentially looked at procurement process and value consciousness – this is similarly covered in the proposed CSO standards in the DDF.

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the accountability and performance of non-profit institutions	A set of criteria that is addressed in the NGO Benchmarking Standard. It addresses focus areas of governance; strategic framework; ethical standards and practices; communication and advocacy; human resources, fundraising and financial controls; program operations; and monitoring and evaluation.	Like AusAID accreditation, this set of standards has a focus on systems and procedures, but also includes ethical standards (these were not detailed in the publicly available document).
	The Australian Council for International Development Code of Conduct is a voluntary, self-regulatory sector code of good practice that aims to improve international development outcomes and increase stakeholder trust by enhancing the transparency and accountability of signatory organisations. Signatory organisations are required to undertake an annual self-assessment against the Code.	The Code includes a set of Program Principles that include obligations for effectiveness in aid and development activities, human rights and working with partner agencies. These have been cross referenced with the CSO EAM Principles and the obligations under the Code have influenced the phrasing of some of the indicators of the CSO EAM – particularly in relation to indicators under the principle of Development Strategy.
lstanbul Principles	Values based principles that reflect CSO work and practices in both peaceful and conflict situations	The CSO EAM principles have predominantly been drawn from the Istanbul principles.
Putting the Istanbul Principles into Practice: A Companion Toolkit to the Siem Reap Consensus on the International Framework for CSO Development Effectiveness	A toolkit which provides guidance on how to put the Istanbul Principles into practice.	This toolkit was referred to in the articulation of the CSO EAM Principles and to inform the development of indicators.
Practitioner's Guide to the CSO Development Effectiveness Principles	The guide accompanies the Open Forum Toolkits, and is designed to support CSOs to work with the International Framework for CSO Development Effectiveness.	The guide was used as a reference document in defining and articulating the CSO EAM Principles and indicators.

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The Evolution of NGO Accountability Practices and their Implications on Philippine NGOs – a literature review and options paper for the Philippine Council for NGO Certification by Daniel A Songco	This paper includes a summary of a range of NGO accountability mechanisms that include self-regulation through various codes of conduct; ratings organisations that evaluate an NGO's functions and publishes its conclusions; and accreditation by an accreditation agency.	The paper includes an Annex of NGO Codes of Conduct. It notes the case of Australia where only signatories to the ACFID Code of Conduct are eligible to apply for government funding, but notes there are inherent weaknesses in mots self-regulation methods. The ACFID Code of Conduct appears stronger than others in that it self-assessment is mandatory and there is some level of scrutiny by ACFID.
International Planned Parenthood Federation – IPFF Standards and Responsibilities of Membership	Outlines ten principles of membership that exist within an accreditation process. Each principle has a set of accompanying standards. The principles include: open and democratic; well governed; strategic and progressive; transparent and accountable; good employer; financially healthy; well managed; committed to results; committed to quality; and a leading sexual and reproductive health and rights organisation.	Many of these principles are consistent with the Istanbul principles and articulate standards that would be useful as a basis for assessment. Some of these standards have influenced the phrasing of the indicators used in the CSO EAM, particularly in relation to learning and to coherence.
McKinsey Capacity Assessment Grid	A tool designed to help non-profit organisations assess their organisational capacity.	While the content of the grid is predominantly geared towards institutional capacity, the grid provides a framework that is easy to understand and clearly outlines descriptions of standards. A similar approach to undertaking the CSO EAM has been proposed.
Capacity for Disaster Reduction Initiative: Capacity Assessment Tools, Methodologies, Resources	A list of tools and methodologies that facilitate capacity assessment of NGOs, with a particular focus on disaster reduction.	These tools are generally focused on either institutional capacity or capacity for disaster responsiveness. The content of these tools refers to the principles of development strategy and accountability predominantly, but do not provide further reference to the assessment of effectiveness.

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Development Cooperation – Fourth High Level Forum on Aid Effectiveness – 29 November – 1 December 2011	The forum recognised that civil society organisations (CSOs) play a vital role and encouraged CSOs to implement practices that strengthen their accountability and their contribution to development effectiveness, guided by the Istanbul Principles and the International Framework for CSO Development Effectiveness.	
Development Effectiveness Framework (2008)	OECD-DAC's Principles for Evaluation of Development Assistance. The optional standards were 'Additionality' (ie does the project improve or weaken a country or region's capacity to make more efficient, equitable, and sustainable	This approach to effectiveness assessment uses a program lens, rather than the lens of the institution – ie how effective was the project. However, it introduces two optional standards that could be incorporated into the assessment of institutional effectiveness – ie does the CSO add value and does the CSO have sufficient focus on systems to ensure quality. These factors have been incorporated in the CSO Effectiveness Principles.
Australian Government National Compact – working together	which promotes a better way of working between the Government and the not-for-profit sector	The CSO EAM has been designed with due regard to the commitments of the National Compact to 'reduce red tape and streamline reporting' and 'improve funding and procurement processes'.
Trade Union Development Cooperation Network: Trade Union Principle and Guidelines on Development Effectiveness	A policy paper that presents the vision and values of trade union organisations on Development Effectiveness.	The contents of the Principles are drawn from the Istanbul principles but also refer to and articulate the values and vision on trade union development partnerships. These principles have been cross referenced with the CSO EAM principles.

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One World Trust, Responding to NGO Development Effectiveness Initiatives, World Vision Briefing Paper Number 122, November 2009	A first inventory by the One World Trust counted more than 130 self-regulatory initiatives by NGOs and other CSOs in the North and South and found that the underlying principles of most of the initiatives are very similar. The convergence between these initiatives translates into six overarching principles as to what constitutes CSO effectiveness, accountability and quality: Downward and inward accountability Ownership and sustainability Transparency and good governance Learning, evaluation and managing for results Financial and political independence Respect for gender, diversity, human rights and the environment	These principles are largely consistent with both the Istanbul principles and the CSO EAM principles.
Paris Declaration on Aid Effectiveness	This statement on aid effectiveness produced is the product of the First High Level Forum on Aid Effectiveness.	The Paris Declaration flagged CSOs as potential participants in the identification of priorities and the monitoring of development programmes but did not recognise CSOs as development actors in their own right.
DFID International Aid Transparency Initiative	NGOs that receive money from DFID are about to have to implement the International Aid Transparency Initiative	There is little information publicly available on this new initiative but it appears to be focused on aid transparency rather than broader effectiveness.
AusAID ANCP Partner Statement template	This statement outlined four questions that ANCP Partners are required to answer.	These questions were used as a reference point in developing the CSO EAM Principles. All questions articulated in the Partner Statement Template were not geared towards effectiveness. Those questions that did relate to effectiveness are incorporated in the proposed CSO EAM Principles.

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Document	Content	Relevance
	This guidance note outlines the process of QAI assessment and reporting.	This document was used in consideration of how other AusAID performance management systems might intersect with the CSO EAM.
CS WASH Fund) May 2012	covering its origins, definitions and operationalisation. It notes that there is confusion about the concept of VfM in the aid sector, that there is no universal understanding of what constitutes 'value' in international development, and as such there are no agreed units of measurement. Complexity arises from judgements about the timeframe within which value	also specifically assesses 'cost and value consciousness' within the CSO EAM principles of 'development strategy' and
ChildFund; IWDA; Caritas; TEAR; Baptist World Aid; and Red Cross	undertaken of partners. These processes included some aspects of effectiveness such as relevance, equality and respect, transparency and partnership - but most had a more predominant focus on operational systems, structures and processes for organisational financial and management capacity.	The assessment criteria included in these processes have been cross referenced both with the CSO standards developed for the AusAID Due Diligence Framework and the CSO EAM Principles. There is broad consistency between ANGO's own processes and those proposed under the DDF, albeit there are additional safeguards being assessed by AusAID. The effectiveness principles are consistent, although the CSO EAM Principles are more comprehensive than would be found in a typical partner capacity assessment. There would be more consistency between the CSO EAM Principles and the quality standards that exist in some INGOS.