

Quality at Entry Initiative Rating
Trial: January - March 2007
Instructions

Under the system being trialled in this exercise, each significant aid initiative will be required to be rated for quality: at entry; annually during implementation; and on completion. Analysis of the quality ratings will inform country areas' Annual Program Performance Updates (APPUs) and the Australian aid Annual Review of Development Effectiveness (ARDE). Most importantly, this process will answer two of the key questions in the Australian aid Performance Assessment Framework:

- what percentage of initiatives are satisfactory?; and
- what are the main reasons for initiatives being less than satisfactory?

The instructions in this document apply only to the “quality at entry” element of the overall system. For quality at entry ratings, all initiatives subject to a peer review at inception will need a rating prepared by the initiative desk officer; endorsed (possibly with modifications and qualifications) by the Peer Review; and noted by the relevant ADG.¹ Discussion of the quality principles and ratings should be part of the core agenda of the peer review.

Ratings need to be given for five core quality principles and for overall quality - a total of six ratings. The ratings should be recorded on a document in the format attached. On that document, each of the five principles has several dot points underneath it, suggesting some important elements of initiative quality to be considered in determining the rating for that principle.

The final document, including comments which should be very brief, should still fit on one page. It should be placed on file, attached to the minute seeking FMA Reg 9 approval for the initiative, and attached to the initiative on AidWorks.

Part of this trial is experimentation with a new (for AusAID), six point rating scale. Definitions for this scale are in the box below.

Definitions of Rating Scale

Satisfactory (4, 5 and 6, above the line)

- 6 Very high quality; needs ongoing management and monitoring only
- 5 Good quality; needs minor work to improve in some areas
- 4 Adequate quality; needs some work to improve

Less than satisfactory (1, 2 and 3, below the line)

- 3 Less than adequate quality; needs work to improve in core areas
- 2 Poor quality; needs major work to improve
- 1 Very poor quality; needs major overhaul

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¹ An alternative system, being trialed elsewhere, would involve an independent assessment and rating six months into implementation.

Principle	Rating	Explanation	Pending Action (if needed)
1. Clear objectives	6	<p>Clear objective (To support regional economic and social development in Eastern Indonesia by improving the condition of the national road network), consistent with draft country strategy focus on infrastructure and Eastern Indonesia.</p> <p>Direct economic benefits measurable, indirect social benefits will be tested on a sample basis. Expected internal rate of return (EIRR) primary tool used for prioritizing individual sub-projects.</p> <p>Project is developed under the GoI's National Road Improvement Program and harmonized with recipient government and other donor systems</p> <p>GOI leading project preparation and will manage implementation.</p>	
2. Monitoring framework	5	<p>A major project management function of the project implementation area within the Ministry of Public Works will be to monitor the overall performance of the project and its implementation.</p> <p>Further, an independent Monitoring and Evaluation (M&E) program to be conducted by AusAID-appointed consultants under Grant funding to establish the extent to which EINRIP meets its objectives. M&E will concentrate on the measurement of variables known to directly affect vehicle operating costs, which result in economic benefits that can be attributed to the road improvements.</p> <p>A program of social surveys will be used to provide anecdotal evidence and qualitative insights into local social and economic changes. Pilot studies for this are under way and the M&E program will continue three years after activity conclusion.</p>	Continual review of information generated from M&E activities will be required.
3. Sustainability	5	<p>EINRIP is consistent with GOI planning and ongoing budgeting requirements for betterment activities. GOI maintenance budgets have recently increased substantially.</p> <p>Improvements in processes and project operation will be transferred to other, similar, projects.</p> <p>Ongoing maintenance of roads where betterment activities has occurred is a matter for GOI budgeting and planning, and is not covered under the GoI NRIP program, which is loan financed and does not cover broader capacity building and maintenance issues. It is intended that building GoI capacity will be supported in a separate project (yet to be designed).</p>	Maintenance support activities still to be determined and agreed.
4. Implementation and risk Management	4	<p>GOI as borrower and implementer of EINRIP is notionally responsible for all aspects of project implementation. However EINRIP will carry with it many risks, with corruption perhaps being the greatest.</p> <p>Processes to ameliorate corruption have been specified in the Anti Corruption Action Plan (ACAP), other risks have been addressed in the risk matrix. This matrix also apportions risk management responsibilities.</p> <p>Additional guidelines to manage implementation currently being</p>	Operational guidelines to be further developed.

		finalised.	
5. Analysis & lessons	6	<p>EINRIP is one of an ongoing series of road betterment activities in Indonesia under the GoI's National Road Improvement Program (NRIP). Each new project builds on the experience of others and is part of a process of continual improvement.</p> <p>The World Bank has been a strong partner in developing EINRIP. Bank systems, as far as practical, have been used to provide for harmonised projects and consistent implementation arrangements for GOI.</p> <p>Project implementation will be assisted by loan funded implementation consultants, working for the Ministry of Public Works. (put under section 4?)</p> <p>Technical approach is best practise, with the quality of the final engineering design of the civil works being of the highest standard yet produced for road betterment activities in Indonesia. The NRIP does not provide a framework for supporting broader institutional strengthening and maintenance work with the GoI. It is anticipated that such support be considered under IFGI, at a later stage.</p> <p>Cross cutting issues addressed through application of World Bank guidelines (including environment, social, resettlement, isolated and vulnerable peoples). Contracting will be through the use of international standard FIDIC contracts for civil works.</p>	
Initially rated by:	Endorsed by peer review on:	Noted by ADG or Min-Cnslr:	
<i>T. Vistarini 3/2/2007</i>	<i>6 February 2007</i>	<i>M. Proctor</i>	