



Australian Government
AusAID

**Quality at Entry Report for
Review of Proposal for AusAID Continued Support
to ICDDR,B Bangladesh through
the Core Donor Group
Dr Javier Martinez, 29 November 2010.**

Description (completed by activity manager) (no more than 300 words per cell)

1. Description of the Initiative/ Activity	<p>What is it?</p> <p><i>The International Centre for Diarrhoeal Disease Research in Bangladesh (ICDDR,B – the Centre) has submitted a proposal to its Core Donor Group for continued funding in the period 2010-2014 in support of the ICDDR,B Strategic Plan 2020. The Core Donor Group is made up of six development partners (AusAID, DFID, EKN-Government of the Netherlands, Canadian CIDA, Swedish Sida and SDC-Swiss Development Cooperation) and the Government of Bangladesh (GoB). AusAID helped launch and coordinate the Core Donor Group in 2006 and has supported ICDDR,B ever since through this funding mechanism.</i></p> <p><i>This document summarises the results of an independent external review of the funding proposal submitted by ICDDR,B to its Core Funding Donors. A separate narrative report has been submitted covering certain areas in greater detail.</i></p>
2. Objectives Summary	<p>What are we doing?</p> <p>The Objective of this review is to have a quality check of ICDDR,B's proposal with focus on OECD DAC criteria and with a view to:</p> <ul style="list-style-type: none"> • Identify potential areas of the proposal requiring refinement/further work; • Come up with a clear set of recommendations to inform AusAID's decision making on continued support to ICDDR,B. <p><i>A separate short narrative report including full TOR has been submitted separately to support this QAE report.</i></p>

Australian Aid – Rated Quality Criteria *(no more than 300 words per cell)*

Criteria	Assessment	Rating (1-6)	Required Actions (if needed) ‡
3. Relevance	<p>Why are we doing this?</p> <p>AusAID has been key to developing the current core funding arrangement at ICDDR,B and to coordinating work with other core funding partners, who include the most important bilateral donors in Bangladesh and the Government of Bangladesh itself.</p> <p>Through its top quality research, training, technical assistance & service delivery ICDDR,B helps Bangladesh –its government, partners and the international development community in other countries <u>to</u> achieve the MDGs.</p> <p>Research institutions depend on external funding that they seek in the open market. The research market is dominated by commercial interests and may not always support the priorities that are crucial to helping poor countries achieve health outcomes. By providing core funding AusAID and its partners liberate ICDDR,B from bidding for work that is not central to its mission while enabling a more stable working environment that delivers top quality outputs relevant to Bangladesh and other poor countries..</p> <p>ICDDR,B's strategic plan 2020 and its core funding proposal are :</p> <ol style="list-style-type: none"> 1. Highly aligned with AusAID's country and international development priorities. Support to ICDDR,B helps achieve progress in focus areas defined by Ausaid Bangladesh including: improve health access & quality; improving education access and quality; reduce extreme poverty and food insecurity; improve climate change adaptation and disaster risk reduction. These areas are specifically addressed in the 2020 Strategic Plan. 2. The way of supporting ICDDR,B through core funding provided by various donors against a predefined M&E framework is highly harmonised, predictable and innovative way of funding a private sector entity, fully aligned with principles of Paris Declaration And reducing transaction costs to the institution and to AusAID.. 	6	Continue to use Annual External Reviews to maintain the focus of the Centre on MDGs and on its own defined priority areas as a key contribution to institutional development and meaningful policy dialogue.

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4. Analysis and learning	<p>How well have we thought this through?</p> <p>AusAID has supported ICDDR,B through the Core Funding arrangement since 2007. Annual external reviews undertaken since then have consistently praised the work of ICDDR,B, its high impact and the highly aligned and harmonised way of supporting it. External reviews have also raised areas for improvement which, generally speaking have received due attention by the ICDDR,B management and reported about in subsequent reviews.</p> <p>As a research institution based in a developing country and focusing on health problems of the poor ICDDR,B faces a range of financing challenges in the near future (2010 annual review) such as:</p> <ul style="list-style-type: none">- recurrent operational funding for core infrastructure, which is largely predictable but does not directly generate revenue;- provision of services (conduct of research studies) on the basis of contracts, and which generates revenue that covers its costs;- response to unpredictable outbreaks and epidemics, mainly through clinical services, which is less predictable, is difficult to control and which also does not generate revenue;- investment in building infrastructure (human or physical) or in providing services at levels above revenue, which is largely controllable. <p>Core funding has provided ICDDR,B with stability but it has not reduced its efforts or success in attracting external funding – the opposite is actually the case. ICDDR,B research portfolio and strategic plan are now much more supportive of MDGs than they were 4 years ago, and this is greatly thanks to the support of core funding donors.</p> <p>Indications are that other core donors will probably continue to support this arrangement. ICDDR, expects more external donors to join in this form of institutional support. Their support will be crucial at this time when the economic crisis compromises the ability of the GoB to provide sufficient financial support to the Centre.</p>	6	Institutional dialogue with core donors has been key to aligning the support of donors with the Centre’s strategic priorities. This should continue.																																			
5. Effectiveness	<p>Will it work?</p> <p>Four consecutive annual reviews show that the Centre is increasingly focused on its strategic objectives and continues to deliver top quality research, technical assistance, training and service outputs. These are of international standards and, for example, in 2009 the Centre showed the following progression on achievements:</p> <table><tr><th>Year</th><th>Protocols Approved</th><th colspan="3">Funds allocated to research</th><th colspan="2">Scientific publications</th></tr><tr><th></th><th></th><th>Restricted US\$</th><th>Unrestricted US\$</th><th>Total US\$</th><th>Output</th><th>Citations</th></tr><tr><td>2008</td><td>70</td><td>12.7m (94%)</td><td>804K (6%)</td><td>13.5m</td><td>157</td><td>4122</td></tr><tr><td>2007</td><td>59</td><td>11.2m (93%)</td><td>891K (7%)</td><td>12.1m</td><td>131</td><td>3307</td></tr><tr><td>2006</td><td>51</td><td>8.3m (97%)</td><td>304K (3%)</td><td>8.6m</td><td>144</td><td>2480</td></tr></table> <ul style="list-style-type: none">• Upward trend in citation shows increasing impact of ICDDR,B research and institutional drive to get research in policy and practice• Increases in research protocols also an upward trend showing institutional effort• Increases in restricted funding show that Centre has used core support to developing its capacity, not to reduce its search for research funding.	Year	Protocols Approved	Funds allocated to research			Scientific publications				Restricted US\$	Unrestricted US\$	Total US\$	Output	Citations	2008	70	12.7m (94%)	804K (6%)	13.5m	157	4122	2007	59	11.2m (93%)	891K (7%)	12.1m	131	3307	2006	51	8.3m (97%)	304K (3%)	8.6m	144	2480	6	
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6. Efficiency	<p>How will we do it?</p> <p>Given the sustained high impact rating of its work investing in ICDDR offers excellent value for money and is an example of a Partnership for Development. It also scores high in terms of predictability and low transaction costs to the Centre, to the GoB and to AusAID. The M&E framework in place is reviewed annually for performance and hence risk is well under control.</p> <p>The 2009 annual review praised the Centre for “good financial management reported on a very difficult year – good comparisons with other research institutions”.</p>	6	<p>The 2010-2014 Proposal is a good basis for funding but additional information may be required on the precise nature of some investments and on the means to control risk. This is addressed in the separate technical report expanding on this QAE report.</p> <p>It is recommended that the forthcoming Institutional Review to take place in March/April 2011 be used to explore the possibility of helping the Centre develop robust financial planning & management practices.</p>
7. Monitoring & Evaluation	<p>How will we know?</p> <p>The Centre has adopted the M&E framework (MEF) that AusAID helped develop with enthusiasm at senior leadership level. With the benefit of guidance of the Board of Trustees the MEF is attempting to evolve a more flexible, interactive process where a proposed Balanced Scorecard Monitoring Framework (BSMF) is presented in the draft Strategic Plan (SP2020), where measures and indicators and their associated means of verification have been selected so that they: explicitly indicate the criteria for attaining the strategic objectives; focus on the key operations and processes of the Centre; are adequate for making a proper assessment of the achievement of identified objectives; and are objectively verifiable and unambiguous.</p> <p>The process of annual external reviews ensures compliance to the MEF and to the recommendations from previous annual reviews.</p>	6	<p>Ensure the MEF becomes a M&E tool for the entire organisation –from senior management to research assistants- to monitor its performance and strive for excellence.</p> <p>Increasingly the Annual reports should become the basis for annual reviews - this is already happening.</p>
8. Sustainability	<p>Will benefits last?</p> <p>Benefits will last – they have lasted for 50 years to date since the Centre is celebrating its 50th Anniversary.</p> <p>An “exit strategy” does not seem appropriate given the nature of the centre and its mandate to focus on significant health problems affecting the most vulnerable people of Bangladesh. Research institutions are never fully sustainable or likely to reduce their need for external funding. The opposite is the case: as they become more successful their needs increase and so do the needs for effective financial management and continued adaptation.</p> <p>The Centre has managed to balance all budgets since 2007 (and indeed since incurring deficits in 1997) which has enabled it to progressive reduce its debt burden from \$4 – 5 million to the current \$1.2 million. However the balanced budget is achieved by requesting additional funds or frontloading of funds particularly from core donors. Discussions with Centre management have indicated that Centre is aware of this financing challenge and has instigated a number of strategies:</p> <ul style="list-style-type: none"> (a) Maximise contribution from project ‘restricted’ funds. (b) Reduce costs.. (c) Fundraising strategy (d) Risk management strategy 	5	<p>There is a need for AusAID to maintain attention by the Centre on its strategies to meet the financing challenges and mitigate risks over the years.</p> <p>Predictability of funding is key for ICDDR.B. the 4 years covered in the proposal to Core Donors may not be compatible with the aid cycles of some donors. Efforts are recommended for AusAID to guarantee a 4 year funding horizon and to work with other Core Donors to achieve the same, to the extent possible.</p>
9. Gender Equality	<p>How will we achieve gender equality?</p> <p><i>The 2009 review looked specifically at gender and acknowledged Impressive gains in gender focus over seven years. For example gender much more prominent in the Centre’s planning and operations, and in its research and HR policies. A good framework is in place for the Centre to monitor its own track record in this area.</i></p>	5	<p><i>It would be important to ensure a sustained focus on gender by ensuring gender is specifically included in the Centre’s Scorecard that is part of the MEF.</i></p>

* **Rating:** Provide ratings for each of the quality principles using the questions on the next page to assist you, and the following rating scale:

Satisfactory rating (4, 5 and 6)

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

Less than satisfactory rating (1, 2 and 3)

- 3 Less than adequate quality; needs to be improved in core areas
 2 Poor quality; needs major 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.

Safeguards and Commitments (*completed by peer reviewer/appraiser*) (new!)

Answer the following questions relevant to potential impacts of the activity:		
10. Environment	Have the environmental marker questions been answered and adequately addressed by the design document in line with legal requirements under the Environmental Protection and Biodiversity Conservation Act?	<i>Yes, but please see comments below</i>
11. Child Protection	Does the design meet the requirements of AusAID's Child Protection Policy?	Yes

Other comments or issues

- Environment issues. The 2010-2014 funding proposal is to be read in conjunction with the ICDDR, Strategic Plan 2020 that the proposal aims to support. Such SP 2020 provides sufficient information on the importance of the environment in the Centre's research, training and service delivery strategies given Bangladesh's high exposure to the effects of climate change and to natural disasters.

Quality Criteria - Consider these questions when assessing:

Relevance – “Why are we doing this?”
<ul style="list-style-type: none"> 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 <i>both</i> the clarity and relevance of Australian <i>objectives for the partnership</i>, (why we chose to work this way) and the partner’s aid objective(s) <i>vis a vis</i> 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: <ul style="list-style-type: none"> the proposed approach to addressing the identified development issues? the modality and financing arrangements selected?
Analysis and Learning – “How well have we thought this through?”
<ul style="list-style-type: none"> 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?
Effectiveness – “Will it work?”
<ul style="list-style-type: none"> 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.: <ul style="list-style-type: none"> 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?”
<ul style="list-style-type: none"> 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?

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