



Australian Government  
AusAID

## Quality at Entry Report for Challenge Program on Water & Food Phase II

### A: AidWorks details

<b>Initiative Name:</b>	Challenge Program on Water and Food Phase II		
<b>AidWorks ID:</b>	INJ725	<b>Total Amount:</b>	\$5.5 million
<b>Start Date:</b>	11 April 2011	<b>End Date:</b>	31 December 2013

### B: Appraisal Peer Review meeting details

<b>Initial ratings prepared by:</b>	Alexander Marks, Second Secretary (Water and Infrastructure), Vientiane
<b>Meeting date:</b>	19 November 2010
<b>Chair:</b>	Phillippe Allen, Minister Counsellor, Mekong & Regional, Bangkok
<b>Peer reviewers providing formal comment &amp; ratings:</b>	<ul style="list-style-type: none"> <li>– Graham Rady, M&amp;E Specialist, Asia Division</li> <li>– Neal Forster, Performance &amp; Effectiveness, Mekong Section</li> <li>– Therese Postma, Gender Advisor</li> </ul>
<b>Independent Appraiser:</b>	– Christian Roth, Senior Principal Research Scientist, CSIRO Ecosystem Sciences
<b>Other peer review participants:</b>	<ul style="list-style-type: none"> <li>– Marcus Howard, Infrastructure Adviser</li> <li>– Kenneth Harri, Subregional Program Officer</li> <li>– John Dore, Senior Water Resources Adviser, Vientiane</li> <li>– Bounthavivanh Mixap, Program Officer, Water Resources, Vientiane</li> <li>– Kim Geheb, CPWF Mekong Basin Leader</li> <li>– Kate Lazars, CPWF Multi-Stakeholder Platforms Coordinator</li> </ul>

### C: Safeguards and Commitments

<b>1. Environment</b>	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
<b>2. Child Protection</b>	Does the design meet the requirements of AusAID's Child Protection Policy?	Yes
<b>3. Imprest Account</b>	Does the business case and risk assessment support the use of an imprest account as the most efficient, effective and ethical use of Commonwealth funds in accordance with the Commonwealth Financial Framework and AusAID policy?	N/a

**D: Initiative/Activity description**

4. Description	<p>This is a 3 year US\$5.5 million research for development project proposed by the Challenge Program Water for Food. The project will be implemented and managed through CPWF's Mekong Basin team based in Vientiane.</p> <p>It is designed to underpin AusAID's Mekong Water Resources Program by providing a better understanding of hydropower related decision making. This understanding will then be injected into a multi-stakeholder platform process designed to provide an alternative forum to more broadly canvass options for changed dam sitting, alternatives to energy generation and in the case of existing dams, to consider options to enhance dam benefits by spreading benefits more widely through multi-use options, changing dam management regimes and accounting for cumulative impacts of dam cascades. Much of the research will not be carried out directly by the CPWF; rather the Activity is structured around two facilities to provide funds to fellows to engage in research relevant to the project's objectives as well as commissioning of research and development project activities through regional partners.</p>
5. Objectives Summary	<p>The stated project objective is: To improve the way in which decisions are made with respect to dam development, operation and function in the Mekong Region.</p> <p>The impact description of the project is:</p> <p>Decisions regarding the development and placement of hydroelectric dams will be more open, inclusive and transparent, as will decisions regarding their functions and operation (multi-purpose or single-purpose). These decisions will also take into account dam's placement within a broader hydrological and social context. Combined, such improved decision-making processes will contribute to reducing the negative social and environmental impacts of dam construction and operation in the Mekong Region, and enhancing the benefits to be derived from hydroelectric dam development.</p>



E: Quality Assessment and Rating			
Criteria	Assessment	Rating (1-6) *	Required Action (if needed)
6. Relevance	<p>Due to the grand extent of planned and existing hydropower dam building activity across the Mekong, with its recognised significant socio-economic and environmental impacts, this is clearly a potentially extremely important activity. Its priority needs to be seen in the context of a range of other parallel activities being undertaken to address other supply and demand dimensions of the problem.</p> <p>The appraisal meeting noted that it was necessary to have further elaboration of research topics and research areas early in implementation.</p> <p>The Independent Appraiser enquired how much interest there is from government agencies in Phase II, or whether they are resistant to its objectives. The CPWF responded that during the development of Phase II they found that governments (excluding Myanmar) are not afraid to engage in hydropower governance issues, and indeed received an enthusiastic reception, including with usually secretive Chinese hydropower companies. Governments and industry are keen to consider and evaluate comments and even criticism provided that they are reasonably and diplomatically delivered, provided they have the opportunity to reflect and respond.</p> <p>The Independent Appraiser also enquired as to whether the activity should expand its focus to multiple uses of dams. The CPWF responded that other aspects of CPWF Phase II, which are already funded, are looking multiple uses, and this would be coordinated with the additional activities funded by AusAID.</p> <p>The CPWF stated that they had existing MoUs with various relevant ministries in the governments of the Greater Mekong Subregion.</p> <p>The meeting noted that there was more elaboration of research topics and research areas early in implementation; but that the in-built flexibility was necessary, and that it was hard to anticipate what exact outcomes – and their scale – would be.</p> <p>The activity is collinear with the objectives of the Australian Mekong Water Resources Program (particularly improving the availability of reliable knowledge), and complementary to supports to the Mekong River Commission, and the Governments of Laos and Cambodia.</p>	6	<p>Since the appraisal meeting there has been an elaboration in the design document of the thematic areas for the focus of research, fellowships and complementary projects.</p> <p>Liaise with CPWF on commissioning of research to fill identified research gaps.</p> <p>As a result, the score has been increased from a 5 to a 6.</p>
7. Analysis and Learning	<p>The meeting noted that the design includes a very comprehensive and theoretically based analysis of the context and the conceptual underpinnings, indicating considerable previous reflection on what has been learnt in the area of enhancing the influence of research on decision making in the Mekong and beyond.</p> <p>The meeting noted that there needed to be better documentation of the results and lessons of Phase I, as this will indicate the likelihood of success of Phase 2, including this proposed augmentation.</p>	6	<p>The design now includes further elaboration of the lessons learned from Phase I and how these have informed the design for Phase II (see p. 9 of the proposal). This includes specific lessons learned and outcomes achieved (see Annex II). As a result, the score has been increased from a 5 to a 6.</p>



<b>E: Quality Assessment and Rating</b>			
8. Effectiveness	<p>The meeting noted that the objective of the activity was slightly unclear due to the lack of adequate distinction between the impact and objective levels, as the main elements of the impact statement were repeated in the objective. A new impact statement was proposed.</p> <p>The meeting noted that the Outcome Logic Model used to monitor effectiveness provided a useful and ambitious definition of the desired success, and hence progress would be measureable.</p> <p>The meeting stressed the need to ensure all synergies with other activities funded by AusAID, particularly the CSIRO Mekong Futures Project (see Efficiency).</p> <p>The meeting noted that the previous investments through the CPWF into the Hydropower Sustainability Assessment Forum and Protocol had been very successful.</p>	4	<p>Since the appraisal meeting, the impact description has been changed to better reflect the social and environmental outcomes from the activity, and to bring it closer in line with the overall objective of the Australian Mekong Water Resources Program.</p> <p>AusAID, through its seat on the Advisory committee, will ensure coordination with all activities in the Australian Mekong Water Resources Program (see Efficiency for specific actions with respect to Mekong Futures).</p>
9. Efficiency	<p>Working through CPWF, an established CGIAR institution engaging with river basin management, with which AusAID already has a relationship, is a particularly efficient means of engaging with non-state actors.</p> <p>The participants noted the potential synergies with the CSIRO Mekong Futures project. CPWF and Christian Roth (who leads Mekong Futures) discussed in depth.</p> <p>Since the Design Appraisal Meeting this topic has received further consideration by CPWF and CSIRO: CSIRO are in the process of forming a Regional Working Group to engage in the Mekong Futures work, drawn from a shortlist of senior government officials and others considered to be influential in Water, Food, Energy, Investment and Planning policy. The scope of this Regional Working Group is focused on participating in the Mekong Futures scientific research process. CSIRO and CPWF will both engage a regular Advisory Committee that focuses on optimising the synergies between Mekong Futures and CPWF Mekong Phase 2. AusAID participation in this Advisory Committee will also ensure that synergies are actively sought with other parts of the Australian Mekong Water Resources Program.</p> <p>There were questions as to how the small CPWF program team would handle the workload; the CPWF responded that a lot of the administrative workload was complementary to what they are already handling, and that new staff will be brought on if the additional Australian financing is approved.</p>	5	<p>As the issue of coordination issue has been resolved (but needs to be tested in implementation), this score (originally a 4) has been upgraded to 5.</p> <p>There will need to be ongoing monitoring of governance arrangements by the Mekong Water Resources Unit to ensure they are operating efficiently and effectively.</p>
10. Monitoring and Evaluation	<p>The meeting noted that the project had a sophisticated and solid M&amp;E methodology. This includes: impact pathway analysis; the use of annual reflection workshops to take stock of progress, learn lessons and modify the approach; and using multi-stakeholder platforms to ensure continuing relevance and uptake, cross-case learning, impact evaluation.</p> <p>The meeting noted some minor issues with the Outcome Logic Model (OLM): the impact- and objective-level statements overlap, and that outcome targets, indicator and milestone were not always appropriate.</p>	4	<p>While the OLM has been revised and the design document finalised, AusAID Canberra intend to review the revised OLM in concert with Mekong Water Resources Unit to confirm its adequacy and, if appropriate, suggest how it might be improved during implementation (Rady/Mekong Desk/Mekong Water Unit - April 2011).</p>



<b>E: Quality Assessment and Rating</b>			
11. Sustainability	There was discussion at the meeting as to whether MSPs need to be institutionalized in order to ensure they continue to function, and therefore to ensure they have ongoing impact on decision-making. The CPWF noted that that some degree of institutionalization has to occur. The CPWF is creating a mechanism by which they encourage each individual ministry as well as non-state actors to get together and discuss particular hydropower implementation processes. The CPWF may create something similar in the other countries in which they are working, which will feed upward into the regional Mekong hydropower dialogue and annual events where hydropower interests and actors across the region get together to exchange ideas.	5	The appropriateness and means of institutionalisation in order to improve sustainability will be considered for each MSP, and will be dependent on the context of the actors and political landscape.
12. Gender Equality	The meeting noted the framing and approach to gender in the design use political ecology theory, but requested more clarity on what the outcomes of the program will be with respect to gender.	5	Following the review meeting, the design includes specific gender outcomes in the Outcome Logic Model, including gender balance in hydropower governance. There will also be gender balance in the fellowships component.

**\* Definitions of the Rating Scale:**

<b>Satisfactory (4, 5 and 6)</b>		<b>Less than satisfactory (1, 2 and 3)</b>	
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

<b>E: Next Steps</b>		
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
The appraisal meeting noted a number of actions, which are listed in the "required actions column". Most of these have now been completed, as noted. Further tasks that need to be undertaken during implementation are below.		
1. Ensure joint governance arrangements between the CPWF and CSIRO Mekong Futures program are functioning appropriately.	Mekong Water Resources Unit	Early focus during establishment, then ongoing
2. Work with CPWF on the further detailing of fellowship and complementary project foci, and ensure procurement of both will meet AusAID requirements and achieve needed outcomes.	Mekong Water Resources Unit	During first months (mid 2011)

<b>F: Other comments or issues</b>
<ul style="list-style-type: none"> <li>The Chair of the Appraisal Meeting no longer works at AusAID. Therefore this Consolidated QAE has been submitted to you (Mr Forster) for your clearance, in your role as Manager, Performance and Management, Mekong Section, and also because you provided a review on the design and were actively involved in the meeting itself.</li> </ul>

**F: Approval** *completed by ADG or Minister-Counsellor who chaired the peer review meeting*

On the basis of the final agreed Quality Rating assessment (C) and Next Steps (D) above:

- ☒ **QAE REPORT IS APPROVED**, and authorization given to proceed to:
- ☒ **FINALISE** the design incorporating actions above, and proceed to implementation
- or: ☐ **REDESIGN** and resubmit for appraisal peer review

☐ **NOT APPROVED** for the following reason(s):

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Graham Rady  
Asia Programs Quality and  
Development Adviser

signed:



4/4/11  
< date >