

Independent Evaluation of the Pacific Technical Assistance Mechanism (PACTAM)

MANAGEMENT RESPONSE

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Approved by: Nic Notarpietro

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Aid Activity Summary:

Aid Activity Name	Pacific Technical Assistance Mechanism		
AidWorks initiative number	ING854 (NB This initiative <i>only covers the management fee paid to the managing contractor</i> , not the assignments of individual deployees, which are covered under country programs)		
Commencement date	2006	Completion date	2012
Total Australian \$	\$3,943,369.39		
Total other \$	No financial contribution from other donors		
Delivery organisation(s)	Australian Volunteers International (AVI)		
Country/Region	Pacific Regional		
Primary Sector	Various		
Aid activity objective	PACTAM began operating in November 2006 in response to AusAID's need for a single, coherent mechanism to provide technical assistance to the Pacific.		

Independent Evaluation Summary

Evaluation Objective: The current contract with AVI expires in November 2012. In preparation for any continuing Pacific assistance under PACTAM or a similar mechanism, and in light of AusAID's recent Adviser Review and subsequent Adviser Remuneration Framework (ARF), this review assessed the effectiveness of PACTAM in responding to development needs in the Pacific. The review had two principle objectives:

- **The first was a retrospective assessment;** a comprehensive review of PACTAM against the criteria set out in AusAID's Guidelines with a particular focus on effectiveness, relevance, efficiency and sustainability.
- **The second was prospective;** the review team was tasked to make recommendations for improving the delivery and effectiveness of technical assistance personnel to the Pacific under a mechanism such as PACTAM to improve capacity building in the region, including by assessing other partnership arrangements.

Evaluation Completion Date: 29 February 2012

Evaluation Team: Rosalind David, Monitoring and Evaluation specialist, Praxis Consulting Pty Ltd (New Zealand); with logistical and analytical support from PACTAM Activity Manager, Rebecca Moloney (Canberra).

Management Response

AusAID is committed to ongoing improvements in program performance, in line with the aid effectiveness agenda, to ensure the efficient use of all development resources according to value for money principles.

The PACTAM Review provided an opportunity to evaluate the holistic effectiveness of AusAID's delivery of technical assistance to the Pacific region. The Review was participatory and inclusive, and throughout stakeholders including many partner government representatives had the opportunity to input to the review.

A number of areas of particular concern are raised in the report, which AusAID will address as a matter of priority:

- The review found that the design of the PACTAM mechanism is out of step with recent developments in AusAID policies and the aid effectiveness agenda. The review recommends that a future mechanism should provide for greater partner government ownership in all aspects of recruitment and management.
 - AusAID recognises there are inherent risks in supporting partner governments to take a stronger role. Not all governments eligible for support through a mechanism such as PACTAM have sufficient capacity to recruit, manage, and assess the performance of deployees.
 - AusAID agrees with the review recommendation that AusAID Posts will continue to assess requests for assistance. This assessment will take into account partner government capacity, and a sliding scale of support will be tailored according to need.
- Despite the achievements of PACTAM to date, the Review found fundamental weaknesses in the current model which need to be addressed.
 - AusAID is embarking on a design mission that will incorporate the recommendations of the review. This thorough design mission is expected to take approximately 6-8 months to allow for adequate stakeholder engagement.
 - In the interim, AusAID will negotiate with AVI to adjust the current contract, in response to a number of concerns raised in the review. This includes things such as basing interviews in-country where feasible, ensuring a mutually agreed technical expert takes part in every selection panel, and improving the reporting process to focus on outcomes against deployees' terms of reference.
- The review also found that the PACTAM mechanism is not designed to engender sustained capacity development, and acknowledges that the issues underlying capacity development and retention in the Pacific are inherently complex.
 - AusAID acknowledges that more realistic expectations of technical assistance in the Pacific is required, and that a long-term approach to trialling different approaches to capacity development in the Pacific is required. As per the review, AusAID will ensure that technical assistance sits within a wider framework of capacity development in bilateral country programs.
 - In the meantime, AusAID will work with AVI to identify what improvements can be made to the current mechanism to realise greater capacity gains.
- The review assesses the level of pastoral care provided to the PACTAM deployees as high, and often considered unnecessary by some of the deployees interviewed during the course of the review.
 - AusAID acknowledges that while pastoral care can be costly, there are reputational risks and duty of care issues at stake that will need careful analysis.
 - Through the re-design process, AusAID will investigate more efficient ways of providing adequate pastoral care to deployees (with responsibility possibly lying with partner governments if feasible).
- The review identifies the link between the management fee and the number of deployees as a potential risk (i.e. a potential monetary incentive to recruit).
 - As part of the redesign process, AusAID will investigate ways to de-couple this link.

AusAID agrees with all recommendations in the review and will take appropriate actions to fulfil the recommendations, as outlined below.

Recommendation One: Revise the PACTAM Mechanism

Recommendation 1.1: *In accordance with the findings set out in this report, the revised mechanism should be guided by the following principles:*

- *Greater leadership of the partner government in all aspects of the recruitment and management processes*
- *Clearer lines of accountability to the partner government*
- *Closer engagement between PACTAM and Posts so that TA are part of a coherent aid program overseen within country programs (rather than regionally) in line with AusAID's performance management system*
- *Greater flexibility to tailor the program to different countries' needs*
- *TA remuneration benchmarked against international rates and paid to the TA in-country by the partner government*
- *Clarity of advisers' roles and expectations around capacity building*

Response: Agree

Actions: In this scenario, the managing contractor's role would change from 'recruiting on behalf of partner governments' (in Australia) to 'supporting partner governments to recruit internationally in their own countries'. In some countries this may require intensive on-going support throughout the process and in others less managing contractor input. These changes should help increase ownership of the mechanism, simplify accountability processes and streamline the performance management.

The points above are expanded upon somewhat in the recommendations below. A priority for the redesign will be giving particular attention to ensuring the new contract is clear, and responsibilities between AusAID, the managing contractor, the partner government and the deployees are extremely well articulated. There will need to be a balance between maintaining the flexibility of the mechanism to respond to different countries' needs, and ensuring the processes and procedures for recruitment, performance management, and reporting are robust and agreed with by all parties.

Recommendation 1.2: *Ensure the request for TA is partner led.*

Response: Agree

Actions: In accordance with good practice, the initial request for technical assistance should be country partner led, clearly articulated and should be justified as being the most appropriate response to the result desired. AusAID needs to be able to contextualise the requests from partner governments within a broader framework for sustainability, and where possible clearly within the partnerships for development and sector priorities. This recommendation suggests requests for technical assistance are not currently partner led – however, in the main, the PACTAM mechanism has been demand driven. 'Partner-led' involves in practice, the need for increased partner government participation in the recruitment process, and stronger initial analysis of the request for technical assistance: i.e., among the suite of options available, which response (technical assistance, volunteers, rolling inputs etc.) will likely be the most effective means of filling the identified need or gap.

Recommendation 1.3: *Explore opportunity costs of funding and alternative arrangements.*

Response: Agree

Actions: Each deployee position should be discussed with the full range of costs associated with the position made transparent to the partner government and consideration given to the opportunity cost of different alternative technical assistance options (top up salaries for local employees, international volunteers, young professionals, short-term training, short term technical assistance followed up by desk support etc.).

- As referenced in the review, if a decision is made to recruit international technical assistance, the remuneration should be agreed by the partner government and benchmarked against other international TA in that country (with the advice of the managing contractor). Appropriate levels of remuneration will be necessary to attract the most appropriately skilled candidate from the Pacific region or internationally.
- Deployees should be paid in-country rather than in Australia.

It was not in the remit of the review to investigate the complexities of using partner government systems to finance the technical assistance. Every attempt should be made to reduce partner government transaction

costs, but the method of payment will depend on fiduciary risks and AusAID's level of confidence in partner government systems.

Recommendation 1.4: *Ensure clarity of the advisers' role and expectations about capacity building.*

Response: Agree

Actions: Each deployee position should have clearly articulated, realistic objectives – mindful of the limited capacity changes that can be engendered by one individual in a limited time period. If the deployee is part of a wider development activity, the terms of reference should show the contribution each deployee is making to higher level, mutually agreed objectives. Where feasible (and if appropriate) consideration should be given to ensuring that the deployee is part of a long term capacity development plan. However, whether or not this is possible, as recommended by the review, each deployees' terms of reference should articulate the primary role:

- to substitute capacity (to help the government in lieu of locally available personnel);
- to supplement capacity (to provide expert advice on a defined area of specialisation not available locally); or
- to develop capacity (to assist capability development and enhance performance).

Where the deployees' primary role is to develop capacity, much longer term contracts should be given. Furthermore AusAID should consider lengthening capacity supplementation roles and substitution roles to increase effectiveness. Partner governments should take an active role in putting together the terms of reference with appropriate levels of input from the managing contractor.

Recommendation 1.5: *Lines of accountability should be clearly specified.*

Response: Agree

Actions: Deployees should be accountable to, and where possible managed by, the partner government. Their sole contract (and/or service agreement) should be with the partner government. This contract should specify the 'package' that will be provided by the partner government to support that deployee (housing allowance, transport allowance, travel allowances etc.).

The review suggested that as part of increasing accountability to the partner government, contracts and/or services orders with the deployees should also have a specified probationary period, termination clause and repatriation clauses in the event of accidents etc. AusAID agrees that these are standard HR requirements of most work places, and a problematic shortcoming of the current contract has been the lack of procedural clarity around performance management and termination. As part of the re-design and re-tender process, whether or not probationary periods can realistically be built into the contracts will be investigated further.

Recommendation 1.6: *Increase partner government ownership of process.*

Response: Agree

Actions: Partner government line managers and their colleagues should lead the recruitment processes to the extent possible. Again, as with other recommendations, the extent of managing contractor input in recruitment should be based on a joint assessment of country partner (Ministry or Department's) capacity and preferences.

The review recommends interviews should take place in the partner country. It was widely acknowledged that this will both increase partner government ownership of the process, and provide interviewees with a firsthand understanding of the environment in which they will be working. This may increase the costs of recruitment, and may result in a reduction in the shortlisted candidates for cost-savings purposes. This is a matter for further discussion at re-design.

Further, advertisements should specify that it is the partner government's recruitment process. As a minimum, the partner government should lead advisers' selection process and be involved in interview processes. An appropriate technical specialist (e.g. a senior surgeon, physician, or finance expert), agreed between AusAID and the managing contractor, should be invited to support the interview process ensuring appropriate skills levels of the recruit. This expert could be drawn from a relevant regional body, or be an AusAID advisor, for example from the health and education sectors.

Where possible it is advised that a deployee should not interview (or manage) another deployee. In some cases, such as in Nauru, this may be unavoidable.

Following recruitment, in-country induction processes should be arranged by the partner government with managing contractor guidance and input as necessary.

Recommendation 1.7: *Performance Assessment processes should be simplified.*

Response: Agree

Actions: The review recommends AusAID should have a clear agreement with the partner government over performance management. Where possible deployee performance management should be led by the partner government. In the event of proposed termination, the AusAID post ought to be consulted.

In reporting and assessment, much greater emphasis should be placed on analysis of the deployee's contribution to achieving outcomes rather than activity monitoring. Reporting should happen annually in-country between the partner government and AusAID, with the partner providing annual assessments on each position (individually or aggregated by sector as appropriate) of their effectiveness including contribution to high level development outcomes and continued relevance. If appropriate, the managing contractor could facilitate this discussion. These discussions should be carried out without the deployee present. Where possible, this discussion and reporting should be part of the annual Quality at Implementation reporting process, sector reporting or in aggregate as part of the Annual Program Performance Report or the Partnership for Development reporting.

AusAID agrees that performance assessment processes could improve and reporting made more analytical to increase its applicability to internal reporting requirements.

Currently, AVI produces annual Country Consolidated reports, and a Monitoring and Evaluation report. With the advent of the transparency charter, and the requirement to bring reporting in line with AusAID's partnerships discussions, QAI and APPR processes, reports will need to be agreed by all parties, with a view to publication.

Significant among the changes in Amendment 2 to the Head Contract is the introduction of the Assignment Evaluation Group (AEG) meetings, whereby deployees, partner governments, AusAID and AVI meet together to discuss assignment achievements, risks and challenges. From this, the mandatory AusAID Advisor Performance Assessments required under the ARF have been completed. There have been mixed responses to this change in reporting. Further work will be carried out to obtain feedback on the AEG meetings, and AVI is preparing a survey to distribute to AusAID Posts.

Recommendation 1.8: *Ensure clarity in the new PACTAM contract.*

Response: Agree

Actions: This review has shown that difficulties arise when the Head Contract is ambiguous. It has also shown how accountability becomes blurred if the managing contractor is involved in pastoral support or in performance monitoring.

It will be important in the reconfiguration of the new mechanism to ensure that expectations are clear – both of the partner government and of the managing contractor. This will depend on the capacity of the partner government Ministry/Department. At each step, attention should be given to ensuring Partner government's ownership of the process while being mindful of the transaction costs of greater partner government involvement.

Recommendation 1.9: *Ensure the PACTAM contract is reviewed/updated regularly to keep pace with internal AusAID developments and changes.*

Response: Agree

Actions: This recommendation will be built into the new contract through the re-design and re-tender process.

Recommendation 1.10: *Decouple the link between MC recruitment/management fee and the number of advisers.*

Response: Agree, but further investigation required as to how this can be done

Actions: The review found that, in some cases, AusAID Posts suggested the managing contractor may have been proactive in suggesting to partner governments that they request a PACTAM deployee. In these situations, this perception has created significant tension. While AVI does not consider that there was a monetary incentive to recruit advisers, it will be important to decouple the link between the managing contractor's fee and the number of deployees recruited in the revised PACTAM mechanism.

Recommendation Two: Trial new approaches to improve capacity development

Recommendation 2.1: *AusAID should trial different approaches to capacity building, led by Post in-country. These approaches should build on learning from other OECD/DAC bilateral agencies as well as AusAID's experience.*

Response: Agree

Actions: AusAID agrees with the assessment contained in this recommendation, in that if a capacity building mechanism were to be piloted, it will be important to delineate the provision of technical assistance (in a reconfigured PACTAM mechanism) from the deeper, more complex, issues of engendering sustainable capacity development. The Capacity Development Team in Canberra has commenced work on a Capacity Development 'toolkit' which will assist AusAID staff in assessing capacity development needs and measures to address gaps and shortfalls. The Capacity Development team will be a strong contributor to the re-design process.