



Australian Government
AusAID

Quality at Entry Report and Next Steps to Complete Design for Seeds of Life Phase III

A: AidWorks details

Initiative Name:	Seeds of Life		
AidWorks ID:	ING104 (10A166)	Total Amount:	Up to \$25 million over five years
Start Date:	1 February 2011	End Date:	31 January 2016

B: Appraisal Peer Review meeting details

Initial ratings prepared by:	Cameron Reid
Meeting date:	7 June 2010
Chair:	James Gilling, Assistant Director General, Indonesia and East Timor
Peer reviewers providing formal comment & ratings:	<ul style="list-style-type: none"> Robert Tripp, Consultant David Swete Kelly, Consultant
Independent Appraiser:	<ul style="list-style-type: none"> John Fargher, Consultant
Other peer review participants:	<ul style="list-style-type: none"> Philippa Venning, Director ETS, Cameron Reid, Policy Analyst, ETS; Aedan Whyatt, Performance Assessment Manager, ETS; Sofia Ericsson, Performance and Evaluation Manager, Indonesia Section; Ian Kershaw, Rural Development Adviser; Barbara O'Dwyer, Gender Adviser; Jemal Sharah, Counsellor Dili; Jeff Prime, First Secretary Dili; Joao Fernandes, Program Officer, Dili; Simon Hearn, Principal Adviser Strategy and Policy ACIAR; Paul Fox, Research Program Manager ACIAR

C: Safeguards and Commitments

<i>Answer the following questions relevant to potential impacts of the activity.</i>		
1. Environment	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
2. Child Protection	Does the design meet the requirements of AusAID's Child Protection Policy?	Yes

D: Initiative/Activity description

3. Description	The goal of the East Timor Seeds for Life (SoL) Program (Phase 3) is improved food security through increased productivity of major food crops. The program builds on 2 earlier phases to select improved food crop varieties for East Timor rainfed agriculture, scale-up seed production through formal and informal channels and strengthen government institutions relevant to effective seed production systems for food crops.
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4. Objectives Summary	<p>The objective of the program is: Farmers have access to and are routinely using improved food crop varieties. The end-of-program outcomes at objective level, against which overall performance of the program will be assessed, include:</p> <p>(1) 70% of lowland rice farmers use one or more varieties developed by the program;</p> <p>(2) 40% of upland farmers use one or more program varieties and within this: 40% of maize growers are using SoL varieties; 70% of peanut growers are using SoL varieties; 50% of sweet potato growers are using SoL varieties; and 20% of cassava growers are using SoL varieties.</p>
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E: Quality Assessment and Rating			
Criteria	Assessment	Rating (1-6) *	Required Action (if needed)
5. Relevance	<p>SoL III builds off a successful partnership between the Ministry of Agriculture and Fisheries (MAF), ACIAR and AusAID.</p> <p>The design is consistent with the Australia Timor Leste Country Strategy and is complementary to other donor activities in the sector. It is also consistent with the vision identified in the Timor Leste Strategic Development Plan (SDP) 2011-2030.</p> <p>The design also complements proposed new activities in the sector including the IFAD post harvest project and the possible World Bank agricultural development program.</p>	5	<p>Explain how SoL III fits within the broader food security agenda in East Timor (agronomy, post harvest handling, market/finance support).</p>
6. Analysis and Learning	<p>The design builds on earlier engagements. The design document presents a good summary of the major factors impinging on the success of these efforts and illustrates significant lessons learnt from the earlier phases of the project. There is a good analysis of the challenges and resource constraints to be faced.</p> <p>Moreover, practical use has been made of lessons learned in other fragile states – for example seed fairs to monetise seed production, which is sensible and worth piloting. There are risks with these approaches that the monitoring system can track to inform management decisions.</p> <p>The main design document could be strengthened in relation to the lessons arising from current and previous public sector reform and capacity building in MAF. An assessment of the pitfalls would be useful as this would help justify (or challenge) the approach taken in SoL III.</p>	5	<p>Provide a clearer theory of change demonstrating the links between activities, components, end of program outcomes and their impact on the goal of food security.</p> <p>Draw on key lessons learnt from ten years of SoL and other capacity building activities within MAF as well as lessons learned in Solomon Islands, PNG and Indonesia over the past 5 years to develop a better understanding of organisational and systematic capacity development of institutions, rather than individual capacity development.</p>

E: Quality Assessment and Rating

7. Effectiveness	<p>The objectives, vision and end of program outcomes provide a clear vision of the scope and scale of the program.</p> <p>There is significant reliance on new institutional arrangements for distribution of SoL3 outputs as well as increased reliance on Suco Extension Officers from MAF. The design would benefit from an explicitly quantified transition that phases out GoA support and phases in GoTL support for these institutional arrangements over the life of the program.</p> <p>The design should also explicitly identify how collaboration and harmonisation will be resourced and implemented with initiatives supporting improved agronomic practices (EC, proposed World Bank program) or post harvest handling (NZAID/FAO, proposed IFAD/ADB program).</p>	4	<p>Explicitly identify the number of household beneficiaries up-front and throughout the design document.</p> <p>Explicitly identify how collaboration and harmonisation with other programs/projects will be resourced and implemented.</p> <p>Include a transition strategy for the handover of specific responsibilities (technical, managerial and financial) to MAF during SoL III.</p> <p>Provide a stronger argument on how institutional change will be managed/achieved. This could include options for mentoring, twinning and lead firm models.</p>
8. Efficiency	<p>Timor Leste is a fragile state and use of technical assistance and other direct interventions remains appropriate, however clarification of adviser positions is needed. The design places a strong emphasis on technical assistance, around \$12 million or 45 per cent of program. The reliance on 10 long-term technical assistance staff for delivery of change could be excessive.</p> <p>A critical risk is that SoL management and implementation teams fail to adapt to challenges of a broader program. SoL III will push ACIAR and the implementation team (the Centre for Legumes in Mediterranean Agriculture based in the University of Western Australia) beyond their comfort zone and traditional mandate. This will need to be carefully managed throughout the program.</p> <p>The risk management matrix (Appendix 8) would be strengthened if it addressed three additional but core risks: (i) environmental sustainability; (ii) capacity of MAF to absorb a program as large as that proposed by SoL3 and (iii) seed property rights.</p>	4	<p>Provide a stronger justification for the technical assistance package proposed. Provide clear costings for all adviser positions in line with AusAID advice; separating fees and allowances.</p> <p>Provide terms of reference for all advisers that are of high enough quality to go to market.</p> <p>Provide itemised costings and a breakdown of program management costs of 28 per cent.</p> <p>Address environmental sustainability needs as raised at peer review.</p> <p>Address concerns regarding property rights of seed varieties. ACIAR to provide guidance on this.</p>
9. Monitoring and Evaluation	<p>Monitoring systems are thorough and build on the proven SoL II model. M&E is less clear in its role in managing some of the key implementation risks and particularly the outcome level progress related to skills development and capacity to take over key roles. This is a key area of focus for the program and there should be much more focus on indicators of institutional change and capacity.</p> <p>The design should also provide clarification about the role of SOSEK / M&E unit (given the different functions research, analysis, monitoring and evaluation). The budget for the Unit is about \$350,000 or 1.4 per cent of the program. Given the range of activities that will need to be performed by the Unit (particularly around how the informal seeds systems works), the capacity of MAF, and the experimental nature of Component 3 (it will need to monitor and understand the nature of farmers' demand for seed and ensure that adequate responses are available).</p>	5	<p>Make the program logic explicit and in doing so distinguish outcomes and outputs to ensure performance can be properly and realistically managed.</p> <p>Increase the monitoring and evaluation budget to 5 per cent of the program.</p>

E: Quality Assessment and Rating

10. Sustainability	<p>The design addresses many technical aspects needed for a sustainable national seed system.</p> <p>As identified in the design and its risk management framework, institutional sustainability is difficult to address. The capacity development activities need to be strengthened for institutional sustainability to be addressed.</p> <p>Financial sustainability is not assured. For example MAF cannot sustain the recurrent costs of 2 research stations, let alone more, and it is not clear how the transition to country ownership is planned. In the absence of this, the sustainability of the high investment, high recurrent cost research/genetics approach to improving food security is questionable. Similarly, MAF cannot sustain the recurrent costs of SEOs.</p> <p>Physical or capital development of any new research stations should be delayed until such a time that MAF is (a) meeting the recurrent cost requirements of Betano and Loes research stations and (b) there is agreement on MAF progressively taking on responsibility for any new stations.</p>	4	<p>The design will include a transition strategy, for the handover of specific responsibilities (technical, managerial and financial) to MAF during SoL III.</p> <p>As part of the transition strategy, provide estimates of MAF financial commitment over the program, including the ongoing cost of current research stations, new research stations and any new staff. This will then be used as the basis of negotiations with MAF on its ongoing financial contribution.</p>
11. Gender Equality	<p>The gender assessment identifies the ground work that has already been done in SoL but goes on to identify important areas for further work and the more integrated needs for mainstreaming throughout the program. The analysis is well founded and the recommendations are practical and aligned with current Government policy and commitments. It would be helpful to a targeted gender 'action plan'.</p> <p>Furthermore, a long-term gender advisor may not be needed, supporting MAF staff through mentoring and twinning with short-term advisors may be more sustainable.</p>	5	<p>Note that a concise gender 'action plan' (no more than 2 pages) should be included during the start up phase of SoL III.</p> <p>Replace long term gender adviser with short term inputs from a gender expert.</p>

*** Definitions of the Rating Scale:**

Satisfactory (4, 5 and 6)		Less than satisfactory (1, 2 and 3)	
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

E: Next Steps *completed by Activity Manager after agreement at the Appraisal Peer Review meeting*

Provide information on all steps required to finalise the design based on *Required Actions* in "C" above, and additional actions identified in the peer review meeting

A consolidated list of steps taken to finalise the design are at Attachment A.

F: Other comments or issues *completed by Activity Manager after agreement at the APR meeting*

Comments were supportive of the Seeds of Life III (SoL III) design. Discussions focused on how to make the design document a more effective tool in systematically managing the program – "a roadmap for management". In particular, there was agreement that the design should be more explicit on how SoL III fits within the broader food security agenda in East Timor and how the theory of change used will achieve the end of program objective and progress towards the goal of improved food security. Discussions also focused on a number of other key issues, including the need for:

1. A clear transition strategy for the handover of specific responsibilities to MAF;
2. An expanded dialogue with MAF, particularly around financial co-commitments necessary to hand over SoL functions;

F: Other comments or issues *completed by Activity Manager after agreement at the APR meeting*

3. A stronger articulation around the institutional capacity building agenda required;
4. A clear justification for the technical assistance package proposed;
5. An increased M&E program and clarification of the M&E/SOSEK Unit; and,
6. A gender strategy focused on tangible and realistic activities and outcomes.

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):

James Gilling, ADG IET

signed: 

21/9

When complete:

- Copy and paste the approved ratings, narrative assessment and required actions (if any) (table D) into AidWorks
- The original signed report must be placed on a registered file

Attachment A

Changes made to the SoL III design to incorporate peer review comments

The design team will update the design document in the following areas:

Sector Wide and Program Framework

1. Explain how SoL III fits within the broader food security agenda in East Timor (agronomy, post harvest handling, market/finance support). This will include an explanation (up to 1.5 pages) and associated logic model diagram (1 page) identifying the linkages between these areas and how they jointly lead to improved food security. A high-level logic model should identify all the pre-requisite outcomes required to achieve 'improved food security' and how they relate to each other (if applicable). In particular, it should focus on what elements impact on the effectiveness of SoL III investments (e.g. post-harvest handling). See attachments as examples.
2. Explicitly identify how collaboration and harmonisation with other programs/projects will be resourced and implemented (0.5 page). This can be included as part of point 1.
3. Explicitly identify the number of household beneficiaries up-front (49,500 rice households and 61,000 maize households) throughout the design document (including Program Goal, Objective and Vision). Also, in the Objective state that the program will improve MAF's capacity to support the national seed system.
4. Re-organise the Strategic Framework (p14) to reflect a results chain (this is not intended to be an extensive exercise). We would like to see the relationships between activities demonstrated. For example, evaluation of varieties (C1) should directly feed upwards into formal seed (C2) & informal seed (C3); seed system management should influence all components.
5. Provide a clearer theory of change demonstrating the links between activities, components, end of program outcomes and their impact on the goal of food security. This is already captured to some extent in the Strategic Framework diagram however this should be strengthened with a clearer explanation (up to 1.5 pages). (Articulated in point 5.2 of ToRs - Program Description).

Institutional Capacity

6. Provide a clear and concise section on institutional capacity including how the SoL III plans to address this (possibly in the Program Vision section – up to 1 page).
7. Provide a stronger argument on how institutional change will be managed/achieved. This could include options for mentoring, twinning and lead firm models. In doing so draw on lessons learnt from SoL and other relevant capacity building activities in Solomon Islands, PNG and Indonesia.
8. Assess the need to include further short term inputs from an organisational development specialist to provide guidance on the Program's approach to strengthening MAF's capacity to support the national seed system.

Transition Strategy

9. Provide an appropriate transition strategy for the handover of specific responsibilities to MAF (up to 2 pages). The purpose of the transition strategy is to provide a realistic, sequenced and logical handover of SoL responsibilities to MAF (articulated in point 5.5 of ToR). This will be used as a basis for ongoing discussions with MAF.
 - It should identify the tasks/capabilities/responsibilities that MAF would need to take over as part of this transition. The plan will differentiate the requirements of staff, particularly management staff, (skill, knowledge, capacity) and the requirements of the institution (resourcing, policies, processes, structures).
 - It should provide an approximate target for when this would happen. For example what would MAF be managing in year 1, 2, 3 and 4? It should aim to handover full responsibility for identified components by the end of Year 4 to enable a mentoring role to take place in Year 5.
 - It should provide an explanation of how the transition will be achieved and measured. It will state that handover of responsibilities is dependent on meeting specific capability and financial contribution requirements.
10. As part of the transition strategy, explain that the development of any new research stations should be built taking into account MAF's ability to meet the recurrent cost requirements of Betano and Loes research stations and MAF's agreement on progressively taking on responsibility for any new stations.
 - This still needs to be discussed sensitively with MAF as part of our ongoing dialogue around the sustainability of SoL into the future (financial and otherwise). As discussed at Peer Review, there are concerns about supporting the

construction and operation of new research stations without a firm commitment by MAF to take over the costs associated with current research stations. The ability of MAF to take over the management of component 1 will be difficult if it cannot pay for the ongoing costs of these stations.

11. As part of the transition strategy, include further reference to explicit opportunities for ongoing (and expanded) dialogue with MAF around the management of the program, including advisers, and around financial commitments necessary to hand over key SoL functions is required before and during SoL III. This should include fortnightly meetings between the Director General, Directors, SoL Team Leader and AusAID.
12. As part of the transition strategy, provide estimates of MAF financial commitment over the program, including the ongoing cost of current research stations, new research stations and any new staff. This will then be used as the basis of negotiations with MAF on financial contribution.

ACIAR Budget

13. Provide a program budget in the ACIAR proposal format. This should include a revised budget and sequencing of implementation that reflects the shortfall of funds in financial year 2010/2011. Please note an extension has been granted to SoL II to end of January 2011 and therefore this constraint may not be as pronounced given there was no budget shortfall in 2011/12 (see minutes in attachment below).

Technical Assistance (Justification and ToRs)

14. Provide a stronger justification for the technical assistance package proposed (up to 1 page). Provide clear costings for all adviser positions in line with AusAID advice; separating fees and allowances.
 - Reduce Gender Adviser to short term input.
 - Reassess staff resources provided to support the strategic and program management of SoL III.
15. Provide terms of reference for all advisers that are of high enough quality to go to market.

Program Management

16. Provide itemised costings and a breakdown of program management costs of 28 per cent.
17. Revise the structure of the PMU in line with discussions with MAF and the Appraisal Peer Review. That is the Director General MAF will be the counterpart for SoL III Team Leader. There will also be a management team of the Director General, the three relevant MAF Directors and Team Leader.

Other Issues

18. Increase the monitoring and evaluation budget to 5 per cent of the program.
19. Reassess staff resources needed for Component 3.
20. Provide further clarification regarding national staff proposed for the program. This should include whether national staff will be funded by MAF or SoL; whether staff will be hired through a selection process or pulled out from other areas of MAF; whether staff will be hired in bulk at the beginning of the program or over the life of the program.
21. Provide clarification about the role of SOSEK / M&E unit given the different functions research, analysis, monitoring and evaluation.
22. Note below advice regarding the M&E framework possibly to be updated by M&E specialist:
 - *Goal/Impact measures:* the M&E framework should include broader food security measures to monitor key trends that affect the impact of SoL III investments (e.g. post harvest handling). The conceptual point of a 'goal-level' is that it is beyond the scope/attribution of the project (unlike EOPO) and provides a sector view on how the project contributes to a broader GoTL agenda (food security). Monitoring trends in food security provides three advantages: firstly, it enables project and AusAID managers to appreciate, leverage and report other contextual factors that impact on SoL III investments. For example, at the peer review the example was given that effective post-harvest handling could directly increase the productivity of seed production. Secondly, it strengthens the project's ability to demonstrate a 'contribution analysis' between SoL III outcomes and broader improvements in food security. Thirdly, it provides possible opportunities to use and strengthen GoTL M&E systems which are focused on capturing information at this level. This approach does not compromise the MEF, of which 90% + is devoted to managing and monitoring the project itself. And it directly supports the emphasis of point 1
 - *Performance measures:* indicators are descriptive and volume-based – e.g. # of varieties trialled on-station, by type and location. It is recognised that baseline information will be collected but equally important is the setting of targets

to provide context and benchmarks to assess adequate progress each year. The need to have a baseline and a target in order to measure progress applies equally to outputs and outcomes. Also, without targets it is unclear what measuring the type/number of outputs will tell us? For example, what is a sufficient number of varieties trialled? It isn't clear how collecting this information will impact on decision-making or reporting

- *Capacity measures*: will not capture key changes – e.g. 'Capacity of MAF research staff to manage the identification and release of new varieties strengthened' is measured by # of people trained, by position, subject, type of training provided and sex. Progress measurement examples in Appendix 2 Table 4 should be integrated into the M&E framework.
 - *Log frame*: entirely duplicates M&E framework. Assumptions should be addressed in risk management strategy or in theory of change analysis
23. Reporting requirements should be simplified and reduced (p32): monthly exception reports are unnecessary; six-monthly progress reports should follow a much simpler format (e.g. discussion of key implementation/context issues) and be combined with financial reports. There is also a need to schedule an Independent Completion Report well in advance of completion date to inform future design (if required).
24. Note that a concise gender 'action plan' (no more than 2 pages) should be included during the start up phase of SoL III.
25. Note that 1-page position descriptions should be provided for all national counterparts as part of the start up phase of SoL III in discussions with MAF.
26. Address environmental sustainability needs as raised at peer review.
27. Provide branding principles for SoL3 outputs and communications. AusAID to provide guidance on this.
28. Address concerns regarding property rights of seed varieties. ACIAR to provide guidance on this.