



Save the Children
Australia

Performance Benchmarks for Australian Aid

Submission to the Department of Foreign Affairs and Trade

Save the Children Australia

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About Save the Children

Save the Children is a leading independent international organisation for children and child rights. Our vision is of a world in which every child attains the right to survival, protection, development and participation. Our purpose is to inspire breakthroughs in the way the world treats children and to achieve immediate and lasting change in their lives. We work towards this vision in more than 120 countries across the globe.

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1. Executive Summary

Save the Children supports the use of performance benchmarks to track results and increase public confidence in an effectively managed aid program.

Benchmarks can and have been used to improve performance across the Australian aid program. We are delivering better and more aid aligned with our national interest. But, there remains room for improvement in a way that does not stifle innovation and learning.

Save the Children makes the following key recommendations:

Aid program as a whole

1. At an **outcome level**, use the **Millennium Development Goals (MDGs)** and **post-2015 framework**.
2. Majority of aid focussed on the **Asia-Pacific region** with some funding available for responding to world-wide humanitarian crises, fulfilling our obligations to Afghanistan and contributing to global initiatives.
3. **Process-level** indicators should include predictability (stability of aid volumes and continuity of effective programs), transparency, staff skills and retention.

Delivery partners

4. All partners (NGOs, multilaterals, private companies, partner governments) develop and implement **child safeguarding** policies which demonstrate their commitment to do no harm to children.
5. For **humanitarian assistance**, apply benchmarks to all delivery partners on the basis of timeliness, cost effectiveness, transparency and accountability, and scale.
6. **NGOs** are assessed on a **five year cycle** against standards that examine organisational capacity (**accreditation process**) and **annually** on the effectiveness of outputs/outcomes delivered (**Monitoring and Evaluation Learning Framework**)

Transparency

7. 'Good' ranking on the **Aid Transparency Index**
8. **Benchmark report** released prior to commencement of the annual budget planning cycle, including performance of aid spending by other government departments.

While there are a range of issues canvassed in the DFAT Consultation Paper, we have focussed on the areas where we have most programming experience and are able to offer insights.

2. Use of benchmarks

Save the Children supports an aid program based on transparency, performance and accountability, building on the many existing well-researched and established systems in this area.

Save the Children is one of the largest aid and development organisations dedicated to helping children. We are a fully accredited Tier 1 Partner of the Australian NGO Cooperation Program and a direct implementer of several large Australian aid programs including Children of Uruzgan in Afghanistan. We are one of 30 members of Save the Children International – a global organisation working in 120 countries and reaching more than 125 million children each year.

Save the Children's commitment to effectiveness is demonstrated by our Global Indicators Framework which captures outcomes across our priority areas of humanitarian assistance, health, education, child protection and child rights. We strive to be a transparent and accountable organisation. Our forthcoming 2013 Annual Report follows the PwC transparency guidance for not-for-profit organisations and takes a critical look at where our impact has been less than expected and what we will do to improve.

Below are just some of the ways that benchmarks can be used to improve performance across the Australian aid program:

- **Consistency** - create a level playing field in performance assessment for all stakeholders providing services on behalf of the Australian Government.
- **Effectiveness** - benchmark how much of the funding reaches the people who need it most.
- **Accountability** - communicate what aid has achieved and invite scrutiny.
- **Continuous improvement** - encourage and reward learning and innovation, promote new ways of achieving better outcomes.

There is also the opportunity for the Australian Government to play a leadership role in the international aid sector, working with donor partners to harmonise global benchmarks. This would not only be helpful to government and NGO partners (not having to respond to several different sets of benchmarks), but also would enable donor governments to share and learn more effectively.

While Save the Children is willing to embrace a performance culture, we offer some words of caution.

Development is highly complex and operating environments vary considerably. When thinking about benchmarks for the aid program, it is vital to consider both the quantitative outputs and qualitative outcomes being delivered by aid investments. Strict numeric metrics do not provide sufficient understanding of the quality of development outcomes. For example, focusing solely on the number of beneficiaries reached without looking at who those people are does not tell us whether the most marginalised members of target communities have accessed project benefits.

It is also important to ensure that the introduction of benchmarks does not stifle innovation and learning by incentivising investment in interventions that can deliver quantifiable outputs at the expense of projects with harder to measure gains such as the empowerment of women and girls. In terms of consequences, sufficient time should be allowed for improvements and adjustments before moving to cancel programs.

How we use performance information

Children of Uruzgan commenced in 2011 and aims to increase access, quality and demand of basic health and education in the six districts of Uruzgan province in Afghanistan. The program targets poor and remote communities with a particular focus on women and girls and ethnic minorities.

The program established targets for Year 1 which were not achieved due to the challenging operating environment and massive under-estimation of the time it would take to build relationships with local actors to enable the program to be successfully implemented. Had the program been judged purely on how it performed in Year 1 it could have been cancelled; instead, the flexibility that was afforded has enabled the program to get back on track.

In 2013, an independent Mid-Term Review found the program has become a significant success story. *“The success of the program is particularly impressive given the extremely difficult operational environment. The key to its success has been an uncommonly adaptive approach to revising the program design during implementation, both by DFAT and Save the Children. This flexibility has allowed the program to move from failure to meet many of its Year 1 targets to now being on track to meet or exceed most Year 2 targets, especially in regard to core activities in health and education.”*

Save the Children will continue to measure progress and adapt our program. For example, an end-line survey of a pilot maternal and newborn care program showed such promising results in one district, it is now being replicated in another district.

3. Whole-of-aid program

Outcomes

The government’s objective for the aid program is “to promote Australia’s national interests through contributing to economic growth and poverty reduction”.¹ Priorities include:

- **Economic growth** - including trade, infrastructure, private sector, good governance.
- **Education and training** - including vocational training and scholarships.
- **Women and girls** - access to education, leadership, economic empowerment, tackling violence.

This represents new directions for the aid program, or at the very least, reprioritisation.

While some new targets may be necessary, they should build on the wealth of existing good practice on benchmarks including:

- **International** - Millennium Development Goals, High-Level Forums on Aid Effectiveness (Paris, Accra, Busan), OECD-DAC Evaluation Criteria.
- **Domestic** – Independent Review of Aid Effectiveness (2011), Comprehensive Aid Policy Framework to 2015-16, Annual Review of Aid Effectiveness 2011-12.

In order to be effective, the benchmarks set by the government for the aid program should themselves be clear, avoid duplication and unnecessary administrative burden.

¹ DFAT Submission to the Senate Foreign Affairs, Defence and Trade References Committee Inquiry into Australia’s overseas aid and development assistance program, 7 February 2014

In terms of global consensus around development outcomes, the Millennium Development Goals (MDGs) offer the best framework. The MDGs were critical in catalysing an internationally coordinated focus on results. The MDGs also shifted the definition of development from one that focused solely on economic growth to a broader human development focus.

Save the Children advocates for the MDGs and post-2015 development goals to serve as benchmarks for the Australian aid program. Whilst impressive progress has been made in tackling extreme poverty and increasing access to basic education, much more remains to be done, particularly in the area of maternal mortality. The MDGs should continue to guide the aid program to 2015, after which there will be a new global consensus on priority development outcomes. Save the Children has been actively engaged in the post-2015 discussions and Attachment 1 contains our vision for the new framework.

In terms of geographic focus, Save the Children supports budget allocations to the Asia-Pacific region, where development needs remain high and where Australian aid can have proportionately a greater impact. The qualification is that some funds should be reserved for:

- Responding to major humanitarian crises, wherever they occur;²
- Fulfilling our obligations in post-conflict states such as Afghanistan; and
- Contributing to global level initiatives that have impact on our region.³

Process

The Independent Review of Aid Effectiveness (2011) advocated a three-tier performance rating system:

1. Progress against development goals.
2. Contribution of Australian aid.
3. Operational and Organisational Effectiveness.

In the section above, we argue for the first two tiers to link with the MDGs. For the third tier, there are a range of process indicators contained in the *Comprehensive Aid Policy Framework to 2015-16* and reported against in the *2011-12 Annual Review of Aid Effectiveness*. In the current context, with significant uncertainty about the aid program, Save the Children recommends that priority be accorded to predictability, transparency, staff skills and retention. International evidence has shown that funding stability and predictability are essential for development effectiveness.⁴ High staff turnover has been identified as a major constraint⁵ and the importance of transparency is detailed towards the end of this submission.

Benchmarks

Outcomes linked to the **Millennium Development Goals (MDGs)** and **post-2015 framework**.

² For example, Syria is experiencing the world's worst humanitarian crises in decades.

³ Examples include global initiatives for reduction of communicable diseases and climate change

⁴ See Paris Declaration on Aid Effectiveness and Accra Agenda

<http://www.oecd.org/dac/effectiveness/parisdeclarationandaccraagendaforactionfullrelateddocumentation.htm>

⁵ ANU Development Policy Centre Submission to the Senate Inquiry into Australia's Overseas Aid and Development Assistance Program

Majority of aid focussed on the **Asia-Pacific region** with some funding available for responding to world-wide humanitarian crises, fulfilling our obligations to Afghanistan and contributing to global initiatives.

Process-level indicators include predictability (stability of aid volumes and continuity of effective programs), transparency, staff skills and retention.

4. Partner performance

The Australian aid program has a range of partners including NGOs, private companies, multilateral organisations and governments. In the following sections, we have opted to focus on the areas where we have most programming experience and are able to offer insights – child protection, humanitarian assistance and NGOs.

4.1 Child protection

All children have the right to be protected from all forms of violence, injury, abuse or exploitation.⁶ There are two aspects to protecting children from harm:

1. Investing in ways for children to enjoy a safe, healthy and happy childhood with access to opportunities to reach their full potential.
2. Child safeguard (child protection) policies to ensure organisations do no harm to children.

As one measurable step along the way to better outcomes for children, this section focusses on the second element.

In 2008, the Australian Government was the first major donor to implement a child protection policy in the delivery of its overseas aid program. The revised 2013 Child Protection Policy puts the issue firmly on Australia's agenda and is a powerful example of how DFAT can influence global practice. Obligations for safeguarding children cascade down to all DFAT staff, international development contractors, NGOs, civil society organisations and other partners funded by the Australian aid program. The scope also extends to multilateral organisations and bilateral donor partners funded by DFAT. However, much more needs to be done.

While the policy intent is there, in practice, many organisations receiving aid funds do not have adequate child protection safeguards in place. Additionally, the aid program is contemplating new partners, including private companies, to tackle poverty. Together, we can do more. However, to maintain the integrity of the aid program, all organisations accessing Australian aid funding should have child safeguarding policies. This includes all other Australian government departments. NGOs have a strong commitment to child well-being and can provide leadership in this area to other organisations.

⁶ United Nations *Convention on the Rights of the Child* (1990), Article 19.

Vulnerability to child sexual exploitation in Port Moresby

PNG is Australia's second largest aid recipient, and many aid partners are centred in Port Moresby. Recent research by Save the Children⁷ indicates concerns over increasing levels of abuse and exploitation of children in the communities in and around Port Moresby. The research was conducted in response to an incident whereby staff and volunteers working at two NGOs were involved in grooming and procuring a young, orphaned girl for the purposes of child commercial sexual exploitation. Fortunately, the girl disclosed her sexual abuse to an NGO, police have taken action and the girl is receiving support. Save the Children found several strengths across NGOs operating in Port Moresby including good leadership on child protection and strong informal networks. However, areas for improvement include greater visibility of child protection policy, robust internal reporting mechanisms and dedicated child protection focal points within organisations.

Benchmark

All DFAT partners (NGOs, multilaterals, private companies, partner governments) develop and implement **child safeguarding policies** which demonstrate their commitment to do no harm to children.

In terms of going beyond safeguarding and addressing broader child protection and participation of children, Save the Children has a range of global indicators we would be happy to share and discuss with DFAT.

4.2 Humanitarian assistance

The Australian government delivers humanitarian aid via a wide range of humanitarian partners including United Nations agencies, the Red Cross and Red Crescent, international and national NGOs. The humanitarian portion of the aid program is subject to specific reporting through international mechanisms such as the Financial Tracking Service of UN Office for the Coordination of Humanitarian Affairs and the OECD-DAC. In order to increase accountability for funds provided by the Australian government, it is recommended that performance be tracked against the following benchmarks, which should be applicable to all partners of government in delivery of humanitarian assistance.

1. **Timeliness:** Number of days from disbursement of funds to (needs based) assistance reaching the most vulnerable affected populations.⁸
2. **Cost effectiveness/value for money:** percentage of funds spent in country by the agency delivering humanitarian assistance to the affected population
3. **Accountability and transparency:** Reporting to DFAT clarifies outcomes achieved with Australian funding and clarifies the feedback mechanisms put in place to the affected population.
4. **Scale:** Numbers of people reached with needs-based assistance.⁹

⁷ Assessing the Vulnerability to Sexual Exploitation of Children without Appropriate Care through Non-Governmental Organisations in Port Moresby, Save the Children Australia, January 2014

⁸ A benchmark focussing on reaching the most vulnerable in a timely fashion should encourage aid targeted to the most affected populations and the collection of sex and age disaggregated data to be able to demonstrate this.

⁹ This aligns with the previous benchmark in the Humanitarian Action Policy of reaching 30 million people by 2016; with additional consideration of the appropriateness and quality of assistance.

Benchmark

For **humanitarian assistance**, apply benchmarks to all delivery partners on the basis of timeliness, cost effectiveness, transparency & accountability and scale.

4.3 NGOs

Australian NGOs like Save the Children partner with the government to directly deliver a portion of Australia's official aid program through the Australian NGO Cooperation Program (ANCP).¹⁰ Furthermore, Australian NGOs deliver aid as partners on bilateral country programs or as subcontractors to multilateral agencies (particularly in the case of humanitarian and emergency response).

The robust ANCP accreditation process should be retained. It gives the Australian public confidence that NGOs have the organisational capacity to deliver effective development in often challenging environments. The Monitoring, Evaluation and Learning Framework (MELF) developed for the ANCP also provides a good starting point for assessing the effectiveness of aid delivered by Australian NGOs. The MELF enables aggregation of quantitative data as well as qualitative analysis across the NGO program. Taken together, the accreditation process and MELF form a good assurance package.

The ANCP is an example of leveraged financing. The amount of funding an NGO receives under the ANCP is related to the level of funding it raises from the community - although, it is not a linear matching relationship. The ten ANCP Partners receive substantial allocations over and above their basic ANCP funding entitlement in recognition of their greater absorptive capacity. In order to incentivise greater leveraging, particularly from the private sector, DFAT may wish to consider similar matching programs for a range of partners.

Save the Children supports much closer collaboration with DFAT on monitoring and evaluating the effectiveness of NGO aid programs. We would hope this comes with as much 'carrot' as 'stick' i.e. rewarding success, entrepreneurship, and measured 'risk-taking' to ensure the DFAT aid program is a learning and innovative one, looking to the future challenges that we will face in the region.

Value for Money

Value for money is sometimes raised separately to other performance measures such as indicators or benchmarks. These elements are all part of the same continuum of managing for effective results. For NGOs, value for money is explicitly written into the ACFID Code of Conduct which requires signatories, including Save the Children, to make effective use of resources and minimise financial wastage in the planning and implementation of development and aid activities.

Save the Children believes that NGO performance should take into account overall organisational effectiveness. It should not focus on cost-based quantitative assessment of inputs and outputs as tends to occur under value for money considerations (easiest aspects to measure) nor on outputs per unit input (e.g. cost per beneficiary). Different operating contexts demand different intervention strategies which cannot necessarily be compared directly against each other. Rather, the focus should be on assessing whether the best approach was adopted to achieve development priorities in a particular setting. The Monitoring and Evaluation Learning Framework provides scope for this.

¹⁰ There are now 10 ANCP 'Partner' NGOs and over 30 additional NGOs with either 'full' or 'base' ANCP accreditation. More information about accreditation and the full list of accredited NGOs can be found at: <http://aid.dfat.gov.au/ngos/pages/accreditation.aspx>

Benchmark

NGOs are assessed on a **five year cycle** against standards that examine organisational capacity (**accreditation process**) and **annually** on effectiveness of the outputs/outcomes delivered (**Monitoring and Evaluation Learning Framework**).

There should also be minimum standards that are applied to other delivery partners such as multilaterals and private contractors and assessed on similar timeframes. For example, the NGO accreditation process requires evidence of a Board approved gender policy. In line with a stronger focus on women and girls, all DFAT partners should develop and implement a gender policy.

5. Transparency

Improving performance is impossible without greater transparency and accountability.

Australia was a foundation signatory to the International Aid Transparency Initiative and has developed a Transparency Charter. While the commitment exists, execution can be improved. This is reflected in Australia's relatively poor ranking in the 2013 Aid Transparency Index.¹¹ Areas for improvement include publishing detailed financial data and effectiveness of aid spending by government departments other than DFAT.

Along with greater transparency, there must be timely release of performance information and the opportunity to act on results. An annual 'benchmarks' report may be produced or combined with the Annual Review of Aid Effectiveness. Such reports should be published by around October in order to meaningfully feed into Cabinet's yearly consideration of progress against the government's budget strategy. The 2011-12 Annual Review of Aid Effectiveness was released late in January 2013. A review for 2012-13 has only just been released – diminishing its value and relevance.

Challenges in monitoring aid allocations: Humanitarian program spending

Spending via the humanitarian program is reported on the DFAT website and through the UN's Financial Tracking Service (FTS). It is also reported to the OECA-DAC. Each of these reporting mechanisms requires differing information. Reporting on Australia's humanitarian program is also conducted by third party monitoring systems such as the Global Humanitarian Assistance report. A full triangulation of the spending information reported through these mechanisms is a highly complex exercise for NGOs due to the differing reporting requirements, and therefore has implications for the transparency of the program. Timely release of information on spend, underspend and mode of spend as well as annual public reporting of humanitarian program expenditure could ameliorate this gap.

Benchmarks

'Good' ranking on the **Aid Transparency Index**

Benchmark report released prior to commencement of the annual budget planning cycle, including performance of aid spending by other government departments.

¹¹ <http://www.publishwhatyoufund.org/index>

Attachment 1: Post-2015 Goals

The Millennium Development Goals have mobilised unprecedented support to end world poverty. We must do everything in our power to achieve them, but also find an agreed way forward on work that will remain to be accomplished.

Another historic agreement is within reach. We can be the generation that ends poverty, forever. For the first time, it is feasible to imagine that in the next couple of decades no child will die from preventable causes, every child will go to school, every child will have protection from violence and we will eradicate absolute poverty.

Save the Children proposes the following six goals for the new framework, to put in place the foundations for human development:

Goal	Description
1	By 2030 we will eradicate extreme poverty and reduce relative poverty through inclusive growth and decent work
2	By 2030 we will eradicate hunger, halve stunting, and ensure universal access to sustainable food, water and sanitation
3	By 2030 we will end preventable child and maternal mortality and provide basic healthcare for all
4	By 2030 we will ensure children everywhere receive quality education and have good learning outcomes
5	By 2030 we will ensure all children live a life free from all forms of violence, are protected in conflict and thrive in a safe family environment
6	By 2030 governance will be more open, accountable and inclusive

To provide a supportive environment for these goals we propose four more:

Goal	Description
7	By 2030 we will establish effective global partnerships for development
8	By 2030 we will build disaster-resilient societies
9	By 2030 we will ensure a sustainable, healthy and resilient environment for all
10	By 2030 we will deliver sustainable energy to all

Ending Poverty In Our Generation Save the Children's Vision for a Post-2015 Framework

<http://resourcecentre.savethechildren.se/library/ending-poverty-our-generation-save-childrens-vision-post-2015-framework>