



AUSTRALIAN NGOS AND AUSAID – PARTNERSHIPS FOR QUALITY ASSURANCE AND IMPROVING EFFECTIVENESS

Australian Agency for International Development

PART I – APPLYING A QAG METHODOLOGY TO NGOS PETER ELLIS, DIRECTOR, PROGRAM EVALUATION SECTION, AUSAID¹

Background and History

Current Australian practice in measuring and improving the development effectiveness of NGO programs supported by the Government through AusAID can be traced back to the 1995 *Review of the Effectiveness of NGO Programs*. This study was conducted by AusAID's evaluation section, using both AusAID staff and external consultants. NGO involvement was through membership of a Peer Review Group, which included two nominees from ACFOA (The Australian Council For Overseas Aid, the peak body representing aid NGOs) as well as four senior AusAID staff. Underlying the 1995 *Review* was a fairly general perception, particularly in AusAID, that NGOs – which in Australia, as in other countries, had significantly increased over time the amount of Government aid funds received – were undervalued and possibly not adequately accountable for public funds.

2. The primary methodological innovation of the 1995 *Review* was its combination of NGOs' own self-assessments of project effectiveness and AusAID verifications (including field visits) of those self-assessments.² As AusAID and NGOs became increasingly interested in measuring and improving effectiveness in the years following that review, they continued to use the broad principles underlying its methodology. That is, considerable reliance was placed by AusAID upon the NGOs' systems of assessing effectiveness, with external scrutiny from AusAID being used only as an occasional verification procedure.

3. Given AusAID's own constraints and need to reduce the red tape associated with managing the aid program (NGO projects are usually small compared to bilateral projects and consume disproportionate amounts of AusAID time to manage³), it is clear that no other approach would be more practical than this pragmatic system of "risk management". The *Review* concluded – and the Government agreed – that "the independence of the NGO community is in the long term interest of the government ... AusAID should conduct its NGO programs in ways which enhance NGO autonomy".⁴ Since the 1995 *Review*, AusAID and NGOs in partnership have established an accreditation process based on risk management principles – see Box 1.

Box 1 - Accreditation

Accreditation is the cornerstone of AusAID's relationship with NGOs and is unique in the world. The approach to accreditation is part of AusAID's philosophy of risk management and 'industry' self-management for NGOs, and its purpose is to check - before funding is given - the NGO's structure, financial and management systems, philosophy, links to the Australian community and capacity to conduct quality development work.

The accreditation process aims to provide AusAID, and the Australian public, with confidence that the Australian Government is funding professional, well managed, community based organisations that are capable of delivering quality development

outcomes. Accreditation acts as a front-end risk management process and ensures accountable use of funding with minimal activity overview by AusAID.

NGOs need to be accredited by AusAID to be eligible for funding through AusAID NGO Schemes. These Schemes (e.g. AusAID NGO Cooperation Program and Country and Regional Program Windows) are aimed exclusively at Australian NGOs. Accreditation is also required for some programs that are substantially funded through Australian NGOs (e.g. Humanitarian Relief Programs).

In addition to obtaining initial accreditation, if an NGO wishes to continue to access AusAID funding, it must apply for re-accreditation every five years.

Peer review is the central feature of the accreditation process, with the Committee for Development Cooperation (CDC) as the joint AusAID NGO advisory body working with the NGO community as a whole and the individual NGO under review. The individual review is designed to be a collaborative process that allows for ongoing exchange between the review team and the NGO. The accreditation process is undertaken by a two-person review team from the CDC.

A team of expert financial assessors is also contracted to check the NGO's management practices, financial systems and risk management strategies. The teams produce a joint report for the CDC and AusAID.

There are two levels of accreditation: 'Base' and 'Full'. Full accredited NGOs are usually large NGOs able to garner strong support from the Australian community. Full accredited NGOs are required to meet each accreditation criteria and have access to a large pool of funding from AusAID. Base accredited NGOs are usually smaller, sometimes only staffed by volunteers and are funded on a project by project basis. Base accredited NGOs have been assessed as meeting a reduced range of accreditation criteria and have access to a smaller portion of AusAID funding.

4. One of the advantages of the accreditation approach is the partnership established between AusAID and NGOs, and the clear identification that measuring and improving effectiveness is as much the NGOs' responsibility as AusAID's. NGOs as a rule, after all, tend to have high ideals and objectives of development firmly incorporated in their missions, and clearly development effectiveness should be an important concept for them regardless of pressure from the Government.
5. In 1999, as part of a general move to increased rigour in its reporting to Parliament, AusAID introduced internally a system of NGO Monitoring Briefs (NMBs) which assessed individual NGO activities against the four attributes that make up AusAID's "quality frame". More on that quality frame below. The NMBs were integrated (perhaps less than seamlessly) into NGOs' reporting requirements and NGOs' self assessments of effectiveness formed the basis of ratings. Since the 1999-2000 fiscal year, AusAID has reported to Parliament against a target that 75% of NGO projects (similar to the target for bilateral, regional, etc activities) should be "satisfactory overall".
6. In an overall system that owed much to the approach of the 1995 *Review*, the credibility of the NGOs' self assessments as relayed to Parliament by AusAID was backed up by a series of cluster evaluations conducted by AusAID's evaluation area. Two cluster evaluations of Government Funded NGO Projects were duly undertaken, of projects in Vietnam and Africa. The results were published as reports in AusAID's *Quality Assurance Series* (numbers 18 and 25, in March and December 2000) and are available on the Internet and in hard copy. The cluster evaluations are described as "an element of AusAID's NGO accreditation risk management cycle, which also includes accreditation reviews, audits and spotchecks".⁵ The two cluster evaluations

– particularly that of projects in Africa – were fairly critical. For example, only three out of seven African projects evaluated was given a rating of ‘satisfactory overall’ or higher.

7. The 1995 *Review* had recommended the use of cluster evaluations or some other form of representative sampling to develop an “effectiveness profile” of NGO activities funded by the Government through AusAID;⁶ although it had suggested such cluster evaluations be conducted on joint behalf of both NGOs and AusAID rather than just for AusAID. Indeed, my understanding is that it is fair to say that NGOs were not entirely happy with the cluster evaluation approach as it was implemented in the Vietnam and Africa cluster evaluations. ACFOA had sought the inclusion of an NGO representative on the evaluation team; which did not eventuate, largely due to financial reasons. The Committee for Development Cooperation (a liaison group with representatives of both NGOs and AusAID) was kept informed of the evaluations’ progress, but due to a heavy agenda and infrequency of meetings, could have only limited input towards terms of reference, evaluation goals, etc. Ultimately, there was some criticism⁷ that the cluster evaluations suffered through not taking into account the differences between NGO-delivered aid and the bilateral aid that was the standard object of evaluations conducted by the AusAID evaluation area (at that time named the Performance Information and Assessment Section).

8. This was the situation when AusAID decided to move towards applying a “quality assurance group” methodology towards NGO assessments. Before proceeding with the story, it is necessary to take a step backwards and look at developments in measuring and improving quality in AusAID’s bilateral program.

Some more general concepts

Changes to Government accountability requirements

9. A number of parallel changes in Australian Commonwealth Government management culminated in the move in the 1999-2000 fiscal year to outcomes and outputs based accrual budgeting. Not only did this entail financial headaches, the introduction of accounting terminology to thousands of public servants, and changes to the systems used to track budgets and expenditure; it caused a significant shift in external performance reporting. For AusAID, this meant reporting on the quantity and quality of aid delivered using measures such as descriptions of key outputs in different sectors (used as a quantity measure), and a target of 75 per cent of aid activities in each different programs (bilateral, multilateral, NGOs, emergency/humanitarian, etc) to be rated “satisfactory overall” on an internal-AusAID five point scale.

10. The rationale of outcomes-based accrual budgeting is that Parliament should be able to compare the true cost (in accrual terms) with the outcomes delivered by the agencies entrusted with public funds. However, a target of 75 per cent satisfactory activities in itself does not necessarily tell an audience what outcomes have been achieved. This approach to reporting was agreed with Australia’s Department of Finance and Administration (DoFA) on account of the difficulty of *measuring, aggregating* and *attributing* either outcomes or impact of an aid program – a difficulty with which we are all familiar. Given the great diversity of activities funded by the Australian aid program there seems little choice other than to use some structured, standardised information that could be applied to many different types of aid.

Impact v good practice – the “quality frame”

11. At this point, the pressures for enhanced external reporting merged nicely with an internal drive within AusAID to improve the performance information for learning and continuous improvement of programs. Over a number of years, AusAID’s program of ex-post evaluations had come under legitimate internal criticism. Ex-post evaluations are costly; report on programs that were designed many years ago; tend to identify repeat mistakes without necessarily showing how to effectively feed the lessons back into the project cycle; and can in any event cover only a small proportion of the whole program.

12. AusAID’s response to this was, over a number of years, to move the emphasis of performance reporting “upstream” This was done by distilling the lessons from ex-post evaluations and other “records” of AusAID’s years of aid programming (including the tacit, non-explicit knowledge contained in the memories of experienced staff) and turning them into an articulation of “good practice”. This led to the development of a “quality frame”, the basic pillars of which were agreed between AusAID and the Minister for Foreign Affairs. Quality aid, AusAID determined, had four key attributes:

- appropriately identified and well designed
- implemented professionally
- likely to achieve desired outputs
- likely to have sustainable benefits once major donor inputs cease

13. Under each of these attributes a number of indicators and standards were developed, at a much more concrete operational level. For example, the first quality attribute includes standards such as “objectives measurable, clear and realistic” and “beneficiaries clearly identified and have actively participated and contributed at all stages of design process”.⁸

14. Use of the quality frame accepts an implicit link between good practice aid and eventual (probable) outcomes and impact. The chain of reasoning is effectively “We have conducted many ex-post evaluations and other analysis of outcomes and impact. We know what leads, in high probability, to positive aid outcomes and impact, and it is recorded in the quality frame. Hence, to ensure positive outcomes and impact it is efficient and practical to assess activity quality at an upstream stage, at design or during implementation, when there is still a chance to improve the individual activity being assessed or the agency’s processes if they are systematically at fault.”⁹

15. Rapid review of aid activities against the quality frame is far cheaper than conducting ex-post evaluations, and arguably provides a greater quantity of information in a more timely and useful manner. Amongst other uses within AusAID, the method is the basis for AusAID’s Quality Assurance Group (QAG – based on a World Bank model) and the Activity Monitoring Brief (AMB). The QAG operates through peer review of random samples of activities against the quality frame; the AMB, which forms the heart of AusAID’s parliamentary reporting, is compulsory for major bilateral and regional activities and is completed by the AusAID task manager (although we are experimenting with contractors preparing the first draft). Both the QAG and the AMB provide structured, timely information on good or bad practice in the aid program in a way designed to help both continuous, real-time improvement and external reporting.

The NGO QAG: approach

Modification of the quality frame

16. The first step in applying a quality assurance approach to Government funded NGOs was the development of a detailed quality frame, down to the indicator and standard level, equivalent to that used by AusAID for non-NGO aid. In November 2000, AusAID and representatives of the Australian NGO community agreed to “jointly develop and test an approach to the assessment of quality in NGO projects funded through AusAID country windows, and to seek a common understanding of the various elements of quality”:¹⁰

“Two panels made up of four consultants with a strong NGO background, three AusAID staff, and two independent consultants reviewed nine country program funded NGO projects. The panels progressively revised and adapted a generic project quality assessment framework for bilateral projects developed by AusAID’s QAG ... the panels studied all the relevant and available documentation ... they met the NGO project representatives and sought the views of implementing partners ... the framework and the assessment process were thus developed and adjusted progressively as each project was reviewed ... (at the halfway point) the panels exchanged the draft frameworks they had been working on and used the other panel’s framework on the remaining sample of projects.”

17. The final version of the quality frame was agreed with representatives of nine Australian NGOs. While the four main quality attributes remained the same as in the bilateral quality frame, there had been adjustments at the indicator and standard level. The “NGO Quality Assessment Framework” is attached to this paper as an annex, and is available electronically on AusAID’s website.¹¹

Applying the quality frame

18. In August and September 2001, AusAID’s QAG conducted a rapid, desk-based review of NGO project quality in design and implementation, using the modified quality frame as the benchmark for quality.

“This review of a random sample of NGO projects had three objectives:

1. Establish the overall level of quality of current AusAID-funded NGO projects.
2. make recommendations to strengthen the quality of NGO projects.
3. Identify strengths and weaknesses in the preparation and implementation of the sampled projects and make recommendations on possible action.

“Another output ... is a tested rapid review process that AusAID or NGOs can use either jointly or separately in the future.”¹²

19. Four panels were established to conduct the initial research for the review. Each consisted of two AusAID staff, one ACFOA-nominated NGO representative, and one consultant with NGO experience or an understanding of NGOs. Each panel examined five projects, devoting ten hours to each project. Projects were selected at random from a population of country window NGO projects (ie those funded from bilateral allocations) and “ANCP Base” agencies’ projects. A third category of Government support for NGOs, to ANCP fully accredited agencies, could not be examined because projects funded using this method (which is reserved for NGOs

that meet the strictest of AusAID's organisational criteria for development professionalism, effectiveness and accountability and accordingly can be allocated funds with more of a hands-off management approach by AusAID) have extremely minimal reporting requirements to AusAID and it was not practical to include them in the study without considerable onerous additional collection of material. In hindsight, the exclusion of fully accredited agencies from the examination of ANCP projects (the possibility of examining whole ANCP programs was dismissed as too hard to fit within the quality frame approach) was a significant limitation in the QAG review's approach, which needs to be addressed in future work in this area.

20. As had been the case in preparing the quality frame in the first place, every attempt was made to conduct the actual study in a participatory, partnership-based manner. All NGOs approached by AusAID agreed to participate, and panel members provided highly positive feedback on how the individuals from different backgrounds had cooperated to jointly analyse problems and make a contribution to improved quality and effectiveness.

The NGO QAG: results

Findings

21. To quote the final report, the review "found that AusAID and Australian NGOs have an opportunity to improve the quality of Australian aid in areas relevant to poverty reduction and sustainable development". While the performance target is for 75 per cent of activities to be rated satisfactory overall or better, only 65 per cent of the NGO projects sampled were given that rating by the panels. It should be pointed out, however, that from a sample of only twenty activities, this number should probably be treated as plus or minus 19 percentage points when treated as an estimate of the quality of all Government funded NGO projects. Further, the exclusion of fully accredited ANCP projects and the restriction of the sample to one project at most from each NGO also imply limits to the ready transfer of the 65% figure to the population of NGO projects more generally. However, there can be no argument with the conclusion that there are areas requiring improvement.

22. Almost all activities had weaknesses, but many exhibited strengths.

"Typically (but not invariably) strengths included:

- The appropriateness of the project to the development context
- The targeting of the poor and most marginalised people
- Professional and flexible implementation
- Community participation in design and implementation
- Good relations between the implementing partner and beneficiaries
- The likelihood of project completion on schedule and within budget

"In general, NGOs and their implementing partners had strong and flexible implementing processes, considerable capacity and effective partnerships.

"But on the other hand, many projects showed weaknesses in design and presentation. As a result, they often had weaknesses in demonstrating the achievement of their stated objectives and of overall social change. In addition, they typically (but not invariably) had weaknesses in the areas of:

- Social and contextual analysis.

- Drawing on broader development understanding to improve impact and effectiveness.
 - Application of the logical framework approach and logframe matrices.
 - Identification and management strategies for risk and sustainability.
 - Impact on poverty reduction, gender equity, and empowerment.
 - Social change processes and how they are monitored.”
23. The review also found:
- In some cases (a minority), there was limited contribution of the Australian NGO to project quality
 - Fully accredited ANCP agencies were generally stronger at partnerships and extending relationships beyond the project, with strategic focus and development planning; but Base Agency projects (ie those managed by agencies not “fully accredited” with AusAID) were more effective at getting results as planned and on schedule
 - Little active learning or exchange among NGOs
 - Limited contribution from AusAID systems in supporting project quality

Recommendations

24. The review was in a position to make 11 key recommendations to improve NGO project quality.

25. Four of these relate to improvements in AusAID procedures – mainly to strengthening the focus on quality in the current AusAID accreditation process and the information provided by AusAID to NGOs. For example, it was suggested that the “NGO Package of Information” supplied by AusAID should be updated to make extensive reference to the NGO quality framework developed for the study. These recommendations have been broadly accepted by AusAID, which is committed to moving to a more quality-focused relationship with NGOs. Indeed, our current impression is that we have largely succeeded in incorporating quality considerations into the accreditation process, including the incorporation of the quality frame into AusAID advice and procedures.

26. Credit has to be given to both AusAID and the NGO community for adapting to considerable change over a fairly short period. When the accreditation process was first introduced in 1997, there were over 100 NGOs receiving assistance through AusAID. The first years of the accreditation process focused on accountability considerations; reduced that number to around 60 NGOs; and had a significant impact on the systems, approach, and development professionalism of those NGOs that remained accredited. Since then, early indications are that the new emphasis – “beyond accountability” – on quality, effectiveness and impact is being rapidly adopted; for example, while the QAG review had found that Australian NGOs sometimes added little to their partners’ project quality, more current evidence shows that since then, systems such as the new emphasis on quality coming from AusAID processes are percolating down from Australian NGOs right through to their partners in the field.

27. The remaining seven recommendations from the QAG are for NGOs to implement. Crudely summarised, they are that NGOs should:

- improve skills in design and implementation

- decide for each proposal whether it needs a fuller design process later
- in proposals, take into account principles of poverty reduction, gender, and risk and sustainability management
- draw on the experience of other NGOs and development stakeholders
- conduct regular quality assurance reviews
- use the logical framework approach
- in the first report for projects, address weaknesses identified in the initial successful proposal

28. The NGO reaction to these recommendations is described, *inter alia*, in the companion paper to this one, contributed by ACFOA.

Box 2 - Administrative Overheads & Evaluation

In the late 1990s, AusAID examined the Australian Government's approach to the provision of support to accredited NGOs for administrative costs incurred as a result of managing Commonwealth funds. Following this examination, AusAID implemented a 10% admin/overheads line item for in-Australia administration costs in 2001-2002. This applied to all ANCP activities (Full and Base) and Country Windows from 1 July 2001.

NGOs are also entitled to include the cost of evaluations (up to 5% of the activity cost) of AusAID funded activities in their activity budgets. NGOs are continually encouraged to take up Evaluation as a normal part of the project management cycle.

Criticisms and reflections

29. The two QAG exercises – developing a quality framework for Government-funded NGO projects, and a rapid review of NGO project quality using that framework – have made a significant achievement in putting NGO Project Quality on the agenda. Certainly within AusAID there was a noticeable impact of the reports; and they have triggered considerable dialogue between AusAID and the NGO community in the last year or so.

30. While managing the QAG NGO reviews, AusAID had regarded the process as participatory and consultative. As mentioned above, ACFOA representatives participated fully in the panels that identified the quality frame and assessed NGO projects against it. The companion paper to this one implicitly identifies more fundamental criticisms of the reviews – not that NGOs were inadequately involved, but that the very concept of a quality frame and the sorts of research questions it directed the reviews towards were not able to cover the full picture of NGO development philosophy.

31. It should be noted that NGO representatives were given the opportunity to contribute to the development of this framework to ensure that it did cover all NGO issues and concerns. However, it was disappointing that the NGO quality frame, apparently developed through an adequate process and now incorporated in AusAID's processes and the systems of many Australian NGOs, had still not achieved universal ownership among the NGO community. AusAID is always open to suggestions from the NGO community on how the framework can be further refined to reflect these concerns. Today, I am more inclined to see the QAG NGO reviews as a step in continuous dialogue with the NGO community on improving quality and effectiveness. Indeed, even if it were true, as argued in the ACFOA paper, that all that has been achieved is that “the agencies were left feeling that they had been

judged once again through an inappropriate instrument”¹³ but that this had stimulated the NGO community to take action themselves on measuring and improving aid effectiveness, I would still feel the resources invested in the QAG process were well spent. We at AusAID feel that we have taken the leadership in promoting effectiveness and quality in NGO-delivered aid; but it should come as no surprise that ultimately NGOs themselves need to take control of demonstrating good practice.

32. The findings of the QAG NGO reviews I regard as of considerable interest in their own right. After all, even the questions of interest to AusAID and the Government, even if an incomplete view of NGOs, have a legitimate place. The QAG studies have filled in some significant gaps in our understanding. They also pointed to some very real and practical deficiencies in current processes – such as some lack of due attention in (then) AusAID processes to quality, and definite weaknesses in the way NGOs approached proposals, design and implementation. These QAG findings – and the value of the recommendations – stand. And they stand as the most positive contribution yet to measuring and improving the quality of Australian NGO aid.

33. However, what is probably of greater importance is that we accept some limitations of the QAG NGO review, and continue to work together on the (always) unfinished business of improving quality. Thus, I see the “standards of engagement” identified in the ACFOA companion piece to this paper as in many ways similar to aspects of the original NGO quality frame developed by AusAID with NGOs. The dialogue will continue – and so it should. And so should (and will) the efforts to agree how to research and assess NGO effectiveness and, most important of all, how to improve it.

¹ENDNOTES

Views expressed are those of the author and not necessarily of AusAID or the Australian Government

² Of the more than 2,000 NGO projects supported by AusAID in the first half of the 1990s, a random sample of 216 projects were assessed by the implementing NGOs against criteria of project effectiveness such as “did the projects achieve their objectives?” and “did the projects successfully address the needs of the poor and those of women?” On the survey forms provided to NGOs, each question was provided with a (usually) five point scale, with the wording of each possible response attuned to the question. See Appendix B of AusAID, 1995, *Review of the Effectiveness of NGO Programs*. A sub sample of 26 projects were visited by the review team in order to ensure confidence in the NGOs’ self assessments. The *Review* concluded that confidence could be placed in those assessments, and accordingly reported that around 90% of NGO projects achieve their objectives and, on balance, deliver benefits that justify their costs.

³ NGOs account for around A\$111 million of the Australian aid program of approximately A\$1,815 million. See Alexander Downer, *Australia’s Overseas Aid Program 2002-03* p. 67. The median annual expense of Australian-funded NGO projects is around \$70,000; see http://www.ausaid.gov.au/publications/pdf/ngostatreport02/table_7_by_sectors.pdf . For AusAID as a whole, including NGOs, median annual expense per “activity” is more like \$350,000 (author’s estimates based on AusAID Activity Management System data). Note that Australian development NGOs had total income of around \$500 million in 2001, 40 per cent of it from government or multilateral sources. See www.acfoa.asn.au.

⁴ 1995 *Review* p. iii

⁵ AusAID, 2000, *Assisting Local Communities: Evaluation of Government Funded NGO Projects in Vietnam* p. VII. See also p. 9 of Australian Government, 1999, *Working with Australian NGOs: An Australian Aid Program Policy Paper*.

⁶ 1995 *Review* p. 78

⁷ informal feedback from individuals associated with NGOs

⁸ The full Quality standards are available on-line in *AusGUIDE*. See <http://www.ausaid.gov.au/ausguide/ausguidelines/12.cfm>.

⁹ My description

¹⁰ p. 2 *Assessing NGO Project Quality*, Work-in-Progress Report No 4, March 2001

¹¹ http://www.ausaid.gov.au/ngos/pdf_dump/ngo_quality_assessment_framework.pdf

¹² p. 1 *Rapid Review of NGO Project Quality*, Work-in-Progress Report No 5, January 2002

¹³ In the ACFOA companion piece to this paper



Australian Council for Overseas Aid

Australian NGOs and AusAID – PARTNERSHIPS FOR QUALITY ASSURANCE AND IMPROVING EFFECTIVENESS.

Part II – A Process to Define and Enhance NGO Effectiveness.

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This paper outlines the recent progress by Australian NGOs to define and enhance their effectiveness. It's a story that follows that of the AusAID focus on quality and effectiveness, but diverges from that agenda to suggest that NGOs need to be understood and judged by different criteria than those of the official aid donors.

There is nothing new in suggesting that it is difficult to assess NGO effectiveness (ODI, 1996;), or that few NGOs have been able to demonstrate long-term impact (Oakley, 1999; Roche, 1999; Madon, 2000). It also seems to be well accepted that NGOs are diverse, values driven organisations. They are hard to classify and group and therefore it is difficult to find agreed standards and elements of practice that can apply across all types (Cronin & O'Regan, 2002; Davies, 2002).

Most authors seem to agree that NGOs enjoy a mixed if not fraught relationship with official donors. The relationship is often characterised by misunderstanding and simplistic interpretations each of the other (Kilalo & Johnson, 1999). The funding component of the relationship is usually seen to dominate and often distort the role of the NGOs (Edwards & Hulme, 1996; Davies, 1997; White, 1999). In some cases it is suggested this distortion extends to the relationship between NGOs and their field partners, with the funding process undermining the development partnership (Edwards, 1999; Edwards & Sen, 2000).

All of these views have been applied to Australian NGOs and to their relationship with AusAID¹ (Crooke, 1996). And certainly the relationship has been characterised by scrutiny and a regular search for proof of effectiveness and relevance (AusAID 1995; Australian National Audit Office, 1996; AusAID, 2002). In recent years a conservative political climate has only heightened this scrutiny, with NGOs spending increased time and resources responding to requests related to accountability. The difference, in Australia, is that twelve months ago the NGOs decided to take more control of the situation. They set out to define what makes for effective NGO practice and to identify the strengths and weaknesses in current Australian NGO practice².

The most recent review process undertaken by AusAID was the Quality Assurance Group assessment of Australian NGOs (AusAID, 2002). A framework, developed by AusAID for quality assessment of bilateral projects and programs was adapted for NGO assessment,

¹ AusAID is the Australian Government department responsible for management of the Australian official aid program.

² There are approximately 150 organisations in Australia that undertake overseas aid and development work. Of these 90 are members of the Australian Council for Overseas Aid (ACFOA), the official umbrella body for the industry; 120 are signatories to the ACFOA Code of Conduct and 52 are accredited to receive funds from AusAID.

following consultation with NGOs in Australia. The process is described in detail in the first half of this paper. The results were mixed, suggesting that NGOs were reasonable at implementation of projects and programs but poor in design and some areas such as understanding the context of interventions and planning for long term sustainability.

Significantly, the Australian NGOs were unhappy with the conclusions reached, even though they had been consulted and involved in the assessment; because they believed the Quality Assurance Group focused on and presented a limited picture of their role. It appeared to capture important elements and even critical areas for improvement, but from the NGO perspective it did not seem to address the full picture of what they were trying to achieve as organisations. The agencies were left feeling that they had been judged once again through an inappropriate instrument. This process became the stimulus for the Australian NGO community to finally take more control over both defining and demonstrating good quality development practice.

Following the Quality Assurance Group review, the Australian Council for Overseas Aid (ACFOA)³ managed a further process on behalf of its member organisations. The first step in the process was to develop a clear understanding of what made for effective NGO practice. Organisations were strongly committed to developing the theory from real practice situations so a research process was developed using a methodology of appreciative inquiry (Hammond, 1996). The research commenced in 2002 and all ACFOA members from across Australia were invited to participate. The findings of the first stage were tested through focus group discussions and then further examined through a nation wide conference held in mid 2002, both processes enabling a wider group of NGOs to participate. At the conclusion of the conference the findings were circulated among all ACFOA members for comment and a report was developed, outlining what has come to be known as the NGO Effectiveness Framework. Nearly half of the total membership were engaged in this first stage of the research⁴, and this rate of participation remained consistent or increased throughout ongoing phases of the process, thus ensuring a high level of engagement in and ownership of the research by ACFOA members. The work-in-progress report of this research was presented to members at the ACFOA Annual Council, who endorsed the findings and supported a further process of ongoing research and action learning. The leadership provided by the ACFOA Development Practices Advisory Committee⁵ for the process has been, and continues to be, a vital aspect of the process. They not only provide expert analysis and advice, but ensure the process remains relevant to ANGO programmatic and organisational needs. While it has taken more time, the participatory process has been key to ownership and engagement of the Australian NGOs.

This paper largely reports the findings of the first stage of the research process. For the past 6 months a further stage has been underway, to begin to field test elements of the framework that have been identified as critical to effective development practice. Some of this second stage will be described at the end of this paper.

The findings

³ ACFOA is the umbrella organisation for the NGO sector in Australia.

⁴ The NGOs participating included a spread of large (all but one of the largest eleven agencies participated in the research) and small, those based in Sydney, Melbourne and Canberra and also faith based and non-faith-based agencies. **Significantly, 72 % of agencies accredited with AusAID participated in the research.**

⁵ The ACFOA Development Practices Advisory Committee is a sub-committee of the ACFOA Executive Committee and is comprised of ten senior ANGO representatives with extensive experience across the range of development practice issues.

The research has identified two important findings:

- Australian NGO effectiveness is more than the result of implementation of designs and plans or other areas of program engagement. It is also a product of the organisational principles, policies and strategies of development.
- There are a number of practice standards that Australian NGOs agree should apply to field programs or other forms of engagement, in order to promote effective outcomes. However these standards alone are insufficient to describe and explain effectiveness in Australian NGO work, and must be understood in light of the aforementioned principles, policies and strategies.

The results indicated that Australian NGOs are part of an established sector, with shared principles, features and standards and that they are working towards common outcomes. At the same time, each Australian NGO is an autonomous organisation, operating from a particular philosophy and value base and with particular approaches and contributions to make to development⁶. Australian NGO effectiveness therefore needs to be understood as a combination of shared sectoral and individual agency elements. Every organisation does development differently, but they all share common principles, common approaches to programming and common standards of engagement, which in combination make for effective practice.

Increased effectiveness therefore comes from more attention to various aspects of organisational life, from the principles of the agency to the actual activities undertaken in the name of development.

The framework in detail

Australian NGOs as organisations

According to the ACFOA Code of Conduct, Australian NGOs are non-government development organisations that are formed voluntarily and operate on a not-for-profit basis. Australian NGOs chose to specifically define themselves as values-based organisations that are part of Australian civil society.

Australian NGOs have multiple accountabilities to a range of stakeholders and the research indicated that they hold strong values of downwards accountabilities to their overseas partners although these are not well reflected in all organisational systems.

In addition to being part of a sector within the aid industry, each Australian NGO is an autonomous organisation, with a philosophy and values that are unique to that organisation. While many of these values overlap or are shared with other organisations⁷, each Australian NGO can point to its own unique contribution to development based upon its philosophy and values and the manner in which it operationalises that philosophy.

All Australian NGOs have principles that flow from their values and philosophy. Some of these are unique to each organisation. The sector also has shared principles, as detailed in the ACFOA

⁶ The existing AFCOA Code of Conduct takes this approach, recognising that various organisations will have different activities and different information to report and account for, yet also draws together some common standards and processes which hold across the entire sector.

⁷ For example, the research indicates that many Australian NGOs have as a core value that they work on behalf of or with the most needy or most marginalised within society

Code of Conduct⁸. In addition the research identified a further principle that they hold in common:

Australian NGOs shall identify their values, communicate them to all key stakeholders and reflect them in their work.

Each Australian NGO has its own set of organisational policies that govern the work and approach of the agency. Some of these are sector wide, as reflected in the ACFOA Code of Conduct⁹. Some of these are peculiar to each organisation and will reflect the different management practices, resources and internal processes of each NGO.

Program Strategies

Every Australian NGO has a program strategy to operationalise their philosophy, values and principles. In other words, each organisation has its own way of 'doing things' to contribute to development. This diversity within the industry is valued, as it allows a wide range of possible responses to the complex issues of development. While program strategies are unique to organisations, Australian NGO programs are characterised by certain common qualities that appear to be key to overall effectiveness.

High quality relationships

One of the critical features of Australian NGO work is that, apart from humanitarian response, most Australian NGOs do not implement directly. Instead, reflecting a commitment to building local capacity and self-reliance, most Australian NGOs choose to work through local implementing organisations¹⁰. For this process to work effectively, Australian NGOs place a high value on the quality of the relationship between themselves and their implementing partner.

The research found that most often, good relationships evolve over time, based upon trust, mutual learning, accountability and acceptance of difference. The purpose of good relationships is to build capacity of implementing partners and increase the process of self-reliance and/or local ownership.

Long term engagement

⁸ The ACFOA Code of Conduct states: Organisations which are signatories to this Code aim to build creative and trusting relationships with the people of the developing countries and to meet program standards which: give priority to the needs and interests of the people they serve; encourage self help and self-reliance among beneficiaries and thus avoid creating dependency; involve beneficiary groups to the maximum extent possible in the design, implementation and evaluation of projects and programs; respect and foster internationally recognised human rights, both socio-economic and civil-political; seek to enhance gender equity; and are based on an understanding of the history and culture of the people served.

The research identified that these principles are largely shared across the organisations, with particular emphasis given to those on human rights and gender equity.

⁹ The ACFOA Code of Conduct sets out agreed minimum policy standards in areas of governance, management, financial control and reporting.

¹⁰ Local organisations can include local NGOs, community based organisations and community groups, local government and also the local office of transnational NGOs.

Development situations are usually complex and most often require engagement¹¹ that goes beyond short-term project and program cycles. Australian NGOs seek to work in ways that allow for long term engagement in locations, in sectors and with people, for the purpose of more effective and sustainable solutions to development problems. A common element identified in Australian NGO interventions were programs of 10 to 20 years duration, that changed and developed as understanding and engagement with the local context also developed.

Learning

Given the dynamic nature of development, Australian NGOs and their implementing partners seek to undertake ongoing reflection about their work and the context of that work, for the purpose of improvement. Contrary to the common view that NGOs do not evaluate their work, the research identified a strong culture of formal and informal program assessment throughout the life of interventions.

Adaptation

The research suggested that few NGO programs remained the same throughout their life. Australian NGOs and their field partners seek to adapt to information and try to be responsive to changing circumstances. Original project designs were the starting point for interventions, but rarely did programs continue to follow this design for the entire engagement. Rather, there was an emphasis upon flexibility and responsiveness.

Working together

In many situations Australian NGOs have deliberately tried to bring about increased impact and effectiveness by working together, either in the field, or in coalitions within Australia. The nature of field coalitions varied, sometimes different agencies worked together, more often it was sister organisations from the same international body. Within Australia, however there was evidence that increasing numbers of Australian NGOs were working together, especially in areas of policy change and advocacy.

Risk taking

Australian NGOs often choose to work in situations where outcomes are less certain, in order to meet the needs of people otherwise poorly served by other aid delivery mechanisms. In the short term this could be seen as less effective work, however, when combined with the preceding elements of long term engagement and learning and adaptation, means that many Australian NGOs have developed high quality skills in working with marginalised groups especially at the community level. In one sense this makes them more effective, although it may result in less tangible outcomes from specific interventions.

Standards of engagement

The research also identified a series of field based 'standards' for practice. Participating NGOs agreed that not all the work of their organisations necessarily reflected all of these standards. To

¹¹ Engagement is best understood as all the possible activities undertaken by the NGO. Most often they include projects and program in the field (both overseas and in Australia), advocacy and lobbying work and humanitarian relief. They also include community education and information work undertaken in Australia.

this extent the standards are **aspirational**. In addition, people noted that these standards required further definition and examples, in order to work towards meaningful assessment of how any particular area of engagement reflected a particular standard.

However there has been agreement among Australian NGOs that these standards should be reflected in Australian NGO work and that together with the preceding elements of the framework, should be the basis for assessment and improvement of that work. The standards include:

1. Australian NGO activities should seek to address the root causes of poverty and marginalisation, therefore interventions are more likely to focus upon empowerment, community development, advocacy and other mechanisms that address peoples' ability to control and benefit from their development.
2. Australian NGO activities should demonstrate high quality gender practice.
3. Australian NGO activities should be based upon and coherent with an analysis and understanding of the situation and context. This includes attention to diversity in communities and groups and to the links between micro and macro conditions. Significantly, this understanding is rarely possible at the beginning of an intervention. It develops over time, based upon relationships and openness to learning.
4. Australian NGO activities should have an appropriate design that identifies people-centred outcomes, and the means and processes required to achieve these. The designs need to be flexible, to enable adaptation to the dynamic situation of implementation. This may not suit the requirements of all donors and therefore requires careful negotiation to ensure that the focus upon people is not skewed by donor accountabilities.
5. Australian NGO engagement should aim for wider impact through various means, including empowerment and capacity building of partners and communities, and by taking a programmatic approach to activities.
6. Australian NGOs, together with their implementing partners, should continue to undertake monitoring and evaluation of their work, both formal and informal, in order to identify areas of success, areas requiring improvement and in order to implement timely and appropriate change.
7. Australian NGOs should be able to demonstrate that costs associated with their engagement are appropriate to the context and the nature of the intervention and reasonable in relation to the proposed outcomes and benefits.
8. Australian NGO activities should have sustainability strategies, based upon long term engagement and high quality relationships, which take into account the wider context and give attention to long-term impact.
9. Australian NGOs should assess and manage risk during their activities, but balance this with their focus upon meeting needs of risky or marginalised people.

10. Australian NGOs should work in ways that include clear and transparent accountability mechanisms to all key stakeholders, including communities and local governments, as well as donors.
11. Australian NGOs will provide appropriate quality technical input, as necessary, in their engagement with others. This input should be cost effective, maximise local input and capacity and utilise appropriate technology.
12. Australian NGO activities should be implemented with an informed understanding of the environmental impact of the activity.
13. Australian NGOs work towards the participation and increased control of people of their development situation. This should include genuine participation of people at all stages of the program cycle and be reflected in the way engagement is undertaken.

While these standards and principles are not new to the debate on effectiveness, what is different is the participatory and NGO sector-wide approach to embed the principles into organisational structures and procedures. The key area for debate is the relative weight given to up-front planning and designs versus a more genuine participatory and adaptive process that truly fosters local ownership and empowerment.

The main tension is, as it always has been to some extent, balancing the need to meet reasonable donor accountability (expressed through detailed up-front design) with genuine participatory process. The very strengths of NGO ways of operating - participatory, long-term relationships based upon mutual trust and learning and acceptance of differences – can often be undermined by the strict requirements of donor accountability. Australian NGOs are seeking to get the balance right. First and foremost so that the work they manage is more effective and, in the process, to pursue dialogue with AusAID and other aid donors as to how more flexible accountability systems can support NGO processes and effectiveness.

Ongoing research

Having adopted this overall framework to explain and define their approach to effective NGO practice, the Development Practice Advisory Committee is working with ACFOA members to develop a three year strategy of ongoing work, involving a four fold plan for the next steps.

Critical to the use of the framework is proof that NGOs with these elements are more effective in their practice. ACFOA is supporting a number of ongoing research processes designed to investigate the applicability of this framework to various ANGO activities, including, importantly, measuring effectiveness in the field. The first of these is now drawing to a conclusion. Three Australian NGOs (varying from very large to one smaller organisation) have volunteered to be part of a field investigation in Papua New Guinea. Using an independent researcher, this research was designed to explore the perspectives of community members and local partner NGOs and their staff. It aims to identify the aspects of practice that contribute to positive and long term change for people. While the research is not complete, indications suggest strong convergence with the key elements of the framework.

Other research/action learning is due to commence shortly with participating Australian NGOs to test other aspects of the framework. All the results and findings are being shared across the NGO network through a closed website and an agreement among organisations to keep details of other agencies confidential for the purpose of free and frank discussion. One proposal still to be discussed with AusAID, and perhaps other donors, is further field based research that would explore the various advantages of different aid mechanisms. This might compare the relative advantages of NGO aid delivery against that available through aid delivered by commercial contractors or delivery through co-financing arrangements among donors.

Other steps in the process include a two-year training program to assist NGOs to further develop their skills, especially within the practice standards identified as desirable for all organisations. ACFOA is also working with the governing Boards of all agencies to assist them with identification of the critical link between effectiveness and the overall functioning and cohesion within each organisation. This latter feature is in recognition of the finding that NGOs are effective because of who they are as much as because of what they do, and that Australian NGO effectiveness is related to not only development practice strategies and standards but also embedded in organisational values, principles and systems.

Finally the information and learning from the research process is now being shared, within Australia with AusAID and others, and also internationally, to allow further comparison and learning. ACFOA manages this process on behalf of its members.

Conclusions

NGOs are different to other aid delivery mechanisms. While it has taken some coordinated effort to identify the key elements, it has been possible to draw together a framework for Australian NGOs that describes why they are different and what they consider makes them effective. The ongoing research will add weight to that claim. Critical for the relationship between NGOs and official donors such as AusAID is that recognising this difference can lead to making more effective use of NGOs in development and aid. But it also requires an understanding that NGOs have to be assessed from a more sophisticated perspective than many of the previous efforts have allowed. Donor mechanisms for performance review and assessment need to be varied to suit different aid delivery mechanisms. For NGOs in Australia, this means an understanding of how organisations combine their principles and program approaches with practice to lead to effective outcomes.

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The NGO Quality Assessment Framework

Quality Rating Summary

Attribute (A)	<i>R a t i n g</i>	Attribute (B)	<i>R a t i n g</i>	Attribute (C)	<i>R a t i n g</i>	Attribute (D)	<i>R a t i n g</i>
Project has appropriate objectives & design		Project is implemented in a professional manner		Project is likely to achieve desired results		Project is likely to have sustainable outcomes	
Indicators 1. Appropriateness of project to development context 2. <i>Adequacy of design process</i> 3. Standard of funding proposal or final design - if elaborated		Indicators 4. NGO & partner have appropriate implementation processes 5. Strength of NGO & partner capacities & their partnership		Indicators 6. Progress in achieving objectives 7. Extent of benefits to local people		Indicators 8. Sustainability strategy 9. Sustainability of benefits 10. Strategies for maintenance & future development	
Attribute A		Attribute B		Attribute C		Attribute D	

OVERALL PROJECT QUALITY RATING: _____

Quality Ratings/descriptions:

5 = Best Practice 4 = Fully Satisfactory
 3 = Satisfactory Overall 2 = Marginally Satisfactory 1 = Weak

ATTRIBUTE A. PROJECT HAS APPROPRIATE OBJECTIVES & DESIGN

Indicator 1: Appropriateness of project to development context			
Q. St. 1.1	Development objectives are appropriate & relevant to the development context.	<i>Context should also take account of other ongoing or planned activities by AusAID, other donors & NGOs, or the PG.</i>	
1.2	Project fits into the NGO's country, sector and/or broad development strategy.	<i>Project is part of, or based on, a coherent development strategy.</i>	
1.3	Project builds on strong partnership between the NGO & implementing partners.	<i>The design demonstrates how strong partnership will enhance project quality.</i>	
1.4	Project is consistent with AusAID's policies on poverty reduction, gender & environment.	<i>Consistent with AusAID's policies & country strategies.</i>	
	<i>Overall score for indicator</i>		
Indicator 2: Adequacy of design process			
Q. St. 2.1	Adequate data collected on the development situation, & an analysis of the data has informed the design.	<i>A situational analysis & problem definition should have been undertaken. Sufficient data & analysis provided to give a sound understanding of development problems & their causes, & to support monitoring & evaluation. The NGO's experience in the same geographical location & sector is also relevant.</i>	
2.2	Participatory planning approaches have been used effectively to prepare a design that responds to the needs of the beneficiaries both men & women.	<i>Evidence that the project is demand led with local inputs incorporated into the design. If the preparation time is insufficient for adequate participatory planning, the NGO should have had experience in the same geographical location or sector. Alternatively, the design or proposal should allow for more thorough investigation & design work including participatory approaches, soon after start-up.</i>	
2.3	The NGO has made a positive contribution to the design process & incorporated lessons from earlier work.	<i>The NGO has strengthened quality through, for example: an appraisal, support to risk management, ideas & knowledge, reviews & evaluations including of previous interventions.</i>	
	<i>Overall score for indicator</i>		
Indicator 3: Standard of funding proposal or final design - if elaborated			
Q. St. 3.1	Design is clear & logical & has realistic objectives that are appropriate to the project goal.	<i>The design is easy to understand, & shows how inputs & outputs are justified in terms of achieving the objectives. It is reasonable to expect that objectives will be achieved within the time & resources of the project & these are likely to lead to achieving the project goal. In cases where proposal contains only an initial design, a more detailed design is prepared early in implementation.</i>	

3.2	Logframe matrix is clear & logical, & presents realistic & measurable objectives, outputs & indicators.	<i>There is no confusion between objectives, outputs, activities, & indicators. Used to develop & implement the monitoring framework.</i>	
3.3	Design sits comfortably within a broader development program & is likely to provide & benefit from synergies with other development activities.	<i>There are linkages between this project & other projects & programs (and possibly the PG) that are likely to magnify the total benefits.</i>	
3.4	Beneficiaries/stakeholders are clearly identified.	<i>Those who stand to benefit & key stakeholders in the project are clearly identified. Data is disaggregated.</i>	
3.5	Implementation strategies, responsibilities & schedules are clear, workable & achievable within project life.	<i>Sufficient time allowed to complete specified activities. Implementing partners prepared or involved in framing these arrangements with assistance as needed.</i>	
3.6	Design presents a framework for monitoring with performance indicators including social change indicators.	<i>Indicators are developed which assess both quantity & quality. Indicators for monitoring the achievement of objectives, including poverty reduction, gender equity, capacity building, & empowerment as appropriate.</i>	
3.7	Main risks & assumptions to achieving the objectives have been identified & the design takes account of them & presents strategies for addressing them.	<i>The design is prepared with the main risks in mind & is able to minimise their impact through appropriate & explicit risk management strategies & takes into account lessons learnt. Main assumptions identified & considered.</i>	
3.8	Design discusses sustainability issues & presents an explicit strategy for addressing them.	<i>Main constraints to the sustainability of the important benefits identified & a strategy prepared to avoid or minimise their impact.</i>	
	<i>Overall score for indicator</i>		

ATTRIBUTE B. PROJECT IS IMPLEMENTED IN A PROFESSIONAL MANNER

Indicator 4: NGO & partner have appropriate implementation processes			
Q.St. 4.1	Design in the funding proposal has been elaborated or adjusted using appropriate participatory methods.	<i>The logical framework approach has been used, or a similar rigorous consulting process involving stakeholders & especially beneficiaries - evidence of their likely ownership of project.</i>	
4.2	Project implementation process encourages participation & enhances the skills of beneficiaries in management & monitoring project activities.	<i>Structures exist in the project to encourage beneficiary participation in management, problem solving & decision-making.</i>	
4.3	Project takes steps to ensure that poorest & marginalised groups of the community actively participate & derive benefits from the project.	<i>Implementing partners can show how approach ensures the involvement of the poorest & marginalised groups in implementation, such as management, problem solving & decision-making.</i>	
4.4	NGO & implementing partner monitoring of project provides them with adequate information on progress, problems, achievements, & outcomes.	<i>NGO can give examples that monitoring of the project is effective allowing them to give prompt attention to issues. NGO & implementing partner also monitor movement towards the stated goals.</i>	

4.5	NGO's project monitoring & reporting procedures reliable, professional & meet AusAID needs.	<i>AusAID able to monitor progress & take appropriate action. Reports are on time, identify key issues, show that appropriate attention is given to them, & meet financial management standards.</i>	
4.6	NGO & implementing partners able to respond to changed circumstances by making adjustments during implementation when appropriate.	<i>The design should not be a rigid blueprint. Implementers need to be able to identify where adjustments are necessary to remain in step with the development situation.</i>	
<i>Overall score for indicator</i>			
Indicator 5: Strength of NGO & partner capacities & their partnership			
Q.St. 5.1	Assuring the capacity of the implementing partners through appropriate training, sharing decision-making, risk management, & working in a professional capacity.	<i>Implementing partner is not seen as a mere implementer or tool. NGO can give examples of its efforts to build up the capacity of the implementing partners or it can provide evidence of adequate existing capacity.</i>	
5.2	Partnership between NGO & implementing partners is close, allows joint-decision making & strengthens the project.	<i>Good communication exists & any problems or issues are quickly resolved. Evidence of joint responsibility for training, monitoring, risk management, & resolving problems or issues quickly.</i>	
5.3	Partnership between implementing partners & the stakeholders, especially beneficiaries, are close & favour smooth implementation & sustainability.	<i>Good communication exists, & any problems or issues are quickly resolved. Evidence of joint responsibility for all aspects of the project.</i>	
5.4	Australia-based NGO staff have the experience, training & sensitivity needed to oversight & co-ordinate the project effectively.	<i>Capacity & qualities of Australia-based staff overseeing the project are appropriate for the job.</i>	
5.5	In-country staff have, or are developing, the technical, organisational & social skills needed to implement the project effectively.	<i>Experience, capacity & sensitivity of in-country staff (including short-term inputs by A-based staff) ensures professional implementation.</i>	
<i>Overall score for indicator</i>			

ATTRIBUTE C. PROJECT IS LIKELY TO ACHIEVE DESIRED RESULTS

Indicator 6: Progress in achieving objectives			
Q. St. 6.1	Planned activities & outputs likely to be completed on schedule & within budget.	<i>Activity schedules appear realistic. Project is meeting its scheduled targets.</i>	
6.2	Planned objectives are likely to be achieved.	<i>Based on an assessment of the final design & progress to date. Each objective should be considered separately, duly weighted before finalising an overall assessment.</i>	
<i>Overall score for indicator</i>			
Indicator 7: Extent of benefits to local people			
Q. St. 7.1	Benefits to local people are likely to occur on schedule.	<i>Progress indicates good likelihood of benefits flowing to local people as planned.</i>	
7.2	Improvements likely to occur in poverty reduction.	<i>Consistent with AusAID policy guidelines on poverty reduction. There is an explicit poverty</i>	

		<i>reduction strategy & appropriate indicators to measure changes by. Consideration given to distribution of benefits to the poorest members of the community.</i>	
7.3	Improvements likely to occur in gender equity.	<i>Consistent with AusAID's policy guidelines on gender & development (GAD). There is a gender analysis & indicators of change have been developed</i>	
7.4	Improvements likely to occur in empowerment of the stakeholders & beneficiaries.	<i>Improvements in capacity for self-help, self-reliance, self-esteem & control over local resources & political processes. There is a strategy in place to improve empowerment & appropriate indicators have been developed.</i>	
7.5	Benefits are reasonable in relation to project costs.	<i>There is value for money. The comparison of benefits to costs is made by considering likely benefits & judging whether (in total) these are reasonable relative to the cost of the project.</i>	
	<i>Overall score for indicator</i>		

ATTRIBUTE D. PROJECT IS LIKELY TO HAVE SUSTAINABLE OUTCOMES

Indicator 8: Sustainability strategy			
Q. St. 8.1	Sustainability issues are monitored & explicit strategies for dealing with sustainability adjusted as required during implementation.	<i>Monitoring & adjustment during implementation suggests that the sustainability strategy is likely to lead towards sustainable outcomes. The strategy is appropriate to social & physical environment, & adapted to the context in which the project operates.</i>	
	Overall score for indicator		
Indicator 9: Sustainability of benefits			
Q.St. 9.1	Project likely to add to the capacity of implementing partners & especially the beneficiaries to maintain the flow of benefits in the future.	<i>Assess knowledge & skills transference to date & how areas of need for continued support have been identified & addressed.</i>	
9.2	Project is contributing to social change in the community so that issues of sustainable development can be addressed.	<i>Increased knowledge, awareness & capacity leading towards self-help, self-reliance & self-esteem are likely to increase the community's ability to address its practical & strategic development needs in a sustainable way.</i>	
9.3	Project is likely to support the sustainable use of the environment.	<i>Possible environmental impact has been considered. There will be no negative impact on the physical & biological environment. The environment may be enhanced.</i>	
	<i>Overall score for indicator</i>		
Indicator 10: Strategies for maintenance & future development			
Q.St. 10.1	Adequate resources to sustain the flow of benefits are likely to be available after project completion.	<i>Includes financial & other material resources from local sources. Project may also have built-in income generation or commercial activities.</i>	
10.2	There is a phasing out strategy for NGO support to implementing partners.	<i>A suitable & explicit phase-out strategy exists, where appropriate, & implementing partners are given more financial, managerial & technical responsibilities for the project over time. Strategies should recognise the value of</i>	

		<i>continuing partnerships.</i>	
10.3	There is a strategy to increase beneficiary self-reliance & reduce implementing partner support to beneficiaries at a pace compatible with continued benefit flows.	<i>The implementing partner reports progress towards beneficiary self-reliance & adjusts methods of working & supporting communities over time, as appropriate.</i>	
	<i>Overall score for indicator</i>		

QI 1-10.