

New Forms of Aid and changing expectations for outcome monitoring in the Australian Aid program.

Abstract

The Australian aid program has increasingly been moving away from a project approach to aid delivery and adopting new ‘Forms of Aid’. This includes harmonizing their efforts with other donors, working within Partner Government structures and systems, and making more determined efforts to be adaptable and flexible in dynamic contexts. A study of innovative programs designed and implemented by AusAID (the Australian Agency for International Development) reveals that these new Forms of Aid are based on different underlying development philosophies and ‘strategies for change’. Fundamental design elements arise from an analysis during the study which demonstrates that the Management by Objectives Logframe approach is insufficient to capture key aspects of the design for these programs. A significant implication of the analysis is that new approaches to evaluation methods are required in line with the unique and different strategies, or program logic, appropriate to each situation. Furthermore the forms of analysis and conclusions from these approaches to “outcome monitoring” will be different that that provided from indicator based evaluation methods. A classification of different types of indicators (those which can be measured, assessed and analysed) is posited as one approach. Two additional examples of new monitoring approaches are discussed: the adoption of research questions and methodology, and the use of program-wide outcome monitoring using inductive analysis of specific cases. Examples and case studies of attempts to apply these new methods and change reporting expectations in recent designs and M&E plans highlight the issues.

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New Forms of Aid and changing expectations for outcome monitoring in the Australian Aid program

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Introduction

The Australian Aid program has been increasingly utilising different Forms of Aid including facilities, sector-based programming (or SWAps), macro-policy support and other innovative approaches which are more flexible and adaptive than the traditional ‘project’ approach to aid delivery. The Australian Government’s White Paper on the Australian Aid program of April 2006 signals a confirmation of this trend with an emphasis on donor harmonization, working through Partner Governments systems, a deeper political engagement and stronger policy analysis. At the same time the White Paper demands a stronger performance orientation with the establishment of an Office of Development Effectiveness and requirements for the aid program to demonstrate outcomes and impact from the assistance provided. There are inherent challenges in adopting these new Forms of Aid while demanding strong accountability for outcomes, particularly in the light of the limitations of results-frame (or Logframe) models based on indicators as the basis for performance assessment of these new Forms of Aid. An analysis of a range of new initiatives implemented by AusAID reveals that these Forms of Aid are based on different types of program logic to the problem-based Logframe approach of the ‘project approach’ and therefore alternative approaches are needed for the assessment of outcomes across these initiatives which better align the monitoring and evaluation method to the underlying development hypothesis of the Form of Aid. Several alternatives are discussed. The first of these suggests a typology of different types of indicators (for measurement, assessment or analysis) which provides a basis for a monitoring and evaluation framework against an objective hierarchy. The second uses research questions and ‘methodology’ as a basis for reporting about the real benefits accruing from the initiative. The third describes a program-wide outcome monitoring methodology based on inductive analysis from specific cases. Case studies illustrate these approaches drawing on the law and justice sector in Vanuatu and public sector capacity building in East Timor.

Innovative design and new Forms of Aid

A study was undertaken for AusAID by the author on lessons learnt from new forms of aid (AusAID, 2004), and subsequently a specific analysis was undertaken on twenty-two consulting assignments conducted by the author for AusAID over a 5 year period (Nichols, 2007). This analysis reveals thirteen (13) different ‘strategies’ which underpinned the relationship between the ‘inputs’ provided under the relevant Initiative¹ to its ‘outcomes’. These strategies can be contrasted to the project oriented problem-based ‘strategy’ of the Logframe approach widely used in development planning. As a basis for comparison, the Logframe approach has the following key features: the Purpose level (or immediate result) represents the description of an end-state, which is determined on the basis of a problem which has been identified for resolution; the activities and outputs are the necessary and sufficient conditions to bring about the desired end state; there is a causal logic between the activities to the higher order outcomes (if we do this, then that will be the result); and the project is feasible if there is a reasonable expectation that the results will occur given certain assumptions (included in the assumptions column of the Logframe matrix). Indicators, which express quality, quantity and time, represent the targets for each level of the hierarchy which can be measured to report on progress and outcomes.

AusAID has adopted a set of ‘Forms of Aid’ which reflect the Agency’s current thinking in designing more flexible and more appropriate programs which link to Partner Government systems and reflect the local context better, which includes ‘facilities’, ‘sector-based programming’ (or SWAs) and ‘macro-policy support’ (generally termed General Budget Support by other donors and the literature (AusAID, 2005). While AusAID has adopted these Forms of Aid, there is as yet no specific guidance on how to design programs using these forms, other than the Logframe as the design tool, which stems from and reflects a ‘project’ approach, and yet each Form of Aid reflects a significantly different approach to development assistance. The ‘Facility’ is a flexible financing mechanism which allows individuals projects and activities to be funded on an

¹ AusAID has adopted the term ‘Initiative’ to cover a funded package of assistance, previously referred to as ‘Activities’, but normally referred to as projects or programs by international donors.

ongoing basis within a broad scope or strategic intention (such as the Economic Governance facility in Indonesia, or a Advisory Support Facility in PNG). The general outcome domains may be predetermined, but the specific levels of achievement will depend on the Activities² finally selected for funding throughout the life of the program. The facility approach is often based on the idea that quick short term flexible responses will have impacts which ‘punch above their weight’ or maximise leverage for change from opportunistic and timely interventions, particularly in environments which are complex and volatile. A sector-based program provides funding support and technical assistance (TA) to a Partner Government’s existing Plan for the sector, and the funding contribution supports the whole effort, not just the activities for which funding is directed. The assistance is a part contribution to the broader implementation of the Plan, and towards the benefits that accrue from the PG’s better ability to deliver the services for which they are responsible. Achievement or success is seen in incremental changes to the improvement in the PG plans, and in better reporting by the PG over time in service delivery improvements, based on the idea that more sustainable outcomes will result from working within the PG system. Macro-policy support (or General Budget Support, GBS) works in a similar manner but at a whole-of country level, where assistance contributes to providing incentives for good performance and positive policy settings at a national level, which has flow on effects for services and benefits to citizens. The cause-effect relationship is much more diffuse, and the donor has an active role in promoting particular policy settings, often with a linked mutual (or vested) interest.

The alternative strategies observed across the different Initiatives included in the authors experience included:

1. Action reflection: where small steps are taken which lead to a longer involvement in certain areas, leading to outcomes which could not have been pre-determined at the outset.
2. Institutional strengthening of organisations and institutions: where local ownership is paramount and change is driven internally and in the direction and at a pace

² ‘Activities’ in the context of a facility, are the individual projects or packages of assistance approved for funding.

determined by the participants themselves. While the objective may be clear at the outset, the steps which need to be taken to achieve them are not.

3. The divergent model: where priority activities are selected on the basis of their strategic significance, and multiple benefits accrue from the selected interventions, so that overall a multiplicity of benefits have accrued from a range of priority activities.
4. Policy driven imperatives: where the selection of activities and delivery modality is driven by a desire to influence or promote a particular policy direction, rather than solve a clearly defined problem.
5. Flexibility: where the rigid constraints of a pre-determined activities are outputs are overcome through rolling planning (annual plans to deliver high level outputs) or rolling design (where new outputs are defined each year to achieve the higher level objectives).
6. Whole of sector engagement: where AusAID support contributes along with other donors and the Partner Government towards a pre-existing planning framework of Government.
7. Emergent design: where a general concept for the types of assistance and types of desired outcomes are articulated, but experience over time leads to a more tightly defined design hypothesis.
8. Primary of partnerships: where the rationale for providing assistance is the forming of relationships of mutual benefit between Australian and partner country organisations.
9. Utilising individual relationships: where Advisers and individuals provide coaching, mentoring and support roles to key individuals within organisations to support as a when required.
10. Supporting the enabling environment: where the assistance works in a diffuse and indirect manner to creating a supportive enabling environment for other assistance to be effective, rather than creating individuated benefits of its own.
11. Capacity building at multiple levels: where a theoretical framework for capacity building at individual, organizational, and sector level guides the assistance provided.
12. Scaling up and replication: where the approach is to demonstrate effectiveness on a small scale through pilots and expect replication to generate a broader impact.

13. The meta-program or umbrella framework: where multiple forms of assistance are embraced under a broader framework, and linked together for some reason with the expectation that the whole is greater than the sum of the parts.

These strategies are often hidden within program documentation, and Logframes (implying a simple cause-effect relationship) are written, with very poor monitoring and evaluation systems attached. This would suggest that while the results based approach is the dominant planning paradigm in the AusAID context, the Logframe is often is-used or misapplied in order for staff to design the kind of program they want to design (using the full range of alternative strategies) because of the underlying development theory or approach they are applying.

There is a well established critique of the results based or problem based ‘project’ approach (Gaspar, 1997; Rondinelli, 1993) which helps to explain why program planners have applied a range of other strategies for development assistance outside the project approach. These include the short time frame for planning and design, the lack of information to define the problem properly, the externalities which influence the outcomes desired, poor implementation and management, lack of flexibility of ‘blueprint’ designs, uncertain operating contexts, significance of individual leaders and interpersonal relationships which enhance or impede change, short term time horizons which make outcomes unrealistic, and lack of integration and harmonization with others’ efforts, changing political priorities within operating context of the assistance. These factors and others often distort or affect the direct causal relationship meant to apply between the planned activities and the desired outcomes of a project.

As a result of the White Paper’s emphasis on a stronger performance orientation, AusAID has reinvigorated its expectations from monitoring and evaluation (AusAID, 2007b). A range of new tools have been developed which include the Annual Program Performance Updates (APPUs) reviewing country level performance against Country Program Strategies; and the Quality Reporting Tools, particularly the Quality At Implementation report. The basic framework underpinning these tools is a results-based approach. The language is of objectives, measurement, indicators and achievement.

While they may be applied directly for ‘projects’ a basic analysis of the new Forms of Aid and the reasons for their application suggests that new forms of monitoring and evaluation method will also be necessary. In a project, it should be possible to measure the success of the objectives using the indicators. If the indicators had a pre-determined target for quantity, quality and time, and the outputs delivered were necessary and sufficient to achieve the objectives, then the case would be ‘proven’ if the indicator target when measured was met. [I know of only one project in AusAID where the Logframe provided this kind of direct cause and effect relationship where the indicator measurement of the objective was a meaningful representation of the success of the project. This was an iodine deficiency program in Tibet, where citizens were given iodine tablets to eat, all the salt production was iodized, and over a period of time, the incidence of goiter and iodine levels in the blood was reduced, which could be attributed directly to the project itself.]

M&E requirements for major Forms of Aid

In cases where there is not as direct a cause and effect relationship, or indicators do not have pre-set targets, or where outputs are not necessary and sufficient, but there is a ‘contribution towards’ the objectives, then more sophisticated and nuanced approaches are required. AusAID’s past internal work over several years recognises these challenges (AusAID, 2005b)³ although they have not been easily accommodated in more recent guidance. In relation to the major forms of aid, some of the important features for M&E which need to be incorporated include the following⁴:

➤ For projects (where cause and effect is diffuse, or the objective indicators do not have targets for achievement): (i) a baseline study, usually qualitative and quantitative, is required to measure the ‘before’ and ‘after’ effects of assistance; (ii) a broader analysis of the context is required as a basis for understanding the role of the assistance in its contribution towards to outcome levels observed; (iii) some form of beneficiary

³ The Quality Frame for Monitoring and Evaluation Frameworks incorporate a range of best practice features, including feedback loops, capacity building of counterparts, and evidence of consultation processes in the development of M&E frameworks.

⁴ The following features of good M&E across major Forms of Aid comes from training material produced by the author and used in AusAID training events from 2001-2007.

satisfaction (whether it be the organisation and its staff, its clients or stakeholders, or community beneficiaries) is required to test whether the right things were done at all (ie was this the right problem to try to address?).

➤ For Facilities: (i) a set of outcome domains needs to be developed, which captures the kinds of benefits that may accrue from the range of assistance that might be provided within the scope of the funding envelope; (ii) ways of assessing changes across these domains is required; (iii) a method for analyzing the links between the portfolio of activities and the outcomes observed; (iv) a judgment needs to be made about the value of the investment in creating those impacts from that set of activities with that money, given the alternatives.

➤ For sector-based programs: (i) the PG plan needs to be documented and improvements in the planning and reporting by the PG needs to be assessed; (ii) the quality and nature of the assistance provided needs to be captured, particularly where done on an ad hoc and as needed basis; (iii) information about the services actually delivered (coverage and quality) to communities needs to be gathered (by the PG itself); (iv) some kind of beneficiary impact assessment is required which is based on the communities' experience and gathered independent to the service deliverers; (v) a judgment about the value of the assistance in supporting and enhancing the PG services and improvements is required.

➤ For macro-policy support: (i) a baseline analysis of the policy settings and context needs to be made; (ii) a statement about the desirable policy settings and process used to influence the local policy-makers to adopt those settings is required; (iii) a financial analysis of the impact of the assistance in terms of national budgets and incentives for rational resource allocation; (iv) an analysis of the benefits to communities that result from a change in policy settings or service delivery enabled through the assistance.

While these are some generic requirements for M&E across the major Forms of Aid, there will need to be specific elements related to the design of specific programs and the underlying program logic attached to each. The approach of 'contribution analysis' has been applied in various methods to explain the linkage between the 'outputs' and 'outcomes' where there is an indirect causal link (as with facility, sector based approaches and macro policy support. AusAID first experimented formally with a

method of contribution analysis that used stakeholder feedback to draw conclusions about the nature of the impact of AusAID's assistance to the health, education and law and justice sectors in Fiji, which has since been drawn on by others (Nichols, 2004). The essential feature of the approach, however, is not the specific method, but the attempt to answer the question, 'what is the nature of the link between the assistance and the observed changes in the context'? Most efforts have stumbled at the problem of not having information about the changes in the context (or at the outcomes level), and try to use the method to gain information about the nature of the change, rather than about the nature of the contribution of the assistance to that change (Winter et al, 2005). A contribution analysis, drawing on whatever appropriate method, requires information about the outputs and the outcomes as the basis data for the analysis to take place.

Some new ways of thinking about the need to performance assessment for various Forms of Aid, and particularly those that reflect alternative development philosophy and underlying 'strategies' may be helpful in addressing these challenges.

Indicators for measurement, assessment and analysis

The first is to consider 'indicators' according to a typology which has a better match to the underlying development strategy, provides greater depth in helping to explain both the nature of changes observed, and may help to deal with attribution. This typology would be indicators which can be (i) measured (ii) assessed; or (iii) analysed. Each type of indicator requires a different approach to the 'means of verification'⁵ or the process of data collection and reporting.

(i) Indicators are normally understood as things that can be 'measured'. In narrow terms, these types of indicators provide raw data, and they do not explain or have significant meaning in themselves. For example, in a law and justice program the 'number of violent crimes against women reported' doesn't tell us if there is more or less crime, as there would have been serious under-reporting of crime at project inception compared to later when data is being kept better, or if police services are improving, as

⁵ 'Means of verification' is the Logframe matrix terminology for the sources of data against the indicators.

women may feel more comfortable reporting incidence of crime to a better functioning police station (or to an increased number of female police officers). Even the ‘incidence of crimes against women in the community’ collected through household survey instruments may be a better piece of raw data, but doesn’t tell us the reasons for increases or decreases in crime (for example increasing unemployment due to trade barriers in key export markets may explain increases in crimes against women even where the police services are improving). Some objectives can be tested through indicators which can be measured in this way in certain circumstances: ‘The number of boys and girls completing year 12’ can be easily measured, and an increasing number is a reflection most would argue, of a functioning education system. [Although it has to be noted that a decreasing number may not reflect a poorly functioning education system, if there are significant externalities affecting the ability of families to send girls to school, for example]. For the measurement data to be meaningful it has to be against a target, or a pre-determined standard for what is ‘good’. An increase in year 12 completion from 10% to 15%, would not be acceptable when the Government target was 75% completion rates. Some measurements against indicators even where there are improvements, would clearly show an unacceptable level of achievement for the investment – a major irrigation scheme to increase cotton farming in poor communities where the increased income was still not sufficient for farmers to pay for their basic needs would not be acceptable. Measurement indicators are only useful, then, where there is a set standard or target to make the raw data meaningful. A Monitoring and Evaluation Framework (MEF)⁶ based on these types of indicators would include a matrix or table outlining the indicator, the target, the source of data and original collection points, reporting requirements, formats and time period, the process and responsibilities for aggregation and presentation to stakeholders. Feedback loops should be built into this process of data collection and reporting.

(ii) Indicators which can be ‘assessed’ are those which require a further judgment about the value of the level of achievement, once the data has been collected. In my experience most indicators used in development programs are of this type, as most often

⁶A Monitoring and Evaluation Framework is now the accepted terminology and practice for the M&E arrangements for an AusAID Initiative.

there have been no targets set of the level of attainment that would signal ‘success’, but rather the indicator statement is used as the basis upon which success will be assessed. Often these indicators require a ‘set of data’ for the assessment. For example: “improved management practices employed within the State Solicitor’s office” might be assessed using a set of specific data, such as the regularity of meetings, the compliance of file procedures, the time taken to complete a file, the responsiveness of the Office to external requests. While it could be argued that the requirements of the data set are actually the true indicators, there are many programs that use this approach. This may be because the overall Purpose (or Objectives) are so broad that a number of assessment indicators are needed to capture the sense of what success would look like, and secondly, the designers didn’t ever intend there to be a simple clear objective that the outputs and activities brought about. Rather, in many forms of aid, there are a range of activities which cause a range of outcomes, and so a variety of assessment indicators are needed to capture the outcome information, from which a judgment about the nature, extent and value of the achievements can be made. These types of indicators are often used in ‘facility’ forms of aid for these reasons. A distinctive feature is that because there is no simple clear target, there can be different interpretation of indicator information once collected (as different indicators will show different levels of types of change), and a method is needed to translate the information into a clear ‘conclusion’ for higher level reporting purposes.⁷ The MEF for assessment indicators would encompass the development of the detailed data sets, and would articulate a process of collecting, aggregating and synthesising the set of data into a digestible form.⁸

(iii) Indicators which need to be analysed are those which require a method for the analysis of a range of data of different forms from which to draw a reasonable conclusion. For example for the indicator of “improved public and stakeholder confidence in the legal system” a method needs to be developed to capture the relevant

⁷ This is one of the main challenges AusAID staff face in completing the annual Quality at Implementation report against the ‘achievement of objectives’ as a range of indicator information is presented to them, and they have to synthesise it into a short narrative paragraph.

⁸ Though not discussed here, the temptation is to use quantifiable data in the data set as it is more easily aggregated, synthesised and presented for comparison over time period. However, most indicators of this type will also require qualitative information and attempts need to be made to simplify aggregation and comparison by using rating systems, codes or classifications to summarise raw narrative data.

information and present a reasonable conclusion in a useful form. A range of methods could be used to gather relevant information about this indicator, including community perception surveys, key informant interviews, focus groups or even using proxy indicators (such as increased numbers of small business applications, or land dispute applications or other things which could arguable represent levels of confidence through changed practices in relation to the legal system). In selecting the method which will lead to a reasonable conclusion about the indicator, underlying principles of good social science research should be kept adhered to, using triangulation to improve the robustness of information collected, appropriate sampling techniques, ensuring replicability, dealing with bias and ethical considerations. Once information is collected, both qualitative and quantitative, the method for drawing the conclusion about the indicator should be explicit, not relying on a sole technical expert to draw conclusions from the data alone, but having an explicit process for developing and testing propositions and ensuring their validity. These types of indicators tend to be used when the objectives of the development assistance are at a very high level, and particularly when the relationship of the activities (and outputs) to the objectives is more diffuse and indirect, so that the specific nature and extent of the changes expected are not predictable and simple. At the higher levels of outcome (or impact), naturally the changes in the context must be understood in a more comprehensive and holistic way so that the relevance and impact of the assistance can be analysed in the light of other events and influences in the environment. A community based survey instrument on levels of confidence in the legal system in Vanuatu for example, should capture an understanding from the perspective of the community about why their attitudes and behaviours are changing, so that the links to the assistance can be analysed. If, for example, the assistance is focused on two or three key Government agencies, but level of confidence in the legal system is declining because the community fears foreign government, political or multinational corporation influences beyond the control of the program, the analysis needs to consider the implications for the assistance provided. The MEF for analysis indicators needs to include a methodology for information collection and analysis that goes beyond collecting different kinds of data, but to different forms of information from different

sources, and focusing on the analysis and meaning which can be drawn from the information.

The new guidance from AusAID on reporting for their quality system, which includes guidance on country strategies and initiatives (or programs) uses the language of objectives and indicators as if development assistance largely operated in project modality. However, the above classification of indicators shows how they can be used in different ways to accommodate different Forms of Aid where the cause and effect relationships are not as direct as in projects, and where outcomes cannot be predetermined within simple targets which can be measured easily. Lessons from development assistance learnt by AusAID itself through many programs has lead to more innovative, flexible and unique approaches which are more appropriate to the uncertain contexts within which they operate, which is why the range of alternative development hypotheses are evident across different Forms of Aid. These alternate development hypotheses demand a more rigorous approach to analysis if claims about attribution and contribution can be made, and if the implementers and policy makers are going to make good decisions about the direction of the programs and future assistance.

Going further than using different ‘types’ of indicators, two additional methods for outcome monitoring are suggested here from current practice which better align good monitoring with the form of aid being employed. The first focuses on using ‘research questions and methodology’ as the basis for M&E (rather than indicators as the starting point), and the second uses a specific case inductive method to draw generalisable conclusions about the program as a whole (rather than using indicators in the quasi-experimental deductive approach of the Logframe).

Research Questions and Methodology: Vanuatu Legal Institutions Strengthening Program

In this program, the NSW Attorney-General’s department is working with three State institutions to improve the performance of public sector legal services (State Law Office, Public Prosecutors Office and the Public Solicitors Office). A key Adviser is

placed within each agency, who works on a monthly workplan basis to support policy reform, management practices and staff capacity building. Often the Advisers provide ad hoc high level policy and strategic advice to their counterparts on the issues of the day, rather than follow a detailed workplan of pre-planned activities. The program has a Logframe with ambitious high level whole-of-sector objectives, but no life-of-project outputs, rather the activities for each year are planned on a 'rolling basis'. There are some key distinctive features of this approach:

- There is no direct cause and effect relationship between the activities and the higher order sector objectives
- Implementation is very flexible, depending on current priorities
- The approach is relationship based, effectiveness will depend on the Advisers being requested to assist in high profile and important areas
- The model is based on a long term 'partnership' being the 3 offices and the NSW A-G's office, which has whole of government considerations and a policy interest from the Australian perspective
- Change will be incremental and based on organisational development principles and processes are internally driven (not a planned 'reform agenda' imposed from outside)
- The underlying 'strategy' is to build capacity and be responsive to GoV needs.
- There are four types of inputs: advisers, training, infrastructure and equipment, and strategic policy advice.
- It is critical to learn as you go, so that the quality of Advisers and their advice, the relevance and usefulness of assistance is assessed, and changes are made to the program in a timely manner.

In light of this, the approach is using key 'research questions' and appropriate methodology was introduced (Nichols, 2007b). This was contrasted with an 'indicator' based approach. The questions could easily be answered by the team and counterparts as part of their ongoing management processes, with some additional robustness to counter bias and incorporate differing views, and leads to a continuous improvement processes. Over time, the narrative information provided from different sources in the M&E system

can lead to a secondary analysis of the overall changes taking place across the legal sector, and a judgment about the value of the program for its investment can be made which draws on this narrative information.

The ‘indicator’ based approach against objectives would have included a specially commissioned baseline study against the indicator of “improved public and stakeholder levels of confidence in the legal system” and a technical expert analysis of “improvements against international standards of justice: transparent, fair, consistent, conforming to international treaties and conventions”. This would have been time consuming and expensive, and changes observed at mid-term or end of project not attributable to the assistance directly, since there are many other influences involved in these outcomes. The research question approach asked two key questions: “What feedback on the performance of legal agencies is reported by stakeholders and the public?” and “To what extent are deficiencies and obstacles in the administration of justice raise concerns for immediate action by the GoV or GoA?” which the Advisers and the Program Director can report on a regular basis. The information being collected is not summative, nor comprehensive in nature, but it does provide a basis for reflection and action.

At a lower level, the question “In what ways and to what extent have management practices improved?” is asked of the counterparts, rather than undertaking a sophisticated indicator based analysis of the objective “Improve management practices of 3 legal agencies” which would require data to be collected on “Improved leadership practices; improved HR systems and practices; Improved knowledge and skills of professional staff; improved culture and ethos of professional staff; Improved case management systems; Improved execution of professional tasks; effective planning, budgeting and reporting systems operating”. Questions were also asked about the strategies being employed (“To what extent have Advisers built the capacity of counterparts?”; “Is the program being responsive to GoV priorities?”), and the inputs provided (“What is the quality of relationships and trust between Advisers and their counterparts?”; “What training was undertaken, and was it relevant, appropriate and who participated?”; “What key policy directions were advocated and what is the responsiveness of GoV to policy dialogue?”).

For each question, a process for information collection and reporting was identified, a designated responsibility and frequency allocated. For example on the last question about policy directions, the TL was to sit down with the whole team of advisers each 6 months and discuss the policy directions which arose and which were advocated, and to analyse and report on the take-up and responsiveness of counterparts. In other cases, the counterparts were asked by Advisers for their feedback on the quality of advisers by the team leader each three months.

The approach is more appropriate because it collects information on changes as they are taking place, in whatever form and nature they happen to be, but rather than restricting data collection to a narrow set of indicators which may or may not be relevant to the assistance that ended up being provided. It is more cost effective and timely. It is suited to the approach because the assistance is meant to be flexible and focus on current priorities of counterparts, not pre-determined outcomes imposed externally. The information gathered does have some constraints, however. It is hard to make a value judgment about the success of the program in light of the investment cost, as no pre-determined level of achievement was anticipated. The information is largely qualitative, and largely self reported, and therefore harder to aggregate over time to consolidate a report on achievements and success (which is likely to be patchy and variable). It is more honest overall, however, in making claims about success based on observations of change and impact which result from the assistance. The quasi-experimental indicator model in this case would provide a range of interesting information about sectoral and high level change in the context, but the program itself was never designed (through a set of necessary and sufficient activities and outputs) to achieve those objectives. In practice, a combination of both approaches may be worthwhile, while being highly selective in which indicators and which questions are applied so as not to overload the program with M&E processes.

Program-wide outcome monitoring methodology using inductive analysis from specific cases – East Timor Capacity Development Facility

This program is a flexible facility to build the capacity of the public sector agencies in East Timor. It is a responsive funding mechanism whereby specific activities are planned and funded upon request from the Partner Government. The criteria for selection are very broad and linked to the existing governments Sector Investment Plans which other donors are also supporting in different ways. The assistance is meant to focus on four key capacity building agencies of the PG, as well as support the SIP process across the whole of government, as well as support the implementation of the Public Sector SIP. The distinctive features of the design are that (AusAID, 2006c):

- The activities will begin as ad hoc one off initiatives but over time become more inter-dependent and linked
- The set of activities will not have a unique and distinctive outcome of their own, but they will contribute to the outcomes of the SIPs (supported by many donors as the PG) and service delivery of government generally (particularly the focus areas of the Australian aid program in health, education, law and justice, water supply and sanitation)
- There are some common approaches or themes throughout the activities, including capacity building and gender.
- A range of different forms of assistance may be provided within each activity

The facility has a very broad goal and a mission statement, rather than a pre-determined set of objectives, as the strategy underlying the facility is to be responsive, support existing donor activity, and strengthen the enabling environment from which other donor assistance can be more effective. The facility was designed after two previous phases which had concluded that this was one of the few really effective mechanisms for support in a highly volatile and changing context, highly regarded by donors and the PG alike.

The approach taken to M&E was for an independent team to review (called a Monitoring and Review Group, MRG) one activity in depth each six months, to develop generalisable propositions from the individual case, and test that proposition using facility-wide data (gathered by the implementation team through activity reporting, a database, and qualitative feedback from stakeholders one ach activity) (Nichols &

Morgan, 2007). The approach can be described as inductive (using the individual case to extract learning and explanation for change) and open-ended (exploring aspects of change and reasons for change from the individual case, rather than trying to attribute observed changes at the higher level, to the suite of activities). The approach is also based on the ideas behind appreciative inquiry. That is, the ‘successes’ should be sought out and celebrated, whatever form they take, rather than only seeking evidence against pre-determined parameters (such as indicators). This approach is necessarily qualitative and descriptive, and more suited to the approach behind the design which is adaptive, experimental, and opportunistic in nature. The approach has multiple cycles of feedback built into the steps and deliberately utilises a range of data sources and techniques, include quantitative data and analysis in order to improve the validity of findings and conclusions. In this manner, the strengths of different methodologies are drawn up and the weaknesses minimised. Because this is an outcome monitoring methodology (rather than evaluation in its strict sense) it is particularly appropriate to draw on a range of tools and methods for a rapid analysis to a degree of validity acceptable for the purpose. The method is attempting to generate a plausible finding about the nature and extent of the outcome (or outcomes) across the Facility to date, not to prove that the ‘objectives’ have been achieved. As an example, the conclusion of the first 6 monthly program-wide monitoring mission concluded that “Beginning steps to establish the foundations for longer term improvements in civil service performance have been laid, but there remain the challenges of implementation in the current political and economic environment.” This conclusion was based on an examination of the specific Activity involving the promulgation of regulations for the recruitment, promotion and retention of public servants in East Timor.

The process for the approach includes four major steps.

Step 1: Formulate proposition based on specific case.

The first step is to identify and then examine the benefits which are observable from a specific Activity, and formulate a general proposition about an outcome or outcomes which may apply for the whole Facility which arises from that specific case. The examination of the specific case involves reviewing documentation and reporting,

meeting with GoTL agencies involved, Advisers, and the management team and AusAID involved in the Activity. An open-ended semi-structured approach to the enquiry is taken, which examines the Activity in the broader context and allows intended and unintended, positive and negative consequences, and contextual information, to emerge

Step 2: Refine through stakeholder feedback.

The proposition, or set of propositions, is then discussed with key stakeholders, in particular the GOTL agencies involved, AusAID, the implementation team, and other informed individuals. Initially the discussion process (not as formal as an interview, but a more collaborative working meeting/workshop type discussion) explores general feedback on the overall Program's outcomes, then the propositions are shared for discussion. The process is explicit, so that the informant knows the origin and nature of the propositions, and the purpose of the discussion (to refine and verify).

Step 3: Confirm or deny the propositions through program-wide data analysis.

The Program Management Team provides summary reports from the database (and other sources if necessary) for the program as a whole on key strategies, processes and scope which are critical to the program logic of the facility. That is, the underlying rationale of how the facility is meant to generate positive outcomes needs to be tested. Initially the MRG and Management Team identified some potential strategies and processes which need to be summarised in program wide data as a starting point. The suggested strategies requiring program wide data and analysis reports include: Linkages and synergies between Activities; Capacity building approaches utilised: Gender equality.

For each of these strategies, the Management Team has identified ways of classifying and coding Activity level data in design and reporting to produce program-wide reports. In particular the coding of Activity Completion Reports and Most Significant Change stories throughout implementation across these strategies will provide a strong body of data for analysis, in not only a quantitative form, but in narrative form, which will illustrate the general propositions developed to confirm or deny them as valid across the whole Program.

The processes requiring program wide data and analysis reports include: management; identification, design and monitoring of activities; and recruitment and selection of advisers. The Contractor provides a basic data set as part of their reporting in these areas. The basic data and summary analysis is provided by the Contractor in six-monthly reporting. The database would be available for interrogation on specific issues or for production of narrative summaries as requested (for example, to extract program-wide data on a particular phenomenon observed).

Step 4: Verify program-wide strategies and processes throughout MRG field mission and feedback.

Throughout the field mission, the MRG team uses the ‘strategies’ and ‘processes’ framework to monitor the Facility. Thus the program-wide reporting of the six-monthly reports will be verified by examination of the specific cases, and through general interviews with stakeholders and informants. Outliers, tension points, and differences in particular will be noted and embraced in the POM methodology. The draft MRG report will be made available to partner government, the contractor, AusAID and other interested parties for feedback and comment to support the veracity of the findings.

One of the strengths of this approach is that the outcomes of the program can be monitored and reporting on regularly, without waiting for mid-term or end-of-program time periods to undertake indicator based surveys or analysis. It requires, however, good quality activity level information being collected and coded routinely by the program implementers, and highly developed qualitative analysis skills to apply the case study method and prepare succinct and meaningful (and reliable and valid) conclusions.

Conclusion

This paper has reviewed current experience in AusAID in applying monitoring methodologies across new Forms of Aid. A typology of different kinds of indicators (for measurement, assessment and analysis) provides a basis for approaches to monitoring framework across many programs which do not fit the project based Logframe approach easily, and which may accommodate the underlying strategies present across many different programs using different Forms of Aid. Two additional approaches were

outlined which have addressed the challenges of performance assessment for unique forms of aid where outcomes cannot be predicted in uncertain contexts, and where a different development hypothesis is being employed to the direct cause and effect relationships of projects: the use of research questions and methodology, and a program wide outcome monitoring methodology using inductive analysis of specific cases.

Consideration of these ideas and approach leads to significant challenges in monitoring and evaluation of development assistance in the current AusAID environment. While the White Paper demands a stronger performance orientation and AusAID internal systems require objective and indicator based reporting, the forms of Aid and types of programs being designed and implemented have increasing complexity and flexibility in uncertain and volatile contexts. The lessons learnt from past programs have lead to more responsive, appropriate and nuanced approaches for assistance, which call upon alternative development hypothesis and theory, from action-reflection and relationship based approaches to greater emphasis on donor harmonization, working with others, and using internal systems and plans of partner governments, all of which challenge the basic tenets of project and problem-based direct cause and effect relationships as the basis of design. A major challenge for the growth of the aid program and public accountability will be the reconciling of these major trends so that the true impact of development assistance is understood and shared amongst the development community and the general public.

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