

# Going “above and below the line” to tell the performance story – a case study of an Australian aid project in Eastern Indonesia

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## **Purpose**

This presentation is about how a team of Indonesian program officers are using a results-based approach to monitor, evaluate and report on a complex multi- million dollar aid project in one of the poorest provinces in Indonesia. It is an approach based on the consistent use of program logic – going “above and below the line”<sup>1</sup> – to tell the performance story. Fundamental to the team’s approach is working closely with a diverse group of local implementing partners. By helping to ensure genuine ownership and building local M&E capacity, the team is aiming to add value within and beyond the life of the program.

## **The setting**

The project under review operates throughout the province of Nusa Tenggara Timur (NTT) in eastern Indonesia, comprising three island clusters of Sumba, Flores, and West Timor. NTT has a population of 3.9 million of whom nearly 40% are living below the national poverty line compared to the national average of 18%<sup>2</sup>. It is a province whose people rank poorly in the key poverty indicators relating to school enrolment, literacy, access to potable water and health facilities, and child and maternal mortality.

With a predominantly rural population, livelihoods are largely based on the cultivation of subsistence food crops (corn, cassava, dry rice, sweet potatoes) in conjunction with small-scale animal husbandry (mainly the raising of cattle, pigs, poultry and occasionally goats). Food security in the dry months is a major problem for the poor.

## **The program**

The Australia Nusa Tenggara Assistance for Regional Autonomy Program (ANTARA) is an AusAID-funded initiative within the Indonesia-Australia Partnership for Development. Total expenditure is projected to be up to \$30 million over five years (2005 – 2010). ANTARA is managed by the Australian (Melbourne) consulting firm Cardno-Acil using a Management Support Team (MST) based in Kupang, West Timor supporting the ANTARA Program Director.

The goal of ANTARA is to reduce poverty in Nusa Tenggara through sustainable and equitable socio-economic development and improved governance systems. It has three objectives<sup>3</sup>:

1. Improve provincial and district governance
2. Improve incomes for women and men
3. Improve access to, and quality of, basic services for women and men.

Activities eligible for funding by ANTARA are wide-ranging. Those currently underway include medical supplies management, access to education, alternative livelihoods development, improved agriculture techniques, small enterprise research and development, rural financial services, tourism training, and local government institutional capacity building.

## **The key players**

At a formal level the high-level stakeholder / policy / decision-makers of ANTARA are Australia’s official aid agency AusAID, the Indonesian national Ministry of Home Affairs (MOHA) and the Provincial Government of NTT. ANTARA is led by a Program Director supported by a management team, based in Kupang, reporting directly to AusAID.

However, for the purpose of this paper, the key players are the four ANTARA Program Officers and the partner implementing organisations with which they work, oversight and assist. These organisations range widely in experience and expertise. They include international civil society aid organisations (eg OXFAM, CARE, Save the Children), research organisations (eg SMERU Research Institute, REDI), grass-roots local community/village based organisations and local government bodies (eg Provincial and District Government Planning Agencies).

## **The evaluation problem**

In a technical sense the ANTARA program operates as a “Facility”. This constitutes a relatively new and flexible mechanism for aid delivery through which local government and civil society partner organisations can submit activity proposals (projects) for funding. At any one time, there can be up to 25 – 30 separate activities being funded by ANTARA covering a wide range of sectoral focus, size, location, and duration. There is also substantial diversity in the institutional capacity amongst the implementing partner organisations to design, manage, evaluate and report on their funded activities.

This level of complexity poses both conceptual and practical challenges for ANTARA’s program officers whose role is to oversight, assess and report on the performance of not only each individual activity but also, when aggregated, on overall program performance. This is a program with multiple components and they are all different. The fundamental evaluation question is how to develop and implement a practical M&E system that not only demonstrates compliance and achievement of the 30 individual activity-level objectives, but also links this information to the higher-level performance assessments required to inform key stakeholders on whether overall program-level objectives are being met.

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<sup>1</sup> Within the program logic hierarchy, separating lower level activities/output reporting from the higher level outcome/impact reporting

<sup>2</sup> Indonesian Bureau of Statistics, 2002

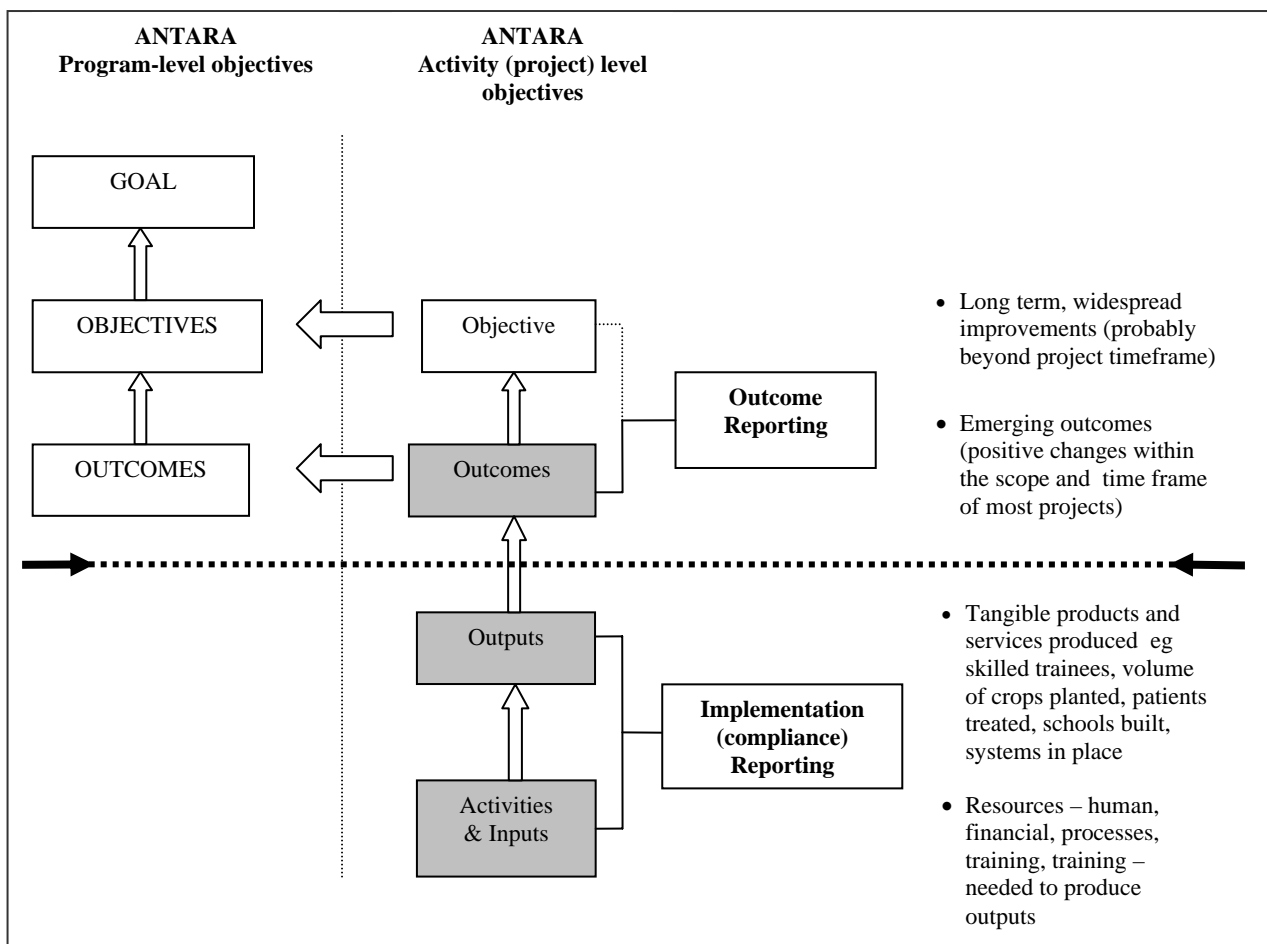
<sup>3</sup> See Diagram 2 – ANTARA program logic (simplified)

## The theory and approach

The theory behind ANTARA's M&E is based on the rigorous use of program logic and draws from the work of the World Bank in developing results-based M&E systems<sup>4</sup>. The program logic hierarchy is illustrated in Diagram 1. This forms the basis for ANTARA-partner discussions to facilitate project design, including the subsequent construction of logical framework matrices (logframes) for each individual ANTARA activity. The main emphasis, illustrated in the right hand side of the diagram, is the crucial distinction made between Implementation (Compliance) Reporting which focuses on inputs, activities and outputs, and Outcome Reporting with its fundamental focus on identifying emerging / actual outcomes and impact. This separation is made evident by the horizontal line, hence the central reference to the need to go "above and below the line".

The left hand side of the diagram illustrates how selected key outcomes and objectives achieved by each project are then identified, aggregated and reported to enable composite judgments to be made, backed by credible evidence, on the extent to which ANTARA overall program-level outcomes and objectives have been, or are being, realised.

**Diagram 1: Program and reporting logic – "above and below the line"**



The additional dimension involves the ANTARA Program Officers' close engagement with implementing partners to help build individual and organisational M&E capacity and culture. This mirrors Fetterman's empowerment model of evaluation. ANTARA's empowerment approach also reflects, and responds to, the concern of Nagao<sup>5</sup> that performance assessment can often be driven by the aid donor rather than the recipient country partners (an "asymmetry of interest in evaluation").

Overall, the ANTARA approach can be summarised by Program Officers and partners working together to answer the following three questions:

1. Did we do – or are we doing – what we said we would do? (a focus on monitoring and compliance)
2. If so, so what? (a focus on evaluation)
3. Can we do it better? (a focus on continuous improvement)

To help partners with this process ANTARA has devised three simple performance templates.

<sup>4</sup> See Kusek J.Z, and Rist R.C. "Ten Steps to a Results-based Monitoring and Evaluation System." The World Bank 2004

<sup>5</sup> Nagao, Masafuni. "Challenging times for evaluation of international development assistance." Evaluation Journal of Australasia, Vol. 6, No. 2. 2006. pp 28 - 36

## The performance templates

Having worked with partners to develop the logic of their project, the next step is helping them put together the M&E performance reporting framework. The consistent emphasis is on separating above-the-line outcomes from below-the-line outputs and activities. ANTARA uses the following three templates –

**Performance template 1 (Outcomes)** - This template is derived directly from the World Bank’s results-based model. It has both a quantitative and qualitative dimension. Its purpose, (going “above-the-line”), is to identify change. Selected key outcomes and indicators (not all) are then taken and used for subsequent, aggregated higher level (ie Program-level) reporting. They provide the necessary link between individual ANTARA project-level objectives and outcomes with those of the overall ANTARA Program (see Diagram 3).

<b>Objective / Outcome</b> ( <i>what are we trying to solve or achieve?</i> )	<b>Indicators</b> ( <i>what evidence do we need?</i> <i>eg numbers, percentages, change in behaviour</i> )	<b>Baseline</b> ( <i>what is the situation now?</i> )	<b>Targets</b> ( <i>what targets will we set?</i> )
Outcome 1	Indicator 1 The % who are able to...	In April 2008: X % are able to..	By December 2010 X + % will be able to ..
Outcome 2	Indicator 2		
etc	Indicator 3		

The Outcomes and Indicators are extracted from the Activity logframe, with baselines and targets then set.

The movement (+ or -) from baseline to targets provides the focus for outcomes monitoring, evaluation and reporting

**Performance template 2 (Outputs)** – based on standard planning approaches, this “below-the-line” template has a strong quantitative focus. Its key purpose is to highlight the main project deliverables, in a clear, succinct manner.

<b>Outputs</b>	<b>Indicators</b>	<b>Target</b>			<b>Means of Verification</b>
		<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	
<b>1. Teacher and supervisor capacity building</b> 1.1. Sixty (60) supervisors and teachers with Train the Trainer (ToT) qualifications etc	- No. of ToT workshops held targeting 4 districts	2	2	2	Six-monthly reports
	- No. of trainees meeting required standards	20	20	20	Gender disaggregated workshop attendance lists Clinical Observation

The outputs and related indicators are extracted from the logframe and the targets outlined in Annual Plans.

**Performance template 3 – Management.** The third template (“below-the-line”), aims to help separate the management aspects of the project from the developmental aspects. Although optional, partners are encouraged to use it to help with their own internal quality control. Essentially it presents as a negotiated “good practice” check-list, helping to ensure all the procedures and systems etc are in place. It demonstrates a shared partner commitment to quality.

<b>Key performance area</b>	<b>Indicators (Outputs/deliverables)</b>
<b>i) Planning Management</b> High-quality planning documents produced on time and approved by key stakeholders	a) Activity Design Documents b) Annual Plans
<b>ii) Financial Management</b> Financial and accounting systems conforming to statutory and contractual requirements	a) Periodic budget control and reporting b) Annual external financial audit
<b>iii) Information Gathering and Dissemination</b> All stakeholders receiving credible information when they need it, in the format they want	a) Quality and credibility of data-gathering methods b) Range and effectiveness of reporting formats
<b>iv) Continual improvement</b> Commitment to doing things better through clear target setting, innovation, reflection and sharing experience etc	a) Structured assessment process in place b) Lessons documented, shared and applied

## **The implementation**

Through a joint process of evaluability assessment ie working with partners to help refine and agree on the project design, logic and M&E framework, a common understanding is reached. The process also involves simple M&E training (general and/or specific) with partners in order to reach a shared understanding on the methods and tools that will produce the desired performance information. In the first six months of project implementation the ANTARA program officers keep in regular contact with the partners – communicating and visiting. Progress reports received, based on the templates, are reviewed and discussed, together with future project plans. On an annual basis key outcomes that have been identified (supported by evidence) are selected from individual activities and reported “upwards” to enable assessments on progress towards overall ANTARA program objectives.

## **The evaluation tools**

The evaluation tools which are proving to work best in NTT, apart from standard workshop/training evaluation sheets, are those involving face-to-face interactions between partners and project beneficiaries ie group and individual interview, focus group discussions, and photos. The use of Most Significant Change (MSC) methodology is currently being explored.

## **The results so far**

*Successes:* Most partners have established and are applying a results-based M&E system. It is regarded (not just) as a donor requirement, but more importantly as a useful management tool that enables continual improvement of their activities/projects.

In the past activity design tended to put the evaluation of outcomes at the end of the project timeframe. With the application of the result-based M&E system, regular (at least annually) evaluation activities are now integrated into the design.

Discussion with activity implementing partners can now be logically structured and clearly categorized into two levels – compliance (“below”) and outcomes (“above”). Implementing partners are consistently using the cue question – “so what?” to help focus and maintain their attention on assessing the results beyond the provision of inputs and implementation of activities. They are more in tune in identifying not only emerging outcomes but also reflecting on why expected outcomes may not yet have emerged and what else might need to be done.

*Challenges:* Not all partners are immediately, or necessarily, favourably-disposed to the ANTARA approach. Some agencies, particularly with well-established international links, have questioned the need for change. It can require a lot of negotiation.

During the design of activities, implementing partners can become “over-enthusiastic” by producing numerous or multi-faceted indicators. It takes considerable time to sit down with the partners to reduce and sharpen the indicators and help them think through the information database required for each indicator.

A number of implementing partners, used to a more traditional M&E reporting approach, still feel obliged to provide large amounts of information on their inputs and activities. ANTARA is working with them to reduce the volume and change the balance of reporting in favour of greater analysis and reporting on emerging outcomes.

## **Going Forward**

The fact that the ANTARA program comprises numerous and diverse activities, ensures there is a constant requirement to analyse and synthesize the substantial volume of activity-level information generated and then report on the overall program performance. ANTARA needs to continually select / update the key program-level outcome indicators that will be periodically evaluated and reported upwards. The results-based M&E system currently in place is, so far, facilitating that process.

Documenting and sharing of lessons-learned remains a weak area, and techniques and ways of how best to do this will be explored through scheduled workshops.

An emerging issue, beyond ANTARA and the scope of this paper, relates to the possible benefit of having one approach to M&E for all technical cooperation activities within the Australia Indonesia Partnership program. ANTARA Program Officers, based on their experience with implementing partners using the results-based approach, would certainly like to contribute to any future discussions on how this might be done.

## **Conclusion**

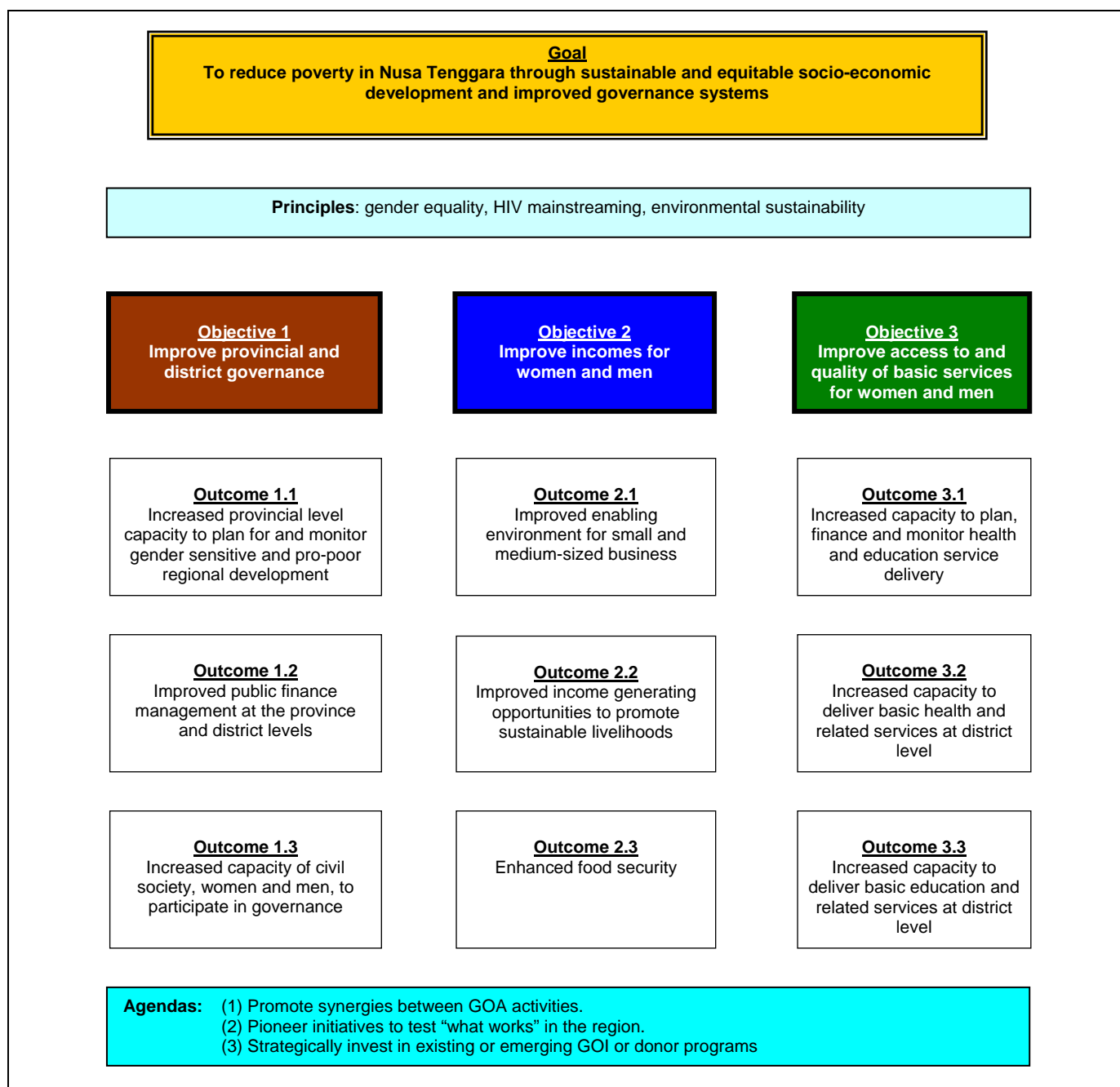
The Australian Government has committed to doubling expenditure on international development assistance (overseas aid) from A\$2 billion per annum to A\$4 billion p.a by 2010. This projected increase is subject to conformation that Australian aid money is being spent effectively. All projects must have robust performance monitoring and evaluation systems in place that clearly demonstrate results.

The “facility” as a form of aid delivery, with a wide range of funded activities each contributing to broader objectives presents a number of challenges in ensuring the performance integrity of both the individual activity, and the overall program. ANTARA is responding to this challenge by using program logic and adopting a results-based, empowerment approach to monitoring and evaluation. The aim is to not just to capture the key outputs and outcomes (above-and-below the line) but also, by working closely with each implementing partner, to build local capacity and help instil an ongoing culture of M&E.

## **The presentation**

The presentation will use illustrated examples of ANTARA program activities to show how the theory is being put into practice and provide the opportunity for questions and open discussion.

Diagram 2: ANTARA logic diagram (simplified)



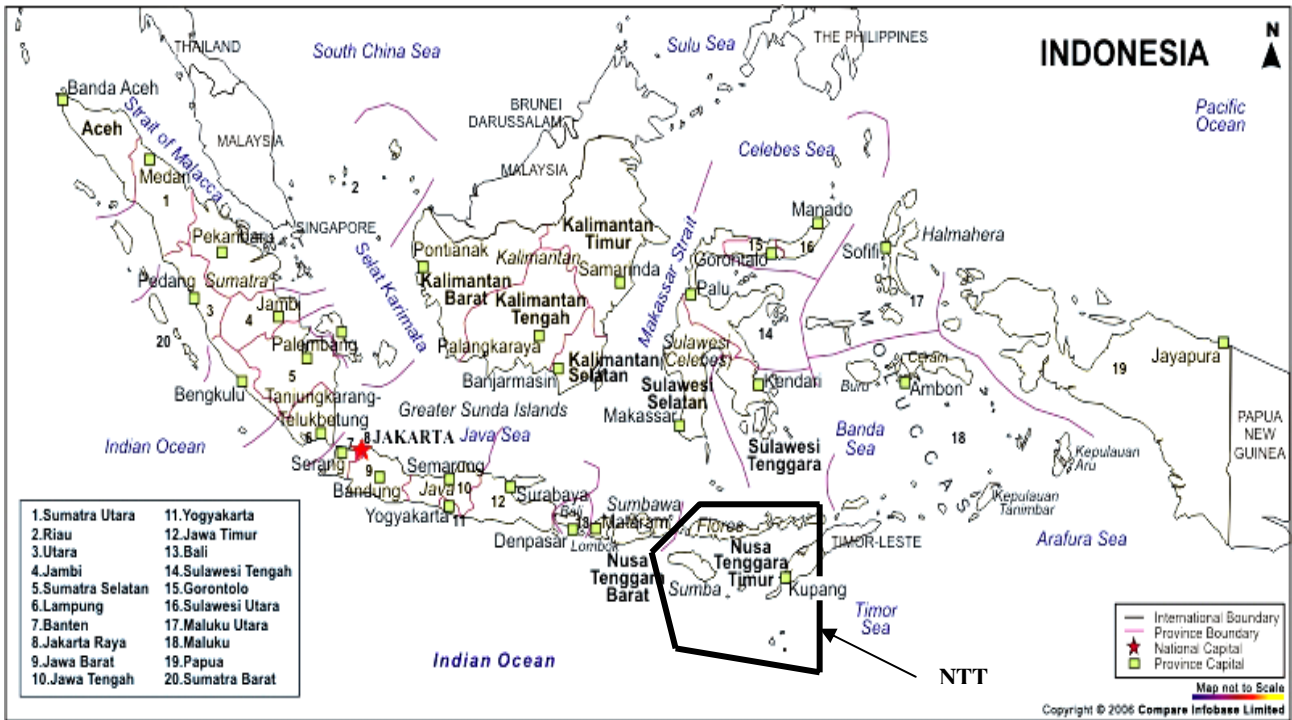
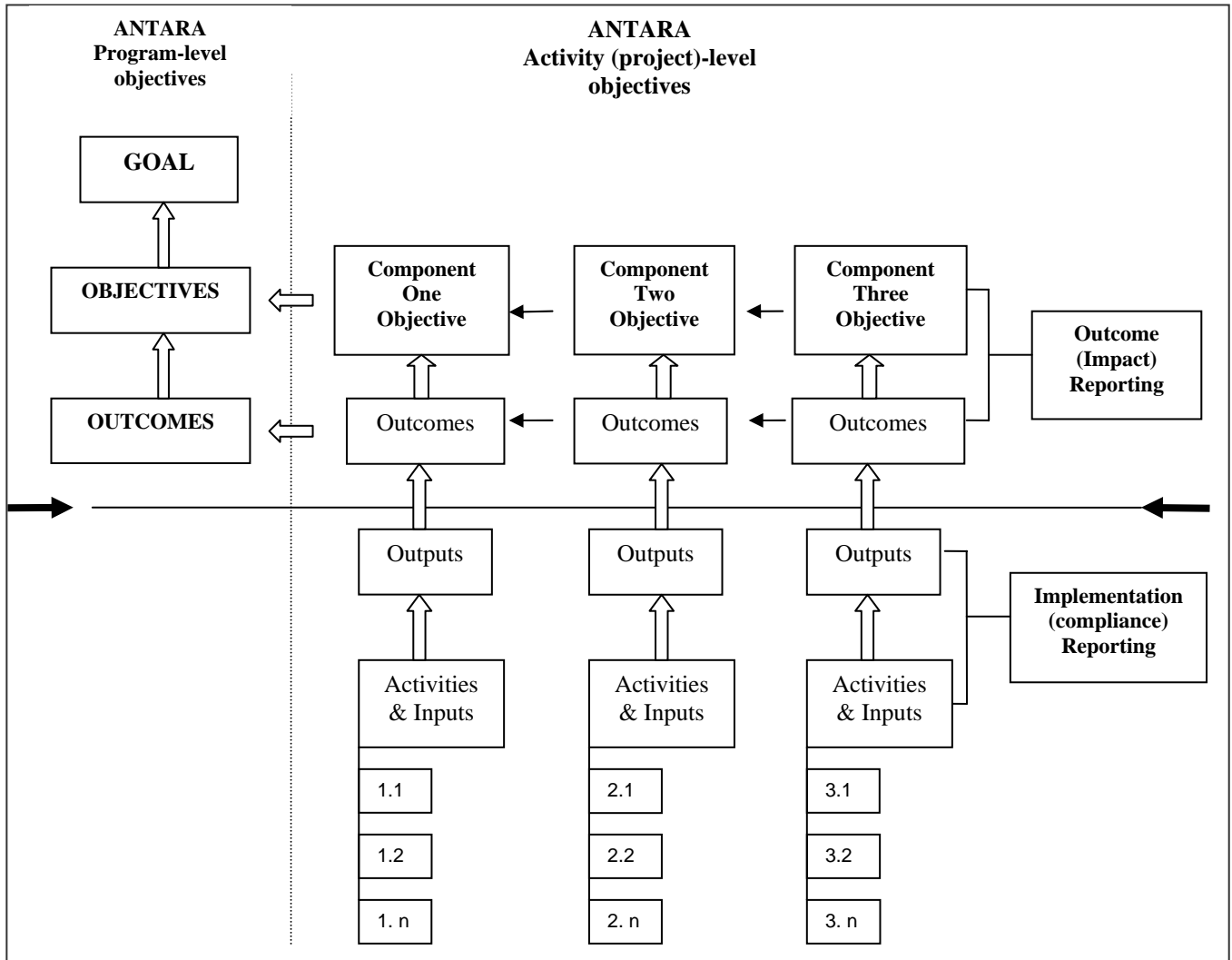


Diagram 3: Linking Activity (project) – level objectives and outcomes to overall Program-level objectives and outcomes



- Goal: To reduce poverty in Nusa Tenggara through sustainable and equitable socio-economic development and improved governance systems
- Component Objectives:
1. Improve provincial and district governance
  2. Improve incomes for women and men
  3. Improve access to and quality of basis services for women and men