



## Enhancing Development Effectiveness

### Introduction

The Australian aid program is expanding. The Australian Government has committed to increase the aid program to 0.5 percent of GNI by 2015. Greater focus has also been placed on performance through international agreements such as the Paris Declaration on Aid Effectiveness (2005) and a desire to ensure prudent spending of public funds. Increasing expenditure to advance successful approaches is commendable; greater expenditure without a clear impact is not. As development partners, it is our responsibility to deliver aid effectively. This requires identifying opportunities to enhance Australia's aid program and a major shift in the way we do business.

### Adding Value to Australia's Aid Program

Development partners can make Australia's aid program more effective. In this vein, Cardno strives to:

- **Build a shared understanding** of what makes aid effective in practice. In September 2007, Cardno Acil and AusAID completed a joint Quality at Implementation assessment. A follow-up assessment was conducted in May 2008 in line with AusAID's own reporting timelines. Regular reviews of the effectiveness of all our programs (including World Bank and Asian Development Bank activities) have since been built into our corporate systems.
- **Promote examples of good practice** to improve development outcomes by: connecting country-based project teams across themes such as education and gender equality; replicating successful approaches (e.g. the core support team concept which was introduced on the Law and Justice Sector Program in PNG and has now been applied to the Election Support Program in PNG); supporting team contributions to conferences and study tours; and arranging knowledge forums on issues such as the implications of the Paris Declaration on gender equality.
- **Support international best practice** by discussing approaches with AusAID and other donors. We will present our Effectiveness Framework to the AusAID Performance and Quality Conference in July 2008. We also encourage exchange of knowledge across our international division. For example, the Emerging Markets Group has presented to Cardno Acil and AusAID on the value chain approach in agricultural markets. Cardno Acil has discussed its approach to effective aid delivery with NZAID, USAID and the private sector to encourage greater emphasis on effectiveness in practice.
- **Discuss operational and strategic objectives** with our clients. Most activities have clear lines of communication for operational or contract management issues. However, there is limited space for engagement on strategic issues. We offer significant insight into design issues and opportunities to capitalise on successful approaches.

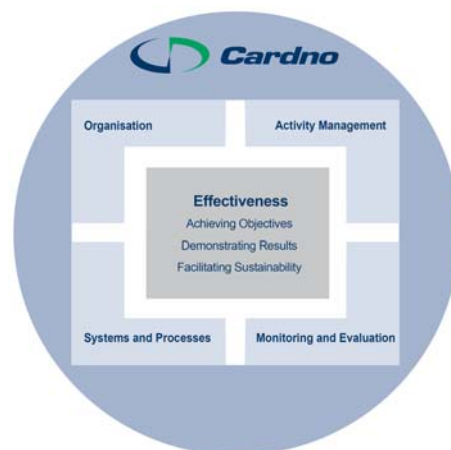
For example, our Project Effectiveness Review for the ASEAN-Australia Development Cooperation Program developed a framework for AusAID and the ASEAN Secretariat to guide project selection.

- **Review activity designs early** with AusAID and partner governments. Since significant constraints or opportunities often only become apparent in implementation, we recommend early review of an activity design against experience in practice.
- **Simplify Monitoring and Evaluation (M&E)** with a view to influencing decision-makers. M&E is a core component of any aid activity. However, it is often undertaken as a complicated, stand-alone activity without an examination of either its purpose or merits. Simpler M&E approaches that take account of timing and the information requirements of key decision-makers (normally requiring only a few key performance indicators) will drive effective outcomes.

### Cardno's Approach: From Policy to Practice

Cardno has embraced development effectiveness across its entire operations. Our approach is reflected in:

- **Accountability.** Key Performance Indicators focus management and core teams on improving development outcomes and building a learning organisation. Our indicators include: an internal annual review of effectiveness across all activities; compliance requirements for effectiveness systems and processes; and, publishing of good practice notes on our intranet.
- **Effectiveness Framework.** This framework (right) applies across all levels of our business: corporate, regional, and individual activities. The Effectiveness Framework signals an integrated approach to achieving objectives, demonstrating results and facilitating sustainability. Effectiveness cannot be achieved simply through M&E: it requires a truly company-wide commitment.
- **Effectiveness Working Groups:** These groups include head office and field staff and are responsible for applying the Effectiveness Framework. This is a work in progress. For example, we are changing staff contracts and induction briefings to emphasise effectiveness and producing guidelines to focus project reporting to all donors on outcomes rather than simply inputs and outputs. Effectiveness has a major bearing on our organisation (people), systems and processes, activity management, and monitoring and evaluation as we ultimately seek to build a robust culture around effective aid delivery.



Adjusting the way we deliver aid involves major organisational change. We are moving beyond mere contract implementation to the way in which we need to engage as an industry. We advocate a stronger partnership approach to enable Australia to expand its aid program by building on successful approaches to accelerate poverty reduction.