



Australian Red Cross

Submission

to

Independent Review on Aid Effectiveness

February 2011

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1. Introduction

This paper has been prepared by Australian Red Cross for consideration by the Independent Review on Aid Effectiveness. Australian Red Cross welcomes the opportunity to make a submission to this Review as we are constantly seeking ways to improve the effectiveness of our own development work with Red Cross National Societies, and believe that, based on this experience, there is much that can and should be done to improve the effectiveness and efficiency of the Australian Aid program.

1.1. Australian Red Cross and the Red Cross Movement

Australian Red Cross is part of the International Red Cross and Red Crescent Movement (Movement). The Movement is the world's largest humanitarian network and involves approximately 100 million volunteers, members and staff in 186 countries.¹ The Movement comprises the International Committee of the Red Cross (ICRC), International Federation of Red Cross and Red Crescent Societies (IFRC), and 186 member Red Cross or Red Crescent Societies (National Societies). The vision of the Movement is to improve the lives of vulnerable people by mobilising the power of humanity. Red Cross Societies operate without political, religious or cultural affiliation. All of the Movement's work is guided by seven Fundamental Principles: Humanity, Impartiality, Neutrality, Independence, Voluntary Service, Unity and Universality. Australian Red Cross is an active member of the Movement as demonstrated by our membership of the International Federation's Governing Board as well as our recent successful bid to host the 2013 International Red Cross Red Crescent Conference in Sydney. The hosting of this statutory Conference is strongly supported by the Australian Government.

The mandate of the Movement derives from the Geneva Conventions of 1949 and their Additional Protocols of 1977, as well as the Statutes of the Movement. Whilst National Societies such as Australian Red Cross work domestically in traditional non-government organisation (NGO) areas, Red Cross is not actually an NGO. Instead Red Cross operates under the unique status of *"auxiliary to the public authorities in the humanitarian field"*.

Through this "auxiliary role" Red Cross National Societies have a distinctive partnership with their government which brings with it expertise in providing humanitarian services, such as: the provision of disaster relief; health and social programs; the promotion of International Humanitarian Law (IHL) and International Disaster Response Law (IDRL) (see Annexure A). Given this unique status, a legally mandated role in every country of Red Cross operation, and its extensive volunteer base, the Movement has a distinctive worldwide presence at both the global and community level.²

Australian Red Cross was formed in 1914 and has over 60,000 members and volunteers. Australian Red Cross' auxiliary relationship is legally recognised in its Royal Charter. Australian Red Cross currently manages over 100 contracts with 38 separate government departments (federal; state; local) across several portfolios.

¹ See Australian Red Cross, *A guide for parliamentarians to the Red Cross and Red Crescent Movement* (Australian Red Cross: Carlton, Victoria), 3. Found online: http://www.redcross.org.au/aboutus_movementguides.htm

² Ibid, 3 and 7.

Recently, Australian Red Cross entered into a separate organisational level Partnership Agreement with AusAID that recognises its distinct mandate and which supports funding to international emergency and development programs in: disaster management; organisational development; health (including HIV); water and sanitation; blood services and community health programming.

2. Comments on scope of the Review

Australian Red Cross would like to highlight some constraints to this Independent Review:

- The Australian Government is signatory to the Good Humanitarian Donorship Principles. Humanitarian principles and values are integral to any international aid review. It is therefore disappointing that these Principles have not been referenced in the Terms of Reference.
- The lack of specific reference to AusAID's humanitarian and emergency work in the Terms of Reference is a concern. Given the long involvement of Australian Red Cross working with the Australian Government in the humanitarian field, we recommend that the effectiveness and efficiency of this sector be given specific consideration.
- We consider that the timeline for this review (November 2010 to April 2011) is too tight to be able to gain maximum value. A review of this significance should provide sufficient time for the sector to be consulted, for discussion with in-country partners and consultation with the recipients of Australian aid. Australian Red Cross is concerned that the tight timeframe for the Review will not enable it to adequately reflect views and experiences of the very people we seek to support through the program.

Notwithstanding these limitations, we urge the Independent Review to give full consideration to the 41 recommendations set out in this submission.

3. The structure of the Australian aid program

3.1 The appropriate geographic focus of the Australian aid program, taking into account partner government absorptive capacities

Currently, the geographic focus of the Australian aid program reflects Australia's national interest and engagement with its neighbours in the Asia-Pacific region. In financial terms, an estimated 60 percent of the aid budget in 2010-11 has been committed for development assistance in Asia, the Pacific and Papua New Guinea. Importantly, the Australian aid program is expanding to Africa with contributions in 2010-11 totalling \$200 million. There is also increased support to Latin America and the Caribbean totalling \$39 million.³

Australian Red Cross believes that there are good reasons for the Australian Government to retain its primary focus on the Asia Pacific region. The Pacific continues to face significant challenges in meeting the Millennium Development Goals (MDGs). Poverty is a significant and growing problem for many countries in the Pacific, with approximately 2.7 million people, or around one-third of the region's population, not having the income or access to subsistence production to meet their basic human needs.⁴ Additionally, despite impressive reductions in levels of poverty in parts of Asia, it continues to be home to the majority of the world's poor. About three-quarters of the world's 1.3 billion poorest people live in Asia.⁵ Australia has a long history of engaging in the Asia Pacific region, and has strong political, economic and trade based relationships in the region that can support and reinforce development approaches.

Australian Red Cross has also focused the majority of its development and emergency efforts towards working with the most vulnerable communities in Asia and the Pacific. However, Australian Red Cross also engages in parts of Africa, Latin America and the Caribbean through a range of different aid delivery methods, including: humanitarian assistance; development projects; and deploying highly skilled international aid workers. The scope of our work has expanded into these areas in recognition of the great need and high levels of poverty that exist there, but also that the competencies and skills used in our region can be applied and adapted in other settings. For example, our experience of working with Red Cross national societies in the Pacific can inform and assist us to better support Small Island States in the Caribbean with the issues and constraints they experience.

Given Australian Red Cross' experience, we would argue that there is greater capacity for the Australian Government to increase development assistance to other regions of high need, primarily those areas which can benefit from Australian technical knowledge and experience. Africa is home to 33 of the world's 49 least developed countries. Australia has world class experience in a number of important development sectors, such HIV and AIDS, which could be expanded into parts of Africa. On this basis, while maintaining principal focus on the Asia Pacific region, Australian Red Cross supports the increasing allocation of the Australian aid program to targeted areas in Africa, Latin America, and the Caribbean. Targeting should be on the basis of high need but also where Australian agencies and government have comparative advantage and can utilise Australian expertise.

3.2 Recommendations – Geographic Focus

³ Peter Baxter, Australian Red Cross Henri Dunant Lecture, 27 November 2010, (speech).

⁴ Tracking Development and Governance in the Pacific, AusAID http://www.ausaid.gov.au/publications/pdf/track_devgov09.pdf

⁵ Institute of Development Studies www.ids.ac.uk/

Australian Red Cross recommends that the Australian Government:

- 1) Maintain its primary geographic focus of the Australian aid program on the Asia-Pacific region, with a particular focus on the poorest communities;
- 2) Continue the growth in the total allocation of funding to the Asia-Pacific region, but with increased support to other regions;
- 3) Continue its increased engagement in, and support for, Africa, Latin America and the Caribbean, and ensure that this engagement encourages sectoral learning and exchanges on best practice between regions;
- 4) Target assistance to Africa on the basis of need particularly where Australian agencies and Government have comparative advantage (local knowledge, linkages, experience and technical skills);
- 5) Collaborate with the not for profit sector to manage the increased aid budget effectively; and
- 6) Ensure that development assistance in these sectors is driven by local needs and local contexts.

3.3 The appropriate sectoral focus of the Australian aid program; taking into account Australia's area of comparative advantage and measured development effectiveness results

Australian Red Cross supports the recent increases in Australian Government funding to the sectors of education, health, rural development and environment, and recommends that these sectors continue to increase their share of the aid budget. Within these increased allocations, the focus should be on improving the quality of, and access to basic health services. Additionally, allocations to governance need to be vigorously assessed to ensure that they have a direct impact on improving the quality of basic services. This is in keeping with the Government's commitment to achieving the MDGs. Australian Red Cross would also like to highlight that, whilst funding for infrastructure has increased in Government bilateral programming, this has not been replicated in funding to non government organisations.

3.4 Disaster Risk Reduction - At the 2007 International Conference of the Red Cross Red Crescent Movement, the Australian Government made a pledge (Pledge 262) to:

- Continue our (Australian Government) support for the implementation of the Hyogo Framework for Action as the leading international framework for disaster risk reduction through:
 - a \$15 million commitment to Hyogo Framework implementing partners for a stronger focus on disaster risk reduction in the Asia and Pacific regions; and
 - Enhancing the role of disaster risk reduction in our international disaster risk management commitments, agreements and policies.

Australian Red Cross applauds the Australian Government's increased focus on Disaster Risk Reduction (DRR) across the aid program. DRR is a vital approach to mitigating the devastating humanitarian, economic and environmental impacts of natural hazard events. Whilst the Australian Government DRR policy is an encouraging development, there is the need for additional resources to be allocated to DRR so that it can be effectively consolidated within the Australian Government's aid program.

3.5 Specific contribution of Australian Red Cross in Blood Services: The availability of safe blood is an essential component of a well-functioning national health system. Safe blood supplies contribute directly to achieving Millennium Development Goals regarding HIV, malaria, maternal health, and child mortality. The Red Cross Movement provides, or assists in the provision of, one third of the world's blood supply with a focus on voluntary non-remunerated blood donation. *The Australian Red Cross International Blood Strategy* (see Annexure B) is a long-term strategy that recognises the close relationship between health and development outcomes and responds to the global challenge posed by rapid transmission of infectious diseases. It will improve the capacity of national blood services in the Asia-Pacific region to safely supply, screen and use blood products through developing governance, policy, and operational capabilities of national blood services and Red Cross' voluntary blood donor recruitment capacity. There are strong opportunities for the Australian Government to become a partner in this new strategy, and through this, to make a unique contribution to international development assistance.

3.6 Role of civil society in key sectors: There would be significant benefit in involving civil society to a greater extent in these sectors, especially in the areas of health, education, rural development and disaster risk reduction. Currently, AusAID tends to use civil society organisations as one of its 'mechanisms' to deliver prescribed programs in a particular country; i.e. it adopts a highly instrumental approach to engaging with civil society organisations. Increased benefit could be had by using the strengths of civil society organisations to work with local populations, including community leaders. The work that civil society organisations do at the grassroots level helps create environments in which the most marginalised and vulnerable have a voice. This type of work needs to be recognised as vital to improving aid effectiveness.

Civil society organisations should also be seen as key partners in setting priorities and approaches within Australian government country programs. At present, strategic consultation between AusAID and the not for profit sector is very ad-hoc. There is much greater need for two way communication, including the need to share the very valuable lessons learned by civil society organisations through their work in the field, and greater **collaboration on reviews and evaluations**.

3.7 Integrated community based approaches: At the program level, Australian Red Cross and its national society partners are increasingly implementing integrated community-based programming, which adopts a multi-sectoral approach to reducing vulnerability and poverty at the community level. This approach recognises that communities often face a multitude of factors that contribute to their vulnerability, and thus, a multifaceted program response is required. The integrated approach does not attempt to address all challenges simultaneously, but acknowledges and develops connections between the different factors which affect community vulnerability. Thus, our health programs (for example) acknowledge the importance of water supply and sanitation or disaster response, and build these factors into our approaches. These integrated programs also focus on building the capacity of local Red Cross national societies, in order to promote sustainability of program outcomes.

Given their community based approaches, NGOs and agencies such as Red Cross are increasingly able to recognise and analyse the complexity of vulnerability, and develop locally appropriate responses. This is a major area of comparative advantage. Australian Red Cross also believes that this is complementary to the activities of many of the other multilateral actors. For example, while multilaterals play an important role in coordination of complex emergency responses (such as cholera), it is the community focussed agencies that are able to ensure relevant and focussed response delivery. Such synergies are important to effective response both in emergency and development situations.

3.8 Recommendations – Sectoral Focus of the Aid Program

Australian Red Cross recommends that the Australian Government:

- 7) Increase the focus of the Australian aid program on improving the quality and coverage of basic services in health (including sexual and reproductive health), education and rural development;
- 8) Realign support within the governance sector to ensure all governance programs can demonstrate a direct relationship to improving the provision and quality of basic services;
- 9) Acknowledge the importance and value of community based work undertaken by AusAID-accredited agencies and ACFID Code of Conduct signatories to improving the quality of, and access to, basic services in the education, health, rural development and environment sectors;
- 10) Continue to mainstream disaster risk reduction (DRR) across the aid program, and commit additional resources in order to consolidate DRR as an effective response to both humanitarian and development challenges. Within DRR, expand resources available for specific climate change adaptation measures in regions most affected by climate change;
- 11) Recognise the important contribution that the provision of safe blood plays in a well functioning health system and in particular, the potential global leadership of Australian Red Cross and its Blood Service in delivering the International Humanitarian Blood Strategy;
- 12) Provide truly flexible funding that also responds to the need for community based infrastructure;
- 13) Increase the amount of aid channelled through civil society in these sectors;
- 14) Promote programs that enable local stakeholders to have a strong voice in determining what is appropriate in their communities;
- 15) Be more inclusive of, and engage more strategically with, civil society where it engages bilaterally;
- 16) Foster stronger collaboration and lesson sharing with Australian Red Cross and other civil society agencies;
- 17) Utilise proven approaches that promote community level participation and integrated and multi-sectoral responses to reduce vulnerability and poverty. These are often highly complementary to multilateral and bilateral approaches; and
- 18) Strengthen the implementation of the joint and individual pledges made by the Australian Government during the 30th International Conference of the Red Cross Red Crescent Movement. (see Annexure C: Summary of pledges)

3.9 The relative focus on the aid program on low and middle income countries

The Australian Government should focus on addressing poverty and vulnerability in both low and middle income countries. Low income countries tend to have entrenched and structural constraints around human capacity; inadequate resourcing; poor public services and limited institutional capacity. As such, Governments tend to have constraints to absorbing increasing levels of aid funding. AusAID therefore needs to be more flexible and innovative in its approach to programming in these environments, and offer a wide range of approaches and methods to deliver its development programs, including through civil society organisations. Supporting a broad range of program approaches also allows for the participation of different communities, including the voices of the poor and

marginalised who can be left out of government to government approaches. It also means building on successes, but also accepting that some programs may not work in the short term. Given the challenges in these environments, AusAID needs to be less risk averse, and be willing to trial and adapt what works at an operational and technical level.

Latest research from the Institute of Development Studies estimates that 72 per cent of the world's poor live in Middle Income Countries. On this basis, the Australian government also needs to improve approaches and methods to addressing specific areas of high vulnerability in Middle Income Countries. This requires better targeting and engaging with particularly vulnerable groups, such as ethnic minorities; people with disabilities; single headed households; urban poor; refugees; people escaping from conflict; and women and children.

3.10 Recommendations

Australian Red Cross recommends that the Australian Government:

- 19) Maintain a strong focus on Low Income Countries, but explore a broader range of "pro poor" program modalities, including through and with civil society; and
- 20) Address the needs of vulnerable and marginalised people in Middle Income Countries by improving the targeting of programs to the most vulnerable and marginalised groups within those countries.

3.11 The relative costs and benefits of the different forms of aid

The goal of the Global Humanitarian Platform (of which Red Cross is a signatory and strong proponent) is to enhance the effectiveness of humanitarian action. It is premised on the belief that no single humanitarian agency can cover all humanitarian needs and that collaboration is, therefore, not an option but a necessity. Red Cross supports the structure of the three main families of the humanitarian community - NGOs, the Red Cross and Red Crescent Movement, and the UN and related international organisations. These families have a shared responsibility in enhancing the effectiveness of humanitarian action.

3.12 Recommendations – Different forms of aid

Australian Red Cross recommends that the Australian Government:

- 21) Support the capacity of each of the three pillars of the Global Humanitarian Platform to provide a comprehensive response to humanitarian issues and to support improved collaboration between these agencies.

3.13 Lack of focus on addressing conflict and its impact on the development process

The MDGs underpin the Australian aid program. Australian Red Cross commends the Australian Government's commitment to implementing the MDGs in the fight against global poverty. Australian Red Cross reminds the Australian Government that the MDGs are not exhaustive in addressing factors that contribute to global poverty and inequality. Significantly, there is no MDG that captures the impact of conflict, despite the multitude of ways in which

conflict and violence increases people's vulnerability. This includes those directly affected by fighting; through weapons contamination; and through weapons proliferation. There are also those whose livelihoods are affected by violence and its aftermath, restrictions on movement that inhibit access, for example, to clean water, health services, and arable land. In this respect, the emphasis placed on the MDGs in the Australian aid program results in a limited response to the causes of global poverty and inequality, including conflict and violence.

3.14 Recommendations to better address conflict and its impact on development

Australian Red Cross recommends that the Australian Government:

- 22) Ensure that this review also considers the distinctive impact of conflict and post-conflict scenarios on the efficiency and effectiveness of the aid program; and
- 23) Consider recent and new initiatives by which the Australian aid program could be made more responsive in the provision of rapid relief to victims of natural disasters and emergencies. This should include an examination of AusAID's own preparedness, timeliness, coordination approaches, as well as human resource and institutional capacity.

4. The performance of the Australian aid program and lessons learned from Australia's approach to aid effectiveness

4.1 Program Effectiveness: A key issue that has emerged through both AusAID and Australian Red Cross program evaluations is the need to provide resources and inputs in ways that match the capacity of recipient organisations, whether they are civil society or governments. Capacity to absorb funds and technical inputs varies greatly between contexts and institutions, and hence the Australian Government's programmatic responses need to be sufficiently flexible to respond to varying capacities and opportunities as they arise.

All development initiatives therefore require adequate time to identify, design, implement, monitor and report to ensure that they are well planned and managed effectively with professionalism, accountability, and transparency. In the last 18 months, the Australian Government has reformed some of its initiatives to include more flexible funding arrangements, such as multi-year funding as part of the AusAID-NGO Cooperation Program (ANCP). These changes are already improving the quality of development programming with Red Cross partners. We encourage a shift to greater flexibility and longer time lines across all development programs.

A good example of a program that encourages flexibility is the Australian Red Cross Pacific Disaster Management Partnership program funded by AusAID. This program has a highly flexible approach to budgeting and programming, which allows the different Pacific Island national societies of the Red Cross to develop customised responses to disaster management. It allows local partners to trial approaches in order to establish what works in their context without the imposition of pre-determined outputs. This approach to trialling and adaptation is an important approach to aid effectiveness and ownership. It also recognises the need for long term commitment of funding in order to build the capacity and sustainability of local Red Cross national societies and hence adopts a long term horizon (and without exit strategies). We encourage the development of similar flexible approaches, which are particularly appropriate for the Pacific context.

4.2 Recommendations to improve program effectiveness

Australian Red Cross recommends that the Australian Government:

- 24) Provide partners (whether agencies or recipient governments) with adequate and appropriate timeframes and funding to enable them to identify, plan, design, implement, monitor, and report on development initiatives effectively;
- 25) Foster local institutions by twinning Australian agencies that have strong relationships and experience with local in-country partners in order to build local capacity; and
- 26) Support a less prescriptive approach to development programming in order to promote local ownership and innovation.

4.3 Effectiveness of Emergency and Humanitarian Initiatives

As outlined above, the Terms of Reference for this independent review do not adequately address the Australian Government's involvement in humanitarian responses. Measuring the effectiveness and efficiency of humanitarian work is currently given insufficient attention within the Australian Government's aid program. The Red Cross Red Crescent Movement is recognised as a leader for international response and resilience support in emergencies, and frequently undertakes assessments and real-time evaluations of its emergency work. Australian Red Cross believes that this Review should be holistic in its examination of the Australian aid program and should therefore consider efficiency and effectiveness in the humanitarian sector as well. As discussed above, the MDGs do not specifically address conflict and violence, and hence constitute too narrow a framework for measuring the effectiveness and efficiency of development and humanitarian work in the Australian aid program.

The Australian Government is a signatory to the Good Humanitarian Donorship principles, which are integrated into the Australian Government's humanitarian assistance policy. It is imperative that the Australian Government provide leadership on, and fully implement the principles of Good Humanitarian Donorship. This is to ensure that decision-making in emergencies is guided by humanitarian principles and that foreign policy will not be prioritised above humanitarian and development principles and policies. Implementing the Good Humanitarian Donorship principles is essential to making humanitarian aid more effective.

The Humanitarian Response Index 2010⁶ ranked Australia as 13th, in relation to its implementation of Good Humanitarian Donorship Principles, slightly under the OECD-DAC average performance. This index ranks the performance of the world's 23 main donor governments in 14 crises that received almost two thirds of total emergency aid funding in 2009. The Humanitarian Response Index recommendations are for Australia to:

- Engage in dialogue with its partners to discuss their perceptions of its accountability and consider providing greater support for accountability initiatives;
 - Review the support it provides to forgotten crises and those with high levels of vulnerability;

⁶ The Humanitarian Response Index, 2010 <http://daraint.org/humanitarian-response-index>. The HRI has been developed to present an assessment of donor performance in relation to the Principles of Good Humanitarian Donorship (GHD). The HRI is an initiative of Development Assistance Research Associates (DARA), an independent and non-profit organisation that works towards improving the effectiveness of aid responses through research and evaluation.

- Increase the flexibility of its funding and engage in dialogue with its partners to discuss their perceptions of its performance in this area; and
- Consider finding ways to increase support to NGOs, in particular in those emergencies where it does not have any presence.

Australian Red Cross endorses these recommendations and they are incorporated into this submission.

4.4 Recommendations to improve humanitarian responses

Australian Red Cross recommends that the Australian Government:

- 27) Ensure that the effectiveness and efficiency of humanitarian programming is included in the scope of this Review;
- 28) Adopt a broader framework than the MDGs for measuring the effectiveness of the Australian aid program so that it better addresses both humanitarian and development work;
- 29) Give greater consideration to the relationship between conflict and violence in contributing to global poverty and inequality;
- 30) Prioritise humanitarian values and principles in Australian humanitarian policy; and
- 31) Provide leadership on, and implement the Good Humanitarian Donorship principles with relation to humanitarian assistance.

5. An examination of the program's approach to efficiency and effectiveness and whether the current systems, policies and procedures in place maximise effectiveness

Australian Red Cross has invested significantly in improving our systems to promote and measure the effectiveness and efficiency of our programs, both in emergency and longer-term development contexts. This has involved the development of inclusive analysis and planning mechanisms, joint partnership assessment tools, innovative monitoring approaches, real-time evaluations on the ground during emergencies, and sharing what we learn with our partners and the community.

Australian Red Cross and ACFID agencies have much to share with the Australian Government regarding systems and approaches learned from our work with communities. In particular, the need for government programs to better involve communities in aid planning, implementation and evaluation, and share its assessments with the people involved. There is a strong need for government to improve systems, policies and procedures to improve front-end consultations and upwards feedback from recipient communities. This issue is not well integrated into AusAID's current quality assurance system.

5.1 Recommendations

Australian Red Cross recommends that the Australian Government:

- 32) Strengthen business systems and procedures so that they better involve and respond to feedback from targeted communities in aid planning, implementation and evaluation.

6. The appropriate future organisational structure for the Australian aid program

- 6.1** AusAID's decision to decentralise Canberra's management of the Australian aid program to posts, whilst welcomed, has in practice made it more challenging for Australian Red Cross to engage and maintain relations with the Government. Canberra and post appear to be operating in silos with limited information sharing between each other and with other stakeholders.

Decentralisation also seems to have contributed to fragmented and inconsistent approaches from the Australian Government across its departments and programs, both in Canberra and at post. This has made it difficult for Australian Red Cross to obtain clarity on the Government's positions and approaches, particularly around performance management and technical and sectoral issues. For example, some areas of the Australian Government have been supportive of more flexible and outcome-focused programming, whereas other areas of government and programs continue to be activities-focused, and required detailed activity reporting.

Decentralisation has therefore sometimes resulted in an environment less conducive for information sharing, partnership and collaboration between the Australian Government, Australian Red Cross, and other agencies.

The Australian Government needs to strengthen mechanisms for information sharing to facilitate the provision of consistent and appropriate advice to external agencies.

6.2 Recommendations

Australian Red Cross recommends that the Australian Government:

- 33) Strengthen organisational and communication systems within AusAID to better support the provision on consistent and timely (management; technical; sectoral; financial) advice to external parties;
- 34) Better address the impact of Human Resource issues such as high staff turnover, which leads to institutional memory gaps and decreases the ability to build strong relationships. For example,- improved handovers at the post level, improved pre-departure briefings to increase consistency of key messages;
- 35) Address the impact of decentralisation on information flows between Canberra and posts, and with civil society actors; and
- 36) Increase the space for innovation and technical dialogue with external partners to ensure the Australian aid program is forward-looking and integrates best practice from across the sector.

7. The appropriateness of current arrangements

7.1 For

- *Review and evaluation of the aid program, including an examination of the role of the Office of Development Effectiveness and options to strengthen the evaluation of the aid program; and*
- *Management of fraud and risk in the aid program.*

Australian Red Cross supports the development of a dedicated Office for Development Effectiveness (ODE) to monitor the quality and evaluate the impact of the Australian Government aid program. It would, however, be more transparent for this office to be independent of AusAID, so that it can identify and prioritise its approach and subject matter in a totally independent manner. There also needs to be a greater focus on the utilisation of ODE reviews and evaluations, and how/whether they are impacting on the quality of country programs and projects. This is an important gap that needs to be addressed. Progress against evaluation recommendations should also be published or otherwise made available. It would also improve efficiency if the Australian Government could support the development of a central database that captured all evaluations funded with Australian Government funds, such as exists through ALNAP.

We would like to highlight that Australian Red Cross, and non government organisations, have also strengthened their evaluation capacity. Not enough is being done to share these skills and resources and reduce duplication. There needs to be increased information sharing and consultation between government and other agencies on approaches to evaluations; evaluation recommendations; and utilisation of evaluation findings. Civil society actors and their partner communities need to be brought into the work of ODE and ensure that community voices are being heard.

7.2 Recommendations

Australian Red Cross recommends that the Australian Government:

- 37) Restructure the Office of Development Effectiveness so that it is independent of the Australian Government's Overseas aid program;
- 38) Improve consultation, communication and information sharing between non government and government agencies on performance measurement and evaluations;
- 39) Incorporate community and civil society input into review and evaluation;
- 40) Publish progress against evaluation recommendations, to encourage greater utilisation of evaluations and improve transparency; and
- 41) Make public all evaluations conducted by the Australian aid program, not only those conducted by the Office of Development Effectiveness.

8. For more information

For more information on this proposal, please contact:

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9. SUMMARY OF RECOMMENDATIONS

Australian Red Cross recommends that the Australian Government:

- 1) Maintain its primary geographic focus of the Australian aid program on the Asia-Pacific region, with a particular focus on the poorest communities;
- 2) Continue the growth in the total allocation of funding to the Asia-Pacific region, but with increased support to other regions;
- 3) Continue its increased engagement in, and support for, Africa, Latin America and the Caribbean, and ensure that this engagement encourages sectoral learning and exchanges on best practice between regions;
- 4) Target assistance to Africa on the basis of need particularly where Australian agencies and Government have comparative advantage (local knowledge, linkages, experience and technical skills);
- 5) Collaborate with the not for profit sector to manage the increased aid budget effectively;
- 6) Ensure that development assistance in these sectors is driven by local needs and local contexts;
- 7) Increase the focus of the Australian aid program on improving the quality and coverage of basic services in health (including sexual and reproductive health), education and rural development;
- 8) Realign support within the governance sector to ensure all governance programs can demonstrate a direct relationship to improving the provision and quality of basic services;
- 9) Acknowledge the importance and value of community based work undertaken by AusAID-accredited agencies and ACFID Code of Conduct signatories to improving the quality of, and access to, basic services in the education, health, rural development and environment sectors;
- 10) Continue to mainstream disaster risk reduction (DRR) across the aid program, and commit additional resources in order to consolidate DRR as an effective response to both humanitarian and development challenges. Within DRR, expand resources available for specific climate change adaption measures in regions most affected by climate change;
- 11) Recognise the important contribution that the provision of safe blood plays in a well functioning health system and in particular, the potential global leadership of Australian Red Cross and its Blood Service in delivering the International Humanitarian Blood Strategy;
- 12) Provide truly flexible funding that also responds to the need for community based infrastructure;
- 13) Increase the amount of aid channelled through civil society in these sectors;
- 14) Promote programs that enable local stakeholders to have a strong voice in determining what is appropriate in their communities;
- 15) Be more inclusive of, and engage more strategically with, civil society where it engages bilaterally;
- 16) Foster stronger collaboration and lesson sharing with Australian Red Cross and other civil society agencies;
- 17) Utilise proven approaches that promote community level participation and integrated and multi-sectoral responses to reduce vulnerability and poverty. These are often highly complementary to multilateral and bilateral approaches;

- 18) Strengthen the implementation of the joint and individual pledges made by the Australian Government during the 30th International Conference of the Red Cross Red Crescent Movement. (see Annexure C: Summary of pledges)
- 19) Maintain a strong focus on Low Income Countries, but explore a broader range of “pro poor” program modalities, including through and with civil society; and
- 20) Address the needs of vulnerable and marginalised people in Middle Income Countries by improving the targeting of programs to the most vulnerable and marginalised groups within those countries;
- 21) Support the capacity of each of the three pillars of the Global Humanitarian Platform to provide a comprehensive response to humanitarian issues and to support improved collaboration between these agencies;
- 22) Ensure that this review also considers the distinctive impact of conflict and post-conflict scenarios on the efficiency and effectiveness of the aid program;
- 23) Consider recent and new initiatives by which the Australian aid program could be made more responsive in the provision of rapid relief to victims of natural disasters and emergencies. This should include an examination of AusAID’s own preparedness, timeliness, coordination approaches, as well as human resource and institutional capacity;
- 24) Provide partners (whether agencies or recipient governments) with adequate and appropriate timeframes and funding to enable them to identify, plan, design, implement, monitor, and report on development initiatives effectively;
- 25) Foster local institutions by twinning Australian agencies that have strong relationships and experience with local in-country partners in order to build local capacity;
- 26) Support a less prescriptive approach to development programming in order to promote local ownership and innovation;
- 27) Ensure that the effectiveness and efficiency of humanitarian programming is included in the scope of this Review;
- 28) Adopt a broader framework than the MDGs for measuring the effectiveness of the Australian aid program so that it better addresses both humanitarian and development work;
- 29) Give greater consideration to the relationship between conflict and violence in contributing to global poverty and inequality;
- 30) Prioritise humanitarian values and principles in Australian humanitarian policy;
- 31) Provide leadership on, and implement the Good Humanitarian Donorship principles with relation to humanitarian assistance;
- 32) Strengthen business systems and procedures so that they better involve and respond to feedback from targeted communities in aid planning, implementation and evaluation;
- 33) Strengthen organisational and communication systems within AusAID to better support the provision on consistent and timely (management; technical; sectoral; financial) advice to external parties;
- 34) Better address the impact of Human Resource issues such as high staff turnover, which leads to institutional memory gaps and decreases the ability to build strong relationships. For example, improved handovers at the post level, improved pre-departure briefings to increase consistency of key messages;
- 35) Address the impact of decentralisation on information flows between Canberra and posts, and with civil society actors;

- 36) Increase the space for innovation and technical dialogue with external partners to ensure the Australian aid program is forward-looking and integrates best practice from across the sector;
- 37) Restructure the Office of Development Effectiveness so that it is independent of the Australian Government's Overseas aid program;
- 38) Improve consultation, communication and information sharing between non government and government agencies on performance measurement and evaluations;
- 39) Incorporate community and civil society input into review and evaluation;
- 40) Publish progress against evaluation recommendations, to encourage greater utilisation of evaluations and improve transparency;
- 41) Make public all evaluations conducted by the Australian aid program, not only those conducted by the Office of Development Effectiveness.

10. ANNEXURES

Guidelines for the Domestic Facilitation and
International Disaster Relief and

Annexure B: Australian Red Cross and Blood Service
International Blood Strategy

Annexure C: Summary of Pledges

Annexure A:

Regulation of
Initial Recovery Assistance