






Australian Government  
AusAID

# Philippines-Australia Community Assistance Program



## Monitoring & Evaluation Framework

*An Australian Government initiative*

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## TABLE OF ACRONYMS

AM	Area Manager
AMC	Australian Managing Contractor
AusAID	Australian Agency for International Development
FOCAS	Focused Community Activity Scheme
FOCAS MC	Focused Community Activity Scheme Management Committee
CARD	Collaboration for Agricultural and Rural Development (Vietnam)
CBO	Community-based Organisation
CPS	Country Program Strategy
DoI	Diffusion of Innovation
GoA	Government of Australia
GoP	Government of the Philippines
HAI	Hassall & Associates International
IAPBE	Indonesia-Australia Partnership in Basic Education
IDRC	International Development & Research Centre
LGU	Local Government Unit
M&E	Monitoring & Evaluation
MEIS	Monitoring & Evaluation Information System
MTPDP	Medium-term Philippines Development Plan
NEDA	National Economic and Development Authority
NGO	Non-government Organisation
NPO	Non-profit Organisation
NTTPEP	Nusa Tenggara Timur Primary Education Partnership
OVI	Objectively Verifiable Indicator
PAC	PACAP Advisory Committee
PABEAM	Philippines-Australia Basic Education Assistance for Mindanao
PACAP	Philippines-Australia Community Assistance Program
PAHRDF	Philippines-Australia Human Resource Development Facility
PALS	Philippines-Australia Local Sustainability Project
PCC	Program Coordinating Committee
PDD	Project Design Document
PO	People's Organisation
(P)PO	(Provincial) Project Officer
RAS	Responsive Activity Scheme
RSO	Religious Services Organisation
SGF	Strategic Guidance Framework
SMT	Simplified Monitoring Toolbox
SSM	Soft Systems Methodology

## EXECUTIVE SUMMARY

This document presents the monitoring and evaluation (M&E) framework for the Philippines – Australia Community Assistance Program (PACAP).

### **PACAP**

PACAP is a long-running Australian Agency for International Development (AusAID) program offering small grants to a range of civil society and local government organisations ('proponent organisations') engaged in community development work. Grants are provided through two schemes: i) projects focussed within defined geographic or thematic areas within the Southern Philippines ('Focussed Community Assistance Scheme'—FOCAS); ii) projects responding to a range of development issues throughout the Philippines ('Responsive Activity Scheme'—RAS).

### **M&E Framework**

The PACAP M&E Framework is presented in three sections: i) M&E theory—concerned with the philosophy, methodology and methods employed in developing the M&E system; ii) M&E praxis—concerned with the intersection of theory and practice and involving the definition of guiding principles, practical processes and system elements; iii) M&E practice—concerned with the specific methods and tools used to operationalise the M&E system.

### **M&E Theory**

The philosophical perspective on M&E adopted is described as 'interpretist' since it attempts to interpret the social changes fostered by the program from the perspective of the key classes of human actor involved. The methodology employed to analyse the M&E requirements is Soft Systems Methodology (SSM). This methodology aligns with the interpretist philosophy, and offers practical ways to examine the information requirements of the various human actors involved in the 'PACAP system'. The methods employed to develop the M&E system included reviews of a range of literature and program documents, and consultations with a range of program stakeholders.

### **M&E Praxis**

The theoretical aspects of M&E are grounded ('praxis') through the definition of guiding principles (systems approach, economic approach, simple methods, learning and accountability focus). These guiding principles in turn influence the definition of practical M&E processes (data identification, data capture, data analysis, information dissemination, information utilisation and M&E system assessment). To operationalise the practical processes, three broad M&E system elements are identified: i) data—concerned with indicator definition, methods used and analysis performed; ii) people—concerned with the definition of 'subjects of inquiry', informants and clients of the M&E information; iii) time—concerned with schedules for the capture, analysis and dissemination of information.

## **M&E Practice**

The definition of practical M&E methods involves the categorisation of 'structured' and 'unstructured' methods of inquiry appropriate for the various classes of information required from the key classes of human actor. 'Inputs' are assessed using international standards for financial accounting. 'Activities', 'outputs' and 'management risks' are assessed using a structured monthly reporting format. 'Effects', 'intervention risks', 'impact' and 'development risks' are assessed using a range of unstructured methods. This internally generated M&E information is supplemented with independent evaluations conducted in years three and five. Details concerning the capture, analysis and dissemination for each of the above classes of information are described along with the particulars of the key M&E reports required, and the supporting software utilised.

# 1. INTRODUCTION

## 1.1 Document Purpose

This document presents the monitoring and evaluation (M&E) framework for the Philippines-Australia Community Assistance Program (PACAP) funded by the Australian Agency for International Development (AusAID), and managed by Hassall and Associates International (HAI). As such, this document constitutes the first milestone in the delivery of Output 4.6 in the program logframe: “*Development and maintenance of appropriate quality assurance procedures and a comprehensive M&E framework*”.

The M&E framework is presented in three main sections called M&E theory, M&E praxis and M&E practice. *Theory* involves the pursuit of coherence at the conceptual level; *practice* concerns the operationalisation of theory. *Praxis*<sup>1</sup> is the intersection of theory and practice—ensuring that theory is practically oriented, and that practice is grounded in coherent theory.

Following is a brief background and overview of the PACAP program.

## 1.2 Background to PACAP

PACAP is a long-running AusAID program offering small grants assistance to a range of client organisations engaged in community development activities. The program is implemented by a Manila-based secretariat in association with the National Economic and Development Authority (NEDA). The responsibility of the secretariat is to:

- **Administer the program:** processing, appraising and selecting activity proposals submitted by a range of proponent organisations<sup>2</sup>; preparation of letters of agreement; activity monitoring; and the maintenance of financial and activity management systems.
- **Build the capacity of partner organisations:** provide training and mentoring for proponent organisations in activity management, M&E and financial management.

Since starting in 1986, PACAP has supported over 865 activities in partnership with more than 500 proponent organisations, with an estimated beneficiary caseload of around 250,000 people in poor communities.

In 2004, following an extensive period of review, AusAID took the decision to offer for tender the management of the secretariat (previously held within the Australian Embassy in Manila), to Australian Managing Contractors (AMC). The winning tender was to ensure that

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<sup>1</sup> Bawden, R. (1991). Towards Action Research Systems. *Action Research for Change and Development*. In O. Zuber-Skerritt. (Ed.) Sydney, Avebury.

<sup>2</sup> Throughout this document, the term ‘proponent organisation’ encompasses: non-government organizations (NGO), community-based organizations (CBO), people’s organizations (PO), religious service organizations (RSO) and local government units (LGU).

the outcomes of the review process, along with lessons learned over the previous 19 years, were retained.

Accordingly, under the new management arrangements, PACAP will:

- Focus predominantly in the Southern Philippines.
- Promote increased cooperation between local government units (LGU) and civil society.
- Establish five provincial offices in partnership with the respective provincial administrations.
- Upgrade the M&E framework to ensure accountability and learning at both the activity and the management levels.
- Restructure the PACAP Advisory Committee (PAC) and install an annual process of defining a Strategic Guidance Framework (SGF).
- Ensure alignment with the Medium-term Philippines Development Plan (MTPDP) of the Government of Philippines (GoP), and with the AusAID Country Program Strategy (CPS).

In keeping with the CPS, PACAP will target five provinces<sup>3</sup> jointly selected by the GoP and Government of Australia (GoA). PACAP funding will be offered through two roughly equal components:

- Focused Community Assistance Scheme (FOCAS)
- Responsive Activity Scheme (RAS)

The FOCAS will support both community-initiated development activities within the five target provinces, and the capacity building of proponent organisations. Funded community development activities will be strategically linked under FOCAS strategies established in each target area defined by FOCAS Management Committees (FOCAS MC). FOCAS activities will generally be implemented over 3–5 years.

The RAS will ensure that PACAP loses none of its ability to engage widely and flexibly to achieve broader CPS priorities. Twenty percent of RAS funds (10% of total PACAP funds) will be allocated to activities elsewhere in the country, with the remainder being employed within target provinces but outside FOCAS areas. RAS funded projects will generally be implemented over shorter periods than FOCAS funded projects.

In this section, the background and new approach to PACAP have been briefly presented. The following section outlines the theoretical basis for the M&E framework developed. Subsequent sections explore the issues of M&E praxis and M&E practice.

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<sup>3</sup> Target provinces in Southern Philippines: Northern Samar and Bohol (in Visayas); Agusan del Sur, Surigao del Norte and Misamis Occidental (in Mindanao).

## 2. M&E THEORY

It is widely acknowledged within social research and evaluation literature that there is a hierarchy of ‘philosophy’, ‘methodology’ and ‘method’<sup>4</sup>. A philosophy is the broad thinking that underpins the action taken, a methodology is the non-specific guideline or approach adopted and a method is the precise program of action expected to produce a standard result.

In this section, each of these theoretical elements is discussed with reference to the development of the M&E framework for PACAP.

### 2.1 M&E Framework Philosophy

International aid projects<sup>5</sup> may be considered a form of social research within which ‘theories of change’<sup>6</sup> are tested. In other words, a project implicitly aligns with a ‘theory’ about how desirable social change might be achieved. Arguably, the role of M&E is to test this theory, to enable informed judgements about the extent and merit of the changes fostered by the project. These judgements are required to satisfy dual demands for accountability and learning.

The social changes anticipated by international aid projects may be understood (or modelled) from at least two philosophical perspectives:

- **Functionalist perspective:** breaks down the broad changes anticipated by a project into functional elements—the units of work/effort required to bring about the anticipated change. As such, this perspective is fundamentally ‘process-centric’.
- **Interpretist perspective:** views the broad changes anticipated by a project from the perspective of the key human agents or ‘actors’ involved in the change process. As such, this perspective is fundamentally ‘actor-centric’.

This M&E framework, while appreciating the functionalist nature of the PACAP logframe and annual work plans, approaches the planning of M&E processes from an interpretist perspective. The main reason for aligning with this philosophical outlook is that, in a complex program such as PACAP, which involves multiple stakeholders, an interpretist perspective offers simplicity when operationalising the M&E system. The simplicity arises from the fact that, in its fundamental form, M&E processes and tools pose questions to human actors to obtain information about various aspects of project-initiated change. An interpretist perspective acknowledges this and maps M&E approaches to the important classes of human actor involved in either bringing about or experiencing the anticipated changes.

To bring about social change, human actors interact within a social system. This interaction has been described by the theory of ‘diffusion

<sup>4</sup> Checkland, P. & Holwell, S. (1998) *Information, Systems & Information Systems*, Chichester, John Wiley & Sons

<sup>5</sup> In this document, the terms ‘project’ and ‘program’ are used interchangeably, although there is a sense that ‘program’ refers to a large project, or as the collective noun of ‘projects’.

<sup>6</sup> Davies, R. (2002). *Improved representations of change processes: improved theories of change*. Biennial Conference of the European Evaluation Society, Seville.

of innovations' (DoI)<sup>7</sup>. 'Innovation' in this context refers to any novel idea, practice or object. 'Diffusion' is the process by which an innovation is communicated through certain channels over time, among the members of the social system<sup>8</sup>. The PACAP may be conceived as a social system within which the various funded activities initiate a diffusion of innovations within their respective target communities—the ultimate goal being poverty reduction.

The interpretist philosophy, as embodied in the theory of DoI, models the processes of change effected by PACAP. Three broad classes of human actor are identifiable in the broad vision for PACAP:

- **Implementation team:** those individuals/teams that can be reasonably held responsible for initiating the change process through the timely delivery of PACAP outputs. This class of human actor includes the PACAP Secretariat and the AMC, but also includes 'strategic partners'<sup>9</sup> such as the PAC, PSC and the FOCAS Management Committees (FOCAS MC).
- **Boundary partners**<sup>10</sup>: those groups/organisations that interact directly with the implementation team and benefit from the program outputs. The boundary partners are a medium (or 'vehicle') through whom the PACAP seeks to influence wider change within the target communities ('ultimate beneficiaries'). Examples of PACAP boundary partners include: NGOs, CBOs, POs and LGUs (the 'proponent organisations').
- **Ultimate beneficiaries:** those individuals/households/communities who ultimately benefit from the anticipated change processes supported by PACAP—the people among whom the project seeks to influence sustainable change.

These three classes of human actor can broadly be mapped against the program logframe. The implementation team is responsible for the delivery of 'outputs', the boundary partners are responsible for the realisation of the 'purpose', and the ultimate beneficiaries are expected to manifest the 'goal'.

A metaphor for the DoI process and the three-stage 'theory of change' embodied in the logframe is the ripple observed when a stone is thrown into still water<sup>11</sup>. The ripple is a useful analogy since it communicates both the time taken for change to take place within a social system, and the observation that the magnitude of the ripple diminishes the further it moves from the source. The ripple metaphor of DoI, the three

<sup>7</sup> Rogers, E. (1962). *Diffusion of Innovations*. New York, The Free Press.

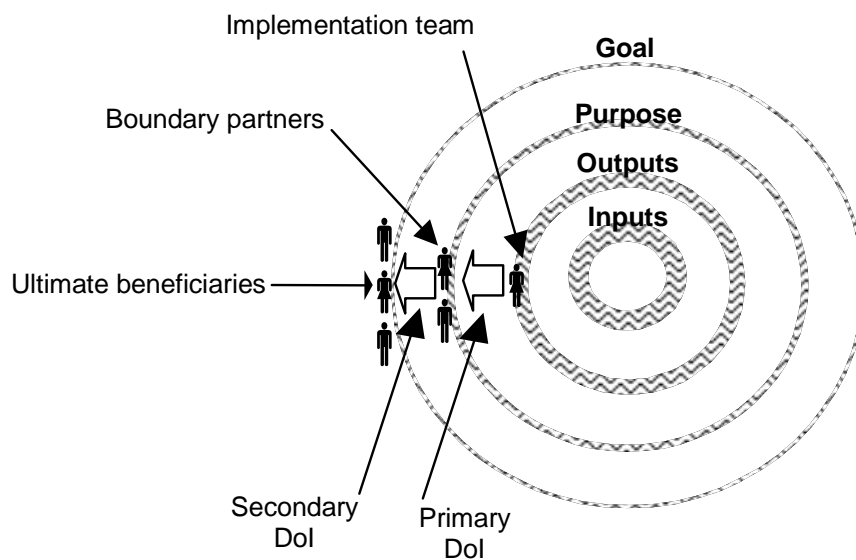
<sup>8</sup> DoI has been widely used as a conceptual framework for international development assistance.

<sup>9</sup> Earl, S., Carden, F. & Smutylo, T. (2002). *Outcome Mapping: building learning and reflection into development programs*. Ottawa, IDRC. Also, see Chennell, A. F., S. B. Dransfield, et al. (2000). *OPM: a system for organisational performance measurement*. Performance Measurement - Past, Present and Future, Cambridge, UK, University of Cambridge

<sup>10</sup> The International Development & Research Centre (IDRC) in Canada uses the term 'Boundary Partners' to describe pivotal human actors that sit on the 'boundary' of the 'project world' and 'the real world' (Earl, S., Carden, F. & Smutylo, T. (2002). *Outcome Mapping: building learning and reflection into development programs*. Ottawa, IDRC). Other analogous terms include 'primary beneficiaries' and 'direct beneficiaries'.

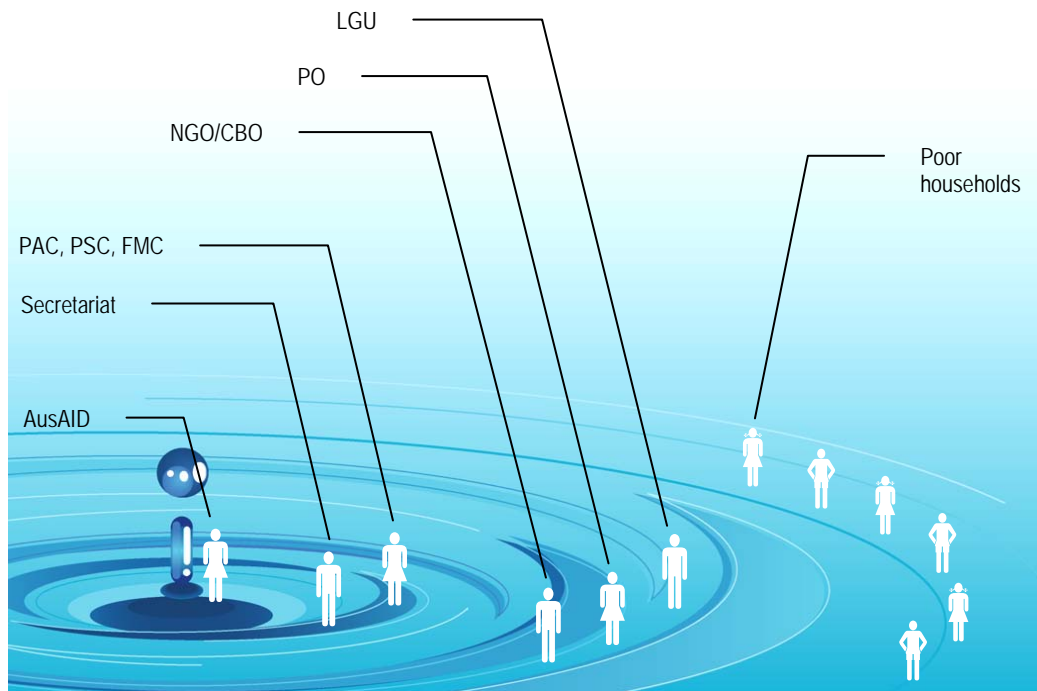
<sup>11</sup> Crawford, P., J. Perryman, et al. (2004). "Synthetic indices: a method for evaluating aid project effectiveness." *Evaluation* 10(2): 29-46.

classes of human actor and the elements of the logframe are depicted in Figure 1.



**Figure 1: A conceptual model integrating diffusion of innovation (DoI) theory, the logframe and the three classes of human actor involved in social change processes**

The conceptual model in Figure 1 may be applied to describe the general theory of change of PACAP, as depicted in Figure 2.



**Figure 2: The various human actors involved with the PACAP program**

The theory discussed in this subsection provides a foundation for the methodology and method employed to develop the PACAP M&E system. The following subsection defines the M&E methodology.

## 2.2 M&E Framework Methodology

The methodology employed to develop this M&E framework was Soft Systems Methodology (SSM)<sup>12</sup>. This methodology is consistent with the interpretist philosophy outlined in Subsection 2.1, since it identifies the key human actors within the ‘system’, and facilitates an understanding of their roles<sup>13</sup>.

The concept of a ‘system’ embodies the idea of a set of elements connected together to form a whole, this whole showing properties that are properties of the whole, rather than properties of its component parts<sup>14</sup>. As implied in Section 2.1, it is important to acknowledge the systemic qualities of the PACAP within which various elements and actors contribute to the overall changes anticipated in target communities.

The consequence of this ‘systems approach’ to M&E is that a range of M&E tools and processes must be deployed both to examine what has happened at each stage of change, and to inquire into the overall performance of the program. Complex changes effected by a program such as PACAP are unlikely to be detected by a single tool or indicator. Rather, intelligent use of a range of methods is likely to be required to gather plausible evidence of a contribution<sup>15</sup> to change.

SSM enables a deeper appreciation of complex systems through the application of a series of concepts and methods. One SSM method is known as a ‘rich picture’<sup>16</sup>. The following rich picture describes the inter-relationships and processes within the PACAP system—note that three interrelated sub-systems: Governance & Strategy, Management and Activity are identified.

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<sup>12</sup> Checkland, P. B. (1981). *Systems Thinking, Systems Practice*. Chichester, John Wiley & Sons; also see Checkland, P. & Holwell, S. (1998) *Information, Systems & Information Systems*, Chichester, John Wiley & Sons

<sup>13</sup> ‘Customers’, ‘Actors’ and ‘Owners’ are identified using SSM ‘root definitions’.

<sup>14</sup> Gharajedaghi, J. (1999). *Systems Thinking: managing chaos and complexity*. Oxford, Butterworth-Heinemann

<sup>15</sup> There is a subtle but profound difference between the notions of ‘contribution’ and ‘attribution’. There is increasing recognition that social change (impact) can rarely be *attributed* to a single intervention or program. Given the open-systems nature of community development, individual programs may, at best, make a *contribution* to social change.

<sup>16</sup> ‘Rich pictures’ depict the system under study by linking system elements with verbs that describe the relationships between the system elements. Rich Pictures may be contrasted with Flow Diagrams in which the order of work processes is explicitly defined. N.B The hand-drawn character of rich pictures is believed to enhance their affective appeal.

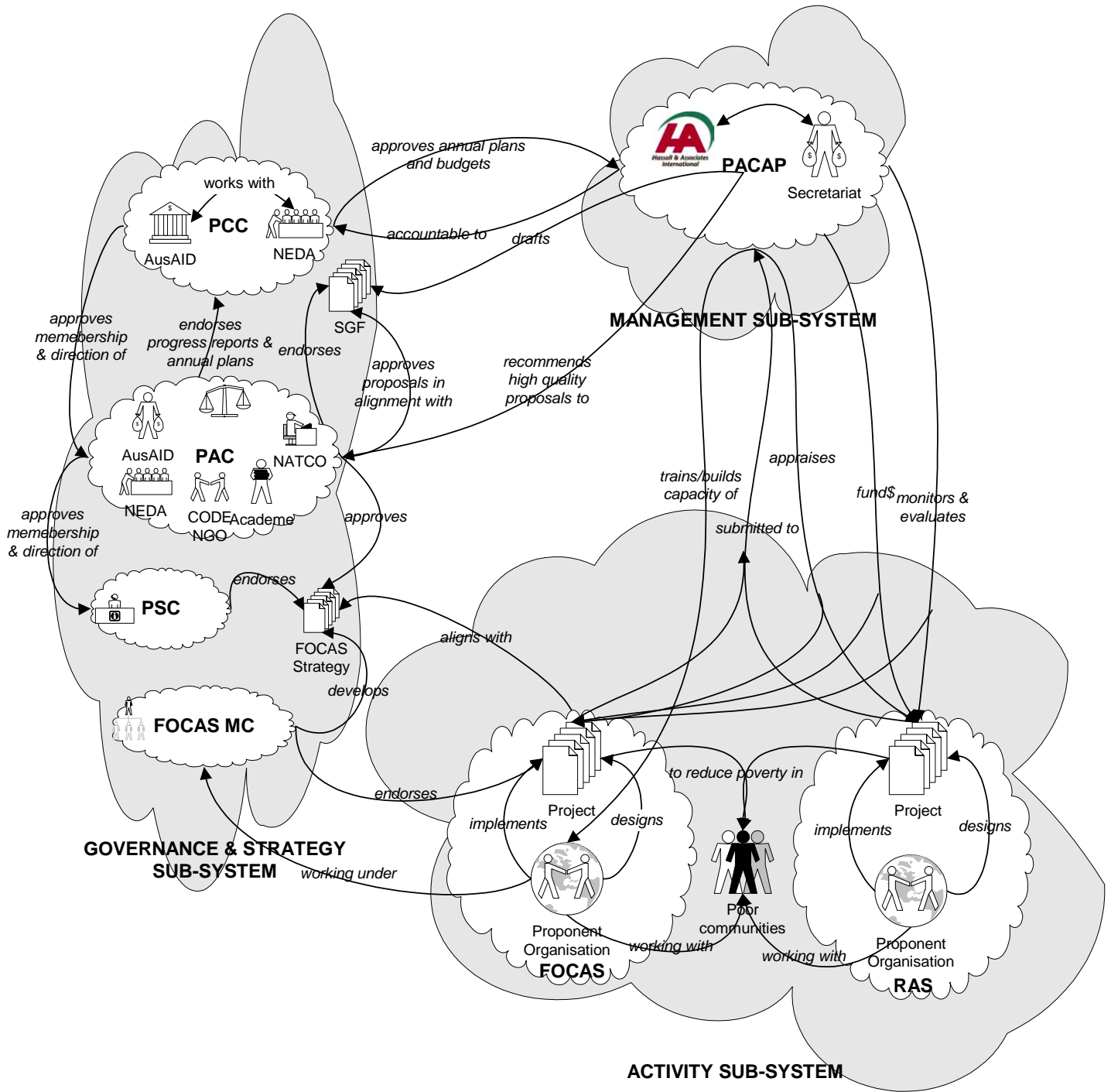


Figure 3: A 'rich picture' of the PACAP 'system'

To understand the roles and functions occupied by people and organisations and their relationships to actions or processes, for every system under study, SSM seeks to define each customer, actor, transformation, worldview, owner and environment (CATWOE) within the system. This provides what is known as a 'root definition':

- **Customer:** the person/group likely to benefit from the purposeful activity.
- **Actor:** the person/group who will implement the activity.
- **Transformation:** the nature of the change anticipated by the purposeful activity.
- **Weltanschauung:** the worldview that makes the activity meaningful.
- **Owner:** the person/group that could stop the activity.
- **Environment:** the constraints within the system that are taken as given.

The following root definition relates to the 'Management Sub-system' in Figure 3:

- **C:** Proponent organisations
- **A:** PACAP Secretariat
- **T:** submitted projects → funded projects
- **W:** an independently contracted secretariat is an efficient and effective way to administer community assistance in the Philippines
- **O:** AusAID/NEDA (PCC)
- **E:** the willingness and capacity of proponent organisations to engage in the RAS and FOCAS initiatives

The following root definition relates to the 'Activity Sub-system' in Figure 3:

- **C:** Poor communities
- **A:** Proponent organisations
- **T:** poor communities → less poor communities
- **W:** funding (and capacity building<sup>17</sup>) proponent organisations is an efficient and effective way to reduce poverty in the Philippines
- **O:** PACAP
- **E:** the appropriateness of proponent organisation initiatives; the willingness and capacity of beneficiary communities to engage with proponent organisations

There is clearly an overlap between the Activity Sub-system and the Management Sub-system, as depicted in Figure 4<sup>18</sup>. The PACAP Secretariat is both an 'actor' (Management Sub-system) and an 'owner' (Activity Sub-system); Proponent organisations are both 'customers' (Management Sub-system) and 'actors' (Activity Sub-system).

<sup>17</sup> Capacity building of proponent organisations is an explicit objective of the FOCAS component of PACAP.

<sup>18</sup> N.B. The scope of this M&E framework is limited to the interactions between the Activity Sub-system and the Management Sub-system. For M&E purposes, the Governance & Strategy Sub-system defines the nature of accountabilities within the Activity Sub-system and Management Sub-system.

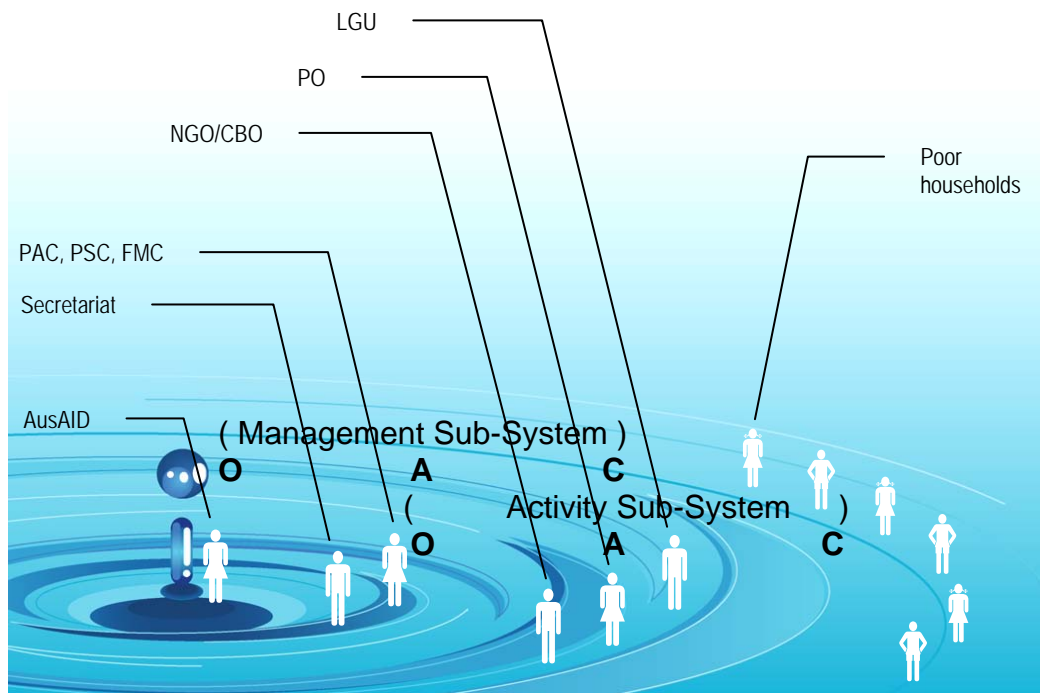


Figure 4: The overlapping of PACAP's 'Management-Sub-system' and 'Activity Sub-system'

Several key points arise from the SSM root definitions and the rich picture in Figure 3:

- The PACAP M&E system must encompass M&E processes at both the activity and management levels in order to meet the information requirements of the range of human actors.
- The PACAP M&E system must capture performance metrics in order to assess the extent and merit of the anticipated 'transformation' (T). It must also capture the impact of the 'environmental constraints'<sup>19</sup> (E), as a way to provide an 'explanatory context' for the performance metrics<sup>20</sup>.
- The 'weltanschauung' for the Management Sub-system highlights a predominant concern for *accountability*. The 'weltanschauung' for the Activity Sub-system highlights a predominant concern for *learning*. The consequence of this is that the PACAP M&E system must support *both* accountability and learning<sup>21</sup>.

In this subsection, the methodology employed to develop the PACAP M&E system has been described. The methods applied will be discussed in the following subsection.

<sup>19</sup> The SSM term 'environmental constraints' is analogous to the logframe term 'risks'.

<sup>20</sup> Whereas the conventional logframe approach to M&E requires that verifiable indicators be attached to the left-hand column of the logframe, there is an emerging view that this is inadequate without also having 'verifiable indicators' attached to the right-hand column (risks) as a means of capturing reasons *why* a particular result has been attained (Crawford, P. and P. Bryce (2003). "Project monitoring and evaluation: a method for enhancing the efficiency and effectiveness of aid project implementation." *International Journal of Project Management* 21(5): 363-373).

<sup>21</sup> The evaluation literature differs as to whether or not the primary emphasis of evaluation work should be for accountability or for learning. We argue that an M&E system can address both concerns with the same resources. Essentially, *accountability* is ensured through processes that make what is being *learned* transparent to interested stakeholders.

## 2.3 M&E Framework Method

The methods employed in the development of this M&E framework include:

- **M&E literature review:** AusGUIDELines<sup>22</sup>, IDRC Outcome Mapping<sup>23</sup>, Most Significant Change (MSC) Guide<sup>24</sup>, recent doctoral research<sup>25</sup> and several publications in peer-reviewed scholarly journals<sup>26</sup>.
- **Program documentation review:** PACAP Program Design Document, PACAP Mobilisation Plan, PACAP Operations Manual, PACAP Project Development Manual, proposals from two proponent organisations (Lake Maninit Development Alliance (LMDA) and Surigao del Norte NGO Coalition for Development Incorporated (SUNGCOD)). Also, M&E framework documents from other AusAID funded programs were reviewed: PABEAM, PAHRDF, CARD, NTTPEP and IAPBE.
- **Consultation with PACAP secretariat staff:** Program Director, Program Coordinator, Area Managers (x3), Project Officers (x2), Provincial Project Officers (x5).
- **Consultation with AusAID Philippines staff:** Program Manager, Program Officer.
- **Consultation with other AusAID-funded programs in the Philippines:** Program Directors for PAHRDF, PABEAM and PALS.
- **Participation in proponent organisation site visits:** SUNGCOD, Save Mindanao Foundation, LMDA.
- **Participant observation of organisational processes:** PACAP Advisory Committee (PAC) meeting, Area Manager field trips, PACAP secretariat team meeting.

This M&E framework was developed over two consultancies in the Philippines. The first, in March 2005, developed an appreciation for the nuances of the program and the complexity of performance measurement and resulted in an initial draft framework that was presented to the PACAP Secretariat for reaction and refinement. The second consultancy, April 2005, involved further refining the M&E framework and full documentation, including M&E methods employed. This was presented to the PACAP Advisory Committee (PAC) for review and endorsement.

<sup>22</sup> AusAID (2000). *AusGUIDELines: The logical framework approach*. Canberra, Australian Agency for International Development.

<sup>23</sup> Earl, S., Carden, F. & Smutylo, T. (2002). *Outcome Mapping: building learning and reflection into development programs*. Ottawa, IDRC

<sup>24</sup> Davies, R. & Dart, J. (2005) *The 'Most Significant Change' (MSC) Technique: A Guide to its Use*, UK. (Available at <http://www.mande.co.uk/docs/MSCGuide.htm>)

<sup>25</sup> Crawford, P. (2004) *Aiding Aid: a monitoring and evaluation framework to enhance international aid effectiveness*, Institute for Sustainable Futures, University of Technology, Sydney (available at [http://adt.lib.uts.edu.au/public/adt-NTSM20041202\\_160749/index.html](http://adt.lib.uts.edu.au/public/adt-NTSM20041202_160749/index.html))

<sup>26</sup> References in footnotes throughout this document.

In this section, the theory that has influenced the development of the PACAP M&E framework has been described with respect to the philosophy, methodology and methods employed. In the following section, the intersection of theory and practice is discussed.

### 3. M&E PRAXIS

This section of the M&E framework links the M&E theory outlined in Section 2, with the practical application described in Section 4, by defining guiding principles, practical processes and system elements.

#### 3.1 M&E System Guiding Principles

To develop the PACAP M&E framework, the findings of the consultations and literature/document review described in Subsection 2.3 were synthesised to yield the following guiding principles:

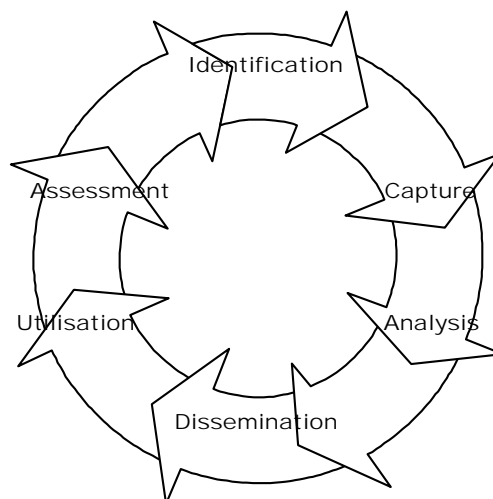
- **Systems approach:** the M&E system should align with a 'systems approach'. That is, the M&E system should acknowledge the systemic nature of the various components of PACAP and the diverse human actors engaged in it. The overarching purpose of the M&E system should be to support critical inquiry and reflection about the extent and merit of changes fostered by the program. Each element of the M&E system should enable examination of some aspect of the overall change process for this purpose.
- **Economic approach:** the common tendency to prescribe capturing a complex and burdensome range of data should be resisted. A balance should be found between the desire for comprehensive information at all levels, and the recognition that M&E is a cost-centre that effectively draws resources away from the substantive work of the program.
- **Simple methods:** data capture, analysis and reporting tools/protocols should be simple and usable to promote maximum staff compliance and the highest quality of data. The obligations of all actors in the M&E system should be transparent and easy to understand.
- **Learning & Accountability:** given the long-term nature of the program, the complexity of stakeholder relationships, and the inter-relationships between sub-systems, M&E should enable both accountability and learning.

#### 3.2 M&E System Processes

To apply the guiding principles defined in Subsection 3.1, it is necessary to explicitly identify the steps and processes involved in M&E<sup>27</sup>. These have been modelled in terms of a cycle of processes—the 'M&E Data Cycle'<sup>28</sup>.

<sup>27</sup> There is no agreement concerning the precise definition of 'monitoring' *vis-à-vis* 'evaluation', and hence the concepts are difficult to differentiate. For the purposes of this M&E framework, the two concepts are integrated (den Heyer 2001, IFAD 2002) since at a practical level both require the capture of identified data followed by processes of analysis, dissemination and utilisation.

<sup>28</sup> Crawford, P. (2004) *Aiding Aid: a monitoring and evaluation framework to enhance international aid effectiveness*, PhD Thesis, Institute for Sustainable Futures, University of Technology, Sydney



**Figure 5: The M&E Data Cycle**

The first stage of the M&E Data Cycle, *identification*, concerns identifying what particular data is required to achieve the intended purpose of M&E. This frequently entails defining indicators that are tracked throughout the life of the project.

The second stage of the M&E Data Cycle concerns the *capture* of the identified data (indicators). This may involve a range of formal and informal ‘methods of inquiry’ and various stakeholders.

The third stage of the M&E Data Cycle concerns the *analysis* to which raw, captured data will be subjected to draw out meaningful features and trends. Unless data is subjected to some form of analysis, its capture represents a waste of time and resources.

The fourth stage of the M&E Data Cycle concerns describing the mechanisms and protocols by which the M&E findings (analysed data) can be *disseminated* to the various stakeholders. It is particularly important that information is relevant to the recipients and received in a timely and accessible format. The concept of ‘feedback’ of analysis is an important, but frequently overlooked part of dissemination.

The fifth stage of the M&E Data Cycle concerns how the various stakeholders will *utilise* the M&E findings. Utilisation is embodied in the broad purpose of M&E: learning and accountability. If a use for data is not known from the outset, it is a possibility that it will remain unused—a waste of organisational effort and resources.

The final stage of the M&E Data Cycle, *assessment*, concerns reflection about whether or not the data identified in the first stage, having been utilised, has demonstrably contributed to improved organisational learning and accountability. This final stage of the M&E Data Cycle may be considered ‘meta-M&E’—M&E of the M&E system.

For each piece of data needed to assess each of the key stages of change anticipated by the program, processes within each stage of the M&E Data Cycle must be specified.

Having defined the guiding principles and system processes, the following subsection discusses the system elements.

### 3.3 M&E System Elements

To operationalise the M&E Data Cycle defined in Subsection 3.2, three broad elements of the system must be explicit:

- **Data:** indicators, methods, analyses
- **People:** subjects of inquiry, informants, clients
- **Time:** schedules for capture, analysis, dissemination

These three system elements are integrated in a 'M&E System Matrix' in Appendix A. Essentially, *data* concerning various aspects of the program, is obtained from *key subjects of inquiry*, by specified *informants* using defined *methods of inquiry*. The data is *analysed* and disseminated to *clients* who utilise it for the purposes of accountability and learning. This data *capture, analysis* and *dissemination* all takes place within strict *time schedules*, culminating in the submission of key reports.

Each of the M&E system elements is now discussed in turn.

#### 3.1.1 Data

The 'data' element of the M&E system concerns the precise nature of the information (e.g. *objectively verifiable indicators (OVI)*) required by the various program stakeholders. It also involves the explicit definition of the *method* or tool employed to capture the identified data (e.g. survey questionnaire), and the *analysis* to which the raw data will be subjected to extract meaningful features and trends.

The data identified for the PACAP M&E system is ultimately derived from the program logframe. Within logframe convention, 'conditional causality' is used to describe the 'theory of change' of projects by acknowledging the non-linear nature of social change. This is achieved by identifying 'assumptions' or 'risks' at each stage in the change process, in what has been described as 'IF→AND→THEN' logic<sup>29</sup>. This thinking provides the basis for the PACAP M&E data identification framework depicted in Figure 6. This framework is referred to throughout this document as the basis for the data required for M&E.

<sup>29</sup> E.g. 'IF budgeted inputs are invested, AND management risks are contained, THEN the planned outputs should be delivered. IF planned outputs are delivered, AND intervention risks are contained, THEN the anticipated effects should be realised. IF the anticipated effects are realised, AND the development risks are contained, THEN the impact should be fostered'.

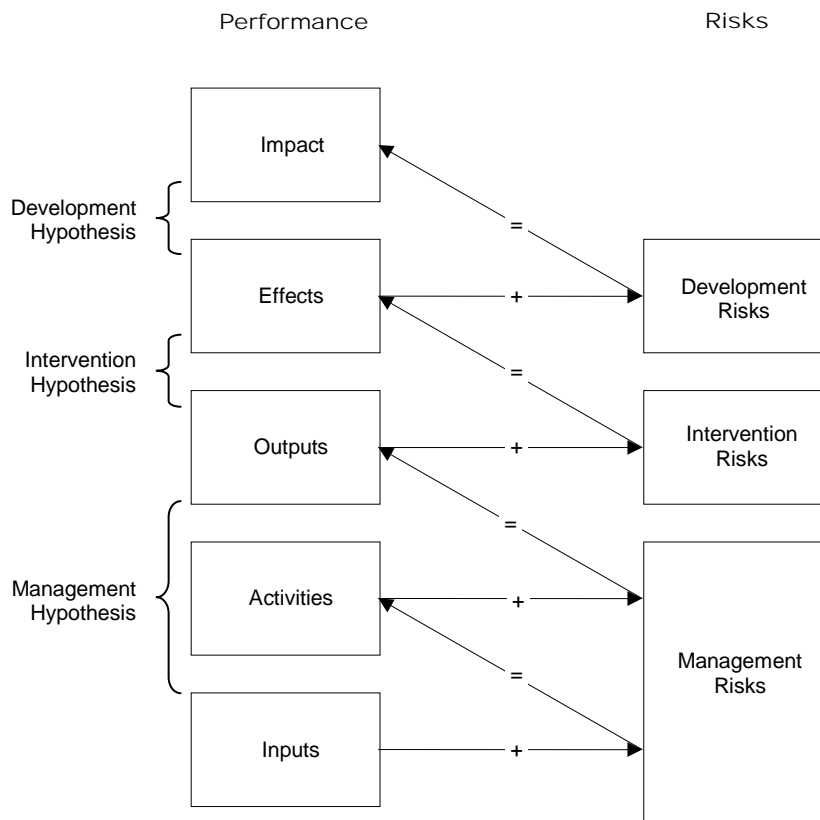


Figure 6: The 'IF→AND→THEN' conditional causality that underpins the logframe matrix (Source: Crawford, Perryman et al. 2004, following AusGUIDELines)

The model presented in Figure 6 identifies two broad classes of data that are necessary to monitor and evaluate the performance of projects:

- **Performance data:** data indicating the achievement of each stage in the hierarchy of the logframe, represented in Figure 6 by the left-hand side of the logframe matrix, and concerned with testing three hypotheses of change. This class of data answers the question 'what happened?'
- **Risk data:** data identifying the prevalence and consequence of risks encountered at the three key stages in the social change process. This class of data answers the question 'why did it happen?' As such, it provides a context for the performance data and hence, drives organisational learning.

The systems approach applied to the PACAP M&E system ensures that the overall performance of the program can be assessed by examining evidence of impact across the levels of logic to the inputs invested. Each piece of data in the M&E data identification framework depicted in Figure 6 fits together like a puzzle to enable an overall assessment of program performance. By gathering performance data and risk data at each stage of the overall change process, it is possible both to account for performance achieved, and to learn about the drivers of success and the causes of failure. For a long-running program such as PACAP, this focus on accountability and learning is likely to deliver rich information over time.

The particulars of the data captured, analysed and disseminated at each stage of the logframe are described more fully in Section 4.

### 3.1.2 People

The 'people' element of the M&E system concerns the human actors involved at each stage of the M&E Data Cycle (discussed in Subsection 3.2). These actors include the sources of data (i.e. the 'subjects of inquiry'); the person/role within the implementation team that is responsible for the capture of the raw data (i.e. the 'informant'); and the stakeholder(s) to whom the analysed data will be supplied (i.e. the information 'client').

At each stage in the change process, the subject of inquiry corresponds to one of the three classes of human actor identified in Figure 1 and Figure 2 (implementation team, boundary partners or ultimate beneficiaries).

Following Figure 6, the implementation team (PACAP Secretariat) is the subject of inquiry with respect to data concerning program inputs, activities, outputs and management risks. The boundary partners (proponent organisations) are the subjects of inquiry with respect to effects and intervention risks. The ultimate beneficiaries (the beneficiary households in targeted communities) are the subjects of inquiry with respect to impact and development risks. By piecing together the unique perspectives of each, a rich picture of program performance can be built up over time.

Gathering information from the subjects of inquiry is done by 'informants', who in turn supply the information to 'clients'. Informants and clients are key roles within the implementation team (PACAP Secretariat).

The structure of the PACAP Secretariat can be mapped against the well-established concept of 'three zones of management'<sup>30</sup>: operational zone, tactical zone and strategic zone, as depicted in Figure 7.

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<sup>30</sup> Sarasohn, H. M. and C. B. Protzman (1948). *The fundamentals of industrial management*. See also Dransfield, S. B., N. I. Fisher, et al. (1999). "Using statistics and statistical thinking to improve organisational performance." *International Statistical Review* 67: 99-150.

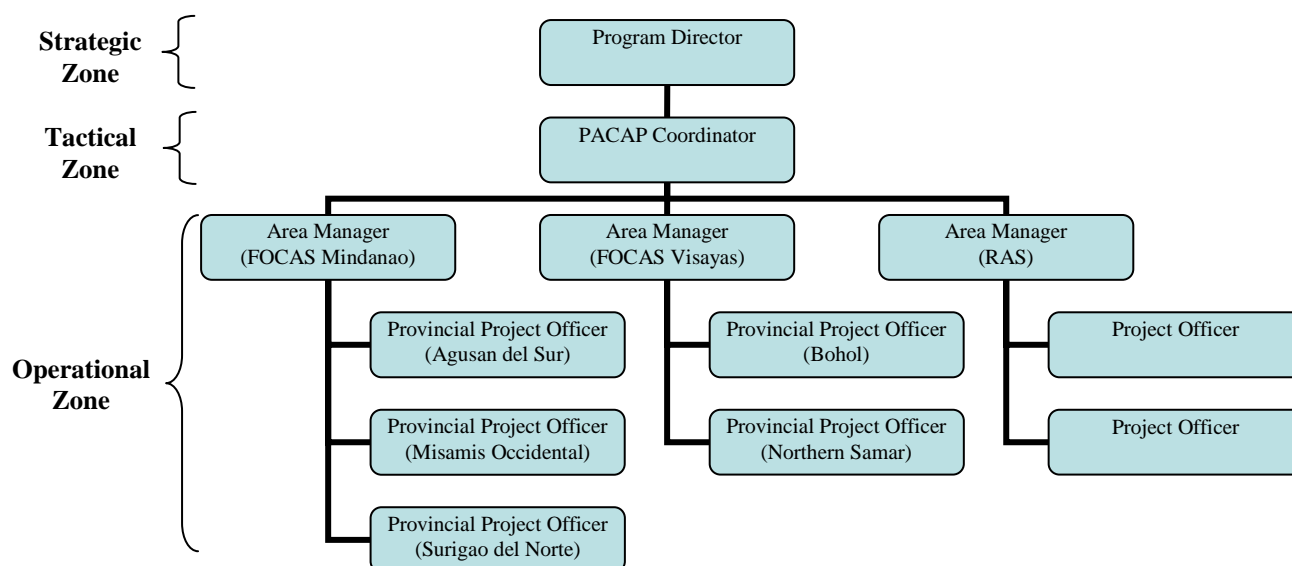


Figure 7: Three zones of management within the PACAP Secretariat structure

The allocation of informant responsibilities is influenced by proximity and access to the subjects of inquiry.

Roles within each zone in Figure 7 interact with each other through reporting relationships, so that relevant and timely information flows up and down the structure.

A particular individual may act as subject, informant and client with respect to different pieces of information. For example, a Provincial Project Officer (PPO) is a:

- **Subject of inquiry:** with respect to program outputs delivered
- **Informant:** with respect to intervention risks observed
- **Client:** with respect to tactical zone feedback on program progress/performance.

### 3.1.3 Time

The 'time' element of the M&E system concerns establishing schedules and deadlines for the *capture* of the raw data by the *informant* responsible, the *analysis* of that raw data and the *dissemination* of the analysed information to the identified *clients*.

PACAP is planned and managed around an annual cycle. Major progress reports are due to AusAID on a six-monthly basis (Six Monthly Progress Reports are due in September and March each year and draft Annual Plans are due in March each year). In addition, Monthly Exception and Semestral Reports are delivered via AusAID's spreadsheet-based 'Simplified Monitoring Toolbox' (SMT).

To gather the necessary data for these reporting obligations to AusAID, PACAP will implement an internal Monthly Progress Report<sup>31</sup>. The monthly reports will be submitted by each Area Manager to the PACAP Coordinator by the end of the first week of each new month (i.e. reporting on progress made and challenges encountered in the previous month) through the Aid-IT Monitoring & Evaluation Information System (MEIS; see Section 4.3). The PACAP Coordinator will then analyse and provide feedback on the Monthly Progress Reports by the end of the second week of each new month.

The data required for the Monthly Progress Reports submitted by each Area Manager will be captured by Project Officers in an *ad hoc* manner throughout each week. This weekly data will then be aggregated for the purposes of monthly reporting.

The iterative annual reporting cycles within PACAP can be represented as in Figure 8.

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<sup>31</sup> The Monthly Progress Report is an internal initiative within the PACAP Secretariat to ensure that all of the necessary data required for learning and accountability is captured on a regular basis, thereby ensuring both a finer granularity of data and a higher quality of performance analysis. The format of the monthly report is defined within the Aid-IT MEIS software and involves simple wizard-driven data entry by project officers and Area Managers.

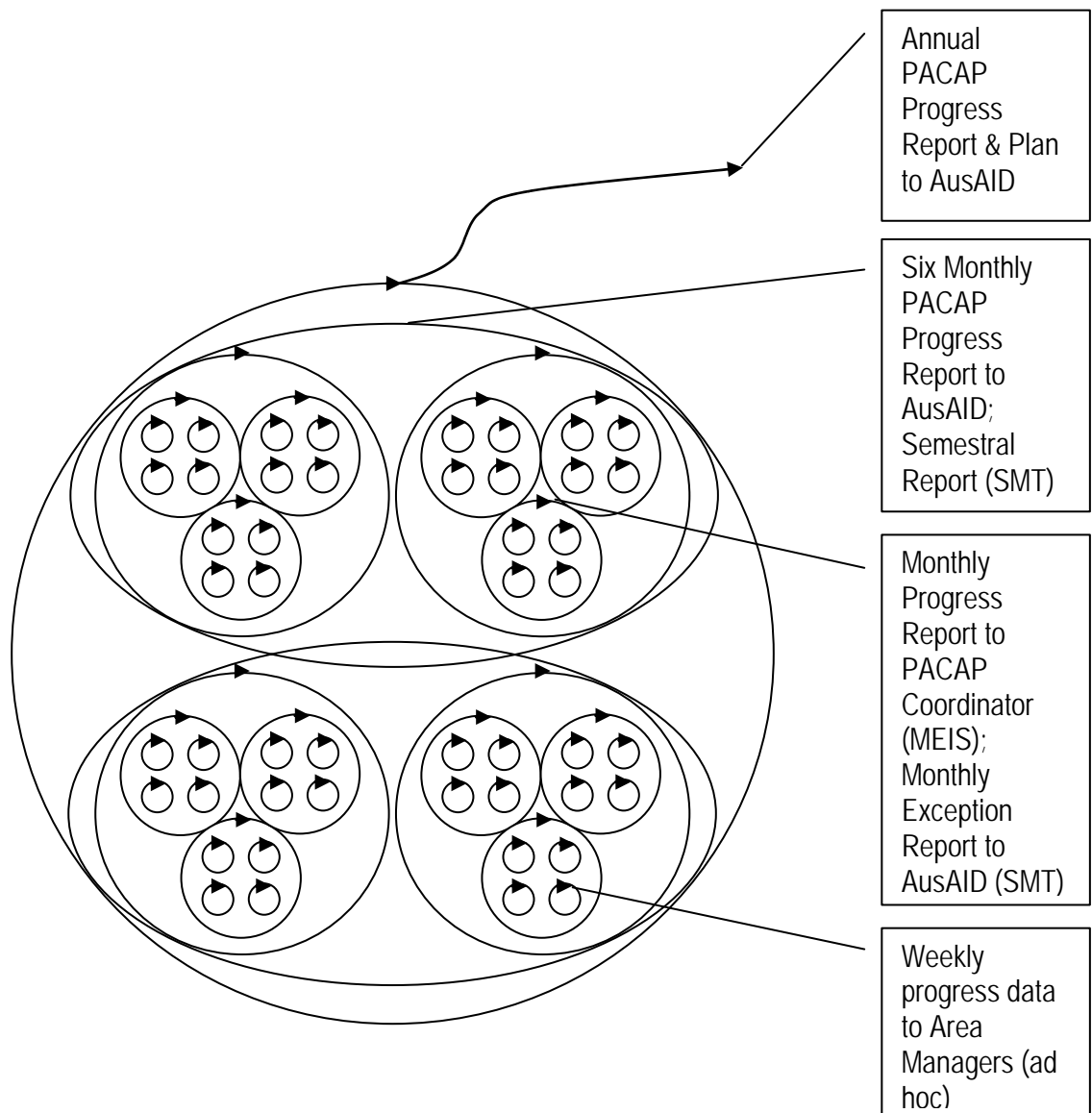


Figure 8: PACAP annual reporting cycles

The content of the various reports is the subject of Subsection 4.4.

In this section, M&E Praxis has been discussed in terms of guiding principles, practical processes and system elements. In Section 4, the practical details required to implement the M&E system are discussed in terms of the methods employed (structured and unstructured), the reports produced and the software used to support these processes.

## 4. M&E PRACTICE

A range of social research methods (or ‘methods of inquiry’) may be employed to monitor and evaluate the performance of a program. Method selection is determined by the circumstances encountered:

- **Accessibility to the ‘subject of inquiry’:** the person/group to whom evaluative questions are posed
- **The nature of the inquiry:** whether responses provided are in a structured or unstructured form.

In the case of the PACAP, each of the three classes of human actor discussed in Subsection 2.1 may be considered a different subject of inquiry. The degree of structure that can be expected in their respective responses is largely influenced by the nature of the change anticipated. Practical or tangible changes permit tangible or categorical responses. In contrast, conceptual or theoretical changes yield intangible or amorphous responses.

To monitor and evaluate the performance of PACAP, a mixture of structured and unstructured methods of inquiry are planned. The following table (Figure 9) summarises the method of inquiry proposed to assess key changes at each level in the logframe (see also Figure 6).

Class of Data (performance data & risk data)	Subject of Inquiry	Method of Inquiry	Degree of Structure
Inputs	Secretariat	Financial accounting	Structured
Activities	Secretariat	Monthly progress reporting	Structured
Outputs	Secretariat Proponent organisations	Monthly progress reporting	Structured
Management Risks	Secretariat Proponent organisations	Monthly progress reporting	Structured
Effects	Proponent organisations	Proponent organisation review Proponent organisation output reporting Independent evaluation	Structured Structured Unstructured
Intervention Risks	Proponent organisations	Monthly progress reporting	Unstructured

Class of Data (performance data & risk data)	Subject of Inquiry	Method of Inquiry	Degree of Structure
Impact	Ultimate beneficiaries	Most Significant Change (MSC) Technique	Unstructured
		Cluster survey of FOCAS beneficiary households	Structured
		Independent evaluation	Unstructured
Development Risks	Ultimate beneficiaries	Most Significant Development-risk (MSD) Technique	Unstructured

Figure 9: The various structured and unstructured methods of inquiry to assess each level in the logframe

Following Figure 2, (the ripple metaphor), the information from the above table may also be represented from an interpretive perspective as in Figure 10.



Figure 10: A model presenting the ‘subjects of inquiry’ and the various ‘methods of inquiry’ employed

The following two subsections discuss the details of the structured and unstructured methods of inquiry, respectively. These details are presented with reference to the M&E Data Cycle (Figure 5) processes of capture, analysis and dissemination.

## 4.1 Structured Methods

As noted in Figure 9, a range of structured methods of inquiry has been proposed:

- Financial reporting
- Monthly progress reporting
- Proponent organisation reviews
- Proponent organisation efficiency analysis
- Beneficiary household surveys

Each of these structured methods of inquiry is discussed in turn.

### 4.1.1 Financial Reporting

Financial reporting constitutes the M&E of program 'inputs'.

#### Capture

Financial reports are generated on a monthly basis by accounting staff and conform to international financial accounting practice.

#### Analysis

The analysis of financial information for M&E purposes is enabled by monthly financial statements that report variance between planned and actual expenditure (per month and program-to-date). This analysis enables corrective action by program managers in the event of over/under expenditure.

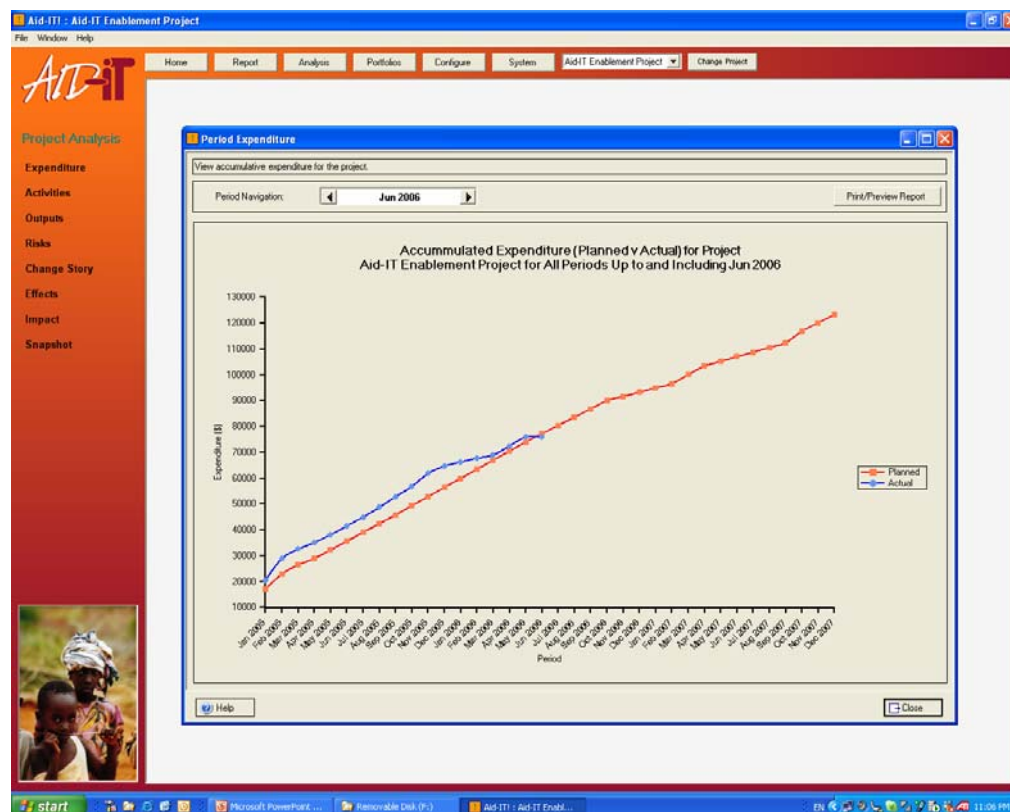


Figure 11: An example of cashflow analysis of variance generated by the M&E Information System

Further, the final evaluation of the program's impact may examine the 'theory of change' down to the level of 'inputs', thereby establishing resources as a limiting factor in some areas of the program's performance. Furthermore, monthly aggregated cashflow is periodically analysed with respect to 'planned outputs actually delivered' to provide an indication of overall implementation efficiency.

### Dissemination

Financial statements are provided on a monthly basis to the Program Director. A summary expenditure report is submitted to AusAID with each invoice, or monthly. A financial audit report is to be submitted to AusAID with the Annual Plan at the end of each financial year.

#### 4.1.2 Monthly Progress Reporting

A Monthly Progress Report is prepared by each of the three Area Managers using aggregated data supplied by their respective Project Officers, and submitted to the PACAP Coordinator. The Monthly Progress Report has several components requiring both structured responses (discussed below) and unstructured responses (discussed in Subsection 4.2):

- **Activities<sup>32</sup> report:** reporting against activities planned for the month, and identifying those completed as planned, carried forward to next month or retired as no longer relevant.
- **Outputs<sup>33</sup> report:** reporting against the planned outputs for the month.
- **Management risks<sup>34</sup> report:** in instances where the outputs delivered for the month are less than planned, reasons ('management risks') are attributed to the gap.
- **Intervention risks<sup>35</sup> report:** unstructured responses.
- **Most significant change (MSC) stories:** unstructured responses.
- **Most significant development risk (MSD) stories:** unstructured responses.
- **Narrative report:** unstructured responses.

The first three components (i.e. the structured responses) of the Monthly Progress Report are discussed below. The subject of inquiry of these methods is the implementation team. The remaining four components (i.e. the unstructured responses) are discussed in Subsection 4.2. The subjects of inquiry of the latter methods are the boundary partners (proponent organisations) and ultimate beneficiaries (households in poor communities).

<sup>32</sup> Activities are defined as the tasks carried out by the implementation team so that the outputs can be delivered as planned.

<sup>33</sup> Outputs are defined as the tangible/measurable deliverables of the program for which the implementation team can be held responsible.

<sup>34</sup> Management risks are defined as the unforeseen circumstances that cause the implementation team to be unable to deliver the planned number of outputs.

<sup>35</sup> Intervention risks are defined as the unforeseen circumstances that cause the boundary partners not to adopt changes in knowledge/attitude/practice promoted by the implementation team.

## Capture

The Monthly Progress Report data is captured electronically using the Aid-IT M&E Information System (MEIS) (discussed in Subsection 4.3). Project Officers capture activities and outputs as they are completed during each week in an *ad hoc* manner. At the end of each month, (before the first Friday of each new month) each Area Manager is required to upload the weekly data from the Project Officers and to complete the remaining components of the Monthly Progress Report listed above. Once completed, the Monthly Progress Reports are uploaded through the MEIS to be reviewed by the PACAP Coordinator.

### *Activities Report*

Activities are reported on a monthly cycle<sup>36</sup>. At the beginning of each month Area Managers, in consultation with their respective Project Officers, plan essential activities/tasks for the month ahead. At the end of the month, each planned activity is reviewed and reported as 'completed', 'carried forward' or 'retired'.

### *Outputs Report*

Outputs are reported on a monthly basis against an output delivery schedule for each output type defined for the program. The output types, their respective end-of-program targets and associated quality details are presented in Appendix B.

### *Management Risks Report*

Management risks are reported on a monthly basis whenever monthly output targets are less than planned for any of the output types delivered (See Appendix B). By capturing individual risk events on a monthly basis whenever negative output variance occurs, a library of 'reasons' for underperformance of the implementation team can be built up over time to provide a resource for organisational learning.

## Analysis

The content of Monthly Progress Reports is automatically analysed by the Aid-IT MEIS.

### *Activities*

The analysis of activity reports yields trend information for management purposes. Analysis does not focus on the details of individual activities planned/completed, but rather focuses at a meta-level on the trend over time of the rate of completion of planned activities. For example, a situation where a high proportion of tasks planned each month are consistently carried forward to the next month (i.e. not completed as planned) or retired (i.e. planned but found

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<sup>36</sup> While the Annual Plan submitted to AusAID in March each year defines the high-level milestones and activities required under the Head Contract, the Monthly Activity planning discussed here refers to the detailed tasks planned by each Area Manager and team of Project Officers each month. These detailed activities/tasks are guided by the Annual Plan, but are much more detailed and operational than strategic. The purpose of this level of M&E is to enable aggregation of activity completion data for the purposes of informing internal management decision-making and team coordination.

redundant) may suggest that management training/support for the implementation team is required.

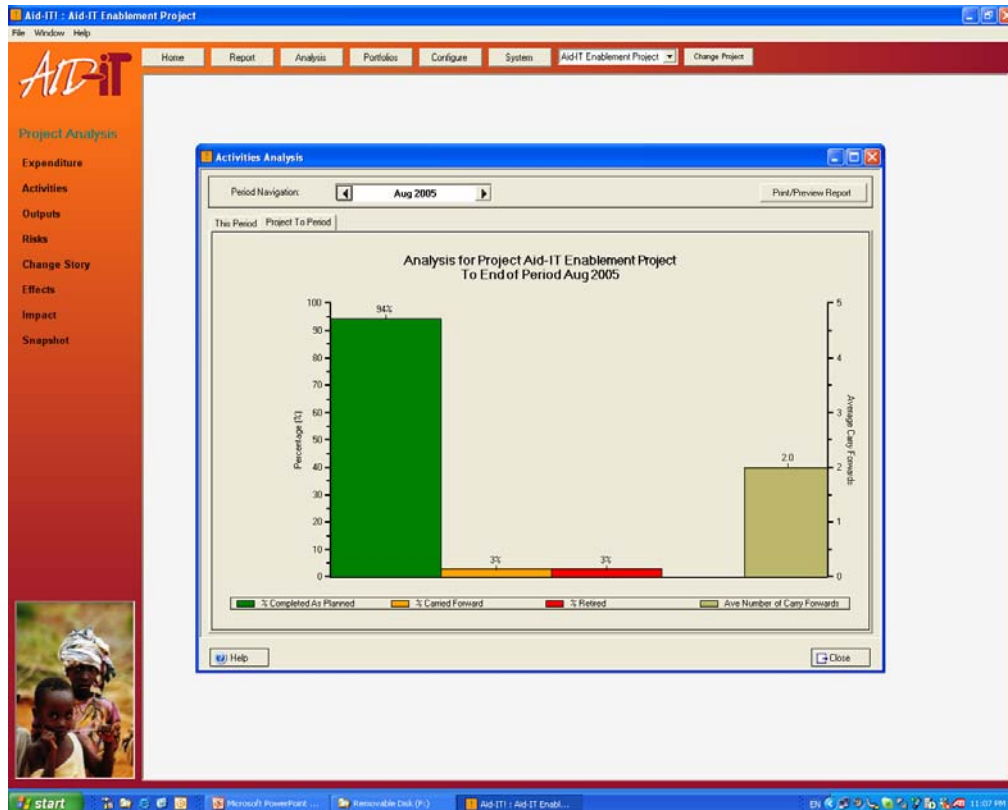


Figure 12: An example of activity management analysis generated by the MEIS

### Outputs

The output analysis examines progress against plan for the month under study, and for the program-to-date. The status of each output type is analysed with respect to end-of-program targets. This analysis enables the implementation team to be responsive to trend information that suggests that the program is falling behind schedule. Further, final evaluation of the program's impact might take place at the level of 'outputs' to establish implementation team efficiency as a limiting or enhancing factor in some area of the program's performance.

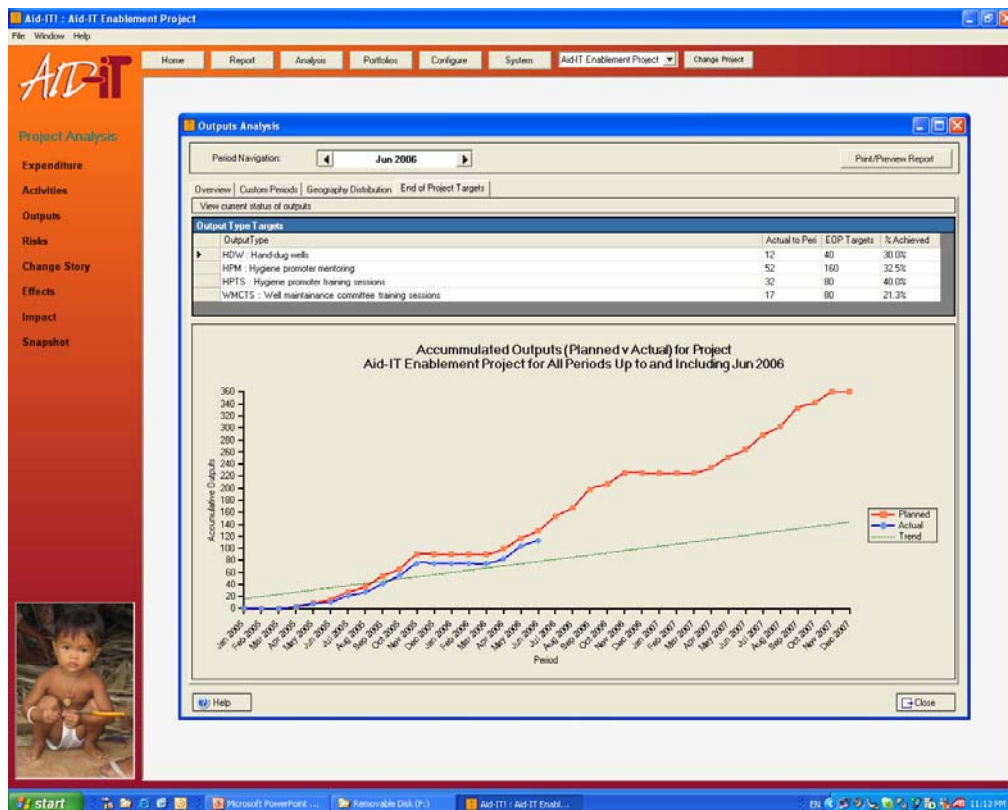


Figure 13: An example of analysis of variance of accumulated outputs generated by the MEIS

### Management Risks

The risk analysis aggregates individual risk events as they are reported and provides trend information about the prevalence and consequence of these risks using the 'STEEP' (Social, Technical, Economic, Ecological, Political) typology of risks<sup>37</sup>.

<sup>37</sup> Grant, D. (1999). *Foresight and Innovation*, The General Electric Company (<http://www.atse.org.au/uploads/foresight-grant.pdf>). See also Crawford, P., J. Perryman, et al. (2004). "Synthetic indices: a method for evaluating aid project effectiveness." *Evaluation* 10(2): 29-46.

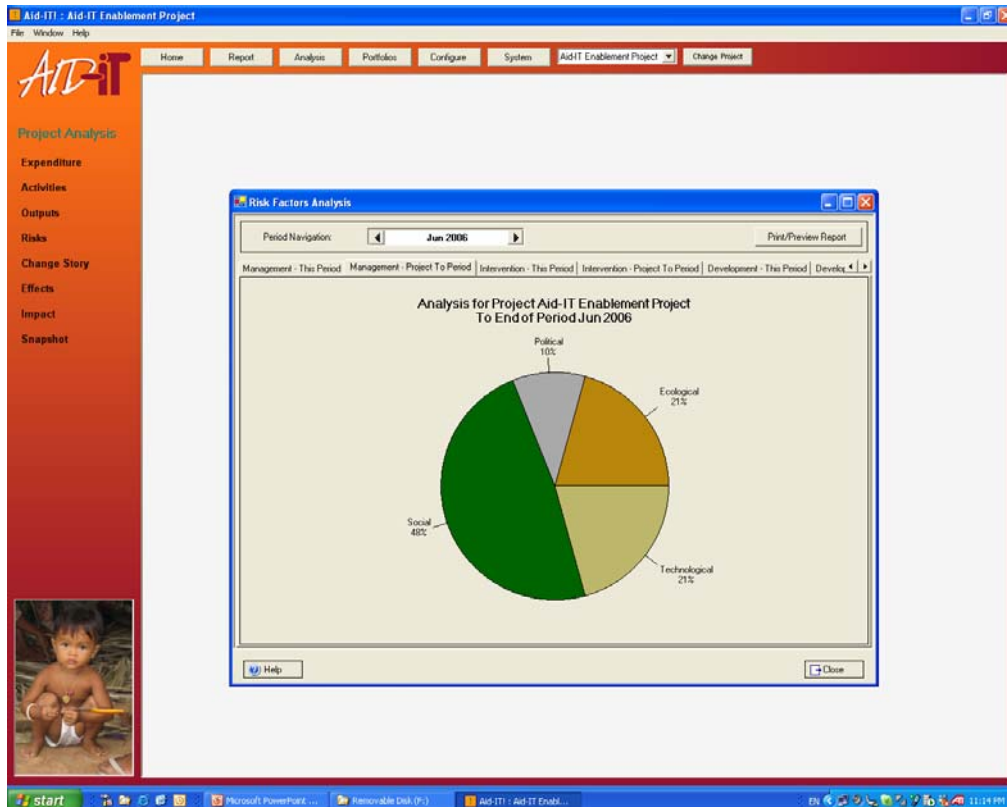


Figure 14: An example of risk analysis using the STEEP typology generated by the MEIS

## Dissemination

Following review of the automated analysis of monthly progress data, the PACAP Coordinator is required to provide relevant feedback to the Area Managers. This feedback, along with the salient parts of the analysis, is submitted electronically via the MEIS before the second Friday of each month.

In addition, the Program Director and M&E Advisor can browse the analysis at will to generate *ad hoc* reports and identify important performance trends.

### 4.1.3 Proponent Organisation Review

The third of five structured methods of inquiry proposed is the 'Proponent Organisation Review'. Whereas the subject of inquiry for the Financial Reporting and Monthly Progress Reporting discussed above is the implementation team (PACAP Secretariat), the subject of inquiry here is the boundary partner/s (proponent organisation/s).

The purpose of the Proponent Organisation Review is to establish changes in the operational capacity of proponent organisations as a result of training and mentoring provided by PACAP. It is also to identify and mitigate areas of institutional weakness that might affect PACAP funded activities. As noted in Figure 9, the Proponent Organisation Review tool concerns the effects-level of the logframe, and as such is concerned with the efficacy of PACAP interventions to foster changes in capacity among boundary partners (i.e. proponent organisations).

Developing the capacity of proponent organisations is an explicit intention of PACAP, particularly the FOCAS<sup>38</sup>.

### **Capture**

The Proponent Organisation Review involves the use of a structured questionnaire to generate an index of proponent organisation capacity across a range of key performance indicators. The Proponent Organisation Review tool will be deployed electronically within the Aid-IT MEIS to enable automatic aggregation and trend analysis.

The Proponent Organisation Review aligns with the notion of relative performance measures rather than absolute performance measures. What this means is that the predominant focus is on relative changes in overall capacity over time, rather than the absolute values of particular indicators at a point in time<sup>39</sup>.

The Proponent Organisation Review uses an approach known as 'rolling baselines'. This approach is useful in situations where implementation teams engage with different groups at different times during the life of the program, with consequently different rates of development. In such situations, conventional 'reflexive comparison' approaches to evaluation are not useful since periodic evaluations of a cross-section of proponent organisations would yield meaningless data (owing to their diverse stages of development). To address this situation, the Aid-IT MEIS permits 'tagging' and grouping of all respondent data from the same *relative* stage of development, thereby enabling meaningful analysis of the efficacy of training invested in proponent organisations.

Deploying the Proponent Organisation Review will require Project Officers to implement the tool with each newly funded proponent organisation, and subsequently on the anniversary until the end of the program (five years, or end of activity funding, whichever is sooner).

The Proponent Organisation Review will require both the relevant PACAP Project Officer and the head of the proponent organisation to respond to a range of standard questions concerning the organisation's capacity to implement PACAP-funded activities. Responses will be in Likert scale format:

- Consistently exceeds expectations
- Occasionally exceeds expectations
- Meets expectations
- Occasionally fails to meet expectations
- Consistently fails to meet expectations

See Appendix C for a draft of the Proponent Organisation Review tool.

### **Analysis**

<sup>38</sup> Refer to Output 2.5 in the Project Design Document.

<sup>39</sup> In the words of Eckersly (2004, p 106), "we are not attempting to measure how full the glass of [capacity] is, but whether the level is rising or falling"

The Likert scale responses will be used by the Aid-IT MEIS to automatically generate a Proponent Organisation Capacity Index. The responses of the PACAP Project Officer and the proponent organisation management will be compared at each deployment of the tool. Each time, responses will also be compared with earlier responses to identify capacity trends.

Analysis will be disaggregated by individual proponent organisation and by total sample. In addition, disaggregation will be possible by funding scheme (RAS/FOCAS), island group (Mindanao, Visayas and Luzon), and target province (Northern Samar, Bohol, Agusan del Sur, Surigao del Norte and Misamis Occidental).

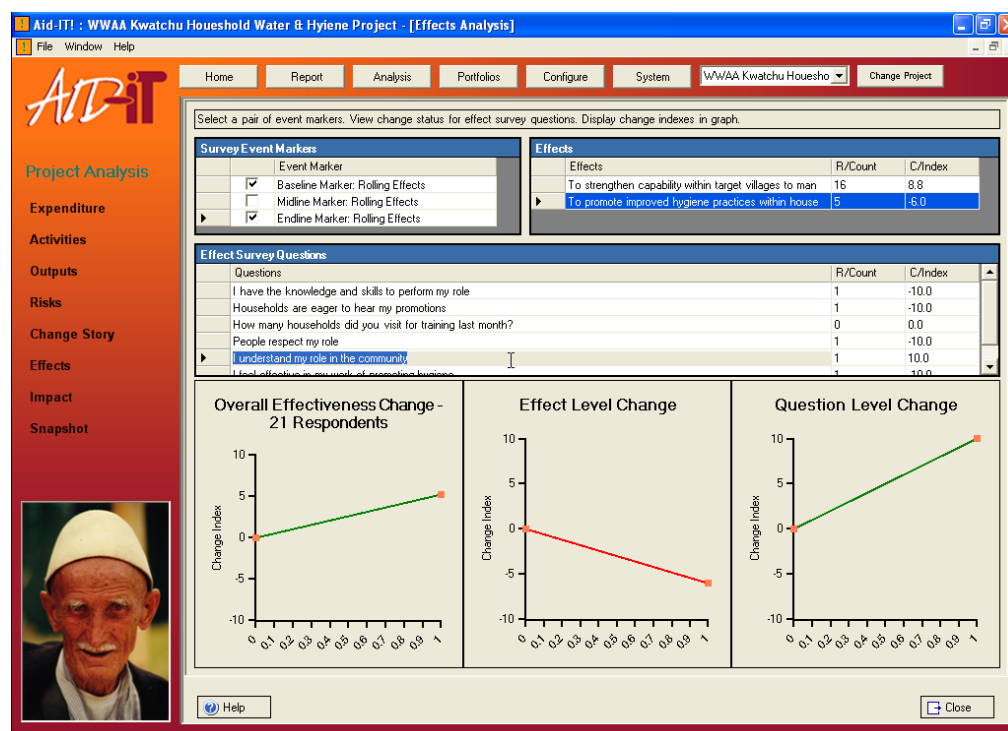


Figure 15: An example of effect analysis generated by the MEIS

## Dissemination

The findings of the auto-generated analysis of proponent organisation capacity will feature in the effects analysis section of the monthly feedback report from the PACAP Coordinator to Area Managers. It will also contribute to Six-monthly Progress Reports and Annual Plans submitted to AusAID.

### 4.1.4 Proponent Organisation Efficiency Analysis

In addition to trend information captured by the Proponent Organisation Reviews discussed in 4.1.3, the extent to which a cross-section of proponent organisations deliver their outputs efficiently may be argued to be indicative of their capacity; and hence of the performance of the

entire program. In terms of the M&E data identification framework (Figure 6), this relates to the 'effects' level<sup>40</sup>.

Paper-based methods for capturing and analysing this data would be cumbersome. Therefore, the possibility of extending the use of the Aid-IT MEIS to a sample of proponent organisations will be explored during the first year of operations.

### **Capture**

It is envisaged that a cut-down version of the MEIS would be deployed for a sample of approximately 30–40 proponent organisations operating under FOCAS<sup>41</sup>. The sampled proponent organisations would be trained to use the cut-down functionality to capture and report activities, outputs and management risks in a Monthly Progress Report similar to that required of the PACAP Secretariat (4.1.2) but customised for their project's unique information requirements. The monthly reports would be submitted electronically to the relevant Project Officer for review and feedback.

### **Analysis**

The proponent organisation data would be subjected to the same automatically generated performance analysis as the PACAP Secretariat, as discussed in 4.1.2. In addition, data from the sampled proponent organisations would be aggregated and analysed at the 'effect level'. As depicted in Figure 4, the overlap of the 'activity sub-system' and 'management sub-system' suggests that the performance of proponent organisations at the outputs level corresponds to the performance of the PACAP Secretariat at the effects level. Similarly, proponent organisation management risks correspond to PACAP Secretariat intervention risks. This conceptual 'double-dipping' offers efficiencies in terms of data capture and analysis, and as such aligns with the guiding principle of an economy of information (Subsection 3.1).

### **Dissemination**

The analysis of implementation efficiency from each of the sampled proponent organisations would be fed back electronically by the relevant Project Officer in the same manner by which the PACAP Coordinator provides feedback to the three Area Managers.

In addition, the aggregated proponent data would contribute to effect analysis at the secretariat level, and as such would feature within Six-monthly Progress Reports and Annual Plans to AusAID.

#### **4.1.5 FOCAS Beneficiary Surveys**

The purpose of the proposed beneficiary surveys is to gather evidence that PACAP is having an impact among the ultimate beneficiaries of

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<sup>40</sup> As noted in Figure 4, there is an overlapping of responsibility between the Proponent Organisations and the PACAP Secretariat such that Proponent Organisation 'Outputs' may be considered to be PACAP 'Effects'.

<sup>41</sup> A sample size of 30 proponent organisations would represent approximately 25% of the total PACAP portfolio at any given time, and would constitute a workload of approximately six proponent organisations per Provincial Project Officer.

the program—poor households within targeted communities. As such, the surveys contribute to the ‘impact’ level of the M&E data identification framework (Figure 6).

### **Capture**

Such surveys are only likely to produce meaningful data in areas where interventions have been implemented over a number of years. For this reason, sample areas will be drawn from among FOCAS areas. A cluster sampling method will be applied to avoid the capture of nonsensical data from non-beneficiary areas.

The surveys will involve an interviewer-administered questionnaire aligned with the ‘basic needs approach’ to explore a range of issues relating to household poverty. The surveys will be administered three times within each sampled FOCAS area (i.e. baseline, mid-term and endline), under the ‘reflexive comparison’<sup>42</sup> approach to evaluation design. This approach constructs the counterfactual on the basis of the situation of respondents before the intervention—assessing temporal changes among the same (paired) respondents. A major drawback of this method is that participant circumstances are likely to be affected by myriad factors, making it difficult to attribute changes to the intervention. However, in contrast to the ‘matching comparison’<sup>43</sup> approach to evaluation design which consists of selecting non-participants comparable in essential characteristics to respondents (i.e. a quasi ‘control group’), reflexive comparison is cheaper to administer and circumvents the ethical problem of surveying non-recipients of aid.

The relevant FOCAS MCs will be responsible for administering the surveys.

### **Analysis**

Survey data will be analysed using standard statistical methods: descriptive statistics (mean, median, mode, standard deviation etc.) and inferential statistics (cross-tabulation, paired sample t-tests, chi-squared tests etc.).

The purpose of the analysis will be to establish quantitative evidence that PACAP is having an impact among the ultimate beneficiaries of the program.

### **Dissemination**

The baseline surveys in the sampled FOCAS areas will be conducted, analysed and documented as soon as practical following the establishment of FOCAS areas during the first year of operations. The mid-term and endline surveys will be conducted, analysed and documented before the independent evaluations scheduled in years three and five. These surveys, (along with all other M&E system output) will be important ingredients for the independent evaluations of PACAP.

<sup>42</sup> Prenzushi, G., R. Rubio, et al. (2000). Monitoring and Evaluation. *Sourcebook for poverty reduction strategies*. Washington DC, World Bank.

<sup>43</sup> *Ibid.*

In this subsection, the various structured methods of inquiry proposed for the PACAP M&E system have been presented. The following subsection outlines the various unstructured methods of inquiry.

## 4.2 Unstructured Methods

As noted in Figure 9, a range of unstructured methods of inquiry are proposed:

- Intervention Risks Report
- Most Significant Change (MSC) Stories
- Most Significant Development Risks (MSD) Stories
- Narrative Report
- Independent Evaluations
- 'Klogging'

The first four of these unstructured methods of inquiry are components of the Monthly Progress Report submitted by the Area Managers to the PACAP Coordinator (see 4.1.2).

### 4.2.1 Intervention Risks Report

Intervention risks are defined as the unforeseen circumstances that can cause boundary partners not to adopt changes promoted by the implementation team to knowledge/attitude/practice. As implied in the M&E data identification framework presented in Figure 6, this situation may arise despite the successful delivery of outputs by the implementation team. In terms of the three-stage 'theory of change' presented in Subsection 2.1, intervention risks concern the success of the second stage of change involving boundary partners.

Despite the most efficient implementation efforts, boundary partners may not adopt innovations for a range of socio-cultural, technical, economic, ecological or political reasons.

#### **Capture**

Intervention risks are reported as a component of the Monthly Progress Report submitted by the Area Managers to the PACAP Coordinator. As such, the Intervention Risks Report is processed within the Aid-IT MEIS. The basis for risk reporting is drawn from the Risk Management Matrix in Appendix D.

In practice, each time an output type is delivered to a class of boundary partner, the relevant Project Officer is required to assess subjectively the likelihood of any intervention risks. This involves selecting from a bank of previously observed risk events (or adding new risk events as they occur) and ranking the likely impact of the risk event (low, medium, high). Although reporting intervention risks is relatively structured, the decision process concerning the presence and likely consequence of a particular risk event, involves subjective judgements by Project Officers, and hence is classed here as an unstructured method of inquiry.

#### **Analysis**

As with the Management Risks, the Aid-IT MEIS automatically aggregates risk event data and provides trend analysis using the STEEP typology of risks.

### Dissemination

The auto-generated risk analysis is reviewed by the PACAP Coordinator and included in the Monthly Feedback Report to the Area Managers. Intervention risk trends also feature in major reports such as the Six Monthly Progress Report and the Annual Plan to AusAID.

#### 4.2.2 Most Significant Change (MSC) Stories

The Most Significant Change (MSC) technique emerged out of doctoral research by Rick Davies in Bangladesh<sup>44</sup> and has become increasingly recognised as a way to meet the challenges of M&E in complex programs with both implementation and outcomes diversity. The technique is particularly relevant when there is an interest in capturing unplanned change that might be missed by conventional indicator-based methods. Its application to PACAP is self-evident. In terms of the M&E data identification framework presented in Figure 6, the MSC technique is applied at the 'impact' level where it will be used to supplement the empirical data derived from the beneficiary surveys (4.1.5).

The theory underpinning the technique is grounded in iterations of the evolutionary algorithm: diversity → retention → selection<sup>45</sup>. The process involves the collection of diverse stories of significant change from the field level, and the systematic selection of the most significant of these stories by panels of designated stakeholders or staff. The designated staff and stakeholders look for project impacts in the stories. Once changes have been captured, various people sit down together, read the stories aloud and have regular (and often in-depth) discussions about the value of these reported changes. When the technique is implemented successfully, whole teams of people begin to focus their attention on program impact, with the lessons learned being incorporated into regular practice in an 'evolutionary' way.

### Capture

The MSC technique, as applied to PACAP, will require all proponent organisations to (where possible) capture stories of change from among their respective beneficiary constituencies and report these monthly to their relevant Project Officers.

The 'kernel' of the MSC technique is posing a single open-ended question along the lines of: *"During the last month, in your opinion, what was the most significant change that took place in your household as a result of this project?"*

The key elements of the stories that must be included are:

<sup>44</sup> Davies, R. (1998). *Order and Diversity: Representing and assisting organisational learning in Non Government Organisations*. PhD Thesis, Centre for Development Studies, Swansea, University of Wales (<http://www.mande.co.uk/docs/thesis.htm>).

<sup>45</sup> Davies, R. & Dart, J. (2005) *The 'Most Significant Change' (MSC) Technique: A Guide to its Use*, UK. (Available at <http://www.mande.co.uk/docs/MSCGuide.htm>).

- Details concerning the capture of the story: staff member recording the story, date of the discussion, location of the discussion, date story was submitted.
- Details concerning the story: name of the storyteller, story location, date and timing of the story, key actors involved.
- Story: what happened?
- Significance of the story: why the change is considered significant from the storyteller's point of view.

A story capture form is attached in Appendix E.

### **Analysis**

Analysis of stories involves periodic review and critical discussion concerning the stories captured at various levels in the hierarchy of the organisation. At each level, discussion leads to the selection of a single 'winning story' believed by stakeholders at that level to embody the most significant change reported. Winning stories are aligned with a STEEP domain to enable meta-analysis. They are also aligned with the most relevant AusAID CPS objective and with key programmatic themes<sup>46</sup>.

Winning stories are then passed up to the next level in the hierarchy where they accrue over a period before again being reviewed, debated and selected. By the end of the program, (five years), a single 'winning story' will be selected by the PCC.

A summary of the schedule for selection of stories by each level in the hierarchy is presented in Appendix F.

### **Dissemination**

To ensure that learning takes place at all levels, a critical element of the MSC technique is feedback across the hierarchy about the stories that have 'won' and why they are believed to be significant. Thus, each level in the hierarchy must play a role in disseminating feedback.

The winning stories and the essence of the change they embody will be reported in Six Monthly Progress Reports and as part of the Annual Plan to AusAID.

A third element to dissemination of MSC stories might involve identifying 'human interest' stories for publication in popular media, thereby promoting PACAP and the Australian aid program.

#### **4.2.3 Most Significant Development Risk (MSD) Stories**

Development risks are defined as the unforeseen circumstances that inhibit the extent to which ultimate beneficiaries experience the sustainable change anticipated by the program. As implied in the M&E data identification framework presented in Figure 6, this situation may arise despite the realisation of program effects among the boundary partners. In terms of the three-stage 'theory of change' presented in

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<sup>46</sup> Community development, agricultural enterprise, non-agricultural enterprise, social credit, environment, FOCAS approach.

Subsection 2.1, development risks concern the success of the third stage of change involving ultimate beneficiaries.

Realistically, despite efficient project management by the implementation team, and despite evidence of efficacious mechanisms of change among the boundary partners, the ultimate beneficiaries may not benefit from sustainable change for a range of socio-cultural, technical, economic, ecological or political reasons.

### **Capture**

By definition, development risks are broad and their identification is subjective. Hence, their capture requires an unstructured 'constructivist' approach.

Within the literature on the MSC technique there is considerable discussion concerning the importance of capturing 'negative' stories of change in addition to stories of 'positive' change. Some practitioners encourage prescribing a dedicated 'domain' to ensure that effort is put in to capturing these negative stories. This thinking has been adopted for PACAP to capture development risks. That is, a story-based method of inquiry will be employed to capture subjective assessments of 'development risk'.

Whereas the subject of inquiry for the MSC stories is the ultimate beneficiary, the subject of inquiry for the MSD stories is the proponent organisation. In much the same way as PACAP Project Officers are required to subjectively assess intervention risks at the boundary partner level, the proponent organisations are required to subjectively assess development risks at the ultimate beneficiary level. These are reported in story form as part of the Monthly Progress Report.

A story capture form is attached in Appendix G.

### **Analysis**

Analysis of the MSD stories is managed differently to the MSC stories. Whereas MSC story analysis involves critical debate and selection up through the organisational hierarchy, the MSD story analysis involves selection of a single 'winning' story by each Area Manager per month and alignment with a STEEP domain. The monthly 'winners' then accumulate within the MEIS over time and trend analysis is conducted in the same manner as for intervention risks.

### **Dissemination**

The analysis of development risks will feature in monthly feedback reports from the PACAP Coordinator back to the Area Managers. This feedback will drive learning and improvement. Development risk analysis will also feature in the Six Monthly Progress Report and Annual Plan to AusAID.

#### **4.2.4 Narrative Report**

The narrative report is the final component of the Monthly Progress Report prepared by each Area Manager and submitted to the PACAP

Coordinator. The purpose of the narrative component is simply to capture in an unstructured way any general issues.

### **Capture**

As part of the monthly reporting cycle, Area Managers are required to provide brief free-form comment on general issues of concern to management. Relevant topics may include:

- Security issues
- Human resources issues
- Logistical issues
- Public relations issues
- Finance issues

This free-form text is entered into the Aid-IT MEIS as part of the formal reporting process.

### **Analysis**

The narrative report is not subjected to any particular analysis, but is reviewed by the PACAP Coordinator and Program Director and responded to appropriately.

### **Dissemination**

There is no formal dissemination of narrative reports beyond feedback provided through the MEIS from the PACAP Coordinator to the Area Managers as part of the regular Monthly Tactical Zone Feedback Report.

#### **4.2.5 Independent Evaluations**

To supplement the M&E system findings discussed above, two formal independent evaluations are planned during the life of the program: mid-term (year three) and endline (year five).

The nature of the midterm evaluation will be formative<sup>47</sup>, since findings will focus on refining implementation procedures and maximising impact. The endline evaluation will be summative<sup>48</sup> and will be an important part of the Activity Completion Report required by AusAID.

In terms of the M&E data identification framework (Figure 6), the independent evaluations are expected to contribute insights at both the effects and impact levels.

Key elements of the terms of reference for the independent evaluator are:

- Assess the effectiveness of PACAP-funded initiatives in contributing to poverty reduction in targeted areas.
- Assess the efficacy of funding proponent organisations as a means to reducing poverty in targeted areas, including the nature of working relationships between the PACAP Secretariat and proponent organisations.

<sup>47</sup> Scriven, M. (1991) *Evaluation Thesaurus*, Thousand Islands, California, Sage Publication

<sup>48</sup> *Ibid.*

- Assess the relevance of governance structures and processes installed.
- Verify the findings of the PACAP M&E system.

### **Capture**

A range of research methods will be proposed by the independent evaluator, however, focussed discussions and key informant interviews are likely to be important.

### **Analysis**

Analysis will involve identifying prominent themes arising from discussions and documenting key recommendations for the Secretariat.

### **Dissemination**

The full evaluation findings will be required by the Program Director within two months of fieldwork. The final draft of the evaluation report will be submitted to AusAID for approval.

#### **4.2.6 Klogging**

The final unstructured method of inquiry is not a conventional M&E method. Rather, 'klogging' has arisen from the internet phenomenon of web logging, or 'blogging'. Whereas blogging records the life events and opinions of individuals, knowledge-logging or 'klogging' has become increasingly recognised as a way for organisations to capture the tacit knowledge of organisational members.

The Aid-IT MEIS includes klogging functionality to support the capture, sorting and review of k-logs entered by any staff member in an *ad hoc* way.

### **Capture**

In contrast to formal reporting methods, klogging is dependent on a culture of voluntary contributions rather than compliance-driven contributions. In organisations where a culture develops of regularly logging ideas, innovations, problems and challenges or procedures, the k-log has been found to develop a rich source of institutional knowledge.

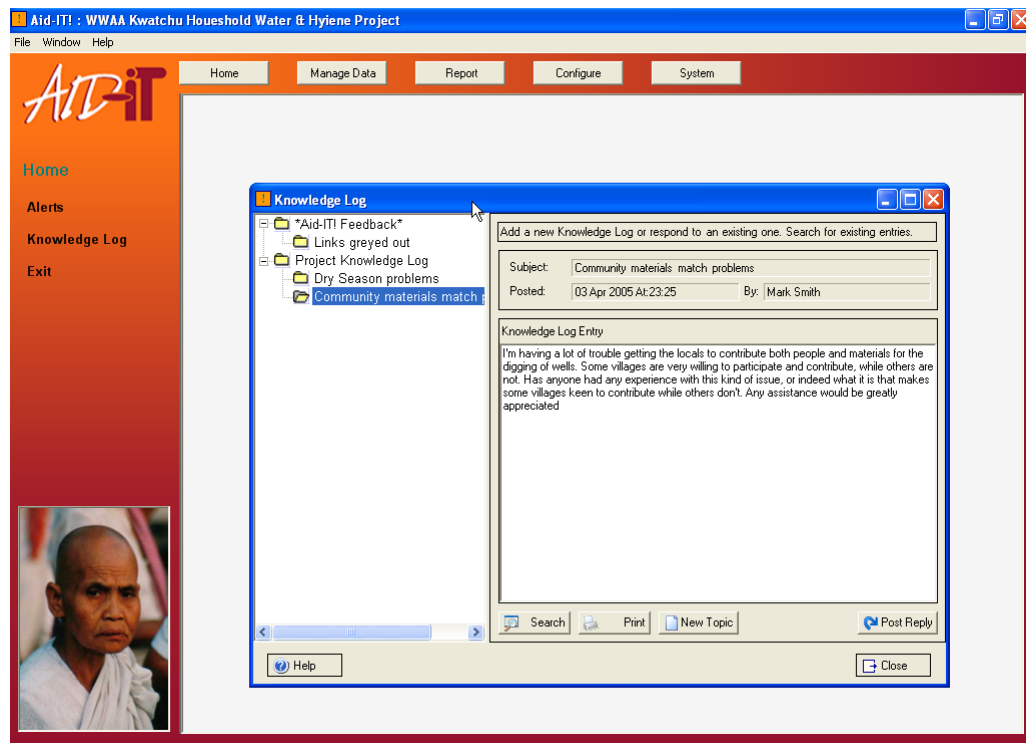


Figure 16: An example of 'klogging' functionality provided within the MEIS

## Analysis

No formal analysis of k-logs is planned, however, the MEIS klogging functionality enables sophisticated searching of k-logs by topic, user and other substantive fields.

## Dissemination

If a culture of klogging evolves among the PACAP Secretariat, the k-logs may prove a useful ingredient for the independent evaluator in years three and five.

### 4.3 M&E Software Support

The capture, analysis and dissemination of the M&E data for PACAP will be enabled by the deployment of an innovative 'e-M&E' system called Aid-IT<sup>49</sup>. The M&E information system (MEIS) provides a range of functions to:

- Streamline the capture of raw data by program staff
- Automate the analysis of raw quantitative data
- Disseminate the analysed data to various stakeholders using web services technology
- Promote timely and relevant feedback of analysis to operational staff
- Enable the mining of historical data for *ad hoc* purposes and to promote learning
- Assist the generation of periodic pre-defined reports

<sup>49</sup> Aid-IT Solutions Pty Ltd is a private Australia company that has developed a fully customisable 'e-M&E' system for the international aid industry ([www.aid-it.com.au](http://www.aid-it.com.au)).

During the first year of PACAP operations, the MEIS will be used to provide information management support for the Secretariat. In subsequent years, the MEIS might be deployed within a sample of proponent organisations as a way to assess the wider performance of the program (see 4.1.4).

The MEIS provides the infrastructure for all internal reporting. As noted in Figure 7, three ‘zones’ of system users have been defined:

- **Operational Zone:** Project Officers report regularly during each month on the delivery of planned outputs. This reporting involves logging onto the MEIS and entering new output data using simple ‘wizards’. At the end of each month, each of the three Area Managers (AM) sign-off the automatically aggregated output data, and in consultation with their respective Project Officer teams, compile a monthly report for submission to the PACAP Coordinator in the ‘Tactical Zone’.
- **Tactical Zone:** The PACAP Coordinator retrieves the electronic Monthly Progress Reports that include auto-generated analysis of performance trends. In reviewing the analysis, the PACAP Coordinator is able to provide feedback (critique, queries or affirmations) to the Area Managers relating to a range of performance information.
- **Strategic Zone:** A range of ‘strategic’ users can be enabled to view performance information through the MEIS. These may include the Program Director, the contractor (HAI), the M&E Advisor and AusAID program staff or other stakeholders such as PAC members. Since the MEIS is internet supported, access to the system is possible by any globally distributed user.

A key value proposition of the system is the capability to develop ‘Custom Report Templates’. As the name implies, these are report templates that can be customised to compile any information contained with the system. The benefit of automatically generating content for major reports such as the Quarterly SMT Reports, Six-monthly Progress Reports or Annual Plans is self-evident. Custom report content can be exported to any major application (e.g. MS Word, MS Excel or PDF), and supplemented or manipulated before final submission.

#### 4.4 M&E Reports

In addition to (internal) Monthly Progress Reports discussed in 4.1.2 and 4.2.1–4.2.4, a range of additional reports to AusAID are required under the Head Contract. Several of these reports are one-time milestone documents and others are regular reporting obligations. The reports of significance for the purpose of M&E are discussed below.

A schedule of the main M&E reports and their respective components is presented in Appendix H.

### **SMT Semestral Report**

On a monthly basis, the Program Director will submit an exception report to AusAID using AusAID's spreadsheet-based Simplified Monitoring Toolbox (SMT). A full SMT report will be submitted to AusAID on a six-monthly basis ('Semestral Report').

The substantive section of the SMT ('monitoring' tab) concerns reporting planned and actual implementation performance and explanations for any variance. This information can be readily generated from within the Aid-IT MEIS as a Custom Report Template and exported to the SMT. Other sections requiring narrative responses will be completed by the Program Director.

### **Six-monthly Risk Management Plan**

Every six months, a risk report and revised risk management plan is required by AusAID. The risk report can largely be generated from within the Aid-IT MEIS as a Custom Report Template that will analyse management, intervention and development risks encountered during the previous six months, and compare these with program-to-date cumulative trends. This risk report will then be used as the basis for revisions to the Risk Management Plan (see Appendix D), which includes identifying strategies to mitigate risks.

### **Six-monthly Progress Report**

The Six-Monthly Progress Report is a major report to AusAID covering the periods May – October and November – April each year. The report is due to AusAID within three weeks of the end of the relevant six-monthly period. In essence, this report is a mid-term report against the Annual Plan (discussed below), and supplements the Six-monthly Risk Management Plan (above).

The components of the Six-monthly Progress Reports as required under the Head Contract are listed in Appendix I.

The performance metrics required for the Six-monthly Progress Report will be auto-generated by an Aid-IT Custom Report Template, with interpretive and supplementary narrative added by the Program Director.

The performance metrics will include:

- Analysis of *activity* completion rates by the Secretariat and by a sample of proponent organisations<sup>50</sup>. This analysis will compare performance during the previous six months with cumulative program-to-date trends.
- Analysis of variance in *output* delivery by the Secretariat. This analysis will compare performance during the previous six months with cumulative program-to-date trends. Any negative variance will be interpreted in the light of

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<sup>50</sup> From year two onward pending the outcome of an initial assessment of the viability of extending the deployment of the Aid-IT MEIS to a sample of proponent organisations.

*management risk* trends (as presented in the Risk Management Plan above).

- Analysis of the *effects* of the program will be drawn from the rolling Proponent Organisation Review tool (4.1.3). Trends in the mean capacity index values for all proponent organisations reviewed in the previous six months will be compared with program-to-date trends. Further, analysis of the output delivery efficiency from a sample of proponent organisations will be used as evidence of the effect of the program<sup>51</sup>. Furthermore, a novel algorithm generated by the Aid-IT MEIS, which applies the IF-AND-THEN logic of the logframe to determine a 'lead indicator' of effect, will be used to provide additional insights into the effect of the program. This lead indicator (the 'Proxy Effects Score') applies aggregated intervention risks as a coefficient of project implementation efficiency to estimate the theoretical effect of the program.
- Before the completion of mid-term beneficiary surveys, the indicative *impact* of the program will be reported in the form of winning MSC stories, along with trend analysis of the STEEP domains and CPS objectives with which winning stories are aligned. Following the collection of mid-term and endline survey data, quantitative analysis will supplement the emerging picture of impact.

### **Annual Quality Audit Report**

The Annual Quality Audit Report presents the findings of internal reviews of key PACAP functions. The report is due by the end of March each year and is a key element of the annual reporting and planning process.

A key ingredient for the annual quality audit process will be the generation of a Custom Report Template that presents analysis of trends in PACAP Secretariat output quality management details (each disaggregated by RAS and FOCAS) including:

- Monthly activity plan completion rate
- Number of new project appraisals conducted
- Average time taken per project appraisal
- Proportion of proposals appraised that are recommended to the PAC
- Proportion of recommended proposals that are approved by the PAC
- Average number of monitoring visits conducted
- Average number of training and mentoring sessions facilitated
- Total value of grants disbursed

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<sup>51</sup> *Ibid.*

- Average value of grants disbursed

Analysis of these quality management details will be carried out in conjunction with the analysis of management, intervention and development risks within the Six-monthly Risk Management Plan (discussed above).

This analysis will be reviewed participatively by the PACAP Secretariat and action plans will be developed to address any key quality concerns that are emerging. The analysis and the mitigation plans will be documented and presented to AusAID.

### **Annual Plan**

The Annual Plan is a comprehensive document due in draft form by March 31 for each financial year.

A key component of the Annual Plan required by AusAID is an 'effectiveness report' outlining the performance of the program at each level in the M&E data identification framework (Figure 6). The data for this component will be generated by a Custom Report Template that aggregates the Six-monthly Risk Management Report, the Six-monthly Progress Report and the Annual Quality Audit Report.

Where significant unforeseen risks have emerged, or important new insights have been gained, a proposal to change elements of the program design may be submitted.

Any revisions to the M&E Framework will also be submitted for AusAID approval at this time.

The components of the Annual Plan as required under the Head Contract are listed in Appendix I.

### **Activity Completion Report**

At the conclusion of the program, (five years) an Activity Completion Report will be submitted. This report will comprise much of the content of the Annual Plans including the aggregated performance analysis for the life of the program. This will be supplemented by the independent evaluator's report, constituting the final (summative) evaluation of the program.

# APPENDIX A: M&E SYSTEM MATRIX

Logframe Ref.	DATA			PEOPLE			TIME		
	OVI/Data	Method/Tool	Analysis	Subject	Informant	Client	Capture Schedule	Analysis Schedule	Dissemination Schedule
Goal (Impact)	Standardised indicators of household wellbeing (to be defined following the definition of FOCAS strategy objectives)	Cluster sample interviewer-administered survey within a sample of FOCAS areas	Statistical analysis (paired sample t-test) of extent of changes in indicator values to establish effectiveness of FOCAS strategy	Sample of beneficiary households within a sample of FOCAS areas	FOCAS MC	PD	Baseline Midterm (year 3) Endline (year 5)	Within 1 month of data capture	Within 2 months of data capture (to be completed before independent evaluations)
	Beneficiary perceptions of change	MSC Approach <sup>52</sup> (MSC Story Record Form)	Iterations of critical reflection, debate and selection of 'winning stories' of change	Beneficiary households/ communities	Proponent organisation project staff	(P)PO	Monthly ( <i>ad hoc</i> )	<b>Monthly</b> debate and selection of winning story by proponent org mngt. <b>Quarterly</b> debate and selection of winning story by PACAP. <b>Annual</b> debate and selection of winning story by PAC.	<b>Monthly:</b> report to Proponent Org. mngt. <b>Quarterly:</b> report to PACAP. <b>Annual:</b> report to PAC and AusAID.
	Effectiveness of PACAP-funded initiatives. Integrity of M&E data	Independent evaluation (focus groups, key informant interviews, document review)	Synthesis of salient themes in discussions with stakeholders. Verification of M&E system	Sample of beneficiary households from RAS & FOCAS, sample of GoP stakeholders.	Independent consultant	PD	Midterm (year 3) Endline (year 5)	Within 1 month of field work	Within 2 months of field work

<sup>52</sup> Davies, R. (1999) An evolutionary approach to facilitating organisational learning: an experiment by the Christian Commission for Development in Bangladesh, *Impact Assessment and Project Appraisal*, 16, 3, 243-250

Logframe Ref.	DATA			PEOPLE			TIME		
	OVI/Data	Method/Tool	Analysis	Subject	Informant	Client	Capture Schedule	Analysis Schedule	Dissemination Schedule
			findings						
Development risks	Perceived social, technical, economic, ecological and political factors that may erode potential for goal attainment	'MSD' Approach (MSD Story Record Form)	Selection of most significant development risk each month; Identification of 'risk domain' (STEEP) and analysis of program-to-date trends in domain frequency	Proponent organisation project staff (subjectively assess development risks affecting ultimate beneficiaries)	(P)PO	AM	Monthly ( <i>ad hoc</i> )	Monthly	Monthly (included in Monthly Progress Report to PC)
Purpose (Effects)	Proponent organisation efficiency	Monthly Output Record forms (from a sample of proponent organisations)	Analysis of monthly and project-to-date variance in output delivery	Sample of Proponent Organisations	(P)PO	AM	Monthly	Monthly	Monthly (included in Monthly Progress Report to PC)
	Proponent organisation capacity	Organisational review survey	Periodic analysis of changes in index values for each proponent organisation	Proponent organisations	(P)PO	AM	Rolling survey approach (annual for each organisation)	Bi-annual	Bi-annual (included in Six-monthly Progress Report)
	Efficacy of PACAP aid delivery mechanisms; including relationships with proponent organisations.	Independent evaluation	Synthesis of salient themes in discussions. Verification of M&E system findings	Sample of proponent organisations from RAS & FOCAS	Independent consultant	PD	Midterm (yr 3) Endline (yr 5)	Within 1 month of field work	Within 2 months of field work

Logframe Ref.	DATA			PEOPLE			TIME		
	OVI/Data	Method/Tool	Analysis	Subject	Informant	Client	Capture Schedule	Analysis Schedule	Dissemination Schedule
Intervention risks	Observed social, technical, economic, ecological and political factors that may negatively affect the purpose	Monthly Risks Report form	Identification of 'risk domain' (STEEP) and analysis of program-to-date trends in domain frequency	Proponent organisations	(P)PO	AM	Monthly	Monthly	Monthly (included in Monthly Progress Report to PC)
Outputs	Expressions of interest screened (RAS) (Quality details: proponent organisation, location of proposed activity, date received, date completed, (P)PO assigned, action taken, sector of intervention, target beneficiaries)	Monthly Outputs Record form	Analysis of variance (planned v actual output delivery for current month and program-to-date); analysis of program-to-date trends in quality details	(P)PO	AM	PC	Capture data throughout month	Monthly	Monthly (Monthly Progress Report to PC by end of first week of each new month; Feedback Report from PC to AM/(P)PO by end of second week of each new month).

Logframe Ref.	DATA			PEOPLE			TIME		
	OVI/Data	Method/Tool	Analysis	Subject	Informant	Client	Capture Schedule	Analysis Schedule	Dissemination Schedule
Outputs	Desk appraisals conducted <b>(Quality details:</b> proposed project name, proponent organisation contact details, date received, date completed, (P)PO assigned, rating, action taken)	Monthly Outputs Record form	Analysis of variance (planned v actual output delivery for current month and program-to-date); analysis of program-to-date trends in quality details	(P)PO	AM	PC	Capture data throughout month	Monthly	Monthly (Monthly Progress Report to PC by end of first week of each new month; Feedback Report from PC to AM/(P)PO by end of second week of each new month).
Outputs	On-site appraisal visits conducted <b>(Quality details:</b> proponent organisation location, date of visit, person(s) contacted, matters arising, action taken)	Monthly Outputs Record form	Analysis of variance (planned v actual output delivery for current month and program-to-date); analysis of program-to-date trends in quality details	(P)PO	AM	PC	Capture data throughout month	Monthly	Monthly (Monthly Progress Report to PC by end of first week of each new month; Feedback Report from PC to AM/(P)PO by end of second week of each new month).

Logframe Ref.	DATA			PEOPLE			TIME		
	OVI/Data	Method/Tool	Analysis	Subject	Informant	Client	Capture Schedule	Analysis Schedule	Dissemination Schedule
Outputs	Proposals recommended to PAC (Quality details: date of PAC, Matters arising, action taken)	Monthly Outputs Record form	Analysis of variance (planned v actual output delivery for current month and program-to-date); analysis of program-to-date trends in quality details	(P)PO	AM	PC	Capture data throughout month	Monthly	Monthly (Monthly Progress Report to PC by end of first week of each new month; Feedback Report from PC to AM/(P)PO by end of second week of each new month).
Outputs	Grant agreement signed (Quality details: proponent organisation particulars, date of signing, project particulars)								

Logframe Ref.	DATA			PEOPLE			TIME		
	OVI/Data	Method/Tool	Analysis	Subject	Informant	Client	Capture Schedule	Analysis Schedule	Dissemination Schedule
Outputs	Monitoring visits conducted ( <b>Quality details:</b> date, person contacted, matters arising, recommendations made, PO responsible, mentoring provided)	Monthly Outputs Record form	Analysis of variance (planned v actual output delivery for current month and program-to-date); analysis of program-to-date trends in quality details	(P)PO	AM	PC	Capture data throughout month	Monthly	Monthly (Monthly Progress Report to PC by end of first week of each new month; Feedback Report from PC to AM/(P)PO by end of second week of each new month).
Outputs	Training facilitated ( <b>Quality details:</b> date, location, type of training, no. participants, gender participants, feedback)	Monthly Outputs Record form	Analysis of variance (planned v actual output delivery for current month and program-to-date); analysis of program-to-date trends in quality details	(P)PO	AM	PC	Capture data throughout month	Monthly	Monthly (Monthly Progress Report to PC by end of first week of each new month; Feedback Report from PC to AM/(P)PO by end of second week of each new month).

Logframe Ref.	DATA			PEOPLE			TIME		
	OVI/Data	Method/Tool	Analysis	Subject	Informant	Client	Capture Schedule	Analysis Schedule	Dissemination Schedule
Outputs	Payments disbursed ( <b>Quality details:</b> date, amount, particulars)	Monthly financial statements	Analysis of variance (planned v actual expenditure for each month and program-to-date)	Cashier	Accountant	PC	Monthly	Monthly	Monthly
Outputs	External audits conducted ( <b>Quality details:</b> date, name of auditor, findings, recommendations, response)	Monthly Outputs Record form	Analysis of variance (planned v actual output delivery for current month and program-to-date); analysis of program-to-date trends in quality details	(P)PO	AM	PC	Capture data throughout month	Monthly	Monthly (Monthly Progress Report to PC by end of first week of each new month; Feedback Report from PC to AM/(P)PO by end of second week of each new month).

Logframe Ref.	DATA			PEOPLE			TIME		
	OVI/Data	Method/Tool	Analysis	Subject	Informant	Client	Capture Schedule	Analysis Schedule	Dissemination Schedule
Outputs	Promotional activities conducted (Quality details: date, channel of promotion, target)	Monthly Outputs Record form	Analysis of variance (planned v actual output delivery for current month and program-to-date); analysis of program-to-date trends in quality details	(P)PO	AM	PC	Capture data throughout month	Monthly	Monthly (Monthly Progress Report to PC by end of first week of each new month; Feedback Report from PC to AM/(P)PO by end of second week of each new month).
Outputs	FOCAS MC training facilitated (Quality details: TBA)	Monthly Outputs Record form	Analysis of variance (planned v actual output delivery for current month and program-to-date); analysis of program-to-date trends in quality details	(P)PO	AM	PC	Capture data throughout month	Monthly	Monthly (Monthly Progress Report to PC by end of first week of each new month; Feedback Report from PC to AM/(P)PO by end of second week of each new month).

Logframe Ref.	DATA			PEOPLE			TIME		
	OVI/Data	Method/Tool	Analysis	Subject	Informant	Client	Capture Schedule	Analysis Schedule	Dissemination Schedule
Outputs	PSC training facilitated (Quality details: TBA)	Monthly Outputs Record form	Analysis of variance (planned v actual output delivery for current month and program-to-date); analysis of program-to-date trends in quality details	(P)PO	AM	PC	Capture data throughout month	Monthly	Monthly (Monthly Progress Report to PC by end of first week of each new month; Feedback Report from PC to AM/(P)PO by end of second week of each new month).
Management risks	Social, technical, economic, ecological and political reasons for negative variance in output delivery	Monthly Operations Report	Analysis of program-to-date trends in the prevalence of risks resulting in negative output variance	(P)PO	AM	PC	Monthly	Monthly	Monthly (included in Monthly Progress Report to PC)

Logframe Ref.	DATA			PEOPLE			TIME		
	OVI/Data	Method/Tool	Analysis	Subject	Informant	Client	Capture Schedule	Analysis Schedule	Dissemination Schedule
Activities	Activity completion efficiency	Monthly Activity Record form	Analysis of program-to-date trends in activities: 'completed as planned', 'retired', 'carried forward'	(P)PO	AM	PC	Monthly	Monthly	Monthly (Monthly Progress Report to PC by end of first week of each new month; Feedback Report from PC to AM/(P)PO by end of second week of each new month).

**Date**

- **OVI/Data:** derived from the indicator column of the logframe; identifies the precise piece of data required
- **Method/Tool:** defines the method or tool/instrument (e.g. survey) that will be used to capture the identified data
- **Analysis:** defines the nature of the analysis to which the captured data will be subjected in order to extract meaningful features and trends from the raw data

**People**

- **Subject:** refers to the 'subject of inquiry'; i.e. the class of human actor that will be the source of the identified data
- **Informant:** defines the role/individual within the implementation team that will be held responsible for the capture of the identified data
- **Client:** defines the stakeholder (internal and/or external) to whom the analysed data will be supplied

**Time**

- **Capture:** defines the time schedule and/or deadlines for the capture of the raw data by the person/role 'responsible'
- **Analysis:** defines the time schedule and/or deadlines for the analysis of the raw data
- **Dissemination:** defines the time schedule and/or deadlines for the dissemination of the raw data to the 'client'

## APPENDIX B: PACAP OUTPUTS

The concept of outputs can be further defined with respect to four basic elements:

- **Output type:** the qualitative nature of the deliverable (e.g. 'leadership training workshop')
- **Output beneficiary:** the description of the class of boundary partner expected to benefit directly from the output delivery (e.g. 'Women's group *leaders*')
- **Output target:** the quantitative element of the output type anticipated by the end of the project (e.g. '90 women's group leadership workshops')
- **Output details:** the information associated with each output delivery that is likely to be of management interest—quality assurance data (e.g. date of workshop, location of workshop, number of participants, topics presented, participant feedback, etc.)

The output *beneficiaries* (i.e. boundary partners) of the PACAP are the proponent organisations with whom the Secretariat interacts.

The PACAP output *types* were defined through review of the PACAP Operations Manual (procedural flow-charts) and consultations with the Secretariat. The output types represent the core functions or deliverables of the implementation team throughout the life of the program.

The output *targets* were defined in consultation with the Secretariat and in alignment with contractual obligations to AusAID. The rationale for the end-of-program output targets is:

- A total of 405 approved RAS projects (i.e. 81 per year for 5 years) and 405 approved FOCAS projects (i.e. 81 x 5 provinces) are required by the end of the program
- An estimated 40% of all RAS expressions of interest reviewed by the Secretariat will be rejected
- An estimated 20% of all proposals (RAS and FOCAS) will be rejected following site visits
- An estimated 20% of all proposals (RAS and FOCAS) recommended to the PAC will be rejected

The scheduling of monthly output targets was done in consideration of the following factors:

- **Storm season:** from June – December each year
- **An annual festival of the Saints:** For up to a week in May each year
- **Easter:** Holy week in April each year (March in 2008)
- **Christmas:** Two weeks in December each year
- **PACAP Annual Planning Workshop:** One week in February each year

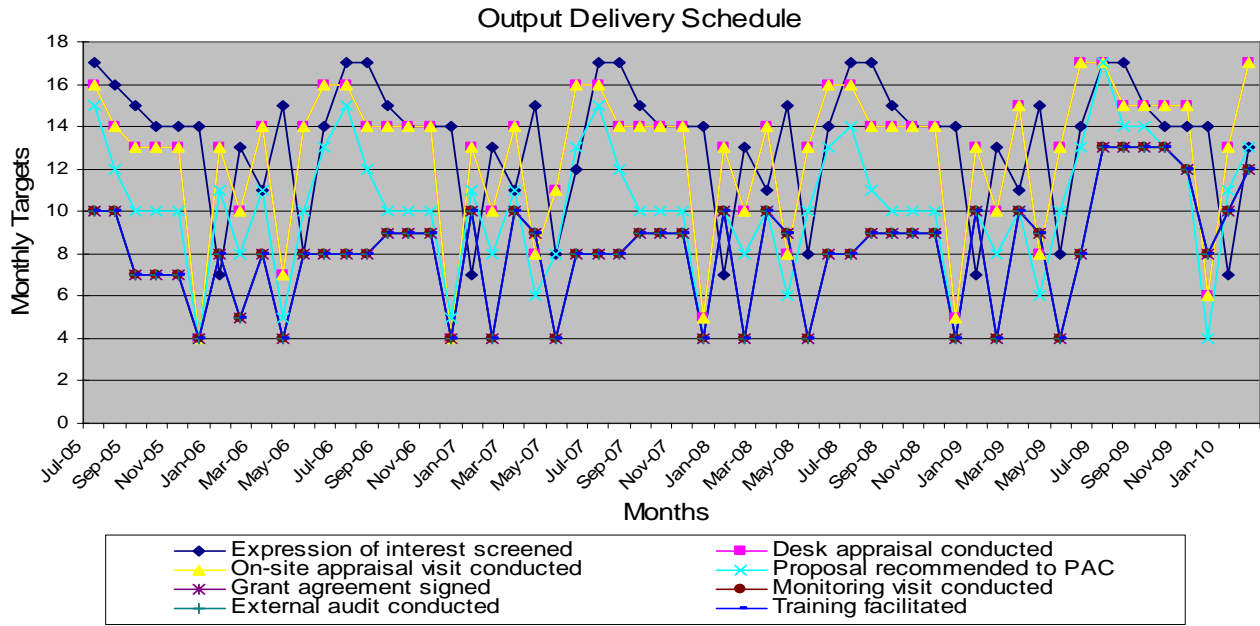
- **National elections:** One week in May 2007
- Given weekends, public holidays, staff holidays and an allowance for contingencies, a total number of 142 work days per year was estimated.

The output types and monthly targets defined by the Secretariat are presented in the table below<sup>53</sup>.

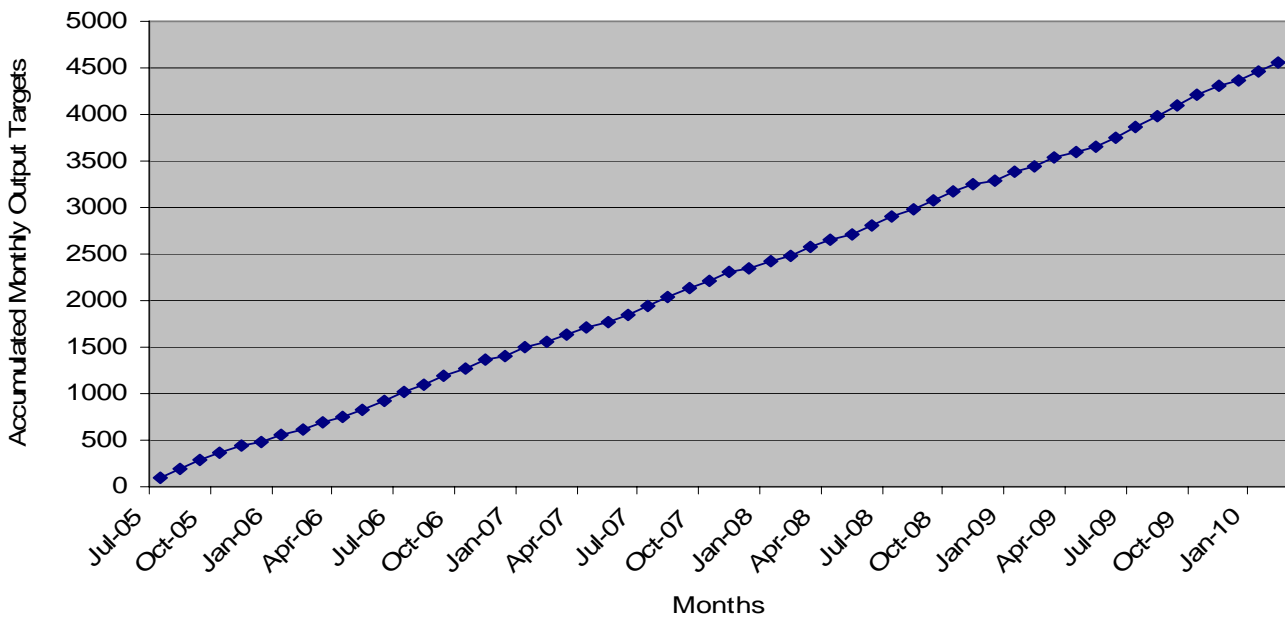
Output Type	Expression of interest screened	Desk appraisal conducted	On-site appraisal visit conducted	Proposal recommended to PAC	Grant agreement signed	Monitoring visit conducted	External audit conducted	Training facilitated	Payments disbursed	Media promotions	PAC meeting	PAC training/workshop	Donor networking	FOCAS MC meeting	FOCAS MC training/workshop	PSC meeting	PSC training/workshop
Month																	
Jul-05	17	16	16	15	10	10	10	10									
Aug-05	16	14	14	12	10	10	10	10									
Sep-05	15	13	13	10	7	7	7	7									
Oct-05	14	13	13	10	7	7	7	7									
Nov-05	14	13	13	10	7	7	7	7									
Dec-05	14	4	4	4	4	4	4	4									
Jan-06	7	13	13	11	8	8	8	8									
Feb-06	13	10	10	8	5	5	5	5									
Mar-06	11	14	14	11	8	8	8	8									
Apr-06	15	7	7	5	4	4	4	4									
May-06	8	14	14	10	8	8	8	8									
Jun-06	14	16	16	13	8	8	8	8									
Jul-06	17	16	16	15	8	8	8	8									
Aug-06	17	14	14	12	8	8	8	8									
Sep-06	15	14	14	10	9	9	9	9									
Oct-06	14	14	14	10	9	9	9	9									
Nov-06	14	14	14	10	9	9	9	9									
Dec-06	14	4	4	5	4	4	4	4									
Jan-07	7	13	13	11	10	10	10	10									
Feb-07	13	10	10	8	4	4	4	4									
Mar-07	11	14	14	11	10	10	10	10									
Apr-07	15	8	8	6	9	9	9	9									
May-07	8	11	11	8	4	4	4	4									
Jun-07	12	16	16	13	8	8	8	8									
Jul-07	17	16	16	15	8	8	8	8									
Aug-07	17	14	14	12	8	8	8	8									
Sep-07	15	14	14	10	9	9	9	9									
Oct-07	14	14	14	10	9	9	9	9									
Nov-07	14	14	14	10	9	9	9	9									
Dec-07	14	5	5	4	4	4	4	4									
Jan-08	7	13	13	10	10	10	10	10									
Feb-08	13	10	10	8	4	4	4	4									

<sup>53</sup> N.B. There are no output targets for the final nine columns. The number of 'Payments disbursed' will be determined by the number of milestones defined for proponent projects, and the remaining 8 outputs are event driven in nature.

Output Type Month	Expression of interest screened	Desk appraisal conducted	On-site appraisal visit conducted	Proposal recommended to PAC	Grant agreement signed	Monitoring visit conducted	External audit conducted	Training facilitated	Payments disbursed	Media promotions	PAC meeting	PAC training/workshop	Donor networking	FOCAS MC meeting	FOCAS MC training/workshop	PSC meeting	PSC training/workshop
Mar-08	11	14	14	10	10	10	10	10									
Apr-08	15	8	8	6	9	9	9	9									
May-08	8	13	13	10	4	4	4	4									
Jun-08	14	16	16	13	8	8	8	8									
Jul-08	17	16	16	14	8	8	8	8									
Aug-08	17	14	14	11	9	9	9	9									
Sep-08	15	14	14	10	9	9	9	9									
Oct-08	14	14	14	10	9	9	9	9									
Nov-08	14	14	14	10	9	9	9	9									
Dec-08	14	5	5	4	4	4	4	4									
Jan-09	7	13	13	10	10	10	10	10									
Feb-09	13	10	10	8	4	4	4	4									
Mar-09	11	15	15	10	10	10	10	10									
Apr-09	15	8	8	6	9	9	9	9									
May-09	8	13	13	10	4	4	4	4									
Jun-09	14	17	17	13	8	8	8	8									
Jul-09	17	17	17	17	13	13	13	13									
Aug-09	17	15	15	14	13	13	13	13									
Sep-09	15	15	15	14	13	13	13	13									
Oct-09	14	15	15	13	13	13	13	13									
Nov-09	14	15	15	12	12	12	12	12									
Dec-09	14	6	6	4	8	8	8	8									
Jan-10	7	13	13	11	10	10	10	10									
Feb-10	13	17	17	13	12	12	12	12									
<b>TOTAL</b>	<b>744</b>	<b>712</b>	<b>712</b>	<b>570</b>	<b>457</b>	<b>457</b>	<b>457</b>	<b>457</b>									



### Total Accumulated Outputs



The output *details* that correspond to each of the defined output types are presented in the following table. This information is necessary for quality assurance purposes.

Output Type	Output Details <sup>54</sup>
Expression of Interest screened (RAS)	<ul style="list-style-type: none"> <li>▪ Proponent organisation name</li> <li>▪ Proposed project location</li> <li>▪ Date EoI received</li> <li>▪ Date EoI review completed</li> <li>▪ PO assigned</li> <li>▪ Action taken (rejected, progressed to appraisal, referred to other donor)</li> <li>▪ Sector of intervention</li> <li>▪ Target beneficiaries</li> </ul>
Desk appraisal conducted	<ul style="list-style-type: none"> <li>▪ Proposed project name</li> <li>▪ Proponent organisation contact details</li> <li>▪ Date proposal was received</li> <li>▪ Date proposal appraisal was completed</li> <li>▪ PO assigned</li> <li>▪ Proposal rating (1 – 27)</li> <li>▪ Action taken (rejected, further development)</li> </ul>
On-site appraisal visit conducted	<ul style="list-style-type: none"> <li>▪ Proponent organisation location</li> <li>▪ Date of site visit</li> <li>▪ Person(s) contacted</li> <li>▪ Matters arising</li> <li>▪ Action taken (rejected, project appraisal report (PAR) drafted)</li> </ul>
Proposal recommended to PAC	<ul style="list-style-type: none"> <li>▪ Date of PAC</li> <li>▪ Matters arising</li> <li>▪ Status (approved, disapproved, redesigned)</li> </ul>
Grant agreement signed	<ul style="list-style-type: none"> <li>▪ Date of signing</li> <li>▪ Proponent organisation particulars (contract details: name/position of signatories etc.)</li> <li>▪ Project particulars (contract details: milestones, tranche schedules, budget, collaborating LGU etc.)</li> </ul>
Monitoring visit conducted	<ul style="list-style-type: none"> <li>▪ Date of visit</li> <li>▪ Person(s) contacted</li> <li>▪ Matters arising</li> <li>▪ Recommendations made</li> <li>▪ PO responsible</li> <li>▪ Mentoring (ad hoc training) provided</li> </ul>
Training facilitated	<ul style="list-style-type: none"> <li>▪ Date of training</li> <li>▪ Location of training</li> <li>▪ Name of trainer</li> <li>▪ Type of training (financial management system, other)</li> <li>▪ Number of participants</li> <li>▪ Gender of participants</li> <li>▪ Participant feedback/assessment</li> </ul>
Payments disbursed	<ul style="list-style-type: none"> <li>▪ Date of disbursement</li> <li>▪ Amount of disbursement</li> <li>▪ Remarks/particulars</li> </ul>
External audit conducted	<ul style="list-style-type: none"> <li>▪ Date audit completed</li> <li>▪ Name of auditor</li> <li>▪ Findings</li> <li>▪ Recommendations</li> <li>▪ Proponent organisation response</li> </ul>
Media promotions	<ul style="list-style-type: none"> <li>▪ Date of promotional activity</li> <li>▪ Channel of promotional activity (formal meeting, media etc.)</li> <li>▪ Target of promotional activity</li> </ul>
PAC meeting	<ul style="list-style-type: none"> <li>▪ Number of members present</li> <li>▪ Name of PPO attending</li> <li>▪ Key agenda</li> <li>▪ Notes/issues</li> </ul>

<sup>54</sup> The output details associated with each output type are aggregative. This means that as a particular project progresses through the PACAP cycle the data about each project/proponent organization builds.

Output Type	Output Details <sup>54</sup>
PAC training/workshop	<ul style="list-style-type: none"> <li>▪ Name of trainer</li> <li>▪ Type of training</li> <li>▪ Number of participants</li> <li>▪ Number of female participants</li> <li>▪ Participant feedback/assessment</li> </ul>
Donor networking	<ul style="list-style-type: none"> <li>▪ Name of PPO</li> <li>▪ Name of donor organisation</li> <li>▪ Notes</li> </ul>
FOCAS MC meeting	<ul style="list-style-type: none"> <li>▪ Number of members present</li> <li>▪ Name of PACAP staff member attending</li> <li>▪ Key agenda</li> <li>▪ Notes/issues</li> </ul>
FOCAS MC training/workshop	<ul style="list-style-type: none"> <li>▪ Name of trainer</li> <li>▪ Type of training</li> <li>▪ Number of participants</li> <li>▪ Number of female participants</li> <li>▪ Participant feedback/assessment</li> </ul>
PSC meeting	<ul style="list-style-type: none"> <li>▪ Number of members present</li> <li>▪ Name of PPO attending</li> <li>▪ Key agenda</li> <li>▪ Notes/issues</li> </ul>
PSC training/workshop	<ul style="list-style-type: none"> <li>▪ Name of trainer</li> <li>▪ Type of training</li> <li>▪ Number of participants</li> <li>▪ Number of female participants</li> <li>▪ Participant feedback/assessment</li> </ul>

## APPENDIX C: PROPONENT ORGANISATION REVIEW TOOL

## (DRAFT2) PROPONENT ORGANISATION CAPACITY REVIEW

**ADMIN**

Date	Day		Month		Year	
Name of Reporting Agent						
Name of Respondent						
Position of Respondent						
Name of Proponent Organisation						
Location of Proponent Organisation	Province					
	Municipality					
	Barangai					

1 = Consistently failed to meet expectations  
 2 = Occasionally failed to meet expectations  
 3 = Consistently met expectations  
 4 = Occasionally exceeded expectations  
 5 = Consistently exceeded expectations

In the past year, the proponent organisation has demonstrated...

	1	2	3	4	5
1 clearly articulated/documented strategic direction	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2 unified direction/shared aims	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3 leadership with credibility/capacity to perform their roles	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4 leaders with integrity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5 a stable human resource base	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6 staff with technical competence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7 control of sufficient assets to ensure successful outcomes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8 solvency (cashflow)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9 active engagement/collaboration within sector networks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10 commitment to staff development	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
11 rigorous financial controls	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
12 effective administrative procedures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
13 appropriate governance and decision-making procedures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
14 clear structures and internal communication channels	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
15 a commitment to poverty reduction	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
16 a constructive work ethic	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
17 active engagement and empathy with beneficiaries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
18 timely submission of required documentation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
19 provision of high-quality information when required	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
20 ability to promote community ownership of project initiatives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
21 creative use of staff incentives	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

## APPENDIX D: RISK MANAGEMENT PLAN

This revised risk analysis for PACAP is derived from three sources of information:

- The original Risk Matrix submitted with the Project Design Document
- Additional risk analysis subsequently (7 April 2005) prepared in response to ANAO concerns that PACAP funds may be diverted to: i) support terrorist organisations; ii) support illegal activism; iii) allow fraudulent use of funds; iv) support groups or individuals involved in sexual exploitation of minors
- An additional review of risks carried out in a workshop with the PACAP Secretariat field staff on 25 April, 2005.

These three sources of risk information have been organised using a conceptual framework that aligns with the data identification framework applied in this M&E Framework (see Figure 6)<sup>55</sup>.

As noted in Section 2.1, PACAP may be understood in terms of a three-stage 'theory of change' model that recognises three broad classes of human actor: the implementation team (PACAP Secretariat), the boundary partners (proponent organisations) and the ultimate beneficiaries (communities and households within PACAP-targeted areas). Within this 'interpretist' perspective, risks may be understood as events that may transpire and have an impact on each of these three classes of human actor, thereby adversely affecting program performance:

- **Management Risks:** impact on the PACAP Secretariat, and their ability to *manage* the program as planned
- **Intervention Risks:** impact on the proponent organisations, and their ability to successfully *intervene* in target communities using PACAP resources
- **Development Risks:** impact on the ultimate beneficiaries and the extent to which the anticipated sustainable *developments* emerge.

To ensure that analysis of the risk events within each of these three classes of risk is comprehensive, the 'STEEP' typology of risks was used. The STEEP mnemonic<sup>56</sup> helps to identify the logical possibilities of risks likely at each stage of the change process:

- **Social:** socio-cultural norms that may inhibit participation in, or adoption of, program initiatives
- **Technical:** factors affecting the *quality* of resources required for success
- **Economic:** factors affecting the *quantity* of resources required for success

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<sup>55</sup> In extending the 'ripple metaphor' of social change (see Figure 1), risks may be understood as the reasons why the ripple diminishes the further it moves from the source. That is, the risks represent the loss of 'energy' from the system.

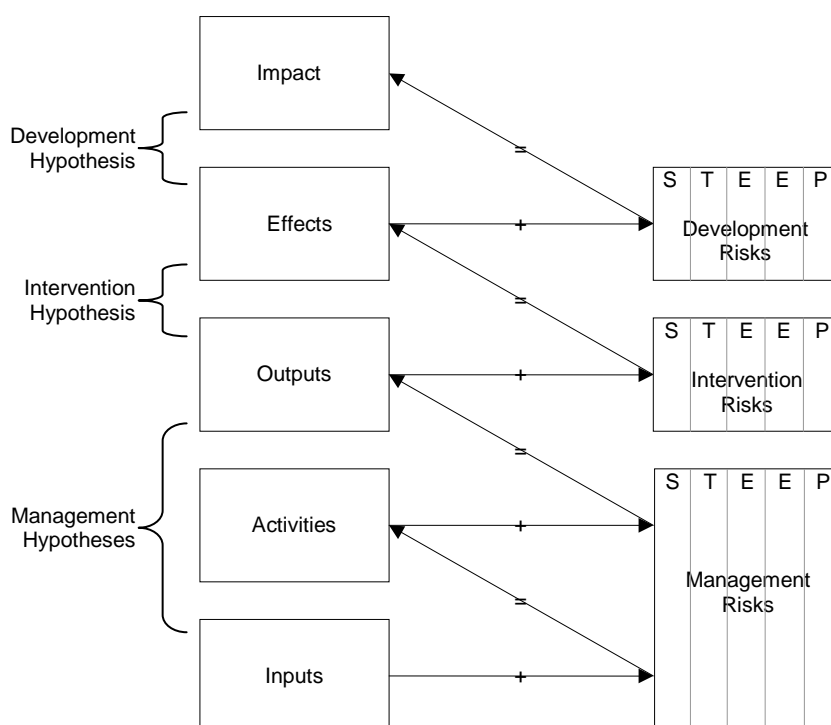
<sup>56</sup> STEEP: Social, Technical, Economic, Ecological, Political.

- **Ecological:** environmental externalities that may affect program success
- **Political:** relational factors between various stakeholders that may affect program performance

The relationship between the three ‘classes’ of risk and the five STEEP ‘domains’ is summarised in the matrix below.

Risk Domain \ Risk Class	S	T	E	E	P
<b>Development Risks</b> affect the extent to which the <i>ultimate beneficiaries</i> will...	accommodate the innovation(s) within social norms	control the quality of resources required to sustain the innovation(s)	command sufficient resources to sustain the innovation(s) adopted	adopt the innovation without destructive ecological impact	engender sufficient political support for the innovation(s) adopted
<b>Intervention Risks</b> affect the likelihood that <i>boundary partners</i> will...	adopt the innovation(s) promoted by the programme	control the quality of resources required to adopt the innovation(s)	command sufficient resources to adopt the innovation(s) promoted	accommodate environmental factors that affect adoption	engender supportive community relationships
<b>Management Risks</b> affect the ability of the <i>implementation team</i> to...	mobilise boundary partner participation in the programme	control the quality of project resources deployed	implement the planned activities with the resources budgeted	accommodate environmental factors that affect implementation	engender enabling internal & external relationships

This thinking can be applied within the data identification framework used in this M&E system by extending the logic model presented in Figure 6 as shown below.



The following revised risk matrix synthesises the three previous risk analyses within the foregoing conceptual framework and presents this in the AusAID Risk Management format.

<i>Class</i>	<i>Risks</i>	<i>Potential Adverse Impact on the Project</i>	<i>Likelihood</i>	<i>Impact</i>	<i>Risk</i>	<i>Risk Management Strategy</i>	<i>Responsibility</i>
<b>MANAGEMENT RISKS</b>							
<b>Social</b>	PACAP staff are not sensitive to target community socio-cultural dynamics (language, gender, tribal hierarchy, religion etc.)	Level of community engagement is less than anticipated	L	M	2	Recruit staff with demonstrated appreciation for local contexts	MC
	PACAP guidelines are in conflict with cultural context (e.g. micro finance, gender, customary law)	Level of community engagement is less than anticipated	L	M	2	PAC to provide important quality assurance	PAC
	PACAP is unable to engage sufficient proponent organisations with the required capacity in target areas	PACAP fails to meet its design targets (50% FOCAS & 50% RAS) and risks not expending its budget	M	L	2	1. PACAP shifts emphasis to activities focused on building local proponent capacity. 2. PACAP seeks proposals from current partners to undertake activities and build capacity in new target areas. 3. PACAP maintains expenditure through support to non-target but priority activities approved by the PAC.	MC PAC
	A saturation of donors in the target areas makes it difficult to engage sufficient proponent organisations	PACAP fails to meet its design targets (50% FOCAS & 50% RAS) and risks not expending its budget	L	M	2	Participate in small grants donor coordination forums PSC to ensure appropriate coordination of donors	MC PSC
<b>Technical</b>	PACAP staff are overworked and unable to perform their functions to the required standard	PACAP fails to meet its design targets (50% FOCAS & 50% RAS) and risks not expending its budget	H	H	5	Conduct regular performance reviews Maintain organizational culture of dialogue Annual quality reviews to assess maintenance of work standards	MC
	PAC & PSC members are too busy to engage in PACAP to the extent required	The roles of the PAC and PSC are delayed or undermined leading to discontent and program disruption	M	M	3	1. The PACAP Secretariat will support to the PAC and PSC and ensure they have adequate resources. 2. Time commitment of PAC and PSC membership are clearly identified and communicated with potential members before appointment. 3. Travel, accommodation and incidental costs of the PAC members are met by the program.	AusAID/MC
	Suitable office facilities and resources are unavailable (in	Mobilisation of the PACAP Secretariat will be severely impeded.	L	H	3	1. Current PACAP Secretariat canvases office possibilities prior to mobilisation of new MC.	AusAID MC

<i>Class</i>	<i>Risks</i>	<i>Potential Adverse Impact on the Project</i>	<i>Likelihood</i>	<i>Impact</i>	<i>Risk</i>	<i>Risk Management Strategy</i>	<i>Responsibility</i>
	Manila and target provinces)					2. AusAID allocates sufficient time for the MC to identify and establish an office during transition.	
	Appropriate operating procedures and manuals to guide PACAP staff are not produced	Inadequate understanding of financial, planning and management information system requirements delay the project approval process and impact on project outcomes.	M	H	4	1. Sufficient effort and resources dedicated to the PACAP Operations Manual to ensure it is coherent, simple and accessible. 2. Staff receive substantial training	MC
	PACAP staff are inadequately trained in the use of operating procedures and systems	PACAP fails to meet its design targets (50% FOCAS & 50% RAS) and risks not expending its budget	M	H	4	Conduct regular performance reviews Maintain organizational culture of dialogue Annual quality reviews to assess maintenance of work standards	MC
	There is inadequate consultation on the development of planning, M&E and quality assurance procedures	That project partners do not demonstrate ownership of the program and provide limited feedback on performance.	M	H	4	The MC will develop consultative procedures with the major stakeholders during Phase 1.	MC PAC PSC Activity partners.
	PACAP staff lack the required skills in community organisation and mobilisation, project development and community development	Quality of projects recommend to PAC is poor, and consequently, grant budget is not expended	M	H	4	Conduct regular performance reviews Maintain organizational culture of dialogue Annual quality reviews to assess maintenance of work standards Actively involve PAC in technical appraisal	MC PAC
	PACAP staff lack the necessary technical knowledge (e.g. watsan, micro-finance, development trends etc.)	Quality of projects recommend to PAC is poor, and consequently, grant budget is not expended	M	M	3	Conduct regular performance reviews Maintain organizational culture of dialogue Annual quality reviews to assess maintenance of work standards Actively involve PAC in technical appraisal	MC PAC
	Technology/infrastructure in the field is inadequate to enable timely progress by PACAP staff (e.g. weak telecommunications, power outages, unreliable transport etc.)	PACAP falls behind planned progress targets, and consequently, grant budget is not expended	H	M	4	Conduct regular performance reviews Maintain organizational culture of dialogue Annual quality reviews to assess maintenance of work standards	MC

<i>Class</i>	<i>Risks</i>	<i>Potential Adverse Impact on the Project</i>	<i>Likelihood</i>	<i>Impact</i>	<i>Risk</i>	<i>Risk Management Strategy</i>	<i>Responsibility</i>
	The demands of the role (and the challenges in the field) are such that it is difficult for PACAP to attract and retain staff with the required capacity	1. New staff will have to be recruited and trained. 2. Project momentum will be lost. 3. Partner confidence in PACAP management will diminish.	M	H	4	AusAID needs to determine the intentions of PACAP staff well before project start-up and commence recruitment of temporary officers if required.	AusAID
	Novated activity contracts do not align with the strategic or geographic focus of the program	1. PACAP flexibility and capacity to meet its strategic targets is reduced due to ongoing non-strategic contractual obligations. 2. Partner organisations feel let down or threatened by the anticipated withdrawal of contracted or in-principal commitments.	H	L	3	1. The new MC will discuss the situation with all partners and develop exit strategies for those activities considered redundant. 2. The PAC will arbitrate in this process and approve the exit strategy. In many cases this may commit PACAP to some ongoing support. 3. The MC will discuss these ongoing commitments with the PAC and AusAID and ensure the strategic framework (and expectations) are adjusted.	MC PAC Partner AusAID
Economic	PACAP staff are under-resourced and unable to perform their functions	Quality of projects recommend to PAC is poor, and consequently, grant budget is not expended	L	H	3	Conduct regular performance reviews Maintain organizational culture of dialogue Annual quality reviews to assess maintenance of work standards	MC
	The outsourcing of PACAP management results in higher-than-expected administrative and management costs	The amount of funding for development activities is reduced.	H	M	4	1. Ensure the design reflects an appropriate management component for the size, scope and nature of PACAP 2. Ensure sufficient allowance for increased costs of external management in the design 3. Ensure that value for money is stressed in the tender 4. Identify efficiency gains and savings through external management	AusAID Managing Contractor
	Significant unforeseen expenses arise	Outsourced PACAP administration becomes unviable	M	M	3	Implement strict financial management processes Maintain regular communication with AusAID on expenditure	MC
	Funding levels over the life of PACAP are not maintained at the expected levels	1. PACAP supports a wide range of partners and funding shortfalls will have a significant impact on the quality of PACAP	M	H	4	1. PACAP multi-year funding commitments (predominantly AFAs) must be agreed by AusAID upfront.	AusAID MC

<i>Class</i>	<i>Risks</i>	<i>Potential Adverse Impact on the Project</i>	<i>Likelihood</i>	<i>Impact</i>	<i>Risk</i>	<i>Risk Management Strategy</i>	<i>Responsibility</i>
		Secretariat support and partner capability to continue with their project activities. 2. PACAP fixed costs will increase relative to the funds expended on activities and undermine value for money expectations				2. The PACAP pipeline must be approved by AusAID in the Annual Plan. 3. AusAID must provide as much lead time as practical if funding restrictions are envisaged. 4. If permanent changes to PACAPs funding expectations are envisaged then the contractor must negotiate amendments with AusAID to ensure overhead costs are appropriate to funds managed.	
	The available funding is insufficient to support the necessary staff numbers required to achieve program targets	PACAP falls behind planned progress targets, and consequently, grant budget is not expended	M	H	4	Implement strict financial management processes Maintain regular communication with AusAID on expenditure	MC
	Honorariums and associated budgets for governance committees (PAC, PSC, FOCAS MC) are deemed to be insufficient	Level of commitment and engagement of governance stakeholders is less than required, and consequently, the quality of decisions is poor	M	H	4	Engage individuals committed to community development Ensure transparency RE budgeted resources Maintain culture of open dialogue with stakeholders Implement strict financial management processes	MC
	Proponent organisations fail to deliver counterpart contributions (33%)	Project approval rate falls behind targets, and consequently, grant budget is not expended	L	M	2	Ensure thorough pre-funding organization appraisal	MC
<b>Ecological</b>	Typhoons and other natural disasters affect PACAP staff access to target areas	PACAP falls behind planned progress targets, and consequently, grant budget is not expended	H	M	4	Plan annual work schedule in consideration of environmental factors	MC
	Controversial environmental issues (eg. mining) affect PACAP progress	PACAP becomes involved in complex political and social dialogue	L	M	2	Ensure thorough pre-funding project appraisal Ensure full engagement of PSC and PAC	MC PSC PAC
<b>Political</b>	Program administration is affected by conflict and civil disorder	PACAP falls behind planned progress targets, and consequently, grant budget is not expended	M	M	3	Maintain strong communication channels with proponent organizations and local authorities	MC
	Poor relationships and frequent	Disputes over management authority and	M	H	4	1. That the roles and responsibilities of PACAP	Secretariat

<i>Class</i>	<i>Risks</i>	<i>Potential Adverse Impact on the Project</i>	<i>Likelihood</i>	<i>Impact</i>	<i>Risk</i>	<i>Risk Management Strategy</i>	<i>Responsibility</i>
	misunderstandings over management and implementation issues develop between the PACAP Secretariat and PSCs or FOCAS MCs	overall direction of PACAP will impede implementation and impact on outcomes.				Secretariat and Management Committees are clearly defined. 2. PACAP Secretariat briefs the Program Director and PAC on a regular basis. 3. PSCs, AFAMC and Secretariat recognise the authority of PAC. 4. PAC acts promptly to resolve any outstanding issues.	PAC PSC FMC
	The strategic guidance framework is not endorsed and supported by all stakeholders	That the program focus is captured by the sectional interests of selected partners limiting the scope for program innovation.	M	M	3	That the MC and PAC ensure that the various PACAP stakeholders are given ample opportunity to respond to the draft Strategic Framework and Annual Plan	MC PAC
	PACAP is accused of lack of transparency or favouritism in activity approval processes	PACAP loses credibility with potential and current partner organisations, and stakeholders	M	M	3	1. PACAP Operating procedures are reviewed and made accessible to all. 2. PAC, not the PACAP Secretariat makes and documents all approval decisions 3. Immediate discussions held with disaffected parties to discuss their concerns, investigate allegations, and explain procedures	PAC MC
	The PACAP Director and new PACAP Team are not sensitive to the history and nature of PACAP, the multi-stakeholder dimensions of the program, or the linked role of civil society and government in the Philippines	PACAP brings a wealth of experience and credibility. The Philippines has a strong civil society sector. A weak and/or inexperienced team leader is likely to not foster the achievements already made and be continuously challenged by project partners including government.	M	H	4	1. Contractor selection and proposed PACAP management team must reflect a solid appreciation of Philippine institutions and civil society, and build on the strengths of PACAP. 2. Where possible current staff should be adopted by the new MC	AusAID MC
	Management Committees (PAC, PSC or FOCAS MC) have insufficient partner and stakeholder representation	If the PAC, PSCs or AFAMCs are not seen as representative of partner and stakeholder interests their authority, findings, transparency, and recommendations are likely to be more open to challenge.	M	M	3	The MC must ensure that there is adequate PACAP partner and stakeholder representation on the various Management Committees	AusAID MC

<i>Class</i>	<i>Risks</i>	<i>Potential Adverse Impact on the Project</i>	<i>Likelihood</i>	<i>Impact</i>	<i>Risk</i>	<i>Risk Management Strategy</i>	<i>Responsibility</i>
	Intervention by politicians in PACAP administration politicises the program		M	M	3	Install rigorous governance and decision-making processes at all levels Promote culture of transparency and dialogue	MC PSC PAC
	Insecurity in target areas and harassment of PACAP staff (e.g. demands for 'Revolutionary Tax' payments) hampers program progress	PACAP staff become stressed and demotivated	M	M	3	Provide strong management support for staff Maintain culture of dialogue Engage full support of PSCs and FOCAS MCs in managing community relationships	MC PSC FOCAS MC
	Disrupted peace processes in conflict areas affect program performance (e.g. travel bans)	PACAP falls behind planned progress targets, and consequently, grant budget is not expended	M	M	3	Maintain strong communication channels with proponent organizations and local authorities	MC
	Election-related violence hampers program progress	PACAP falls behind planned progress targets, and consequently, grant budget is not expended	M	M	3	Monitor local security situation. Maintain strong communication channels with proponent organizations and local authorities.	MC FMC PSC
	A PACAP supported organisation (or their boards, elected officials or constituents) is found to be directly or indirectly (e.g. ideologically) linked with terrorist organizations	PACAP reputation suffers and it loses credibility	L	H	3	Effective screening of proponents incorporated into PACAP's Operations Manual. Screening can include registration confirmation, cross referencing lists, conferring with networks, interviewing local informants/referees, and media monitoring. Develop, maintain, publish, and circulate, a list of PACAP partner organisations, their Boards, and their elected officials. Ongoing vigilance by PACAP, PAC/PSC and the Australian Embassy to identify emerging or unknown affiliations (including regular monitoring of media, GOP/GOA security reports, and official UN listings).	AMC PAC/PSC AusAID Australian Embassy
	A PACAP supported organisation actively opposes GOP and/or GOA development interests (eg mining, logging etc.)	GOA/GOP criticism of PACAP; Loss of credibility and donor support; Political impact.	M	H	4	Strengthen initial screening and appraisal of projects to confirm project intentions, especially when the project supports advocacy in sensitive areas. Halt funding and enter immediate negotiations to substantiate allegations, and redirect the project's advocacy component to the original design intentions. In cases of flagrant misrepresentation of the projects	AMC PAC / PSC AusAID

<i>Class</i>	<i>Risks</i>	<i>Potential Adverse Impact on the Project</i>	<i>Likelihood</i>	<i>Impact</i>	<i>Risk</i>	<i>Risk Management Strategy</i>	<i>Responsibility</i>
						original intentions, cancel the project and seek reimbursement of funds.	
	A PACAP supported advocacy project polarizes debate in "sensitive" sectors (e.g. mining, logging, family planning, plantation agriculture, Muslim education, corruption)	Minimal likelihood of reaching accommodations due to strongly entrenched views; Escalates the conflict and divisions relating to an issue; Information provided by the project fails to present a balanced argument.	M	H	4	Strengthen initial screening and appraisal of projects to confirm project intentions, especially when the project supports advocacy in sensitive areas; Ensure that both sides of a contentious issue have the opportunity to comment on future PACAP proposals (and are involved as partners if possible); Halt funding and enter immediate negotiations to substantiate allegations, and redirect the project's advocacy component to the original design intentions; Ensure future projects focus on information, dialogue and thinking that empowers (rather than polarises) the debate.	AMC PAC / PSC AusAID
	PACAP secretariat staff misuse their authority or PACAP assets and resources	Credibility of the AMC and PACAP is tarnished	L	H	3	Establish and communicate a clear Code of Conduct for PACAP staff; Undertake regular training, supervision, and spot checking of operational procedures and staff conduct; Undertake regular audits (including stakeholder feedback) of operational compliance; In cases of a serious breach of staff conduct undertake disciplinary action or dismissal.	AMC PSC/PAC
<b>INTERVENTION RISKS</b>							
<b>Social</b>	Proponent organisations fail to identify culturally acceptable interventions (e.g. conflict with cultural and religious taboos)	Level of engagement with ultimate beneficiaries impaired, and consequently performance of program affected	M	H	4	Ensure adherence to rigorous project appraisal processes Engage PAC in active quality assurance of project designs	MC PAC
	Planned activities clash with cultural or religious calendars	Level of engagement with ultimate beneficiaries impaired, and consequently performance of program affected	M	L	2	Ensure adherence to rigorous project appraisal processes Engage PAC in active quality assurance of project designs	MC PAC
	Proponent organisations fail to appreciate gender issues	Quality of development interventions eroded	H	M	4	Ensure adherence to rigorous project appraisal processes	MC PAC

<i>Class</i>	<i>Risks</i>	<i>Potential Adverse Impact on the Project</i>	<i>Likelihood</i>	<i>Impact</i>	<i>Risk</i>	<i>Risk Management Strategy</i>	<i>Responsibility</i>
						Engage PAC in active quality assurance of project designs Provide opportunities for gender awareness training for proponent organizations	
	Proponent organisations implement inadequate social preparation (project orientation, community mobilisation etc.)	Level of engagement with ultimate beneficiaries impaired, and consequently performance of program affected	M	H	4	Ensure adherence to rigorous project appraisal processes Engage PAC in active quality assurance of project designs	MC PAC
Technical	Proponent organisation staff are inadequately trained in the use of PACAP operating procedures and systems	Project administration weak, and consequently quality more PACAP time/resources consumed	H	H	5	Provide training for proponent organizations	MC
	Proponent organisations lack access to information relevant to project performance (current research, technical information etc.)	Quality of development interventions eroded	H	M	4	Provide technical advice and resources as required Facilitate networking between proponent organizations and FOCAS MCs	MC
	Proponent organisation staff lack the required levels of literacy and documentation skills for project performance	Project administration weak, and consequently quality more PACAP time/resources consumed	M	M	3	Ensure rigorous organizational review at appraisal stage Facilitate opportunities for training as appropriate	MC
	Proponent organisations lack reasonable computer infrastructure	Quality of project documentation poor	H	M	4	Ensure rigorous organizational review at appraisal stage Facilitate opportunities for training as appropriate	MC
	Proponent organisations are unable to source necessary equipment or technical resources required to implement project design	Quality of development interventions eroded	M	M	3	Ensure rigorous organizational review at appraisal stage Facilitate networking between proponent organizations and FOCAS MCs	MC
	Proponent organisation staff lack the necessary technical skills to implement the project design	Quality of development interventions eroded	M	H	4	Ensure rigorous organizational review at appraisal stage Facilitate opportunities for training as appropriate	MC

<i>Class</i>	<i>Risks</i>	<i>Potential Adverse Impact on the Project</i>	<i>Likelihood</i>	<i>Impact</i>	<i>Risk</i>	<i>Risk Management Strategy</i>	<i>Responsibility</i>
	Delivery of services in remote target areas proves more difficult than anticipated	Projects fall behind schedule	M	M	3	Ensure adherence to rigorous project appraisal processes	MC
	Weak leadership and organisational governance affects project performance	Project administration weak, and consequently quality more PACAP time/resources consumed	M	H	4	Ensure rigorous organizational review at appraisal stage Facilitate opportunities for training as appropriate Engage PAC in active quality assurance of project designs	MC PAC
Economic	Contingencies arise that over-extend approved project budgets	Extent of program impact reduced	H	M	4	Ensure compliance with financial reporting protocols by proponents. Facilitate mitigation planning or redesign of proponent projects as required.	MC
	Proponent organisations misappropriate PACAP funds	Reputation and credibility of the program suffers.	L	L	1	Immediately halt all funds flow, undertake (or review) an audit, report the breach to the authorities, and implement measures to redeem the funds; Implement and regularly review PACAP's standard financial control mechanisms, including financial audits, and "blacklisting" of institutions where breaches have occurred.	AMC
	Proponent organisations are obliged to make 'unofficial' payments (e.g. tithing, 'revolutionary tax' to insurgents etc.)	Reputation and credibility of the program suffers; Reinforces a culture of poor management.	M	M	3	Provide training for proponent organizations and ensure thorough understanding of grant recipient obligations Promote culture of transparent dialogue Engage support of PSC and local authorities in managing broader perception	MC PSC
	Proponent organisations misuse project assets and resources for non-project activities	Reputation and credibility of the program suffers; Reinforces a culture of poor management.	L	L	1	Undertake regular Process Audits; Implement and regularly review PACAP's standard procedures as outlined in the Operations Manual; Consider "blacklisting" of institutions where breaches have occurred.	AMC

<i>Class</i>	<i>Risks</i>	<i>Potential Adverse Impact on the Project</i>	<i>Likelihood</i>	<i>Impact</i>	<i>Risk</i>	<i>Risk Management Strategy</i>	<i>Responsibility</i>
Ecological	Typhoons and other natural disasters affect proponent organisation implementation activities in target areas	Projects fall behind schedule	H	M	4	Ensure adherence to rigorous project appraisal processes Encourage rigorous risk assessment at planning stage	MC
	Inadequate risk assessment causes negative environmental impact	Quality of development interventions eroded Reputation and credibility of the program suffers	M	M	3	Ensure adherence to rigorous project appraisal processes Encourage rigorous risk assessment at planning stage Engage PAC in active quality assurance of project designs	MC PAC
	Project target areas prove to be inaccessible (e.g. rough terrain, flooding etc.)	Projects fall behind schedule Quality of development interventions eroded	M	M	3	Ensure adherence to rigorous project appraisal processes Encourage rigorous risk assessment at planning stage Engage PAC in active quality assurance of project designs	MC PAC
Political	The PACAP strategic framework is not endorsed by all stakeholders and complied with by proponent organisations	Program lacks strategic direction Conflict arises	L	H	3	Consult widely during development of SGF Engage PAC in active quality assurance of project designs	MC PAC
	Conflicting perspectives among PSC members concerning proponent organisation activity	Program lacks strategic direction Conflict arises	H	M	4	Consult widely during development of SGF Ensure thorough appreciation for objectives and guidelines of PACAP	MC
	Target provinces are unwilling to establish a PSC to guide and approve PACAP interventions preferring instead to handle approval processes centrally (eg with the Governor or PPDO)	Centralised control of the approval process may exclude civil society and peoples organisations from active involvement.	L	H	3	1. Close discussion occur with the target provinces during transition to present the program and its mode of operation. 2. PACAP should work with current representative bodies (eg PDCs) but ensure these groups at least fulfil the representational requirements as stipulated in the Local Government Code.	MC
	Conflicts within the proponent organisation affect program performance	Projects fall behind schedule Quality of development interventions eroded	M	M	3	Ensure rigorous organizational review at appraisal stage Facilitate opportunities for training as appropriate Engage FOCAS MC in mediation processes	MC FOCAS MC
	Conflicts between collaborating	Projects fall behind schedule	M	L	2	Ensure rigorous organizational review at appraisal stage	MC

<i>Class</i>	<i>Risks</i>	<i>Potential Adverse Impact on the Project</i>	<i>Likelihood</i>	<i>Impact</i>	<i>Risk</i>	<i>Risk Management Strategy</i>	<i>Responsibility</i>
	organisations (networks) affect program performance	Quality of development interventions eroded				Facilitate opportunities for training as appropriate Engage PSC in mediation processes	PSC
	'Red tape' constrains program performance	Projects fall behind schedule	L	L	1	Ensure adherence to rigorous project appraisal processes Encourage rigorous risk assessment at planning stage Engage PSC to manage administrative bottlenecks	MC PSC
	Mis-interpretation of guidelines/policies leads to conflict	Program lacks strategic direction Quality of development interventions eroded	L	M	2	Provide training for proponent organizations and ensure thorough understanding of grant recipient obligations Promote culture of transparent dialogue Engage support of PSC and local authorities in managing broader perceptions Engage PSC in mediation processes	MC PSC
	Roles and responsibilities of the PACAP Secretariat, PAC, PSCs and FOCAS MCs are not understood by stakeholders	Program lacks strategic direction Conflict arises Quality of development interventions eroded	M	M	3	Provide training for proponent organizations and ensure thorough understanding of grant recipient obligations Promote culture of transparent dialogue Engage support of PSC and local authorities in managing broader perceptions Engage PSC in mediation processes	MC PSC
	PACAP partners or counterparts misuse their authority to manipulate the program	PACAP credibility suffers; Operational efficiency and program impact are reduced; Stakeholders loose trust and become divided.	M	M	3	Communicate clearly to stakeholders and counterpart LGUs the Governance roles and structures instituted within the program; Establish simple and transparent procedures that guide the selection project appraisal and approval process; Ensure that consistent messages and approaches are used in each target Province; Where misuse of authority is evident seek higher level engagement from AusAID.	AMC PAC/PSC AusAID

<i>Class</i>	<i>Risks</i>	<i>Potential Adverse Impact on the Project</i>	<i>Likelihood</i>	<i>Impact</i>	<i>Risk</i>	<i>Risk Management Strategy</i>	<i>Responsibility</i>
<b>DEVELOPMENT RISKS</b>							
<b>Social</b>	Religious and philosophical underpinnings affect the success of PACAP projects	Sustainable changes do not take place at community level Reputation and credibility of the program suffers	L	M	2	Ensure adherence to rigorous project appraisal processes Engage PAC in active quality assurance of project designs Promote appropriate consultative processes among proponent organizations and FOCAS MC	MC PAC FOCAS MC Proponent Orgs.
	Proponent organisation activities are exclusive (i.e. cater to specific religious or cultural groups), thereby restricting the wider community benefits	Extent of changes anticipated in community wellbeing do not transpire	L	M	2	Ensure adherence to rigorous project appraisal processes Engage PAC in active quality assurance of project designs Promote appropriate consultative processes among proponent organizations and FOCAS MC	MC PAC FOCAS MC Proponent Orgs.
	Cultural norms and indigenous knowledge systems prove to be in conflict with changes fostered by PACAP	Sustainable changes do not take place at community level Reputation and credibility of the program suffers	M	H	4	Ensure adherence to rigorous project appraisal processes Engage PAC in active quality assurance of project designs Promote appropriate consultative processes among proponent organizations and FOCAS MC	MC PAC FOCAS MC Proponent Orgs.
	Minors are exposed to sexual exploitation as a direct or indirect result of a PACAP project	Children are deeply traumatised and their development affected; Communities are split and lose trust; Reputation and credibility of PACAP, the AMC and AusAID is severely undermined.	L	H	3	All proposals must include an assessment of their likely impact on children Familiarity with VAWC and international conventions Where children are a direct or indirect beneficiary all proponents (project and management staff) must be screened regarding their child protection credentials. This may include: police check; tacit knowledge; community knowledge In specific child welfare projects all proponent organisations must have a Child Protection Policy in place and be familiar with the stipulation of Philippine and International obligations (eg Violence Against Women and Children legislation); In particularly sensitive areas PACAP should institute	AMC PAC / PSC / FOCAS MC Embassy

<i>Class</i>	<i>Risks</i>	<i>Potential Adverse Impact on the Project</i>	<i>Likelihood</i>	<i>Impact</i>	<i>Risk</i>	<i>Risk Management Strategy</i>	<i>Responsibility</i>
						ongoing regular monitoring by a 3rd party e.g. child watch groups.	
	PACAP livelihood projects result in an increased dependence on children's labour input	Children miss out on schooling, child development opportunities are, retarded, and social interaction is reduced	M	M	3	All proposals must be screened to assess their direct or indirect impact on child labour. The appraisal and review of designs should minimise the risk of dependency on child labour. The design should ensure monitoring of child labour (vs. child work) especially impact on schooling and social interaction	AMC PAC/PSC
Technical	PACAP initiatives prove to be donor-driven rather than needs driven	PACAP initiatives do not address fundamental development challenges, and hence do not contribute to sustainable change	M	M	3	Ensure adherence to rigorous project appraisal processes Engage PAC in active quality assurance of project designs Promote appropriate consultative processes among proponent organizations and FOCAS MC	MC PAC FOCAS MC Proponent Orgs.
	Overlapping or conflicting development interventions negatively affect the success of PACAP initiatives	Extent of changes anticipated in community wellbeing do not transpire	M	M	3	Ensure adherence to rigorous project appraisal processes Engage PAC in active quality assurance of project designs Promote appropriate consultative processes among proponent organizations and FOCAS MC	MC PAC FOCAS MC Proponent Orgs.
	Novated activity contracts do not align with the strategic or geographic focus of the program, and hence do not contribute to the desired impact	Absence of synergy within PACAP initiatives affects extent of changes in community wellbeing	L	M	2	Ensure adherence to rigorous project appraisal processes Engage PAC in active quality assurance of project designs Promote appropriate consultative processes among proponent organizations and FOCAS MC	MC PAC FOCAS MC Proponent Orgs.
Economic	Proponent organisations are motivated more by financial opportunism than a genuine community development mission	PACAP initiatives do not address fundamental development challenges, and hence do not contribute to sustainable change	M	M	3	Ensure rigorous organizational review at appraisal stage Engage FOCAS MC in quality assurance	MC FOCAS MC

<i>Class</i>	<i>Risks</i>	<i>Potential Adverse Impact on the Project</i>	<i>Likelihood</i>	<i>Impact</i>	<i>Risk</i>	<i>Risk Management Strategy</i>	<i>Responsibility</i>
	Development aggression in target areas (e.g. mining, land development, overarching government policies, infrastructure projects, displaced communities etc.) are in conflict with PACAP	Extent of changes anticipated in community wellbeing do not transpire	M	H	4	Ensure adherence to rigorous project appraisal processes Engage PAC in active quality assurance of project designs Promote appropriate consultative processes among proponent organizations and FOCAS MC Engage PSC to manage wider development context	MC PAC FOCAS MC Proponent Orgs. PSC
	Marginalised groups become more vulnerable as a result of PACAP initiatives	Sustainable changes do not take place at community level Reputation and credibility of the program suffers	M	M	3	Ensure adherence to rigorous project appraisal processes Engage PAC in active quality assurance of project designs Promote appropriate consultative processes among proponent organizations and FOCAS MC	MC PAC FOCAS MC Proponent Orgs.
<b>Ecological</b>	PACAP initiatives prove to be ecologically unsustainable	Sustainable changes do not take place at community level Reputation and credibility of the program suffers	M	H	4	Ensure adherence to rigorous project appraisal processes Engage PAC in active quality assurance of project designs Promote appropriate consultative processes among proponent organizations and FOCAS MC Engage PSC to manage wider development context	MC PAC FOCAS MC Proponent Orgs. PSC
<b>Political</b>	Clan and/or community dynamics affect program success	Extent of changes anticipated in community wellbeing do not transpire	M	M	3	Provide training for proponent organizations Engage support of PSC and local authorities in managing broader development context Engage PSC in mediation processes	MC PSC
	Lack of confidence and trust in the proponent organisation among beneficiaries affects program success	Extent of changes anticipated in community wellbeing do not transpire	M	H	4	Ensure adherence to rigorous project appraisal processes Engage PAC in active quality assurance of project designs Promote appropriate consultative processes among proponent organizations and FOCAS MC Engage PSC to manage wider development context	MC PAC FOCAS MC Proponent Orgs. PSC

<i>Class</i>	<i>Risks</i>	<i>Potential Adverse Impact on the Project</i>	<i>Likelihood</i>	<i>Impact</i>	<i>Risk</i>	<i>Risk Management Strategy</i>	<i>Responsibility</i>
	PACAP Strategic Guidance Framework or FOCAS MC strategy proves to be in appropriate in target areas	Absence of synergy within PACAP initiatives affects extent of changes in community wellbeing	L	H	3	Engage PAC in active quality assurance of project designs Promote appropriate consultative processes among proponent organizations and FOCAS MC Engage PSC to manage wider development context	MC PAC FOCAS MC Proponent Orgs. PSC

Likelihood: H=High; M=Medium; L= Low

Impact: H=High; M=Medium; L= Low

Risk level 1=Low; 2=Moderately low; 3= Medium; 4=Moderately high; 5=High; 6=Extreme

## APPENDIX E: MSC STORY RECORD FORM

## MOST SIGNIFICANT CHANGE STORY RECORD

Reported by:	
Month:	
Date submitted:	
Signature:	

### Story Record:

Told by who? (Ultimate Beneficiary)	
When did it happen?	
Where did it happen?	
Who was involved?	
What happened?  “During the last month, in your opinion, what was the most significant change that took place in your household as a result of this project”	
Why is this change considered significant?	

# APPENDIX F: MSC SCHEDULE

Time Info Source/Client	Monthly	Quarterly	Annually	End-of-Program
Proponent Organisation Field Staff	<ul style="list-style-type: none"> <li>Capture <i>ad hoc</i> stories throughout month</li> </ul>			
Proponent Organisation Management Team	<ul style="list-style-type: none"> <li>Submit stories to PACAP (P)PO</li> </ul>			
PACAP (P)PO & AM (RAS x1, FOCAS x2)	<ul style="list-style-type: none"> <li>Debate merit of stories</li> <li>Select 1 winning story</li> <li>AM enters winning story into monthly progress report including reason for selection</li> <li>Identification of domain of change (STEEP)</li> <li>Feedback selection to proponent organisation management team</li> </ul>			
PACAP Management Team (PC, PD)		<ul style="list-style-type: none"> <li>For each of the three components (RAS x1, FOCAS x2), debate merit of 3 (aggregated) stories from past 3 months</li> <li>Select 1 winning story for each component</li> <li>Verify authenticity of each winning story</li> <li>Submit to PACAP (P)PO &amp; AM (x3) with Quarterly Report</li> </ul>		
PAC			<ul style="list-style-type: none"> <li>For each of the three components (RAS x1, FOCAS x2), debate merit of 4 (aggregated) stories from the past 4 quarters</li> <li>Select 1 winning story for each component</li> </ul>	<ul style="list-style-type: none"> <li>For each of the three components (RAS x1, FOCAS x2), debate merit of 5 (aggregated) stories from the past 5 years</li> <li>Select 1 winning story for each component</li> </ul>

			<ul style="list-style-type: none"> <li>▪ Verify authenticity of each winning story</li> <li>▪ Feedback selection and reason for selection</li> <li>▪ For each of the three components (RAS x1, FOCAS x2), report winning story to AusAID in Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>▪ Select 1 ultimate winner from 3 winning component stories</li> <li>▪ Report ultimate winning story to AusAID in Close-out Report</li> </ul>
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## APPENDIX G: MSD STORY RECORD FORM

## MOST SIGNIFICANT DEVELOPMENT RISK STORY RECORD

Reported by:	
Month:	
Date submitted:	
Signature:	

### Story Record:

Told by who? (Boundary Partner)	
<p>What is the possible risk?</p> <p>“During the last month, in your opinion, what has happened to make you think that the ultimate beneficiaries may not experience the level of impact anticipated?”</p>	
Why is this risk considered significant?	

# APPENDIX H: SCHEDULE OF REPORTS

Report Name	Report Component	Report Content	Submitted by	Frequency	Submitted to
Monthly Financial Report	Financial Statements	<ul style="list-style-type: none"> <li>Aggregated monthly expenditure</li> </ul>	Accountant	Monthly (by first Friday of each new month)	PC
Monthly Progress Report	Activity Record	<ul style="list-style-type: none"> <li>Project activities completed/retired/carried forward</li> </ul>	AM	Monthly (by first Friday of each new month)	PC
	Output Record	<ul style="list-style-type: none"> <li>Aggregated outputs delivered (as reported by Project Officers)</li> <li>Output quality details</li> </ul>			
	Risk Report	<ul style="list-style-type: none"> <li>Management risks attributed to monthly output variance</li> <li>Intervention risks identified against each class of boundary partner engaged</li> <li>Most Significant Development risks likely to affect ultimate beneficiaries</li> </ul>			
	Narrative Report	<ul style="list-style-type: none"> <li>Any relevant narrative (as defined by PACAP management team)</li> </ul>			
Monthly Tactical Feedback Report  (Formal critique and feedback on Monthly Progress Report by PC)	Input Report	<ul style="list-style-type: none"> <li>Feedback on cumulative cashflow analysis</li> </ul>	PC	Monthly (by second Friday of each new month)	AM
	Activity Report	<ul style="list-style-type: none"> <li>Feedback on cumulative activity efficiency</li> </ul>			
	Output Report	<ul style="list-style-type: none"> <li>Feedback on cumulative progress and output variance</li> <li>Feedback on output quality metrics</li> </ul>			
	Risk Report	<ul style="list-style-type: none"> <li>Feedback on cumulative management risks and recommendations for mitigation</li> <li>Feedback on cumulative intervention risks identified and recommendations for mitigation</li> </ul>			
	Effects Report	<ul style="list-style-type: none"> <li>Proxy Effects Score</li> <li>Proponent organisation efficiency analysis</li> <li>Most recent proponent organisation capacity scorecard (annual, rolling)</li> </ul>			
Semestral Report (SMT)	Auto-generated Analysis (MEIS export to SMT)	<ul style="list-style-type: none"> <li>Program-to-date analysis of variance between planned and actual performance</li> <li>Analysis of monthly and program-to-date risks</li> </ul>	PD	Monthly exception reporting; full Semestral reporting (six-monthly)	AusAID
	SMT	<ul style="list-style-type: none"> <li>As defined by AusAID</li> </ul>	PD	Quarterly	AusAID
Six-monthly Progress Report  (Analysis of aggregated program performance for preceding six months, and program-to-date derived from Monthly Progress Report data)	Input Report	<ul style="list-style-type: none"> <li>Aggregated program cashflow</li> </ul>	Auto-generated by Aid-IT MEIS	September and March each year	PD (for review and inclusion in formal reports to AusAID)
	Activity Report	<ul style="list-style-type: none"> <li>Aggregated program activity completion efficiency</li> </ul>			
	Output Report	<ul style="list-style-type: none"> <li>Aggregated program output delivery variance</li> <li>Aggregated program output quality details</li> </ul>			
	Risk Report	<ul style="list-style-type: none"> <li>Aggregated program management risk profile</li> <li>Aggregated program intervention risk profile</li> <li>Aggregated Most Significant Development Risk profile</li> </ul>			
	Effects Report	<ul style="list-style-type: none"> <li>Aggregated Proponent Organisation Capacity Index</li> <li>Aggregated Proponent Organisation output deliver efficiency</li> <li>Aggregated program Proxy Effects Score</li> </ul>			
	Impact Report	<ul style="list-style-type: none"> <li>MSC selected for quarter</li> </ul>			
	Narrative Report	<ul style="list-style-type: none"> <li>Relevant content at discretion of Program Coordinator</li> </ul>			
Annual Plan	Input Report	<ul style="list-style-type: none"> <li>Aggregated program cashflow</li> </ul>	PC	March each year	PD
	Activity Report	<ul style="list-style-type: none"> <li>Aggregated program activity completion efficiency</li> </ul>			
	Output Report	<ul style="list-style-type: none"> <li>Aggregated program output delivery variance</li> <li>Aggregated program output quality details</li> </ul>			

Report Name	Report Component	Report Content	Submitted by	Frequency	Submitted to
	Risk Report	<ul style="list-style-type: none"> <li>Aggregated program management risk profile</li> <li>Aggregated program intervention risk profile</li> <li>Aggregated Most Significant Development Risk profile</li> </ul>			
	Effects Report	<ul style="list-style-type: none"> <li>Aggregated Proponent Organisation Capacity Index</li> <li>Aggregated Proponent Organisation output deliver efficiency</li> <li>Aggregated program Proxy Effects Score</li> </ul>			
	Impact Report	<ul style="list-style-type: none"> <li>MSC selected for quarter</li> </ul>			
	Narrative Report	<ul style="list-style-type: none"> <li>Relevant content at discretion of Program Coordinator</li> </ul>			
Independent Evaluation Report	Mid-term	<ul style="list-style-type: none"> <li>Assessment of the appropriateness of PACAP-funded initiatives in fostering sustainable development among target beneficiaries</li> </ul>	Independent Consultant	Within 2 months of Midterm & final evaluations	PD
	Endline	<ul style="list-style-type: none"> <li>Assessment of appropriateness of PACAP aid delivery mechanisms</li> <li>Verification/triangulation of M&amp;E system findings</li> </ul>			

## APPENDIX I: CONTENT OF SIX-MONTHLY & ANNUAL REPORTS

## Annual Plan Content

- An annual effectiveness report (outlining the Contractor's performance in achieving stated contractual outputs/milestones, and progress toward achieving stated Program outcomes/impacts and Purposes and Goals)
- A formal written proposal concerning any proposed changes to contractual outputs/milestones
- Activities selected for funding under the Program and acquittal of all Program accounts with an independent audit of accounts (12 months)
- An estimate of funds required under the Imprest Account for each quarter of the upcoming financial year
- A summary of progress (and impact) during the preceding year
- A detailed budget for the period of the Annual Plan
- The targeting strategy and annual targets for the following year (along with previous targets and the Program's performance against these targets)
- PACAP Strategic Guidance Framework
- FOCAS strategies summary
- Responsive Activity strategies summary
- The Contractor's plan for performance of the services required for the period of the Annual Plan
- Six Monthly Progress Report (in March only)
- The Contractor's proposed strategy for co-ordinating any Third Party Issues and for providing the Services in a flexible manner as is appropriate
- The institutions targeted, the nature of the activities to be undertaken, a summary of the link between each activity and the Program's objectives, and tentative cost for each activity
- Annual Audit of Imprest Account financial reports
- A progressive summary, and plan for additional expenditure, against each component
- Any recommendations by the Contractor for changes in strategy or approach, and justification for these changes
- A schedule of activities (and related costs)
- A summary of other activities that will be undertaken
- A summary of monthly update reporting
- A Risk Management Plan identifying risks and measures to mitigate the impact of these risks
- An updated M&E Framework

### Six-monthly Progress Report Content:

- A comparison between the specified annual targets and activities conducted in the financial year to date
- A progress report on the RA and FOCAS activities
- A status report on each institution and activity planned for the current financial year
- An expenditure acquittal on each institution and activity funded in the previous six month period
- Any additional proposals received during the six month period, the assessment of these by the PAC and outcome
- Any changes in the Imprest Account estimates provided in the Annual Plan
- A progressive summary of expenditure against each component
- A brief summary of PAC, PSC and FOCAS MC meetings
- A brief summary of recommendations arising from the external annual review (if appropriate) or any other reviews/assessments undertaken by third parties
- Reference to any press or media releases
- An updated Risk Management Plan (including measures to mitigate the impact of these risks)
- Any recommendations by the Contractor for changes in strategy or approach
- Any Short Term Advisor reports completed in the preceding six month period
- Reporting on the progress on achievement of the Milestones
- An outline of any issues that may affect the Program and recommendations to resolve issues
- A section on cross-sectoral policy issues, as required
- Simplified Monitoring Toolbox (SMT)