

Activity Quality Policy

Date:

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Approved by:

Business Process Board

Overview

This document defines MFAT's quality assurance policy for New Zealand Aid Programme Activities. It is intended for use by all staff engaged in the management of an Activity

Processes based on this policy

This policy applies to the following processes:

- [Develop, Appraise and Approve an Activity Concept](#)
- [Develop, Appraise and Approve an Activity Design](#)
- [Implement an Activity](#) (Prepare an Activity Monitoring Assessment)
- [Complete an Activity](#) (Prepare an Activity Completion Assessment)
- [Evaluate an Activity](#)

Purpose and Usage

The purpose of this policy is to define the:

- a) Quality criteria and rating scale used to appraise and assess Activities; and
- b) Standards used to assess the quality of Activity management.

Critical thinking and analysis is a crucial part of appraising and assessing Activity quality. This policy is used to assist staff to make informed judgements on Activity quality at the following quality assurance points during Activity management:

Stage	Quality assurance requirement
Planning	Appraisal of Activity Concept and Design Documents (see Appraising an Activity Concept or Design Guideline)
Implementation	Activity Monitoring Assessments (see Preparing an Activity Monitoring Assessment)
Completion	Activity Completion Assessments (see Preparing an Activity Completion Assessment)

The Outcome of the concept identification and appraisal process is confidence that the proposed Activity is of sufficient quality to warrant the development of a detailed Design. The Outcome of the Design process is a decision on whether or not to implement an Activity.

Scope and Application

This policy applies to all New Zealand Aid Programme Activities.

Appraisal and assessment ratings and analysis will be used for MFAT’s performance reporting.

Business Rules

The New Zealand Aid Programme is committed to ensuring all Activities are effective and deliver results.

This policy defines the:

- a) Activity quality criteria and attributes required by MFAT to assess the quality of an Activity during planning, implementation and at completion; and
- b) Quality standards used to assess the quality of Activity management (Appendix 1) during the Aid Programme’s quality management review.

This policy is central to MFAT’s Activity quality assurance and informs the [Activity Planning Policy](#); the [Activity Implementation Policy](#); and the [Activity Completion Policy](#).

Other aspects of MFAT’s quality assurance are Activity risk assessment and management ([MFAT Risk Management Policy](#)) and Value for Money (VfM) ([VfM Guideline](#)).

VfM is assessed using the Effectiveness and Efficiency quality criteria. A third component of VfM, Economy, is assessed during budget appraisal see [Budget Guidelines](#).

Quality Criteria

The five DAC Evaluation criteria and five Best Practice criteria define the quality standards required by MFAT and, along with the three-point and five point rating scales, are used to guide staff engagement in critical analysis and judgement

Criteria	Definition
Relevance	The extent to which the Activity aligns and remains consistent with beneficiary priorities, country priorities, and partner and MFAT policies.
Effectiveness	The extent to which the Activity’s intended results (outputs and outcomes) are expected to be / are being / were achieved.
Efficiency	How efficiently resources (e.g. funds, expertise, time etc.) are expected to be / are being / were converted to results.

Criteria	Definition
Impact	The extent to which the intended long-term effect(s) (direct and indirect) of the Activity are expected to be / are being / were achieved. Impact relates to the goal of the Activity in the Results Framework.
Sustainability	The likelihood of continued long-term benefits after major assistance (e.g. donor funding) has been completed.
Development Effectiveness	The extent to which an Activity promotes ownership of development priorities by developing countries; focuses on results; supports inclusive development partnerships; and encourages transparency and accountability to each other.
Managing for Results	The extent to which monitoring and evaluation mechanisms and processes are sufficient to manage for Activity results (outputs and outcomes) and support effective Activity management.
Gender Equality and Women's Empowerment	The extent to which an Activity identifies and pursues gender equality and women's empowerment and ensures gender equitable access to, participation in and benefits from, an Activity.
Human Rights	The extent to which an Activity protects and promotes human rights.
Environment and Climate Change	The extent to which an Activity identifies interventions to promote environmental and sustainability results, and manages environmental impacts and risks.

Rating scale

MFAT's Activity Quality Rating Scale is used to:

- Appraise Activity concepts and designs against each of the quality criteria
- Assess Activity effectiveness in an Activity Monitoring Assessment
- Assess the five DAC evaluation criteria in an Activity Completion Assessment.

A **three-point** rating scale is used to appraise all Concepts; and

A **five-point** rating scale is used to appraise Designs and assess Activity implementation and completion against each of the quality criteria.

Rating an Activity is one element of appraisals and assessments and should complement qualitative comments.

Not all aspects of the respective quality criteria attributes may apply to all Activities.

3 point rating	5 point rating	Description
	5	Very good (needs ongoing management and monitoring only)
4	4	Good (needs minor work in some areas to improve)
3	3	Adequate (needs some identified work to improve)
2	2	Not adequate (needs to be profoundly improved)

3 point rating	5 point rating	Description
	1	Poor (needs to be profoundly changed)
		No rating (information insufficient to inform a rating decision)

Exceptions

Contestable funds are exempt from the details of process and templates, but are expected to develop their own process and templates based on the quality criteria and, if possible, ratings.

Appendix 1: Quality Criteria considerations

Relevance

In appraising or assessing relevance, consider:

- Alignment with New Zealand and partner policies, strategies and priorities
- Political, economic and social context
- Beneficiary and stakeholder (individuals/organisations) needs, capacities, views, ownership and participation
- Appropriateness of proposed modality
- Appropriateness of treatment and integration of cross-cutting issues
- Co-ordination with other donors and possible duplication of effort

Effectiveness

In appraising effectiveness during Activity planning, consider:

- The extent that results (outputs and outcomes) are well articulated and linked to problem/issues to be addressed. Results are described in a way that can be measured to assess their achievement.
- The logic underpinning the Activity is sound, and connects inputs and outputs to outcomes (including cross-cutting issues).
- The Results Measurement Table describes: indicators and targets that are clearly articulated and relate directly to specific results and to the problem/issues to be addressed; with a clear baseline and data gathering methodology. The Monitoring and Evaluation Workplan ensures that data will be gathered and analysed.

In assessing effectiveness during Activity implementation and at completion, consider:

- The extent that actual results (outputs and outcomes) have been progressed or achieved, compare with those originally planned (eg against indicators and targets), and the technical and practical feasibility of achieving the targets from this point onwards
- Approach to embodying good development practice and lessons
- Management of challenges, risks and issues including cross-cutting issues
- Unintended outcomes.

Efficiency

In appraising or assessing efficiency, consider:

- Extent to which results (outcomes and outputs) were achieved for the money spent.
- Value for money for outputs, including whether costs are market based or fair and reasonable
- Financial analysis of the project (eg cost benefit analysis)
- Quality of partner and MFAT management, including procurement, accuracy and completeness of budget, financial management, monitoring and evaluation systems and risk management
- Harmonisation with other donors or duplication of effort
- Whether alternative methods might offer better value for money
- Implementation, and whether any efficiencies could be gained in better implementation of the Activity.

Impact

In appraising or assessing impact, consider:

- Evidence that the goal of the Activity is likely to be achieved

- Long term effects whether planned or unplanned, positive or negative, direct or indirect. Note that these are 'goal level' changes, and do not include intended outcomes which are covered under effectiveness.
- Changes in gender, human rights and/or environment; also including potential positive and negative impacts on human rights, gender equality and the environment.

Sustainability

In appraising or assessing sustainability, consider:

- Partner commitment to, and ownership of, long term planning
- Mutual accountability arrangements
- Quality of transition or exit planning to address sustainability of outcomes
- Institutional environment
- Political and financial viability of partners
- Long term cost implications of changes from the Activity including asset maintenance
- Cross-cutting issues
- Any other risks to long term positive outcomes.

Development Effectiveness

In appraising development effectiveness, consider:

- The [Development Effectiveness Policy Statement and Action Plan](#)
- Evidence of developing country ownership and commitment to the Activity
- Improvements/strengthening of local capacity likely to result from the Activity
- If the Activity involves management by partner government(s), is there appropriate use of the partner's public financial management systems – please refer to the [Using Partner Government PFM Systems Operational Policy](#) and [Guideline](#).
- Inclusive partnerships and stakeholder engagement in support of development goals.

Managing for Results

In appraising managing for results, consider:

- (at Concept stage) the strength of the underlying logic and description of results (reflecting the problem / issues to be addressed) and likelihood to lead to an effective design;
- (at Design stage) the strength of the Activity Results Framework, specifically the monitoring, reporting and evaluation methods to manage for results and support effective Activity implementation. E.g. are there clear indicators, targets, baseline information and methods for measuring each output and outcome in the Results Diagram? Are monitoring, reporting and evaluation methods appropriately planned to support Activity implementation?
- The partner's ability and capacity to collect and analyse performance and results information, and the reasonableness of cost of data collection.
- [Developing an Activity Design Guideline](#) for full details on MFAT standards for RMTs and M&E Workplans;
- [MFAT Direct Results Indicators](#).

Gender equality and women's empowerment

In appraising gender equality and women's empowerment, consider:

- Appropriate identification/analysis of gender issues including in the rationale, stakeholder analysis, results, and risk management framework

- Appropriate identification or leveraging of opportunities for women’s empowerment and gender equality
- Availability of resources and competencies to deliver on gender equality and women’s empowerment results
- The extent to which gender outputs and outcomes are reflected appropriately in the Results Framework
- [Gender Analysis Guideline](#) and four related [Knowledge Notes](#).

Human rights

In appraising human rights, consider:

- Appropriate identification/analysis of human rights issues
- Appropriate identification of or leveraging of opportunities for equality of access to, participation in and benefits from the Activity by vulnerable or disadvantaged groups, or for implementation of human rights obligations
- Availability of resources and competencies to deliver on human rights results
- [Human Rights Analysis Guideline](#) and [Child Rights Knowledge Notes](#)
- The extent to which human rights outputs/outcomes/risks are reflected appropriately in the Results Framework and Risk Matrix
- Consistency with applicable human rights laws and conventions, and obligations
- Environmental and Social Impacts Operational [Policy](#) and [Guideline](#), (in particular Appendix B: Screening Checklist).

Environment and climate change

In appraising environment and climate change, consider:

- Identification of interventions/opportunities to conserve and enhance the environment and promote climate change resilience or support climate change adaptation/mitigation or resilience to natural hazards
- Appropriateness and accuracy of rationale for the Environment and Social Impact Category that has been assigned
- Integration and consistency of environmental and social impacts assessment, and impact management plans where appropriate, in the Concept Note/Design/throughout implementation
- Environmental and Social Impacts Operational [Policy](#) and [Guideline](#), (in particular Appendix B: Screening Checklist);
- [Climate Change Operational Policy](#).

Appendix 2: Quality Standards for Activity Management

Standard	Description
Activity planning	<p>Planning phase for Activities (Activity Design Documents, Appraisals and Result Framework) meets policy and quality standards.</p> <p>Thorough assessment of the proposed budget (including value for money) completed.</p>
Financial planning and procurement	<p>Authority to spend funds (PAA) is completed and expresses the business case well, and is consistent with the Financial Delegation Policy and the Programme Activity Authorities Guidelines.</p> <p>Procurement is best fit for purpose, delivers value for money and is consistent with policies and guidelines.</p> <p>A partner risk assessment has been undertaken and documented as required.</p>
Activity management	<p>Evidence is on file and/or documented that shows a good understanding and response to activity progress and issues eg, documentation on the file of the activity manager's assessment of activity progress and quality including information on relevance, effectiveness, efficiency and likely impact and sustainability.</p> <p>Monitoring visits documented and filed.</p> <p>Reports from the partners received according to contract, reviewed, responded to, and milestones are monitored.</p> <p>Risks are being monitored and managed in accordance with current guidelines, including the Environmental and Social Impacts Guidelines.</p> <p>Evidence specialist expertise sought when necessary and advice taken into account in management.</p>
Financial and contract management	<p>Payments are in line with contracts; financial and non-financial milestones conditions are met; payments do not exceed contract.</p> <p>Contract variations are consistent with procurement, contracts and grants policies and guidelines.</p> <p>Where required, an external audit of the implementing agency's financial statements has occurred and a copy provided to the Ministry (including any audit management letter).</p>
Focus on Results	<p>A sound Activity Results Framework is in place and is consistent with the New Zealand Aid Programme's relevant Activity policy and guidelines.</p> <p>Direct Results Indicators appropriately applied in the Results Framework and updated to the HRI database.</p> <p>Partner reports are reporting on results.</p> <p>Independent evaluations occur in line with the Evaluation Policy.</p> <p>Activity Monitoring Assessments and Activity Completion Assessments are informed by evidence and are completed as per policy.</p> <p>Monitoring and evaluation information is being used in Activity decision-making.</p>
Engagement with partners	<p>Partners are engaged constructively, including with other donors where relevant, to achieve the Activity outcomes.</p>
Cross-cutting issues	<p>Cross-cutting issues were adequately considered at the planning phase and the markers in the Programme Activity Authority in AMS are appropriate.</p> <p>Cross-cutting issues are included in the Results Framework where appropriate.</p> <p>Progress on cross-cutting issues are being monitored and evaluated.</p> <p>Action taken to address issues as a result of the monitoring and evaluation.</p>