

“Taking Stock II”¹

A review of ActionAid’s global strategy *Fighting poverty together 1999-2005*

Background

ActionAid’s current international strategy- *Fighting poverty together 1999 - 2003*² was developed during 1998 and implemented in 1999. The strategy outlined a dynamic new vision and strategy for ActionAid and has provided an overall framework for the organisation to systematically reorient its effort to address the causes of poverty.

ActionAid’s Accountability, Learning and Planning System (ALPS) requires, ActionAid to carry out an independent review of its work at all levels every 3-5 years (or at the end of the relevant strategy period). During 2004, ActionAid will be carrying out a review of *Fighting poverty together*. This review will help us to take stock of the progress the organisation has made since 1999 and the impact we have had. The lessons and findings from the review should help guide the organisation as it embarks into the next phase of its’ evolution - the internationalisation of ActionAid and the foundation of ActionAid International.

Guiding framework

- ❑ The review will primarily focus on assessing what has been achieved against the goals and strategies set out in *Fighting poverty together* with a forward looking perspective.
- ❑ The review will be completed in an 8-12 week period between May-July 2004 using a team of external internal reviewers. It will involve key stakeholders at all levels. It will also draw on secondary materials, particularly external reviews that have been carried out over the past 2 years.
- ❑ The focus and methodology will be developed in discussions with potential reviewers. The process should help us to increase our accountability, learning and encourage relationship building.
- ❑ The review needs to be seen in the context of internationalisation. The findings will help firm up key organisational aspects of ActionAid’s internationalisation change process and provide insights and lessons to enable ActionAid to be more coherent in its international work.
- ❑ The process should draw on learning from across ActionAid to inform the new ActionAid International Strategy.
- ❑ The review process/output will also be the means of reviewing ActionAid’s partnership agreement with DFID (PPA).
- ❑ Issues of gender equity and other equity questions will be central to this review.

This main benefit of the review is to get informed outsiders’ perspective on what has been achieved through ActionAid’s global strategy – *Fighting poverty together*.

ActionAid has reviewed a great deal of its work over the last 5 years. The review will draw extensively from these reviews and the more recent country reviews taking place across ActionAid’s three regions. The focus of this review will, therefore, be on ActionAid’s work at the international level and how the sum of our work at the various levels adds up.

¹ In 1999, ActionAid embarked on a series of reviews known as Taking Stock. The purpose of these reviews was to mainly to assess ActionAid’s capability to operationalise the ambitious objectives set out in the new strategy and identify how the organisation needed to change in order to effectively achieve the aims of *Fighting poverty together*.

² The strategy was extended for a further 2 years in 2002.

Separate thematic reviews will be undertaken in parallel to the main Taking Stock II process and feed into the overall findings and recommendations. The process for developing the new ActionAid International Strategy will also run in parallel with the Taking Stock II process. The lead reviewer for Taking Stock II will be responsible for ensuring synergy between these parallel processes.

Purpose

The key purpose of the review is to take stock of what has been achieved against the goals and strategic objectives set out in *Fighting poverty together 1999-2005*. The review will consider what is distinct about ActionAid's work now compared to earlier work. It should take a broad look at what we have achieved (or failed to achieve) through our rights based programmes and actions. How we have done it, what difference has it made, what it has cost and whether it will be sustainable? The review will also explore how ActionAid is currently positioned vis a vis other actors working on rights and development and where appropriate, comparisons will be made with, and lessons drawn from, the performance of other international NGOs/rights organisations. The review will also identify what lessons are relevant to ActionAid's future strategy.

Objective 1: To assess performance against the goals and strategic objectives set out in *Fighting poverty together 1999-2005*

*35 % of the consultants' time should be spent on assessing performance in achieving the goals and strategic objectives set out in *Fighting poverty together*:*

Goals & Strategic Objectives:

1. Helping poor and marginalised people to gain control over material and social resources and to realise their potential

- Supporting self empowerment to help the poor achieve their basic rights
- Promoting accountability and responsibility of national governments

2. Strengthening the anti-poverty movement

- Building alliances in civil society
- Linking North and South to fight injustice

3. Reforming international institutions, northern governments and the private sector

- Influencing donors
- Promoting responsible private investment

4. Enhancing gender equity

- Strengthening local strategies for gender empowerment
- Advocating for gender equity

Objective 2: To assess the effectiveness and appropriateness of ActionAid's organisational structure, systems and processes in achieving the agency's mission.

*35% of the consultants' time should be spent in assessing how effective the organisational strategies set out in *Fighting poverty together* have been in supporting the organisation in achieving its mission. The consultants' should identify lessons learned from the last 5 years about organisational change that are relevant to ActionAid's future strategy.*

Organisational Strategies:

1. Strengthening our identity

- Creating greater awareness by stakeholders and staff of the causes of poverty
- Establishing greater coherence of organisational policies & practices

- ❑ Achieving a higher profile in the North and South

2. Achieving gender equity

- ❑ Developing the environment for greater gender equity in ActionAid

3. Devolving decision making

- ❑ Fostering an empowering culture for staff

4. Enhancing innovation and learning

- ❑ Facilitating an environment in which staff can work creatively.

5. Securing appropriate income and ensuring cost-effectiveness

- ❑ Ensuring the provision of appropriate and sufficient funds to achieve AA's mission

6. Internationalising governance

- ❑ Strengthening governance to increase influence and impact

Objective 3: To assess ActionAid's overall contribution in the global fight against poverty and injustice.

30% of the consultants' time should be spent examining how ActionAid has fared over time in comparison to other international development actor and the relevance of Fighting poverty together in the current world context.

Guiding Questions:

Objective 1: To assess performance against the goals and strategic objectives set out in Fighting poverty together 1999-2005

Poor peoples' voices & actions:

- To what extent has ActionAid and its partners' programmes and approaches supported the active agency of poor people in their own struggles against poverty and injustice?
- What have we actively done to bring the perspectives, voices and actions of the poor to the core of programming, advocacy and campaigning initiatives at all levels?
- What changes have resulted in the lives of poor marginalised women, men, girls and boys (both positive and negative)? What lessons?

Balancing rights and needs:

- To what extent has ActionAid successfully made the transition from doing direct service delivery to integrating a rights based approach and analysis in its work?
- How well are we doing in balancing rights and needs? What approaches have been the most effective, both in terms of the changes in poor peoples lives and the costs involved?
- Are we using the flexibility that we potentially have to break out of old ways of doing things? What could we have done better?

Advocating for pro-poor policies and greater accountability to poor people:

- To what extent has ActionAid contributed to influencing and building systems for greater transparency, equity and accountability of governments, international organisations, the corporate sector and civil society organisations to the poor and marginalised themselves?
- To what extent has our approach resulted in issues of the poor being made a public issue, taken into the public debate and made central to policy debates – what has been our role?
- What have been the different experiences/approaches at local, national, regional and international levels? What has changed (both positive/negative) as result of ActionAid's engagement? What lessons?

Partnerships:

- How has ActionAid's approach to working in partnerships, coalitions and alliances changed over the past 5 years?
- To what extent has, ActionAid moved beyond traditional partnerships to seek out alliances with government, grass roots organisations, civil society organisations, women's rights organisations, social movements, corporate sector etc. What has been the nature of this engagement?
- How far have we engaged with our different constituencies both north and south to build a movement for change? How much are we really investing and prioritising this work? What have been the lessons? What do we need to do to improve?

Gender equity and women's rights:

- To what extent has ActionAid and its' partners' actively addressed issues of gender equity and women's empowerment in programming approaches, interventions and campaigning work at all levels?
- To what extent have we supported and worked alongside grass roots women's organisations, women's rights organisations and social movements?
- What have been the outcomes of our work focused on addressing gender equity and women's rights? What have been the challenges and key lessons? What do we need to do to improve?

Objective 2: To assess the effectiveness and appropriateness of ActionAid's organisational structure, systems and processes in achieving the agency's mission.

Financial resources & effectiveness:

- Has ActionAid invested its resources in the most effective manner – across each goal, thematic issue and in total? Is it consistent with the objectives set out in our strategy?
- How do we compare over time and in relation to comparable organisations? How cost conscious have we really been? How could we better use our financial resources?
- Did we have the appropriate systems and procedures to facilitate the implementation of our strategy?
- What mechanisms for decision-making and resource allocation in an internationalised structure would the consultants suggest?

Gender equity:

- Has ActionAid done enough to ensure gender and social equity within the organisation?
- What have been the barriers to mainstreaming gender effectively? What would the organisation need to do to improve in this respect?

Devolving decision-making/staff empowerment:

- How far has subsidiarity and devolution changed our leadership, management and decisions making practices at all levels?
- To what extent have we become a value driven, open, empowering, risking taking and learning organisation and improved the agency's effectiveness and efficiency?
- What lessons have we learned over the past 5 years and what needs to change?

Accountability, Learning & Planning:

- What difference has ALPS and ActionAid's Shared Learning initiative made to our work at all levels?
- To what extent has it made us more accountable and transparent to poor people, partners and other stakeholders, improved the quality of our work, fostered a learning culture and enabled us to assess impact more effectively?
- What are the gaps, challenges and lessons? What do we need to do to improve?
- What changes would we need to make to ALPS in an internationalised structure?

Fundraising:

- What progress has ActionAid made in enhancing it's identity, marketing potential, exploring new markets and developing new products, which are appropriate to the nature and direction of our work?
- What lessons can be learned for the future?

Governance:

- What has been the role and contribution of ActionAid Trustees? What is their value added both as formal trustees and as specialist advisors?
- How have we worked with our Alliance partners?
- What lessons should we be taking forward as we begin to set up national boards in country programmes and at the international level?

Identity, profile & distinctiveness:

- Has ActionAid gained currency in the International rights arena over the past 5 years? How do other players/key stakeholders' perceive ActionAid?

Objective 3: To assess ActionAid's overall contribution in the global fight against poverty and injustice.

- How ActionAid has responded over time to the external factors that exacerbate poverty and injustice? Is ActionAid still reading the external factors right? Has ActionAid been forward looking, innovative quick to pick up on new ideas, issues?
- How well do other development players view ActionAid's performance?
- Are AA better, worse or the same at working with others?
- To what extent is, ActionAid identified and become known for specific areas of expertise? What is ActionAid's distinctiveness? Could we be more effective by doing less well? What is our niche? What should we be focusing on?
- How relevant is *Fighting poverty together* in the current context? What do consultants suggest ActionAid needs to address in the new ActionAid International strategy?

Methodology

The methodology for this review will be developed in conjunction with the consultants. However, it is envisaged that:

- A four-person team of external consultants will carry out the main body of the Taking Stock II review (see Appendix 1). The team will comprise of the following skills set:
 - i. Gender/ women's rights
 - ii. Development/civil society/movements/campaigns/poverty & justice
 - iii. Organisation development/knowledge management/learning
 - iv. Finance/IT/accountability

The team members will need to have a good grasp of the external context and how the world looks. They will have experience of working with international development organisations and sound knowledge of rights, civil society and equity issues. They will have a high standing in their field of expertise. They will also have experience of conducting a review of an international NGO/human rights organisation with a track record of writing, good analysis and delivering on outputs. All team members will be expected to address the key objectives of the review. A Team Leader will be chosen from the members. The Team Leader will be responsible for facilitating the overall review process and ensuring synergy between the different review modules. They will also be responsible for producing the final review report.

- The review will draw heavily on existing documentation produced by the agency over the last few years.
- The consultants will visit at least six country programmes (see below).
- Parallel review processes will also feed into the Taking Stock II process (see below).
- An independent stakeholder review process will be developed.

Key outputs

- The consultants will produce individual written reports. The content of the report will be agreed during the diagnostic phase of the assignment with the other consultants.
- A synthesis report will be produced which will incorporate the key findings, analysis and lessons from the individual consultant reports and other review reports/processes. The report should make a clear statement of the internal and external context within which ActionAid has and will have to operate and where appropriate detailed sets of proposals, which are actionable by the organisation. The final report will be completed by end June for a presentation to trustees and presented to both internal and external stakeholders at the International Conference in July 2004.

Management/Accountability

- Overall direction: The consultants will be accountable to Ramesh Singh (Interim AA International CEO) and Noerine Kaliba - Chair of the International Board.
- Overall management and co-ordination of Taking Stock II: Antonella Mancini, Head of Impact Assessment Unit.

Time-frame

March-April 2004: Planning, internal review, reflection, assessment

- **March** - Regional/Functional Annual Reports due
- Meeting with Team Leader for TSII – orientation and initial planning meeting
- ALPS review begins
- **April** - ID's PRRP
- Global Progress Report 2003
- TSII consultants planning/methodology meeting

May- July 2004: External Review including field visits

- Field visit by the review Team
- Consultation and validation
- Report writing
- Presentation to the International Trustees, Directors and International Conference end June - July

Proposed countries to be visited by the review team (to be confirmed in March after initial discussions with ID's and Team Leader of TSII):

| Geographic | Thematic | Functions |
|--|-------------------------|---|
| Ethiopia Kenya Sierra Leone Vietnam | Education | Organisational development & management systems |
| India Guatemala | HIV/AIDS | Accountability learning and planning |
| Italy UK | Food Rights | Finance |
| | Gender & women's rights | Fundraising, communications and management |
| | Policy | Policy |
| | Rights based approach | |
| | Partnership | |

The above countries represent a cross section of AA countries based on:

- size and age of programme
- sponsorship/non sponsorship
- programmes that have come on board since *Fighting poverty together*
- countries coming out of conflict
- countries that have already undertaken an external review in the last 2 years and are at a stage to share their key findings and proposed future strategic focus with the TSII team
- affiliate countries

External

- Independent Global Stakeholder survey

Other external review processes to feed into Taking Stock II

Countries undertaking external reviews of their strategies

2003: India, Brazil, and Bangladesh

2004: Ghana, Malawi, and Ethiopia, Nepal & Pakistan

Functions/Systems - independent reviews

April – June: Finance (Nigel Saxby-Soffe to lead) – Final ToRs will be available March (see draft ToRs appendix 4)

March – May: ALPS (IAU to lead) – See Appendix 3

March – April: International Fundraising and Communications (Lyndall Stein to lead) – Final ToRs will be available March

Other thematic – internal/external review

February: HIV/AIDS baseline survey (Linnea Renton to lead)

Key ActionAid documents

Strategies & Policies

Fighting poverty together 1999-2005

ActionAid Accountability, Learning & Planning System (ALPS)

AA Global Organisational Development Framework

Finance Strategic Plan 2000

AA Gender Policy 2001

Open Information Policy 2003

Global Advocacy Strategy 2001-2004

Emergency Strategy

Africa Region Strategy – Ingendo

Asia Region Strategic Plan 2000-2005

ActionAid International Memorandum of Understanding

Cross section of country strategies

Reviews

Taking Stock I

Marketing Review 2000

Matrix Magic – review of horizontal working

Food Rights Campaign Review 2001

Elimu Review 2001

Gender Review 2003

Global Progress Reports 2001 - 2003
Regional & Functional Annual Reports 2001-2003
Country reviews undertaken between 2000 - 2004

Appendix 1

Team members – Taking Stock II

David Cohen (USA) – Team Leader

Specialist areas: US, S & SE Asia, S. Africa, Europe, advocacy, social justice, movements, policy

David Cohen is Co-Director of the Advocacy Institute, Co-Chair of the Advocacy Institute Board and one of its two founders. David pioneered the Institute's work in its international capacity building programs where he facilitates workshop and strategy sessions. His expertise is used to counsel social justice movement groups in the U.S. and abroad to gain support for their public agenda. His work extends to countries in South Asia, Southeast Asia, Southern Africa, The Middle East, Central Europe and Eastern Europe. David is also an active participant in the Institute's Leadership for a Changing World Program.

Kamala Bhasin – India – core team member

Specialist area: Asia region, women's empowerment, sustainable livelihoods & gender

Kamala Bhasin is a feminist activist who has worked in the development field for over 30 years. She is a founder member of JAGORI, the Women's resource and Training Centre in New Delhi as well as a founder member of the Women's Initiative for Peace in South Asia. Her work has primarily focused on women's empowerment and sustainable development. She has both with grass roots organisations as well as for various UN bodies, bilateral organisations and INGOs within the Asia region. She has played an active role in the WSF. Since 2001, she has worked as a freelance resource person on issues related to gender, women's empowerment and sustainable development.

Simon Matsvai – Zimbabwe – core team member

Specialist area: Africa region, organisational development, management systems, small enterprise development, capacity building

Simon Matsvai is the founder member of Symacon, a management consultancy firm specialising in organisation development. Simon has extensive experience in carrying out organisation/programme reviews for a wide range of organisations including, including African NGOs, networks and umbrella organisation, international NGOs, HIVOS, SIDA, UNAIDS, UNDP, International Foundations etc.

Additional review modules

The review of ActionAid's accountability, learning & planning system (ALPS) and Finance will take place between March - June. The finance consultant will work part of the assignment with the ALPS consultant and part of the assignment with the core Taking Stock II consultants. The International Fundraising and Communications module will be taking place during April-May. ToRs are currently being finalised. The consultant will also be undertaking a separate review of the UK Marketing Review 2000. This review will evaluate the extent to which the original recommendations of the Marketing review have been achieved, and what has been learned in the process.

Finance Module (see draft ToRs – Appendix 4)

Alex Jacobs – UK

Specialist area: Financial systems, finance management, cost effectiveness

Alex Jacobs is the CEO of a charity (MANGO) that provides professional management services to relief and development organisations. MANGO has supported a whole range of financial services, training to NGOs in the South and North. His organisation has also contributed to major evaluations of humanitarian practice.

ALPS Module (see ToRs - Appendix 3)

Irene Gujit - Netherlands

Specialist area: Organisational learning strategies and processes, collaborative monitoring and evaluation, participatory planning methodologies.

Irene Gujit is a freelance consultant focusing on learning processes and systems (including monitoring and evaluation) in rural development, particularly where this involves collective action. She is completing her PhD on the contribution of monitoring to trigger learning. Recent assignments include producing M&E guidelines for IFAD funded projects, training courses for learning systems for IUCN in Mozambique and Comoros, facilitating systematic learning in government bureaucracies (Brazil, via FIDAMERICA) and strategic reviews with Platform Biologica (Netherlands) and the Participation Group of the Institute of Development Studies (UK).

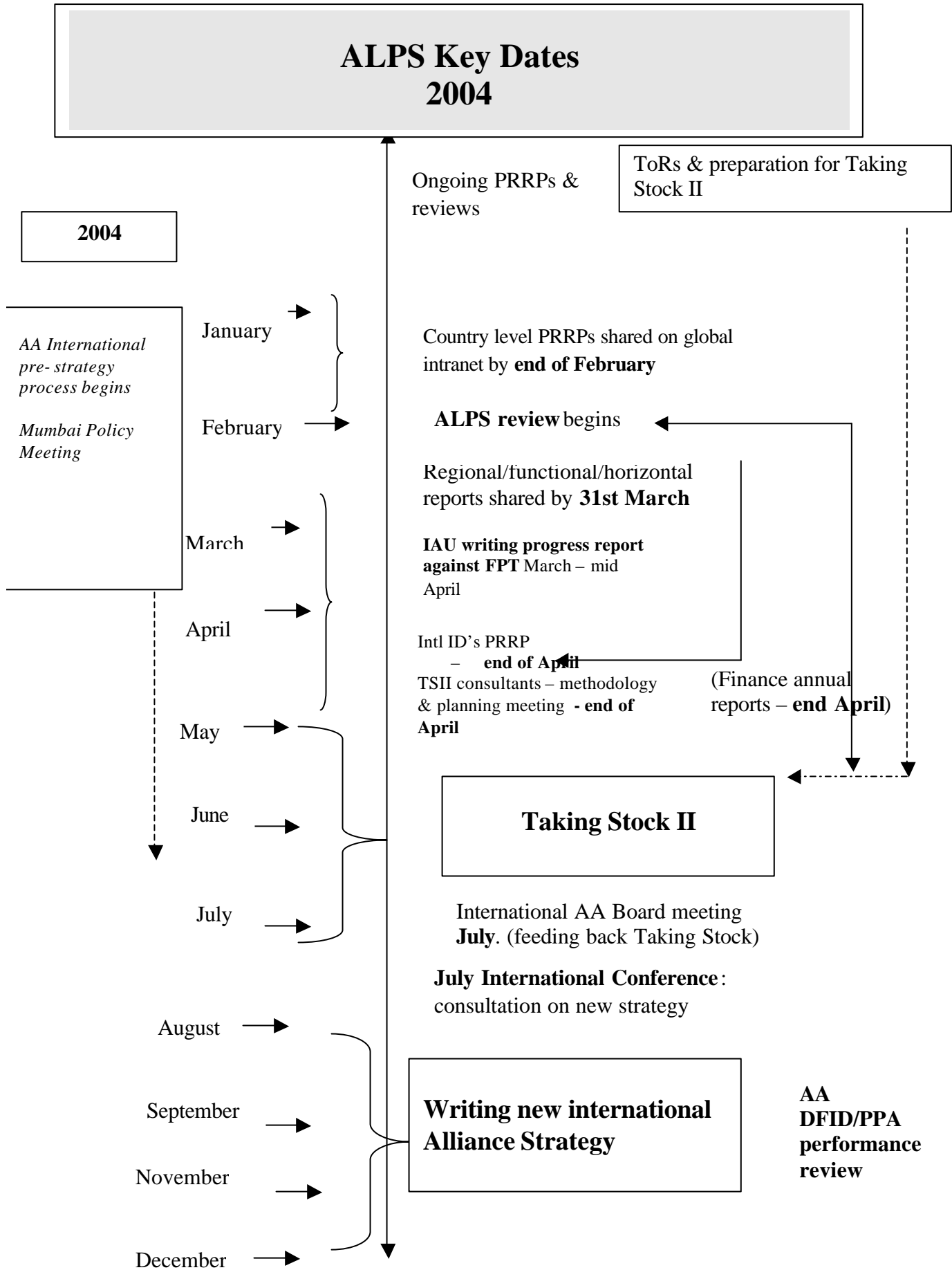
International Fundraising and Communications Module

Margaret Bennett – UK

Focus: Marketing, Fundraising, campaigns, communications

Margaret Bennett is a member of THINK Consulting Solutions is a well established and respected consultancy team dedicated to the not-for-profit sector internationally. The team offers skills spanning the fields of: strategy, management, communications, campaigns, fundraising, new media and training.

Appendix 2



Appendix 3

A review of ActionAid's Accountability, Learning and Planning System (ALPS) Terms of Reference

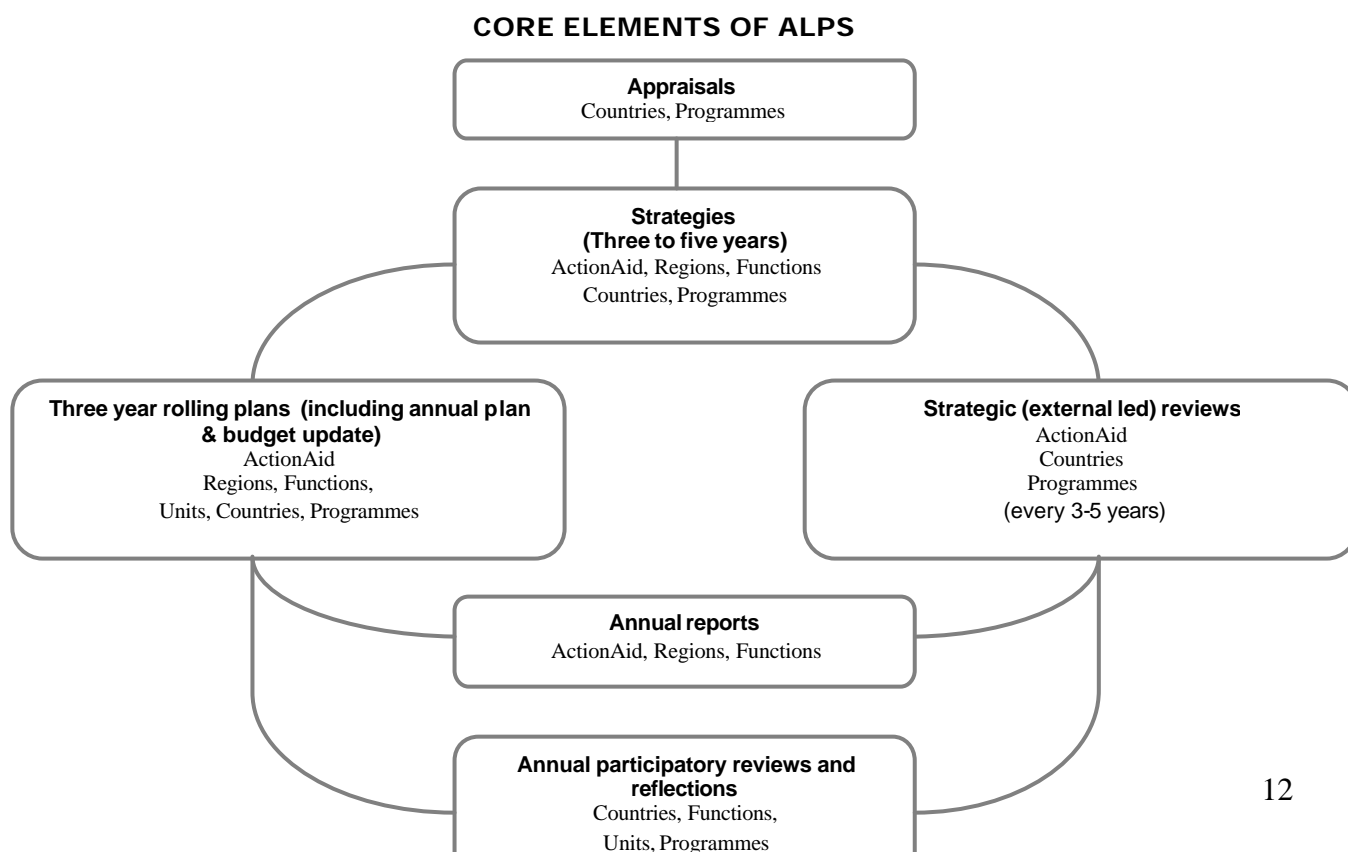
Background

ActionAid's strategy, *Fighting poverty together (1999-2005)* has demanded significant organisational change. Changes which attempt to bring its internal processes and systems in line with ActionAid organisational goals and objectives – systems and processes that facilitate rather than hinder the development process.

Central to these changes was the introduction in September 2000 of ActionAid's Accountability Learning and Planning System (ALPS). ALPS is an attempt to embed the idea of rights and justice to the very heart of ActionAid's systems. The essential principles of ALPS are closely linked to ActionAid's mission and strategy: promoting greater accountability, gender equity, transparency and empowerment of the poor. As such, the system has the potential to create opportunities for poor people, particularly the most marginalised groups, not only to access resources, but also have influence and choice over the forces that affect their lives.

Nevertheless, ALPS also asks' for core requirements. These, in themselves, are not new. They include:

- **Strategies** at each level (programmes, countries, functions, regions, ActionAid) every three to five years
- **Three year rolling plans** (with annual up-dates)
- **Annual reports** for ActionAid globally, regional programmes and divisions
- **Strategic reviews** External (consultant led) reviews of work at each level after 3-5 years
- **Annual participatory review and reflections** at all levels.



In 2004, ActionAid will be going through a major change in its organisational evolution. As we move closer towards the foundation of a new ActionAid International, we need to ensure that our current Accountability Learning and Planning System (ALPS) helps support the organisation through this change process.

A key aim of internationalisation is to deepen our accountability and legitimacy in the countries where we work. A major challenge will be to ensure we are able to balance the different levels of accountability. We need to be able to capture the key lessons and issues emanating from our programmes to enable us to become more effective as an international organisation in the fight against poverty.

During 2004, the ActionAid will also be carrying out an organisational review of *Fighting poverty together (1999-2005)*, ActionAid's global strategy. A major component of this review will be an in depth review of the current ALPS system. This will be an opportunity to assess how ALPS has been implemented, and how it has supported the changes that ActionAid envisaged in *Fighting poverty together*. The lessons and findings of the review will feed into the overall organisational review and will help the organisation to think about the kind of accountability, learning and planning system that will be required under internationalisation and the future ActionAid International.

Purpose

The purpose of the review is to take stock of achievements and lessons learned from ActionAid's implementation of ALPS. The review will assess to what extent has the introduction of ALPS contributed and supported changes in our development approach and ways of working. The review findings will feed into the overall Taking Stock II organisational review findings and provide recommendations for the future ActionAid International accountability, learning and planning system (or equivalent).

Objectives

To review how ALPS has been implemented across the agency and identify key lessons and recommendations for the future ActionAid International accountability, learning and planning system (or equivalent).

The key objectives will be to:

- Assess how and in what way ALPS has supported the agency in operationalising *Fighting poverty together* ie
 - Strengthened accountability to poor people, partners and other key stakeholders
 - Encouraged greater participation of poor people and partners in planning, budgeting, monitoring and assessing the value of interventions
 - Supported a better analysis of gender and power
 - Reduced burdensome reporting, and encourage learning, critical reflection and innovation
 - Promoted feedback loops and better management decision making processes
 - Improved our understanding of the cost of interventions and their impact
 - Fostered a culture of transparency

- Identify key achievements, lessons and gaps in the system.

- ❑ Provide a set of practicable recommendations to improve ALPS as it transforms into a new accountability system for an Internationalised organisation?

Guiding questions

- ❑ How has ALPS increased downward accountability to poor people so that priorities and perspectives of poor people inform the decisions we make at all levels and the decisions made by our partners?
- ❑ How has our relationship to partners changed as a result of ALPS? ie have we been proactive in creating an environment where partners are confident enough to criticise the organisation honestly? How is Alps empowering and supporting frontline staff and partners to build open, trusting and honest relationships with poor people? Where are we doing this well and why? Where are we finding it more difficult? What have been the challenges? What could we be doing differently?
- ❑ How has ALPS reduced burdensome reporting and created space and opportunities for critical reflection and analysis that has improved programme and advocacy. How has this been done? What have been the challenges, gaps and lessons?
- ❑ How has ALPS Improved our understanding of the cost of interventions and their impact
- ❑ Has ALPS made us more transparent with our finances, information and decision making processes? In what ways has this been done? What have we learned from these processes.
- ❑ How has Alps encouraged the integration of key functions or other requirements at different levels eg finance, donor reporting, HR/OD, sponsorship, shared learning etc. What are the levels of coherence between these systems and ALPS? Where are we doing this well and why? What have been the challenges and why? What could we be doing differently?
- ❑ What improvements need to be made to ALPS? What recommendations for a revised ALPS that reflects' the whole organisation as it internationalises?

Process & methodology

The process and methodology will be developed with an external consultant. The consultant will be supported by a small reference group, which will include: regional Impact Assessment representatives (Ephraim/Pamela/LAC equivalent), a member of AA Alliance (Italy) finance representative, gender representative and Head of IA & IA Project Officer.

It is envisaged that the review will include:

- ❑ Organisational inventory of core requirements and how, where and when they have occurred, (appraisals, reviews, strategies, 3 year plans, Participatory review and reflection processes PRRPs) – possibly short survey type questionnaire (to be carried out by the IA unit).
- ❑ Review of a sample of outputs from ALPS processes at all levels (eg recent country/DA DI reviews, 3 year plans etc)
- ❑ Case studies:
 - 2 or 3 country programmes (to be agreed)
 - 1 global donor funded programme eg SIPAA
 - 1 international campaign (Food Rights or Education)
 - Organisational functions (to be agreed)
 -

There will be a mixture of focus group discussions, country visits, and 1:1 interviews (in person or via telephone). These will be identified with the consultant but should include: communities /partners/AA staff/donors/academic institutions etc

Review output

- ❑ A succinct report, which will highlight key achievements, lessons, challenges and outline a set of practicable recommendations for revisions to ALPS (no more than 30 pages).
- ❑ Feedback to OE Director and Head of IA
- ❑ Feedback (via teleconference) to the Taking Stock II team

Time frame

- ❑ Draft ToRs shared with reference group + IDs – Mid-November
- ❑ Final ToRs approved early December
- ❑ Review to take place between March – May

Consultant

(Approx. 30 days work in total)

Will require someone with good understanding of: participatory planning/monitoring & evaluation, rights based approaches/social change processes, organisational development, finance systems. Strong analytical and writing skills. Good people/interpersonal skills.

Appendix 4

TAKING STOCK II

Draft Financial Review – Terms of Reference

1. Context

ActionAid is commissioning an external review of its performance under its strategy, Fighting Poverty Together, which was adopted in 1999, with a view to informing the development of the successor strategy. The review will be carried out by a team of 4 people, with an identified leader, who will together combine skills and experience in the areas to be covered by the review. These include development, civil society, campaigning, gender, organisation development, knowledge management and finance. The terms of reference for the overall review are separately available. These terms of reference set out the framework for the finance element of the review.

2. Issues to be addressed

The methodology and structure of the review will be for the review team to determine. We also wish to allow the finance reviewer scope to determine to a certain extent her/his own terms of reference on the basis of initial interviews within the organisation. However, by way of guidance and from the perspective of the Centre, it is expected that the finance review will seek to establish answers to questions under the headings below and provide recommendation for improvement wherever possible. The Finance consultant should be aware of aspects of this review that will overlap with other elements of Taking Stock II.

2.1 Income Generation, resource allocation and expenditure: major issues that should be covered-

- a) Appropriateness of income: To what extent has AA managed to generate the right types of income in support the organization's objectives and their effectiveness?
- b) Investment in markets and return: To review what investment AA has made in different markets and major products and assess whether adequate and appropriate return on investment was gained.
- c) Resource allocation: To assess whether AA's resource allocation principles and the resources allocated during the period were effective in supporting the objectives in *Fighting poverty together*; whether resource allocation across the agency among regions and division/functions was equitable and based on the priorities and needs of the FPT objectives.
- d) Expenditure: To what extent does AA's spending pattern over the period tell us about the shift that AA has made so far. What does spending record tell us about AA's focus on major key themes and international campaigns? Is it possible to measure AA's progress against its objectives by using its' expenditure information? If so, what picture does it give us?
- e) How can we improve the ways in which we allocate, manage and monitor the use of our financial resources at all levels?

2.2 Financial performance

- a) To what extent has ActionAid achieved its organisational Strategic Objective 5 “to ensure that appropriate and sufficient funds are available to enable ActionAid to achieve its mission and that these funds are raised and spent in a cost-effective manner”?
- b) Has the organisation improved its accountability to its key stakeholders?
- c) Is the organisation appropriately cost conscious?
- d) Has there been appropriate financial input into the assessment and review processes that have taken place under ALPS? (This may have already been addressed by the parallel ALPS review.)
- e) What lessons can be learned from a comparison between ActionAid’s key financial performance ratios and those of other similar organisations?
- f) Is the finance function itself cost effective?
- g) What improvements could be made to the ways in which the organisation assesses its financial performance?

2.3 Systems

- a) Is the system of rolling 3-year plans satisfactorily reflecting the long-term nature of much of our income and of much of our work?
- b) Does the way in which the planning system and other elements of ALPS are implemented take adequate account of the needs and priorities of our partners and the communities we work with?
- c) What efficiencies can be made in our global reporting systems, which take account of the needs of various stakeholder groups?
- d) Do our accounting systems capture and report our expenditure in the way that management wants? What improvements could be made to the ways in which we use SUN accounts?
- e) How should the finance function respond to the growing need for information on cross-organisational thematic work?
- f) Is the current Risk Assessment management system adequate in supporting the organisation to identify, review and manage the major strategic, business and operational risks which the organisation faces.

2.4 Organisational and behavioural questions

- a) Is the Finance function adequately integrated with other management functions? Do finance managers participate satisfactorily in the general management process and do they add value to it? Is finance accorded appropriate importance in the minds and actions of other managers?
- b) Are finance staff suitably supported by the HR/OD function? What improvements could be made in the learning processes within the function and between finance and other functions?
- c) What improvements could be made in the communication processes among the finance function and between finance and other functions?
- d) Do our finance staff have the necessary skills and experience to fulfil the demands the organisation places on them?
- e) As ActionAid becomes a more truly international organisation how should the finance function be re-configured to provide its services in the most cost effective way?

We recognise that answering all these questions comprehensively may extend the review beyond the time allocated to it. It may therefore be necessary for the consultant to agree with ActionAid some degree of prioritisation. It is expected that the review should take no more than 30 working days, inclusive of the writing of a report and feedback to the wider Taking stock team. The

consultant will also be expected to feed back to the International Finance meeting planned during June 2004.

Nigel Saxby-Soffe
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