



AusAID-NGO Cooperation Program (ANCP) Annual Program Performance Report 2011

August 2012

This report summarises the performance of the AusAID-NGO Cooperation Program (ANCP). While the report captures program results from 2010–11, it also provides information on initiatives in ANCP up to June 2012.

The objective of ANCP is to support the development activities of accredited Australian non-government organisations which directly and tangibly alleviate poverty in developing countries. Non-government organisations funded through ANCP undergo a rigorous accreditation process which assesses their governance and organisational structures, financial systems and development approaches. This ensures ANCP non-government organisations are professional, well managed and accountable.

The results in this report precede changes in the aid program outlined in the comprehensive aid policy framework *An Effective Aid Program for Australia: making a real difference—delivering real results*. The government recognised in the aid policy the important role that civil society, particularly non-government organisations, play as partners in the development and implementation of the aid program. It agreed that AusAID develop a new Civil Society Engagement Framework,¹ double the funding available through ANCP, and improve the accreditation process for small non-government organisations. The actions identified as management consequences for ANCP are within this broader context.

Context

Working with non-government organisations

‘Civil society’ refers to a wide range of non-government and non-market organisations through which people organise themselves to pursue shared interests or values in public life.² The Istanbul Development Effectiveness Principles adopted in 2010 and the fourth High Level Forum of Aid Effectiveness in Busan in 2011 recognise the important role of civil society organisations. The Civil Society Engagement Framework, which was developed with the Australian Council for International Development (ACFID) and launched in June 2012, is informed by the Istanbul and Busan fora.

Last year over 2 million Australian households contributed approximately \$1 billion to support Australian non-government organisations involved in international aid and

¹ www.ausaid.gov.au/ngos/Documents/civil-society-engagement-framework.pdf

² Definition used by the World Bank and the Organisation for Economic Co-operation and Development.



development.³ Non-government organisations have a strong track record and unique capacity for working directly with communities to help people overcome poverty.

The government recognises that non-government organisations have the ability to provide innovative responses to the needs of the poor through their strong on the ground links. Many raise awareness about issues impacting the poor and are frequently the main providers of basic services to the most vulnerable and marginalised communities. They empower communities to deliver sustainable development programs and often have expertise in humanitarian emergency situations where rapid and flexible responses are critical.

Australian non-government organisations are key partners for AusAID in its work to help people overcome poverty. For nearly 40 years ANCP has supported Australian non-government organisations to alleviate poverty through their own development programs.

ANCP

Reforms to ANCP in 2009 saw an increase in funding, guaranteed multi-year funding agreements, and the establishment of a separate category of engagement with non-government organisations—the ANCP Partnerships—along with the introduction of a competitive discretionary pool of funding—the Innovations Fund. The reforms also saw changes to the accreditation process and the trialling of accreditation assistance for non-government organisations.

In 2010–11, Australia provided \$69.2 million through ANCP to support the development programs of 42 accredited Australian non-government organisations, and hundreds of their in-country partners, to reduce poverty worldwide. This was a 25 per cent increase over 2009–10 funding and included provision for partnerships with seven non-government organisations that demonstrated significant Australian community support. In 2010–11 ANCP delivered over 500 projects in more than 55 countries directly assisting nearly 2 million people living in poverty.⁴

Future ANCP management and programming are impacted by commitments made in *An Effective Aid Program for Australia: making a real difference—delivering real results* and subsequently in the 2012–13 Budget with the Comprehensive Aid Policy Framework, including an increase to ANCP funding to at least \$150 million by 2014–15.⁵

Program objectives and strategy

The overall objective of ANCP is to support the development activities of accredited Australian non-government organisations which directly and tangibly alleviate poverty in developing countries. This often targets the most vulnerable and marginalised communities. ANCP provides grants to Australian non-government organisations with strong community support and effective systems.

³ Australian Council for International Development, www.acfid.asn.au accessed 6 June 2012.

⁴ Budget, Australia's International Development Assistance Program, 2010–11.

⁵ Budget, Australia's International Development Assistance Program, 2012–13.

The 2009 ANCP guidelines state that activities supported under the program must have as a primary objective or major focus one of the following: basic education and training, primary health care, water supply and sanitation, income generation and rural development including environmental management, and good governance and civil society development. These objectives align with the government's strategic goals as articulated in *An Effective Aid Program for Australia*: saving lives, promoting opportunities for all, sustainable economic development and effective governance. ANCP funds are not provided for emergency relief operations or to build public support for increases in aid funding.

Managing ANCP involves a number of sub-programs, ANCP itself (non-Partner non-government organisations), ANCP Partnerships, the Innovations Fund, Development Awareness Raising and an ACFID Partnership, which operate under the overall objective. This report focuses on the current operation of ANCP under these sub-programs. The management consequences section highlights work AusAID, and particularly the NGO and Business Branch (NBB), will undertake in the context of the government's aid policy commitments regarding engagement with non-government organisations and the programming of ANCP.

Expenditure in 2010–11

In 2010–11, total AusAID funding to non-government organisations (Australian and non-Australian) was \$488.4 million, or 11.2 per cent of Official Development Assistance (ODA) (table 1). The \$69.2 million ANCP represented 1.6 per cent of ODA.

Table 1: Total AusAID funding to non-government organisations 2010–11

	Total (\$Am)	% ODA
All Australian non-government organisations	289.4	6.7
Accredited Australian non-government organisations	236.5	5.4
ANCP funding	69.2	1.6
Other funding	167.3	3.8
Non-accredited Australian non-government organisations	52.8	1.2
Non-Australian non-government organisations	199.1	4.6
All non-government organisations	488.4	11.2

Funding to both accredited and non-accredited Australian non-government organisations was channelled through regional, bilateral or thematic program areas. Some non-Australian organisations also received AusAID funding through these mechanisms. Others in developing countries were directly supported through small grant schemes including the Direct Aid Program and the Human Rights Small Grants Scheme, both administered by the Department of Foreign Affairs and Trade Posts around the world.

As the Australian aid program grows, AusAID's engagement with civil society organisations, particularly non-government organisations, will change with a greater focus on relationships and the ability to effectively deliver on the Australian aid program's priorities. The launch of the Civil Society Engagement Framework and the




actions required to implement it mean that a greater thematic role will be required across the agency, in particular NBB, on engagement with, and analysis and reporting on, civil society.




Progress against objective

ANCP aligns with the government's goals to alleviate poverty, which were released in 2011. This section shows evidence of ANCP progress by aligning activities against the current strategic goals of the aid program, and considers implementation and management issues of ANCP's sub-components.

Table 2: Ratings of ANCP's progress towards the objectives

Objective	Current rating	Relative to previous rating
Overall objective: Support the development activities of accredited Australian non-government organisations which directly and tangibly alleviate poverty in developing countries.		Not available ⁶

Note:

-  The objective will be fully achieved within the timeframe of the strategy.
-  The objective will be partly achieved within the timeframe of the strategy.
-  The objective is unlikely to be achieved within the timeframe of the strategy.

Grants provided to non-government organisations under ANCP in 2010–11 delivered more than 500 poverty reduction projects in over 55 countries, and directly assisted nearly 2 million people living in poverty.⁷ These programs complemented the broader aid program's strategic goals: approximately 96.1 per cent of funding was spent in priority countries and 86.7 per cent on strategic goals, with a further 13.3 per cent on cross-cutting issues (1.4 per cent was spent on disaster risk reduction and disaster risk management). Diagram 1 shows the expenditure by region. Diagram 2 shows the breakdown of 2010–11 ANCP funding by strategic goals.

⁶ ANCP has not previously been assessed in this format as a whole.

⁷ Budget, Australia's International Development Assistance Program, 2010–11.



Diagram 1: ANCP estimated expenditure by region 2010–11

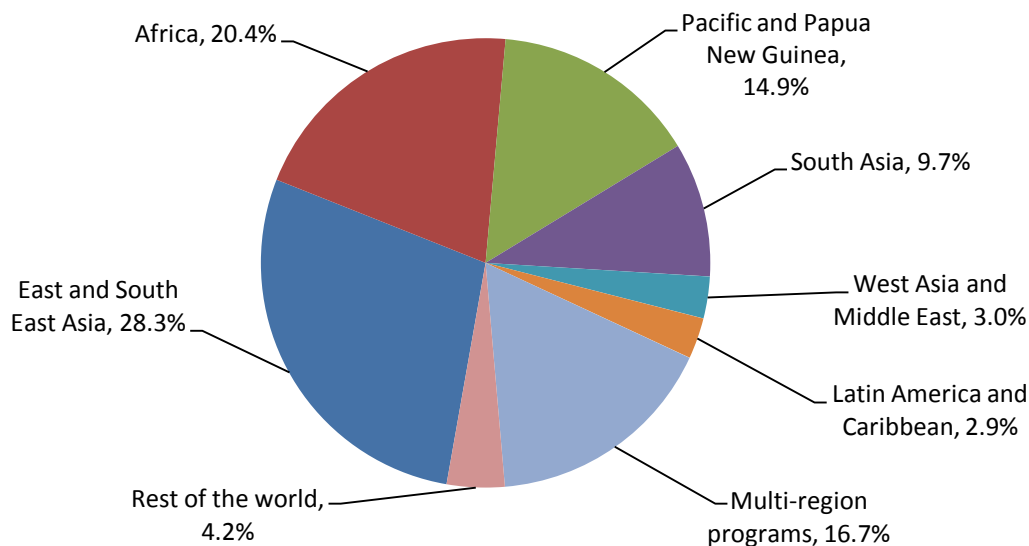
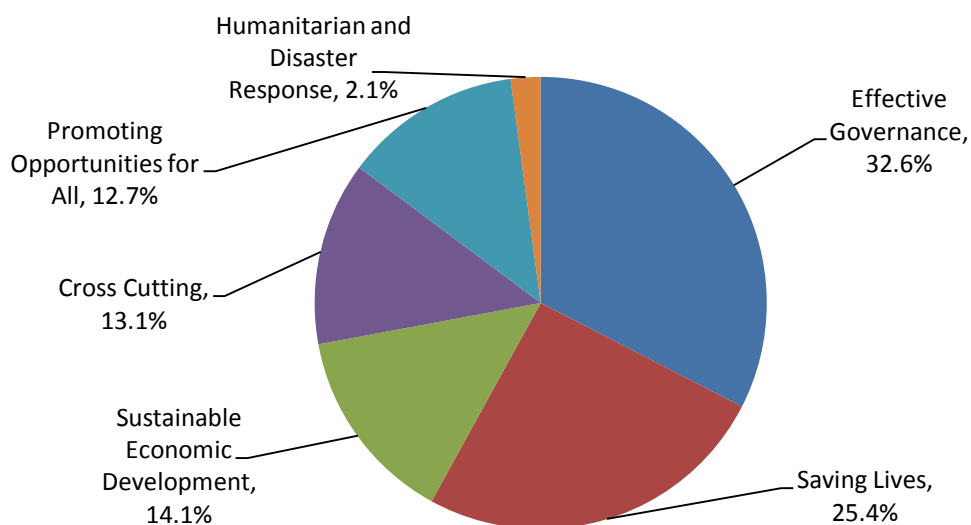



Diagram 2: ANCP funding by strategic goals 2010–11



ANCP DEVELOPMENT ACTIVITIES

ANCP remains on target to achieving its overall objective of supporting the development activities of accredited Australian non-government organisations to alleviate poverty. The program's projects cover a diverse range of sectors, from economic justice to HIV/AIDS to natural resource management. In 2010–11 ANCP



non-government organisations worked with 579 in-country partners⁸ to implement activities.

The Annual Development Plan and Annual Performance Report are core documents that non-government organisations provide to measure progress on their development activities. To date, there has been a lack of common approach in reporting format to consistently collate results as a total program.

Reports before the introduction of ANCP's monitoring evaluation and learning framework in May 2012 did not capture results in a standardised manner. Therefore, AusAID analysed annual performance reporting from non-government organisations in 2010–11 and applied these results retrospectively against the AusAID headline indicators outlined in the Comprehensive Aid Policy Framework. Due to the complex, multi-sectoral approach of many non-government organisation activities, the headline indicators show only a portion of the results of their work. Below are some key achievements of ANCP by strategic objective.

Saving lives


- Over the year, 15 729 children were vaccinated, of who 10 337 or 65.7 per cent were assisted through Save the Children's global program.⁹ Organisations working in Mozambique, Bangladesh, Cambodia and Ghana also contributed to this result, including World Vision Australia, Baptist World Aid Australia, Plan International Australia and International Needs Australia.
- A total of 161 966 people were provided with better access to safe water, of who 117 522 or 72.6 per cent were supported through the work of World Vision, TEAR and Caritas in 11 countries. Twelve other non-government organisations worked across 22 countries to contribute to this result.
- 112,159 people were provided with increased access to basic sanitation, of which 88 829 or 79.2 per cent were supported through the work of World Vision, TEAR and ChildFund in 13 countries. Twelve other non-government organisations contributed to this result working in five different countries.
- 177 945 people were educated on better hygiene practices, 142 386 or 80.0 per cent were supported by Act for Peace, World Vision, ChildFund and Plan working in 11 countries. Thirteen other non-government organisations working in 20 countries contributed to this result.

Promoting Opportunities for All

- An extra 4273 children were enrolled in school, of which 3395 or 79.5 per cent were supported through the work of Caritas, Plan and Australian Lutheran World Service in Bangladesh, Cambodia, Kenya, Philippines and Zimbabwe. Five other non-government organisations worked in seven countries (and one global program) to contribute to this result.

⁸In-country partners include local or national non-government organisations, community-based organisations, self-help groups, credit unions and government agencies.

⁹'Global programs' refers to organisations like Save the Children Australia that are part of a larger international confederation operating through partners to provide consistent and high quality programs that are in line with their global mandate. For Save the Children, this would be child-focused programming within the sectors of health, education, disaster risk reduction and protection.

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- A total of 426 classrooms were built. This included 381 or 89.4 per cent built by World Vision, TEAR and Save the Children in seven countries and through one global program.
 - Financial or nutritional support was provided to 5412 students through 10 non-government organisations across seven countries and through one global program.
 - Training was provided to 13 155 teachers, including 12 131, or 92.2 per cent, through World Vision in Bolivia, Papua New Guinea, Solomon Islands, Ecuador and Haiti. A total of 12 021 teachers were trained in one program in Bolivia. Six other non-government organisations provided training across seven countries and through one global program.
 - A total of 42 208 textbooks were provided to students, including 39 378 or 93.3 per cent through CARE in Cambodia. Nusa Tenggara Association, Caritas and TEAR provided the remaining books in Indonesia, Cambodia, Laos and Zimbabwe.
 - Disability services were provided to 2010 people, including prostheses and assistive devices. Of these people, 1582 or 85.2 per cent were supported through TEAR in Nepal. World Vision, Baptist World Aid Australia, Act for Peace and AFAP worked in Vietnam, Cambodia, India and Mozambique to also contribute to this result.
 - Support was provided for 4237 children with disability to go to school, including 3903 or 92.1 per cent who were supported through CBM's global program. World Vision and Caritas provided the remaining support to children in Vietnam and Cambodia.

Sustainable economic development

- Access to agricultural technologies¹⁰ was made easier for 95 894 people, 72 094 or 75.2 per cent of who were assisted through World Vision's work in 16 countries. The remaining 23 800 people gained access to agricultural technologies through the work of 12 non-government organisations in 17 countries and through one global program.
- Access to financial services was increased for 74 647 people, including 57 215 or 76.6 per cent who were supported by the Credit Union Foundation of Australia in Cambodia, Timor-Leste and Solomon Islands. Fourteen other non-government organisations worked in 19 countries and through one global program to contribute to this result.
- Incomes increased for 31 013 people, including 23 457 or 75.6 per cent who were supported through the work of World Vision, CBM, ChildFund and Oxfam in 10 countries and through one global program. Fourteen other non-government organisations contributed to this result working in 10 countries and through one global program.

¹⁰ Agricultural technologies can include improved practices, techniques and approaches to agricultural production (e.g. crops, livestock, forestry, fisheries), processing and marketing. Source: Food Security/Rural Development Thematic Group technical note.



Effective governance

- A total of 6195 civil society organisations were supported to track service provision. Of these, 4377 or 70.65 per cent had the backing of World Vision and 1281 or 20.68 per cent were supported through TEAR.

Humanitarian and disaster response

- Life-saving assistance was provided to 154 961 vulnerable women, men, girls and boys, including 132 961 or 85.6 per cent who were supported through a World Vision program in South East Asia designed to reduce vulnerability and provide education in life skills. The remaining 22 250 or 15.4 per cent of these people were supported through TEAR's programs in Burma (15 500) and in Sudan (6750).

ANCP PARTNERSHIPS

Strategic partnerships

Reforms to ANCP in 2009 aimed to embed a partnership approach in AusAID's engagement with Australian non-government organisations. A key aspect of the reforms was greater funding flexibility (including multi-year funding) and establishing opportunities for Partnership agreements with non-government organisations that have a large Australian community support base. The government also established new senior level discussions, including biannual partnership review meetings with both the ACFID¹¹ and the heads of Australian non-government organisations working in humanitarian response and poverty alleviation.

In 2009, AusAID negotiated four-year partnership agreements with five non-government organisations – Caritas Australia, ChildFund Australia, Oxfam Australia, Plan International Australia and World Vision Australia – which later grew to a total of eight non-government organisations with CBM and TEAR in 2010–11, and CARE Australia in 2011–12. These agreements have enabled AusAID and Partner non-government organisations to plan strategically around mutual development objectives, such as child protection, gender, food security and climate change, to help reach Millennium Development Goals, ensure consistency in program delivery and policy dialogue, and facilitate sustainable development in line with international best practice. Building on the overarching objective, the Partnership agreements have enabled work on five shared objectives: reduce poverty, build partnerships, be accountable, build community support, demonstrate results and share experiences.

For AusAID, the partnership intent is to provide opportunities to extend our reach in sectors and geographic areas of interest, increase our international profile, and engage with the Australian public more effectively on long-term development objectives (particularly those reflected in the Millennium Development Goals).

For non-government organisations, the partnerships provide an expanded funding base, predictable funding over multiple years (from 2009–10 to 2012–13), and a platform for regular policy dialogue with AusAID.

¹¹ A partnership has also been formed with ACFID on leadership and policy engagement, development effectiveness and innovations. ACFID is the peak body representing more than 70 Australian not-for-profit aid and development organisations.



In early 2012 a mid-term review was undertaken to provide AusAID and non-government organisations with a better and more accurate understanding of the costs and benefits associated with the partnerships, and to demonstrate what has been achieved (noting that the partnerships will finish at the end of 2012–13). A joint analysis of review findings will feed into AusAID's approach on managing future partnerships under the program.

In 2010–11, seven ANCP Partners received 66.7 per cent of all funds available under the program (approximately \$46 million), with the balance being split among the remaining 35 non-government organisations.¹²

According to the 2010–11 annual reports (the most recent data available), seven Partners had the following key achievements which address the shared objectives.

Caritas Australia supported 40 ongoing development projects and programs totalling over \$5.1 million. Most of these are integrated community development projects (multi-sectoral) located in Asia, Africa and Latin America. Caritas also invested in activities aimed at enhancing the capacity of both it and its partners to deliver more effective programs in terms of impact on the poor as well as awareness raising activities in Australia. *Sweet water* is a 10 minute film made in conjunction with Caritas Bangladesh in 2011, which explores the impacts of climate change on communities living in the coastal region of Bangladesh. It is the signature resource of the Caritas 'A Just Climate' program and promotes ecological sustainability as a way to minimise climate change impacts on the world's most vulnerable communities. The film was promoted to 21 145 people throughout Australia through Avant Card postcard stands in cafes, schools and public locations. An additional 2000 postcards were distributed through online orders and throughout the Caritas network, including social justice groups, parishes, school visits and festivals. The resource was also made available online through Caritas Australia's website.

CBM Australia supported 25 initiatives in 10 countries and one region in West Africa, totalling over \$4.5 million. CBM has worked to improve the lives of the poorest and most vulnerable people with disability. Change has occurred especially in the areas of health, education and livelihoods, and building mental health leadership. All of CBM's 25 partners are engaged in inclusion activities to promote a community more supportive of those with disability. CBM has also commenced a partner capacity development initiative to strengthen the understanding and practice of disability inclusive development. In 2011 the initiative centred on recruiting and equipping four regional resource experts, to train partners in disability inclusive development using a train the trainer approach.

ChildFund Australia implemented 12 projects totalling \$3.8 million in Asia and Africa to alleviate child poverty. The organisation has piloted a new Development Effectiveness Framework to improve accountability and enhance its ability to demonstrate results and share experiences. ChildFund has also embarked on a recent research effort focused on early childhood education. ChildFund Connect has been successful in helping several hundred Australian children along the path to becoming

¹² That is 31.6 per cent to the ANCP pool and 1.7 per cent to new ANCP initiatives. In 2011–12, CARE Australia also negotiated a partnership agreement bringing the total number of partners to eight. ANCP Partners in 2011–12 received \$70.1 million, representing 72.1 per cent of all ANCP funds which totalled \$98.1 million.



global citizens, with a greater awareness of issues facing their peers in developing countries.


Oxfam Australia supported 42 programs in economic justice, essential services, gender justice, active citizenship and quality and accountability, totalling \$6.7 million. The flexible and long-term approach offered by the ANCP Partnership helps Oxfam's strategic focus, quality and coherence of programming, and has enabled greater investment across the agency in the areas of monitoring, evaluation, learning, quality and effectiveness. Oxfam has operated across a number of areas under the Economic Justice program that include support to small-scale producers, women's economic empowerment and leadership, climate change, natural resource management and the extractive industries. Analysis of its work at Economic Justice Week in Jakarta in April 2011 proposed a new focus on food and hunger (around Millennium Development Goal 1) to bring together the threads of the Economic Justice program, which effectively links community-level livelihood activities to Oxfam's engagement with partners at local, national and international levels, as well as with the private sector.

Plan International Australia undertook 29 projects and programs totalling \$4 million across Asia, the Pacific and Africa. These were focused on child-centred community development activities. Plan has made headway in research and policy engagement through a submission on the Child Rights Business Principles initiative, led by the United Nations Global Compact, and jointly with Save the Children and ChildFund on ways to educate business partners on contributing to community development internationally. Plan is also working in partnership with UNICEF Australia and university partners including Macquarie University, Monash University and Yale University to share knowledge, build an evidence base and raise awareness about the importance and effectiveness of early childhood care and development in achieving the Millennium Development Goals and a wide range of human development outcomes.

TEAR Australia has continued its poverty reduction programs with 13 partners in nine countries, totalling over \$3.3 million. TEAR has committed resources to design, monitor and evaluate these programs, and provided development education materials and opportunities to the Australian community. TEAR has also undertaken planning to strengthen smaller civil society organisations and measure the effectiveness of development work in complex operating environments. TEAR will identify eight partners from three geographic regions—Eastern and Southern Africa, South Asia, and South East Asia and the Pacific—that are close to the local community and are in a strong position to create long-term sustainable change. TEAR aims to strengthen the skills of these participating partners to work with local communities as they both access services and improve citizen rights. The project will be grounded in our partners' analysis of the role civil society plays within their society and their experience in identifying the key players. TEAR will combine this local knowledge with the established theory and experience of organisations such as Social Impact.

World Vision Australia has undertaken 86 projects in 36 countries and four regions, including 46 baselines and evaluations¹³ totalling \$18.5 million. Sectoral evaluations

¹³ Baseline is an assessment performed during the design phase of a project or program. It provides information on the existing situation, forms the basis for the development of the plan of action, and provides baseline data against which prospective changes in the monitoring system are



conducted in water sanitation and hygiene, education and health across the Pacific region provided shared learning initiatives. World Vision established the ANCP Community Engagements group, which includes representatives of the now eight ANCP partner agencies and engagement with AusAID. World Vision also took the lead in contributing to the Monitoring, Evaluation and Learning Framework based on its experience with its own comprehensive design monitoring and evaluation framework, *Learning through Evaluation with Accountability and Planning*.

Innovations Fund and Development Awareness Raising

The ANCP Innovations Fund is a competitive funding scheme open to accredited non-partner Australian non-government organisations. The fund is designed to help non-government organisations implement innovative development activities while supporting shared learning and collaboration across the international development sector. The fund also focuses on delivering results through non-government organisation programs which are in line with AusAID's comprehensive aid policy framework. In 2010–11, AusAID allocated \$1.2 million under the Innovations Fund to 11 non-government organisations. Delays in the fund's administration mean results from these projects are not available until non-government organisations acquit their projects by 30 September 2012. In 2011–12, AusAID allocated \$2 million to seven non-government organisations under the Innovations Fund.

In 2010–11 non-government organisations continued their engagement with the Australian community through global education, development research and supporting participation in international seminars and workshops. ANCP provided \$2.3 million to engage the Australian community in international development issues through domestic awareness raising efforts. The following results were achieved:

- twenty-one ANCP non-government organisations delivered over 60 development awareness raising projects, representing 3.3 per cent of total ANCP funding
- a total of 71 390 people participated in development awareness raising activities
- a further 495 009 people within the Australian community were informed about aid and development issues through awareness raising activities.

The Development Awareness Raising guidelines were tightened in late 2011 to ensure activities are not supported if they include any form of fundraising, promote a particular religious adherence, build public support for increases in aid funding or lobby for changes in aid policy, or mobilise members of the public to undertake advocacy in relation to the aid program.

Accreditation

Accreditation for Australian non-government organisations is a rigorous, up-front assessment tool that ensures these organisations have systems in place to implement effective and efficient programs. The table below provides figures related to the accreditation process.

progressively assessed or measured (World Health Organization, 2012). Evaluation is the systematic assessment of the relevance, adequacy, progress, efficiency or effectiveness of a project or program in relation to its intended aims and objectives (EURO European Centre for Health Policy, ECHP, Brussels, 1999).

Table 3: Accreditation figures by financial year

Year	Number of applications	Number of non-government organisations accredited	Number of non-government organisations re-accredited	Number of withdrawals	Number of failures	Applications in progress
2010-11	13	1	6	3	3	–
2011-12	16	1	3	1	0	11

Accreditation assessments may take up to one year to complete and may cross financial years. All accredited non-government organisations have been subject to at least one major assessment process (an AusAID audit or accreditation) in the last five years. To date, there are 44 accredited non-government organisations.

The future shape of accreditation will be considered by AusAID in consultation with ACFID and the sector, and in the context of commitments made in *An Effective Aid Program for Australia* and the Civil Society Engagement Framework. Changes will also take into account AusAID's new due diligence framework which is currently under development.

Program quality

The quality ratings for ANCP activities have been established after monitoring and assessing the annual development plans and performance reports of non-government organisations, and following communication with the non-government organisation sector. The development of a new Monitoring, Evaluation and Learning Framework (discussed below) and the allocation of resources, including staff dedicated to performance and quality issues, will help NBB's ability to make more rigorous assessments of program quality.

Relevance

Accredited Australian non-government organisations are important development partners for Australia's aid program. ANCP is a long-standing program of support which has grown significantly in recent years—from 37 accredited organisations and \$36.8 million in funding in 2007 to 42 accredited organisations and \$69.2 million in funding in 2010–11, and 43 accredited non-government organisations and \$98.1 million in funding in 2011–12. With \$110 million in funding in 2012–13, the number of accredited non-government organisations is expected to grow.¹⁴

In *An Effective Aid Program for Australia*, the government supports greater involvement of the Australian community, including through the development of the Civil Society Engagement Framework and a doubling of financial support through ANCP. Non-government organisations support the implementation of AusAID's programs by bringing their own strengths, including strong linkages with community groups, particularly in-country, an ability to work in areas where government-to-government aid is not possible or limited, and the ability to inform the Australian

¹⁴ Budget, Australia International Development Assistance Program, 2011–12 and 2012–13.



community with their first hand experiences. Organisations supported also include those in niche or specialist areas.

While there is alignment between ANCP funded programs and bilateral and regional programs, greater effort will be made to strengthen these linkages.

The launch of the Civil Society Engagement Framework and the government's commitment to doubling ANCP presents some challenges to the program. It will be important for ACFID and AusAID to implement the framework by working together with non-government organisations, and to carefully manage the necessary transitions with existing programs while ensuring all key stakeholders are well-informed.

Effectiveness

ANCP is effective in delivering on the purpose of the aid program, namely to help poor people overcome poverty. It does this by concentrating on the priority sectors and countries of the aid program and building on the existing programs of non-government organisations, as these organisations often have a multi-dimensional understanding of poverty and long-standing connections with communities.

The 2011 ANCP thematic review highlighted a key benefit of the ANCP model in providing good scope for working with the poorest and marginalised by allowing flexible, responsive design processes.

Australian non-government organisations that have sought to gain entry to ANCP through the accreditation process, or to maintain their accreditation status, have acknowledged its value as a capacity building exercise in governance and program management. The ACFID Code of Conduct, a pre-requisite for accreditation, has also significantly strengthened its emphasis on development effectiveness, including through an annual self-assessment tool for its members.

Increases in funding and an expanded scope through the introduction of both the Partnerships and the Innovations Fund, have impacted on ANCP's effectiveness, particularly regarding linkages and greater alignment with country programs. It has been challenging under the expanded program to engage fully in analysis and forward planning. Increases in 2012 in staffing and resources should provide more capacity towards improved analysis of the program.

The Civil Society Engagement Framework also commits AusAID and ACFID to develop and implement an assessment methodology to guide funding decisions. This will take into account effectiveness, capacity and relevance.

Efficiency

ANCP enables non-government organisations to leverage other funds and to target the poorest of the poor in their programs. The 2011 ANCP thematic review highlighted that it is time consuming and labour intensive to get the poorest over the poverty line. It also identified the multiple barriers to working with the poorest and most marginalised, including remoteness, local power structures, social exclusion and stigma, and lack of literacy.

Key challenges for ANCP have been balancing increases in the program, regularly disbursing from and managing the program, and establishing and implementing the



Partnerships and Innovations Fund. The operating context for AusAID and ANCP has also changed and there is greater emphasis on Australian non-government organisations to provide evidence of their results and value for money. The existing ANCP accreditation process does not provide sufficient data on the development impact of Australian non-government organisations and the Civil Society Engagement Framework identifies this as an area for development. The framework also commits AusAID to developing a civil society portal which will centralise information on consultation and funding opportunities as well as house non-government organisation evaluations and reports.

The management arrangements for ANCP were established when the program was much smaller than its current size. ANCP has expanded and new agency-wide policies and systems have also impacted on the program, including the Civil Society Engagement Framework, the Comprehensive Aid Policy Framework and a due diligence framework currently under development. There is scope in 2012–13 to increase ANCP's efficiency in managing relationships with multiple non-government organisations, and to undertake relevant analysis and performance monitoring of the program. The development and implementation of any additional funding schemes will have to be managed carefully as they will create additional program administration requirements.

To receive funding under ANCP, non-government organisations must meet rigorous standards regarding their organisational structure and their Australian identity. They must demonstrate that they have appropriate organisational systems and philosophies to implement their development and poverty alleviation programs overseas, including that Australian Government funding is not used for programs such as partisan political or evangelical work. In addition, non-government organisations must demonstrate their ability to meet government policies on counter-terrorism and child protection. AusAID's ongoing work on a due diligence framework and requirements under the whole-of-government not-for-profit reforms will help streamline the current accreditation process to avoid duplication and increase efficiency.

Monitoring and evaluation

The Comprehensive Aid Policy Framework embodies the government's commitments to more rigorous performance monitoring of all aid activities and includes a three tiered results framework. As the government has committed to substantially increasing the size of ANCP over the next three years, there is a greater requirement for non-government organisations to provide evidence of results and development effectiveness. The existing data management systems within AusAID and non-government organisations require updating to meet the challenge of more focused ANCP reporting, and the capacity for timely analysis.

A more user friendly system is needed to ensure data capture and collation is streamlined, and to build on changes in reporting and planning templates. There have been constraints in the area of performance monitoring, including limits to engagement with country and regional programs both in Canberra and at Post. The establishment of a performance, monitoring and evaluation team within the NBB will help to improve this area of work and establish necessary linkages.



While ANCP has a rigorous, up-front process of accreditation, in 2011–12 there has not been the scope to undertake monitoring beyond annual planning linked to the Recognised Development Expenditure and AusAID's audit schedule. The lack of monitoring visits and participation in evaluations by non-government organisations has also limited NBB's ability to verify program and activity results provided by non-government organisations.

In 2011, a monitoring, evaluation and learning framework was developed in partnership with representatives from non-government organisations in response to discussions with the sector over a number of years and the findings of internal assessments. The framework was launched in May 2012 as a trial to address results and effectiveness and to ensure consistent reporting by organisations funded under ANCP. It will provide the evidence base to demonstrate that ANCP is an effective use of funds and achieves results in poverty reduction. It will also help streamline reporting in the longer-term.

The framework also formalises an approach to thematic reviews and meta-evaluations and a learning component that have been implemented in ANCP over the last few years. The 2011 thematic review, *How do ANCP activities engage with the poorest and most marginalised people?* started this biennial process. A concurrent mid-term review of ANCP Partnership arrangements will inform the final framework methodology and reporting templates. A workplan is currently being developed by NBB for an upgrade of the program of non-government organisation evaluations and monitoring visits to gain better appreciation of the breadth and depth of ANCP as well as to determine its impact on individuals, families and communities.

A review of the framework trial will be undertaken towards the end of 2012. The lessons from this will inform an agency-wide civil society organisation monitoring and evaluation framework, one of the actions under the Civil Society Engagement Framework.

Sustainability

Funding to Australian non-government organisations through ANCP builds on existing programs and relationships, and non-government organisations are required to provide a minimum of a 20 per cent match, signalling forward planning and commitment. Given these relationships and the strong connections of organisations with local communities, ANCP activities build local capacity in a range of areas. The 2011 thematic review highlighted the importance of improved confidence and empowerment as recurring factors in improved and sustained development outcomes for the poor.

ANCP funding often contributes to longer-term development activities that can have positive, lasting outcomes. For example, WaterAid plans to conduct a final evaluation of a nine-year school and community sanitation, water supply and health education program in the Eastern Highlands and Central provinces of Papua New Guinea in 2012–13. ANCP funds will have contributed to the last four years of this program.

However, as highlighted in this report, recent funding increases in ANCP will need to see corresponding improvements in management systems.



Gender equality and disability

ANCP integrates gender into the activities it supports, and accreditation ensures non-government organisations consider AusAID's cross-cutting issues such as gender and disability. The monitoring, evaluation and learning framework launched in May 2012 requires results to be gender disaggregated to highlight how ANCP-funded work can measure changes in the lives of women and girls.

The 2011 thematic review found that given the exacerbated experience of poverty among women, most Australian non-government organisation activities work with women either deliberately or incidentally.

Some non-government organisations supported under ANCP directly target women and girls or explicitly promote gender equality, such as the International Women's Development Agency, Oxfam, CARE, Save the Children and ChildFund.

Opportunity International Australia used ANCP funds in the Philippines in 2011 to develop more flexible loans, enabling people to grow their businesses and improve their standard of living. Through three local micro-finance partners, new loan products were provided to more than 600 000 clients, 89 per cent of who were women. Access to new loans has enabled individuals such as Teresita Dacara to buy school supplies for her convenience store, as well as livestock and a vegetable farm to increase her family's income and send her daughters to school.

ANCP also supports civil society organisations to provide awareness raising events that highlight the issue of violence against women, provide women with emergency support and shelter, and psychological and legal counselling. In 2010–11:

- 378 500 individuals were reached through awareness raising events in Oxfam's 'We Can' program in Bangladesh
- 966 women survivors of violence received services such as counselling from IWDA, Oxfam, Quakers and AngliCord working in Cambodia, Bangladesh, India and South Africa.

According to CBM, people with disability are often not included in mainstream opportunities. This difference is even greater when considering the opportunities for women with disability. For example, of 6368 people with disability receiving skills training through CBM's ANCP projects, only 39 per cent of these were women. CBM is preparing gender and development training for partners and regional staff to improve their recognition and understanding of the particular vulnerability and barriers faced by women with disability.

The 2011 thematic review also found that while non-government organisations consider disability to be critical to good development outcomes, explicitly inclusive development strategies are weak. Due to their mandate, specialist non-government organisations such as the Fred Hollows Foundation and CBM are better at integrating the needs of people with disability.



Management consequences

Many of the issues raised in this report have been identified in previous internal reports and in discussions with ACFID and the sector. *An Effective Aid Program for Australia* and the Civil Society Engagement Framework commit AusAID, particularly NBB, to a number of key deliverables and form the basis for the following management consequences. In 2012–13, we will aim to:

- revise and implement ANCP, in consultation with ACFID and the sector, to address questions of partnership, accreditation and an expanding forward budget including:
 - developing an assessment methodology for guiding decisions on increased funding
 - finalising the ANCP Partnership mid-term review
- streamline and improve the administration of accreditation and the Overseas Aid Gift Deduction Scheme to increase efficiency and access for smaller non-government organisations within the context of AusAID's new due diligence framework. This will involve greater collaboration with Treasury, the Australian Taxation Office and the Australian Charities and Not-for-profit Commission on government not-for-profit reforms
- finalise the monitoring, evaluation and learning framework trial and develop a broader, agency-wide monitoring and evaluation framework for civil society organisations
- use the learning opportunities within the monitoring, evaluation and learning framework to gain a deeper understanding of value for money in a non-government organisation context including;
- establish our role as a thematic area for civil society within AusAID and improve communication and information sharing with country programs by increasing informal channels and re-establishing a civil society network. This includes:
 - developing a user-friendly database to manage ANCP and reporting from the monitoring, evaluation and learning framework, and
 - developing a civil society portal on the AusAID website to centralise information on consultations and funding opportunities.