



Aid Program Performance Report 2012–13

Australian NGO Cooperation Program

Key messages

In 2012¹ the Australian NGO Cooperation Program (ANCP)² supported 43 Australian non-government organisations (NGOs) and their in-country partners to deliver over 600 projects in more than 50 countries. Australian NGOs are the key partners delivering aid through ANCP funding. This funding promotes cooperation between Australian NGOs and international civil society organisations (CSOs).

The ANCP program architecture has undergone significant change in the last 18 months in response to the growth and scaling up of the program. This process is ongoing, but substantial gains have already been made. The aid program has worked in partnership with ANCP NGOs to streamline procedures, undertake closer examination and review of NGO projects, standardise reporting and implement an efficient online program management system.

This Aid Program Performance Report for the ANCP outlines the progress made in 2012 in both program management and the development activities of NGOs funded under the ANCP.

The key findings of the report are as follows:

- > Australian NGO development activities funded through the ANCP continue to directly alleviate poverty in developing countries.
- > Standardised reporting and new data collection mechanisms have allowed for improved analysis of ANCP activities and streamlined program management.
- > A performance assessment framework would articulate a clearer line of sight from the ANCP objective to the work on the ground and the program's impact on poverty alleviation.
- > Undertaking improvements to the accreditation process will require transitional arrangements for those NGOs seeking reaccreditation over the next 12 to 18 months.
- > Developing an additional reporting process with ANCP Partner NGOs will demonstrate the enhanced effectiveness that these Partnerships bring to development activities.

Context

The Civil Society Engagement Framework (CSEF)³ outlines how Australia will work more effectively with civil society organisations (CSOs) to increase the impact of aid. The CSEF has five objectives:

- > improved effectiveness and impact
- > sustainability

¹ This report covers the period January 2012 to June 2013. Unless otherwise stated, references to 2012–13 refer to this 18-month period.

² ANCP was formerly known as AusAID NGO Cooperation Program.

³ <http://aid.dfat.gov.au/Publications/Pages/civil-society-engagement-framework.aspx>

- > reduced risks and shared accountability
- > efficiency and value for money
- > diversity and innovation.

The program architecture of the ANCP influenced the development of the CSEF, and the policy now informs the program. While the policy framework is for the whole of the Australian aid program, its actions are implemented first through the ANCP as the largest and longest-running of the 81 programs across the Department of Foreign Affairs and Trade (DFAT) that provide funding directly to CSOs. Australia's experience of working with CSOs for almost 40 years through the ANCP has provided a reference point for other programs across the aid program.

The Australian Council for International Development (ACFID)⁴ was a key contributor to development of the CSEF. In March 2013, AusAID⁵ signed a three-year Partnership Memorandum of Understanding (MoU) with ACFID to pursue the shared objective of working with civil society organisations to achieve greater development impact.

During 2012–13, NGOs and ACFID were consulted on two key actions under the CSEF: the Due Diligence Standards; and the Effectiveness Assessment Methodology for CSOs. The Effectiveness Assessment Methodology, together with the Due Diligence Standards, will provide DFAT with a basis for understanding partner capacity, risk and effectiveness and will inform future partnership and funding decisions.

Expenditure in 2011–12⁶

In 2011–12, total funding to NGOs (Australian and non-Australian) was \$564.6 million, or 11.7 per cent, of Official Development Assistance. The \$98.1 million in funding provided under the ANCP represented 2 per cent of ODA. As the program is the testing ground for CSEF actions, the reforms and improvements to the ANCP will have a flow-on effect in the other Australian aid programs that engage with NGOs.

⁴ ACFID is the peak body representing more than 100 Australian not-for-profit aid and development organisations.

⁵ In November 2013 AusAID was integrated into the Department of Foreign Affairs and Trade (DFAT). In this report, 'AusAID' is used to refer to the achievements and performance of the agency prior to the integration. 'DFAT' is used to refer to the future aid commitments of the integrated department.

⁶ ANCP expenditure data in this report is based on the 2011–12 financial year.

Table 1: Total funding to non-government organisations 2011–12

	A\$ million	% of ODA
All Australian NGOs	307.1	6.4
Accredited Australian NGOs	250.3	5.2
ANCP funding	98.1	2.0
Other funding	152.2	3.2
Non-accredited Australian NGOs	56.8	1.2
Non-Australian NGOs	257.5	5.3
All NGOs	564.6	11.7

Source: ANCP statistics

There are three levels of funding under the ANCP: full, Partner and base. Fully accredited NGOs must have a minimum recognised development expenditure (RDE) of \$100 000, averaged over three years. Partner NGOs are fully accredited NGOs with a large community support base. (The Partnership arrangements are outlined in detail in the ANCP Partnerships section on page 11 of this report.) Base accredited NGOs must have a minimum RDE of \$50 000, averaged over three years. In 2011–12, Partner NGOs received over 70 per cent of ANCP funding, fully accredited NGOs received 25 per cent and base accredited NGOs received the remainder.

The Budget allocation to the ANCP over the next four years is proposed to increase to more than \$178 million. The number of NGOs funded under the program is also expected to increase. This will enable more Australian NGOs to receive financial support. It will also bring challenges for ANCP program architecture, such as the management of funding, and resourcing the due diligence and effectiveness assessments of new NGOs.

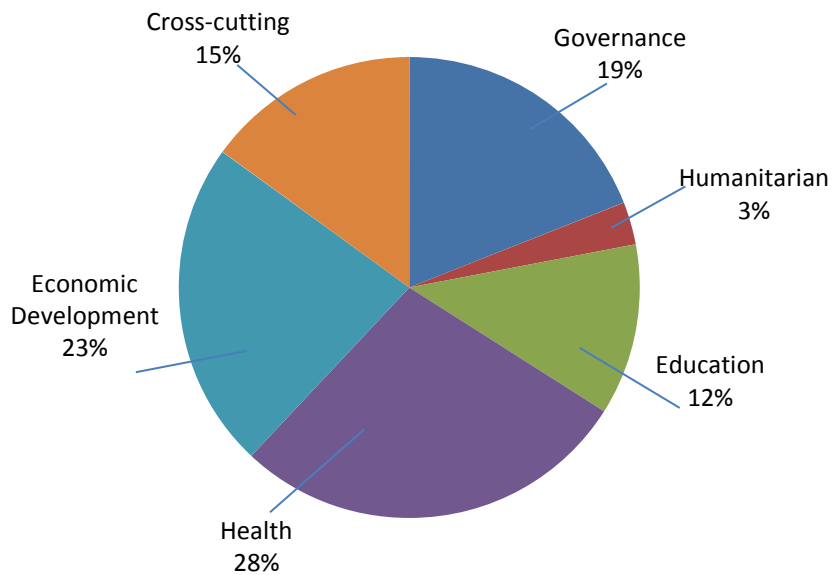
Objective

The objective of the ANCP is to support the development activities of Australian NGOs that directly and tangibly alleviate poverty in developing countries. This is achieved by:

- > targeting the most vulnerable and marginalised communities
- > promoting progress against the Australian aid program's strategic goals
- > providing grant funding to Australian NGOs with strong community support and effective systems.

The diagram below shows the ANCP contribution to Australia's aid program. There were minimal changes in these percentages from 2010–11 to 2011–12.

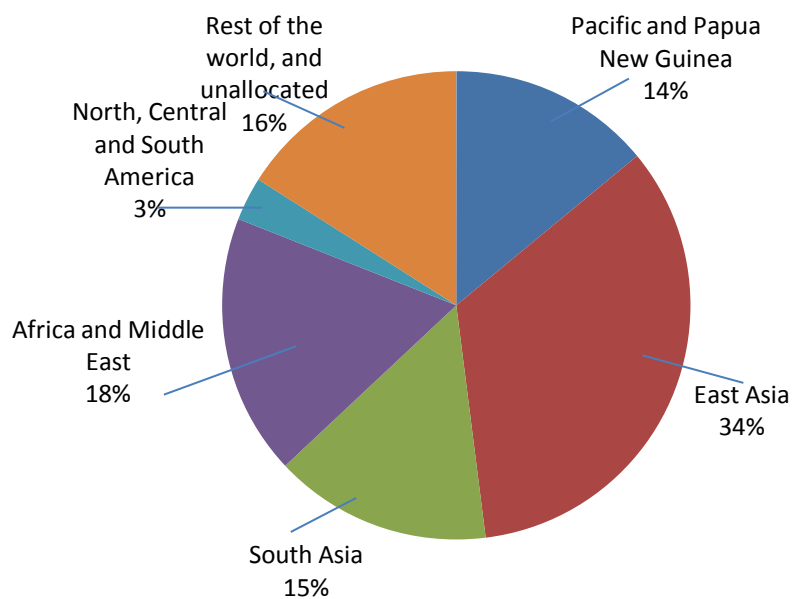
Diagram 1: ANCP funding by strategic goal 2011–12⁷



Source: ANCP statistics

Asia and the Pacific are the highest-priority regions for Australian aid. The ANCP is designed to support NGOs to implement their own development and poverty alleviation programs and does not prescribe the countries that NGOs should work in. Nevertheless, as can be seen by the diagram below, activities funded under the ANCP do broadly align with the priority regions for Australian aid.

Diagram 2: ANCP expenditure by region 2011–12⁸



Source: ANCP statistics

⁷ ANCP expenditure data in this report is based on the 2011–12 financial year.

⁸ ANCP expenditure data in this report is based on the 2011–12 financial year.

Increased attention to the program architecture has strengthened the ANCP's interaction with country programs. In 2012 country program areas provided quality assurance on projects submitted by ANCP NGOs and were consulted on monitoring and evaluation visits to in-country projects. The ANCP and country program areas also worked together through meetings of the aid program's Civil Society Network and Performance and Quality Network.

Based on the progress made in program management and the results reported by ANCP NGOS, as outlined below, the ANCP is continuing to achieve its objective.

Table 2: Rating of the ANCP's progress towards its objective

Objective	Current rating	Previous rating
Support accredited Australian NGOs to deliver development activities that directly and tangibly alleviate poverty in developing countries	Green	Green

Note:

■ Green. Progress is as expected for this point in time and it is likely that the objective will be achieved. Standard program management practices are sufficient.

■ Amber. Progress is somewhat less than expected for this point in time and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.

■ Red. Progress is significantly less than expected for this point in time and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

Progress on ANCP performance management

This section of the report outlines progress in improving the performance management mechanisms of the ANCP over the last 18 months. Monitoring and evaluation architecture for the CSEF is being built piece by piece, including a performance assessment framework. The ANCP, where the partnership between NGOs and the aid program is strongest, is the natural place for developing and implementing this architecture.

DFAT uses accreditation, monitoring and evaluation and a Partnerships Memorandum of Understanding to ensure the effectiveness of NGOs funded under the ANCP. While accreditation is a good up-front risk management tool, it continues to be a lengthy, resource-intensive process. The ongoing work on an Effectiveness Assessment Methodology and Due Diligence Standards for CSOs will address the current accreditation challenges. Good progress has been made in monitoring and evaluation through the implementation and review of the ANCP Monitoring, Evaluation and Learning Framework and the introduction of an online grants management system—ANCP Online. A new ANCP Partnerships MoU was signed in 2012, streamlining multiple Partner agreements into a single agreement, with all parties as signatories.

Accreditation

Under the ANCP, DFAT forms partnerships with Australian NGOs that have met rigorous accreditation standards to implement their own development and poverty alleviation programs overseas. NGOs must be accredited in order to access funds from the ANCP. Accreditation is a front-end risk management process that ensures funding is used accountably, with minimal need for overview of activities by the Department. It evaluates an NGO's structure, philosophies, links to the Australian community and partnership arrangements, and its program, financial and management systems and their application in the NGO's work. Accreditation provides NGOs with an incentive, as well as a framework, for identifying and applying best-practice standards and processes. Accreditation is valid for five years.

The Department commissions a team of three external consultants to conduct an assessment and review of any organisation applying for ANCP accreditation. The finalised report of the review team is sent to the relevant NGO for comment before going to the Committee for Development Cooperation (CDC). The CDC is a joint DFAT–NGO advisory body comprising eight members (four each from the NGO community and the Department). A staff member from the Australian Council for International Development (ACFID) has observer status. The CDC oversees the accreditation process by providing advice on criteria, ensuring a consistent approach, reviewing accreditation reports and making recommendations to the Department. Accreditation assessments may take up to a year to complete.

In the period covered by this Aid Program Performance Report, three factors contributed to the lengthy duration of the accreditation process for individual organisation applicants. The first and most significant was that a large number of accredited NGOs were due for reaccreditation and four more accredited NGOs applied to upgrade their status from base to full.⁹

Table 3: Accreditation figures as at June 2013

Year	Total number of applications	New	Reaccredited	Upgraded	Withdrawn	Failed	In progress
2010–11	13	1	6	—	3	3	—
2011–12	18	1	10	4	1	2	—
2012–13	ongoing	(4)	(7)				11

Source: Civil Society and Business Branch accreditation statistics

The second factor affecting accreditation was the limited number of suitable consultants available to participate in accreditation review panels. The third factor was that the CDC meets only quarterly. DFAT is currently exploring options to improve accreditation by applying dedicated resources to the administration of accreditation processing.

Notwithstanding the length of the process, feedback from those organisations going through accreditation, including from those that had failed, was positive overall. For example, CARE, an NGO that was successfully reaccredited, commented:

We welcomed the opportunity to draw upon the Team’s experience and knowledge to gain a better appreciation of good practice across the sector, as well as to better understand our own strengths and weaknesses.

Another successfully accredited NGO, Australian Red Cross, said:

Overall the Accreditation Process was a positive experience, providing a focus for working towards improvements in our quality processes and gaining independent, positive feedback on existing standards, processes and internal consistency. It provides a framework, target and map for an agency to examine approaches.

An NGO that was unsuccessful in becoming accredited said:

I appreciated that clear information was provided in the report to show where we can go from here. I hope to be involved in any other [aid program] accreditation process.

⁹ Fully accredited NGOs must have a minimum recognised development expenditure (RDE) of \$100 000, averaged over three years. Base accredited NGOs must have a minimum RDE of \$50 000, averaged over three years.

Small and niche NGOs already accredited and receiving ANCP funding have noted the positive benefits to their organisations of going through accreditation, such as internal capacity building and strengthening of systems.

There is a continuing tension between the perceived time-consuming and resource-intensive process of accreditation and the need to ensure that more NGOs are accredited. DFAT has developed Due Diligence Standards and Effectiveness Assessment Methodology for CSOs. These tools will ensure that the Department has strong and rigorous assessment procedures. They will also contribute to broader reforms and increased efficiencies in the not-for-profit sector.

These two assessment tools will form a significant part of the operation of the ANCP. The existing accreditation process will be revised in 2013–14 to align with the new due diligence and effectiveness assessment procedures. This revision will take into consideration the history of accreditation so that currently accredited ANCP NGOs will not need to be reassessed when the new tools are introduced. The implementation of these procedures and consideration of a new entry-level tier in the ANCP (subject to Budget outcomes) should assist in addressing the remaining hurdles for small and niche NGOs seeking to access ANCP funding.

Monitoring and evaluation

Reporting mechanism

ANCP NGOs are required to monitor and evaluate their performance and report to DFAT annually. In the past, non-standard reporting templates inhibited AusAID's ability to aggregate the information provided. The development of a new reporting framework and the rollout of the new online grants management system ANCP Online over the last 18 months will allow for year-on-year comparisons of data and provide an ongoing picture of each NGO's achievements. Meta-evaluations and thematic reviews will also be a way to compare and contrast a select body of NGO work.

The ANCP Monitoring, Evaluation and Learning Framework (MELF) was introduced in May 2012 to streamline NGO reporting. The mechanism was developed in consultation with NGOs and has been further enhanced through ongoing dialogue and a review completed in March 2013 (see the MELF review section on page 10 of this report). In their Annual Performance Reports for 2011–12 ANCP NGOs used a standardised reporting template to provide narrative, financial data and disaggregated beneficiary numbers. Data was collected against headline indicators, as well as lower level indicators, to allow NGOs to provide statistics on achievements specific to their area of expertise.

For the first time, an interim database was used to collate the data from 2011–12 Annual Performance Reports submitted by ANCP NGOs at the end of 2012. Reporting limitations of the system have been identified, but it has allowed DFAT to make better use of the information provided by ANCP NGOs. Managing the data this way has contributed to providing clearer results for 2011–12. For example, it is possible to quickly provide information on beneficiary numbers or ANCP projects in particular countries or with a particular sectoral focus. The Department can now provide comparative figures on expenditure or access case studies or human interest stories from the ANCP to share with the public.

To further improve reporting, the new grants management system, ANCP Online, was developed in 2012–13 to allow ANCP NGOs to report online rather than using Excel formatted, paper-based templates. ANCP Online streamlines the reporting process for ANCP NGOs and DFAT. ANCP NGOs provided feedback as the new system was developed and received training online in March 2013 and at face-to-face sessions in April 2013. The system

went live on 15 May 2013 and NGOs were able to use it to enter data for their 2013–14 Annual Development Plans. NGOs can log on and submit their required reports from anywhere in the world. Once the information is submitted, the Department can run reports from the same system and build customised reports to support DFAT's reporting obligations. Using the new system, 95 per cent of ANCP NGOs submitted their Annual Development Plans on time, compared to 50 per cent last year. ANCP NGOs are already providing positive feedback on the new online system. For example, International Needs Australia said:

Can we also commend your team on the introduction of ANCP Online. The system was easy to use, the instructions clear and the process streamlined.

In-country visits

Visits by staff to in-country ANCP funded projects also provide evidence of achievements in poverty reduction. As the ANCP is a unique funding mechanism that supports NGO development activities, as opposed to them undertaking a specific activity outlined by the Department, it is difficult to readily compare programs/projects across NGOs. Visits to Bangladesh, Papua New Guinea, Indonesia, the Philippines, Vietnam, Cambodia and Sri Lanka in 2012–13 to monitor ANCP funded projects have strengthened relationships between the Department, Australian NGOs and their in-country partners and have provided opportunities to emphasise the requirements set out in the MELF. These visits have tested the robustness of ANCP NGO systems through monitoring and review. Department staff contributed to NGO evaluations in country and witnessed the challenges of implementing development activities on the ground. The visits have also strengthened links with other NGO funded programs and started to improve coordination with country program and thematic areas.

In November 2012 aid program staff attended the evaluation of Caritas Australia's 15-year Integrated Community Development Program (ICDP), an ANCP funded program in Bangladesh, and provided feedback to Caritas for consideration in drafting the final evaluation report. The evaluation was led by an experienced multilingual independent evaluator from India. The evaluation found that the program's objective—to improve the socioeconomic conditions of remote ethnic minority communities to protect their land rights, preserve their environment, culture and values and strengthen their social organisations—was largely being met. Caritas has a wealth of information generated from the multi-year program that allows a good comparative analysis of many components from one phase to another. As a result of the ANCP 2011 Thematic Review, which focused on ANCP activities reaching the poorest and most marginalised, a number of recommendations were made to Caritas. As women are a key impact group for the ICDP, some methods to increase their participation in the evaluation and design of the next phase of the program were suggested. It was also suggested that local community champions be engaged in the program to regularly consult with communities and their social organisations. Their involvement would ensure an appreciation of cultural dynamics, buy-in and ownership, which could be reflected in the program's next design phase. Caritas Australia and their local partner Caritas Bangladesh are applying the learning from the evaluation, ensuring that women and other marginalised groups have greater participation in and influence over the design, planning and implementation of the development of their own communities.

Aid program staff visited ChildFund ANCP projects in Vietnam in May 2013 and participated in ChildFund's end-of-project evaluation of the ANCP funded project 'Reproductive and Child Health Care in Na Ri District, Bac Kan Province, for the period 2010–13'. Staff visited projects in five communes, including health clinics, secondary schools, water and sanitation projects and a responsible husbands club. The visit to one water supply project included following the water from its source to a water pipe-stand and meter outside a commune member's house.

It was found that the projects in Bac Kan provided good evidence that ANCP activities are benefiting the poorest and most marginalised. They benefit very poor communes and represent good value for money in the provincial context of delivering projects in remote and mountainous regions, including to many ethnic minority groups. Staff found that ChildFund has effective and efficient project implementation and evaluation processes and strong relationships with provincial and district authorities. This contributes to capacity development of local staff; facilitates effective project implementation and links to government priorities; and ensures the sustainability of project benefits and ongoing results.

Aid program staff reviewed World Vision's Food Security and Sustainable Livelihood Program during a visit to Sri Lanka in May 2013. The team found that World Vision's project is increasing food security in communities by providing access to training and agricultural technologies rather than simply providing assets that beneficiaries may not be able to maintain. Families reported being able to generate additional income due to the training they received under the project. The review team concluded that the work of World Vision is having a positive impact on the lives of the poor and is building the capacity of community based organisations in Sri Lanka.

Monitoring, Evaluation and Learning Framework review¹⁰

From December 2012 to March 2013 the Monitoring, Evaluation and Learning Framework (MELF) was reviewed (by AusAID). The MELF was introduced in May 2012 to ensure consistent reporting by Australian NGOs funded under the ANCP. The review consisted of an assessment of the effectiveness of a sample of NGO reports; an appraisal of the indicators that NGOs were asked to report on; and analysis of NGO feedback on the framework.

The assessment of the effectiveness of reporting was undertaken by an external consultant. Her finding was that the reports provide a good summary of NGO achievements but that the templates would benefit from some editing and clarification. A further recommendation was for ANCP Partner NGOs to provide additional information to communicate more fully the scale of their work.

The appraisal of the 130 indicators that NGOs were asked to report on in 2011–12 included headline indicators and lower-level indicators specific to more specialised NGO activities. At the time of the review, 35 out of 42 NGOs were able to report against the indicators. There was extensive consultation with NGOs and thematic areas to refine the number of indicators to improve disaggregated data. Based on the feedback from thematic areas and NGOs, the frequency of use of indicators by NGOs and the worth of the data for reporting purposes, the number of indicators that NGOs will be required to report against in 2012–13 decreased to around 90.

Thirty-two of 42 ANCP NGOs provided written feedback on the MELF. NGOs documented the challenges they faced, their positive experiences and their suggestions for improvement. While a majority found the move to a new reporting framework challenging, they also said that it had promoted improvements in their internal monitoring and evaluation systems. ANCP Partner NGOs reported that the templates did not provide enough scope for them to report in detail on program-level activities. The request for more opportunities for learning and participation in development effectiveness discussions was also raised.

The review of the MELF found that it is a practical tool that is providing standardised reporting by ANCP NGOs. The recommendations from the MELF review were as follows:

- > Streamline the information collected, including by revising the list of indicators.

¹⁰ <http://aid.dfat.gov.au/Publications/Pages/ancp-melf-report.aspx>

- > Build on the efficiencies of streamlined reporting through the rollout of an online grants management system.
- > Provide enhanced Partnership reporting opportunities for ANCP Partner NGOs and engage Partners to suggest ways in which they can contribute more.
- > Undertake, as soon as possible, a meta-evaluation of NGO evaluations with a common country, sectoral or thematic focus in order to share learning on development effectiveness.
- > Develop topics for future thematic reviews based on information gathered through the MELF reporting process.
- > Discuss further with the NGO sector the interpretation of the word 'advocacy'.

All of these recommendations were accepted.

A further recommendation was that ANCP NGOs:

- > Agree to form a standing ANCP monitoring and evaluation consultative group, the basis of which will be defined in terms of reference co-drafted with the aid program. This group will contribute to demonstrating further the depth and quality of NGO work under the ANCP and the importance of NGOs as development partners.

DFAT has consulted with ANCP NGOs on terms of reference for an ongoing monitoring and evaluation group. This will also be done in the context of the findings of the Mid Term Review of ANCP Partnerships, outlined below.

ANCP Partnerships

ANCP Partners are fully accredited Australian NGOs with a large Australian community support base. The 10 ANCP Partners are CARE Australia, Caritas Australia, CBM Australia, ChildFund Australia, The Fred Hollows Foundation, Oxfam Australia, Plan International Australia, Save the Children Australia, TEAR Australia and World Vision Australia.

Partner agencies are committed to enhancing their performance in development effectiveness as well as sharing knowledge and learning. Partners are defined as having proven capacity to contribute to developing effective aid programs at significant scale and with lasting impact. ANCP Partners agree to assist the Department in contributing to the goal of helping people to overcome poverty and to deliver high-quality poverty alleviation programs.

Mid Term Review of ANCP Partnerships¹¹

A Mid Term Review of ANCP Partnerships was undertaken between September 2011 and May 2012. The review was designed to provide a more accurate understanding of the costs and benefits associated with Partnerships and to demonstrate achievements in delivering effective development outcomes for people living in poverty. Partner NGOs submitted evidence of how the Partnership had increased their development effectiveness.

The review found that ANCP Partnerships have already supported Partner NGOs to reach over 6.5 million direct beneficiaries and have considerable potential to expand the reach and quality of the Australian aid program to better target the needs of very poor people. In 2011–12, the eight ANCP Partners received 73 per cent of funds available under the program (almost \$63 million). Analysis of the evidence showed that Partnership funding was concentrated in many of the countries that are identified as priorities for the Australian aid program. Further findings of the review were as follows:

¹¹ <http://aid.dfat.gov.au/Publications/Pages/ancp-partners-midtermreview.aspx>

- > Increased funding and certainty of funding allowed agencies to expand their projects, take a longer-term programmatic approach and make better use of their specific expertise.
- > Partner agencies could point to an increase in the number of people benefiting from an expansion in quality and range of projects.
- > Program design and agency development were better supported.
- > Predictable funding allowed agencies to leverage other financial support.
- > In-country capacity building was enhanced.
- > Collaboration between AusAID and NGOs increased.
- > Some opportunities arose for shared learning amongst Partner NGOs.

The report also outlined areas for improvement in the management of ANCP Partnerships. Despite improved high-level cooperation between the department and ANCP Partners, NGOs reported that the Partnership agreement had not led to increased policy dialogue or to the anticipated shared learning events. This was seen to be due in large part to the lack of resources and dedicated technical support.

Partner NGOs reported that they provided considerable detail about programs and specific areas of learning in the annual reporting process but that limited resources to analyse and synthesise this information meant that it had largely not been utilised or shared more widely in the aid program. They also raised the apparent lack of connection between country and thematic areas with the ANCP Partnership. The report observed that this lack of informed country and program engagement has contributed to the difficulty in analysing the effectiveness and impact of ANCP programs.

The recommendations from the Mid Term Review of ANCP Partnerships were as follows:

- > Partner NGOs should formally explore their collective strengths and how to undertake a Partnership approach, to maximise impact and outcomes under the program.
- > Focus for the remaining 12 months should be on sharing learning, through activities or reports which promote effective development practice for Partner NGOs.
- > An impact assessment of the program should be considered, with attention to countries where considerable ANCP resources have been focused.
- > Any Partnership program beyond 2013 should focus on objectives which are important to the aid program and reflect the strengths and expertise of Partner NGOs. These should include poverty reduction, engagement and capacity building with civil society, and contribute to learning for DFAT policies and programs.
- > The program should be appropriately resourced to meet these objectives. It is strongly recommended that this include a secretariat or support facility for the program.
- > Partner NGOs should assist with relevant actions under the Civil Society Engagement Framework.

All of these recommendations were accepted.

The findings of the Mid Term Review of ANCP Partnerships informed the development of the new Partnerships MoU outlined below.

Partnerships Memorandum of Understanding¹²

A new Partnerships Memorandum of Understanding (MoU) was signed with ten of the largest Australian NGOs during 2012-13 (CARE Australia, Caritas Australia, CBM Australia, ChildFund Australia, Oxfam Australia, Plan International Australia, Save the Children Australia, TEAR Australia, The Fred Hollows Foundation and World Vision Australia). The arrangement provides greater funding flexibility to Partner NGOs, allows a longer-term approach and enhances development effectiveness. The findings of the Mid Term Review of ANCP Partnerships informed the change from multiple Partner agreements to a single agreement, with all parties as signatories.

The MoU outlines indicative planning figures covering a four-year period: 2013-14 to 2016-17. The introduction of multi-year funding under the Partnerships MoU is a major reform that aligns with the requirement to enhance the effectiveness of Australia's aid program. The Mid Term Review of ANCP Partnerships showed that predictable funding over a defined period provides certainty for program/project planning and contributes to the sustainability of development activities funded under the ANCP.

In its Annual Performance Report for 2011-12, CARE Australia reported favourably on its participation in the ANCP Partnership arrangement:

This was the first year for CARE under the ANCP Partnership. The new increased funding and certainty of the Partnership enabled CARE to build ongoing ANCP activities from previous years, as well undertake new initiatives and advance program quality ... Emphasis has also been placed on improving program quality, accountability and impact measurement. Moreover, the ANCP Partnership has provided a platform to extend and deepen our work on women's empowerment, in line with CARE Australia's Gender and Women's Empowerment Strategy.

TEAR Australia also expressed support for the Partnership arrangement:

TEAR's experience in the ANCP Partnership has been overwhelmingly positive. We welcome the greater contact and dialogue, as well as the opportunity to demonstrate the good work being achieved by the civil society organisations that we support. The Partnership has enabled a more complete presentation of TEAR's poverty reduction program. Nearly all of the projects we support are funded on three-yearly cycles. Three-yearly partnership funding enables TEAR to discuss openly with its partners the likely funds that will be available and to report progress towards longer term goals.

Under the ANCP Partnerships MoU, Partners must support the following priority objectives:

- > improved effectiveness and impact
- > sustainability
- > reduced risks and shared accountability
- > efficiency and value for money
- > diversity and innovation.

The first ANCP Partner Learning Event was held in June 2013 to help lay the foundations for sharing learning under the new ANCP Partnership.

Discussions have also been held with Partner agencies on how best to report against the objectives and actions set out in the MoU. The MELF review found that the standardised reporting template did not provide Partners with sufficient opportunity to report on their

<http://aid.dfat.gov.au/Publications/Pages/ancp-partner-mou.aspx>

Partnership-specific work and recommended additional reporting for Partners. DFAT has committed to providing enhanced Partnership reporting opportunities and to working with Partners to find mutually agreed ways for them to share knowledge. The Partner-specific reporting section has been removed from the template in the new ANCP Online system. The Department and the Partners have begun work on developing a reporting mechanism for Partners to show the added value they bring to the ANCP through the Partnership agreement. Agreeing on an adequate reporting mechanism for ANCP Partner agencies to demonstrate their effectiveness is a priority.

In the Partnerships MoU, it was agreed to look into the establishment of a resource facility. The aim of the resource facility is to support research, evaluation, innovation and shared learning for ANCP Partner NGOs and the Department. The proposed facility will support the ongoing improvement of ANCP funded activities by providing technical expertise, high-level analysis of ANCP data and secretariat services. Discussions on the structure, scope and funding of the facility are currently underway.

ANCP results for 2011–12¹³

This section concentrates on the results provided by ANCP NGOs in 2011–12 under the Monitoring, Evaluation and Learning Framework. The figures provided in this section were obtained by aggregating the results reported by NGOs in their Annual Performance Reports. There are some notable increases in the aggregated data for 2011–12 when compared with the 2010–11 results. This may be explained by increased funding to NGOs as well as improved reporting of the data through the use of standardised templates.

Health

- > **450 000 poor people gained access to a new or refurbished water supply.**
(In 2010–11, 162 000 people gained access to a new or improved water supply.¹⁴)
- > Of these, 334 893 or 73 per cent were supported through the work of TEAR, Caritas, World Vision and Plan in 24 countries. Twelve other NGOs worked across 17 countries to contribute to this result.
- > **600 000 poor people gained improved access to sanitation facilities.**
(In 2010–11, 112 000 people had improved access to sanitation facilities.)
- > Of these, 487 032 or 81 per cent were supported through the work of Plan, TEAR and CARE in 11 countries. Fourteen other NGOs worked across 20 countries to contribute to this result.
- > **780 000 men, women and children benefited from the provision of integrated community approaches to health and wellbeing.**
- > This included the vaccination of 37 955 children. Of these children, 29 632 or 78 per cent were assisted through the work of World Vision and ChildFund projects in Africa. Burnet Institute, International Needs Australia, Save the Children, Act for Peace and Every Home Global Concern also contributed to this result.
- > **115 000 additional people gained increased access to essential medicines and health supplies, including HIV treatments.**
- > Ten ANCP NGOs, including World Vision, Caritas, Oxfam and TEAR, delivered health services for people affected by HIV/AIDs in 20 countries.

¹³ ANCP results data in this report is based on the 2011–12 financial year.

¹⁴ Comparative year-on-year figures are only available for some results.

Education

- > **114 462 people were provided with disability services like prostheses and assistive devices.**

Of these, 111 970 or 98 per cent were provided through the work of CBM in 11 countries. Eight other NGOs worked across 10 countries to contribute to this result.

- > **92 000 children in poor and disadvantaged communities gained access to child protection services and child-friendly spaces.**

Save the Children worked in nine countries across Asia, the Pacific and Africa to assist disadvantaged children, while ChildFund increased its child-focused projects in the Mekong subregion to reach more communities.

- > **More than 17 000 poor and disadvantaged children, including those with a disability, benefited from early childhood development and pre-primary preparation for schooling.**

CBM, Plan and World Vision supported projects with an early childhood care and development focus in 11 countries.

- > **55 000 textbooks were provided to poor and disadvantaged children.**
(In 2010–11, 42 208 textbooks were provided.)

Of these, 48 886 or 90 per cent were provided through the work of CARE and World Vision global programs, with a particular focus on Cambodia.

Economic development

- > **More than 200 000 poor farmers gained access to agricultural technologies.**
(In 2010–11, 96 000 farmers gained access to these technologies.)

Of these, 161 972 or 83 per cent were assisted through the work of Caritas, TEAR, Oxfam and Plan in 21 countries. Eleven other NGOs worked across 23 countries to contribute to this result.

- > **More than 110 000 poor women and men increased their access to financial services.**
(In 2010–11, 75 000 people had increased access to these services.)

Of these, 71 per cent were assisted through the work of TEAR and Caritas in eight countries. Thirteen other NGOs worked across 21 countries to contribute to this result.

Governance

- > **Over 3000 communities experienced an increase in the level and quality of government service delivery facilitated by NGOs helping to link excluded communities to government and/or alternative services.**

Seven ANCP Partner NGOs supported effective governance projects in 24 countries. Eight other NGOs worked across eight countries to contribute to this result.

Humanitarian

- > **27 000 poor people were assisted to develop community disaster risk reduction plans.**

ANCP NGOs assisted people in communities in South-East Asia, the Pacific, Africa and Central America in developing disaster prevention and preparedness plans.

Cross-cutting issues

Due to the redesign of the ANCP reporting templates in 2011–12, ANCP NGOs were asked to report on gender and disability. All except one reported on gender and only five of the 43 NGOs were unable to report on disability.

Gender

Some smaller agencies reported that, while it was not possible to employ a gender expert, they were working towards having more comprehensive gender awareness within their organisation and amongst their partners, and this is having an impact. For example, AngliCORD reported:

In Mozambique most of the staff are recruited from project communities and, before joining the staff, all undergo an internship in which gender equality is emphasised; one such staff member reported: 'I learned that there's not "women's work" and "men's work". There's just work we must all do!'

In May 2013, aid program staff visited three provinces in Sri Lanka to review Oxfam Australia's Promoting Gender Justice Program. The team observed that Oxfam is working with the poor in areas that bilateral donors would have difficulty reaching, including conflict-affected areas and tea estates. They found that that good progress is being made on gender equality and women's empowerment. Oxfam's ANCP funded work is addressing gender-based violence by assisting survivors of domestic violence and promoting awareness-raising campaigns to address violence against women. The program is providing increased opportunities for women to experience leadership through their decision-making positions in community-based organisations. Women's economic empowerment is also being addressed through village savings and loans club activities.

Oxfam also reported on the success of the Promoting Gender Justice Program in Sri Lanka in its Annual Performance Report for 2011–12, as follows:

Oxfam and its partner organisations increased collaboration with government departments and NGOs to improve assistance and support to survivors of gender-based violence (GBV). This contributed to increased access by women to GBV support services and an increased level of community awareness. Gender committees which support survivors, respond effectively to GBV and promote women's leadership have been established in some locations. The number of women assuming leadership positions and decision-making roles within local village organisations has been increasing. There has been greater participation of women in Farmers and Fishing Societies, Rural Development Societies and Disaster Committees.

The project benefited 6000 women and 1500 men directly in 2011–12. (Comparative figures for 2010–11 are unavailable.)

Disability

Many NGOs admitted that, while they had disability inclusive measures in place in their projects and in their training of in-country staff, actually reaching people with disability was often hindered by cultural/societal practices. The Australian Foundation for the Peoples of Asia and the Pacific (AFAP) found that ongoing education and communication are central to the effectiveness of projects addressing issues of disability:

Developing countries are least equipped to cope with the needs of disabled people. Disabled people are often excluded from participating fully in society and are often the poorest of the poor. This year AFAP has supported a specific disability focused program in Bangladesh using ANCP funding. The Walk for Life Program is working towards raising awareness of early intervention and inexpensive, non-surgical treatment as well as working to build the capacity of the existing Bangladesh health system so that they can locate and treat babies born with club foot/feet.

Walk for Life have learnt that it is important to communicate with the beneficiary groups (the parents, local population) and other stakeholders (health professionals, social workers, government employees) side by side for the treatment and project to remain effective. Through continuously informing, educating and communicating with the public, the whole project can continue on its way to being self-sustainable.

Other agencies admitted to beginning to implement disability inclusive measures or improving their current arrangements due to the new requirement to include them in reporting. For example, the Anglican Board of Mission Australia (ABM) reported:

Disability is an area that ABM recognises it needs to work closely on with our partner and their communities. Work has started to put in place an organisation-wide disability policy within ABM. Raising awareness, both within ABM and with its overseas partners, will be a specific focus in the latter part of this financial year and, later on, putting in place measures to integrate this awareness into program planning and implementation.

Quality at Implementation ratings

A Quality at Implementation (QAI) review of the ANCP is undertaken annually, in March, to assess how well the program is performing. This section compares the results of the 2012 and 2013 QAI reports.

Relevance

One of the primary purposes of Australian aid is to help people to overcome poverty, and the ANCP objective to alleviate poverty clearly aligns with this. Work with accredited Australian NGOs under the ANCP is also directly relevant to the Civil Society Engagement Framework. The 2012 Mid Term Review of ANCP Partnerships found that the program had supported Partner agencies to directly reach 6.5 million beneficiaries. An evaluation of the ANCP in 2013–14 by the Office of Development Effectiveness (ODE) has been discussed, which could better articulate the objectives of the ANCP. The decision was therefore made to increase the rating from 4 to 5.

Effectiveness and efficiency

The QAI ratings of 4 against the effectiveness and efficiency criteria did not change from 2011 to 2012. A review of the ANCP Monitoring, Evaluation and Learning Framework recommended that ANCP Partner NGOs find ways to show their additional contribution to development effectiveness. Discussions on this are ongoing. To aid ANCP funding and reporting efficiency, the new online grants management system, ANCP Online, was rolled out in May 2013, but this was still in development during the reporting period covered by the QAI.

Monitoring and evaluation

The ANCP Monitoring, Evaluation and Learning Framework was implemented in May 2012. This streamlined the reporting templates used by ANCP NGOs. The information provided in the 2012 reports was, for the first time, entered into a database, allowing more accurate data to be provided in internal reports than had previously been the case. It also provided narrative to tell the story of the ANCP to the Australian public. A review of the reporting framework recommended further improvements but found that it was a useful tool for providing consistent reporting across the 43 ANCP NGOs. 2012–13 saw the development of ANCP Online, which has been used from May 2013 and is further streamlining data collection and improving reporting. For these reasons, the QAI rating against this criterion was increased from 3 to 4.

Sustainability

Since it was established in 1974, the ANCP has been able to sustain a flexible support mechanism for Australian NGOs to undertake their development activities. However, the provision of annual funding and the requirement for annual reporting does cause tension for NGOs in ensuring the sustainability of programs and projects in country. Multi-year funding will be provided for Partners, starting in 2013–14, and, subject to other reforms to the ANCP, the Department plans to move to multi-year funding in the following fiscal year for full and base accredited NGOs to assist ongoing sustainability at the program/project level. The QAI rating against this criterion remains at 4.

Gender equality

ANCP NGOs are required to provide evidence of their gender policies during their accreditation. In 2011–12 all ANCP NGOs also completed the gender section in their Annual Performance Reports. This provided an overview of how agencies worked with in-country partners to apply their gender policies to projects on the ground. Twenty-nine of 43 NGOs reported against at least one gender indicator at the project level. However, limitations in the functioning of the interim database hinder the ability to adequately assess disaggregated data, so it is difficult to easily provide evidence of the gender outcomes of ANCP projects for 2011–12. Therefore, this rating was downgraded from 5 to 4. The new ANCP Online reporting system will incorporate NGO data on indicators. Easier access to this disaggregated data will enable more concrete evidence of gender equality outcomes for 2012–13 to be provided.

Management consequences

The objectives of the Civil Society Engagement Framework have continued to influence the program architecture of the ANCP in 2012 and have contributed to the development of the management consequences for this Aid Program Performance Report. In 2013–14, we will aim to:

- > continue to reform the ongoing monitoring and evaluation of NGO/CSO activities by finalising the Effectiveness Assessment Methodology
- > improve the accreditation process for NGOs by:
 - implementing the Due Diligence Standards and reviewing the ANCP accreditation framework to align with them
 - including the accreditation process in ANCP Online to improve efficiency and complete the program management cycle (application, planning and reporting)
- > progress the development of a performance assessment framework based on the findings of the proposed ODE evaluation of the ANCP
- > work with ANCP Partner NGOs to develop a supplementary performance monitoring tool for them to demonstrate their development effectiveness under the Partnerships MoU
- > provide ongoing opportunities to collaborate with ANCP NGOs on shared learning and innovation, particularly on gender equality.

Table 4: Risks associated with the program and management actions

Most significant risks	Management response – What? Who? How? When?
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ANCP program objective needs to be clearly articulated to monitor and report on outcomes of ANCP funding.	Commitment to develop a performance assessment framework.
Undertaking improvements to the accreditation process will require transitional arrangements for those NGOs seeking reaccreditation over the next 12 to 18 months.	Alignment with due diligence and effectiveness assessment processes will support access to the ANCP by small and niche NGOs; DFAT will communicate changes to NGOs in a timely way to assist with their planning.
ANCP Partnership requires specific reporting mechanism to demonstrate effectiveness.	DFAT and NGO Partners will negotiate an appropriate reporting mechanism to demonstrate Partner work and progress against the objectives and actions set out in the MoU.


Annex A


Progress in addressing 2011 management consequences

Management consequences identified in 2011 APPR (Annual Program Performance Report) ¹⁵	Rating	Progress made in 2012-13
Finalise MELF trial and identify further learning opportunities.	Green	MELF finalised and reviewed. Report published on DFAT website. Meta-evaluation commenced to contribute to further learning.
Finalise ANCP Partnerships Mid Term Review.	Green	Mid Term Review finalised and published on DFAT website. New Memorandum of Understanding signed with ANCP Partner NGOs in December 2012.
Develop effectiveness assessment methodology.	Green	Consultation draft sent to stakeholders for comment and to be integrated into DFAT grant guidelines. Implementation scheduled for mid-2014.
Develop user-friendly database for management of ANCP reporting.	Green	ANCP Online database developed. Trialled in April 2013. System went live in May 2013.
Develop civil society portal on agency website.	Green	Portal launched in October 2012. Increasingly becoming information hub for engaging with civil society.
NGOs and Business Branch to become thematic area for civil society.	Green	Implementation of CSEF well in train. Performance assessment frameworks to be developed for both ANCP and Civil Society.
Streamline administration of accreditation.	Amber	DFAT currently exploring options to improve accreditation by applying dedicated resources to administration of accreditation processing. Process to be reviewed to align with new due diligence process.

Note:

 Green. Progress is as expected for this point in time and it is likely that the objective will be achieved. Standard program management practices are sufficient.

 Amber. Progress is somewhat less than expected for this point in time and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.

 Red. Progress is significantly less than expected for this point in time and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

¹⁵ Prior to 2012-13 Aid Program Performance Reports were called Annual Program Performance Reports

Annex B

Quality at Implementation ratings

Australian NGO Cooperation Program		Qal year	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risk Management
		2011	4	4	4	3	4	5	I
		2012	5	4	4	4	4	4	I

Definitions of rating scale:

Satisfactory (4, 5 and 6)

■ = 6 = Very high quality

■ = 5 = Good quality

■ = 4 = Adequate quality, needs some work

Less than satisfactory (1, 2 and 3)

■ = 3 = Less than adequate quality; needs significant work

■ = 2 = Poor quality; needs major work to improve

■ = 1 = Very poor quality; needs major overhaul

Risk Management scale:

■ Mature (M). Indicates the initiative manager conducts risk discussions on at least a monthly basis with all stakeholders and updates the risk registry quarterly.

■ Intermediate (I). Indicates the initiative manager conducts ad-hoc risk discussion and updates the risk register occasionally.

■ Basic (B). Indicates there are limited or few risk discussions and the risk register has not been updated in the past 12 months.

Annex C

Evaluation and review pipeline planning

List of evaluations completed¹⁶ in the reporting period

Name of initiative	Aidworks number	Type of evaluation ¹⁷	Date evaluation report completed	Date evaluation report uploaded into Aidworks	Date management response uploaded into Aidworks	Published on website
ANCP Thematic Review	51388/6	External evaluation	August 2012			Yes
Mid Term Review of ANCP Partnerships	50334/45	External evaluation	August 2012			Yes
Monitoring, Evaluation and Learning Framework Review	50334/45	Joint internal/external evaluation	March 2013			Yes

List of evaluations planned in the next 12 months

Name of Initiative	Aidworks number	Type of evaluation	Purpose of evaluation ¹⁸	Expected completion date
ANCP 2013 Meta-evaluation	65232/1	Meta-evaluation of a selection of ANCP NGO evaluation reports.	To improve existing program	31 March 2014

¹⁶ 'completed' means the final version of the report has been received

¹⁷ e.g. Mid-term review, Completion report, partner-led evaluation, joint evaluation

¹⁸ e.g. To inform a future phase of program, to improve existing program; to verify program outcomes