



Australian Government

Department of Foreign Affairs and Trade



# Aid Program Performance Report 2014-15

Australian Non-Government Organisation  
Cooperation Program (ANCP)

November 2015

## Key Messages

This Aid Program Performance Report (APPR) outlines progress made in the program management and the development activities of Australian Non-Government Organisations (ANGOs) funded under the Australian NGO Cooperation Program (ANCP). The report assesses the ANCP progress in achieving its objectives, and highlights major milestones and reforms over the 2014-15 financial year.

Key findings of this report are:

- › In 2014-15, the ANCP reached 19.2 million people with 85 per cent of ANCP projects addressing gender issues; 28 per cent of projects involving engagement with the private sector and 61 per cent of projects addressing disability inclusion.
- › The ANCP is a successful and highly valued program. This was confirmed by the independent evaluation of the ANCP by the Office of Development Effectiveness (ODE) in 2014-15 which found that the ANCP provides considerable value for money, not only in the way that ANCP is leveraged to access other resources, including support from the Australian public but also in the way it is managed (in terms of staffing size and the application of an online grant management system).
- › There are, however, areas that require improvement for the management of the program such as addressing the complexity and improving transparency of funding allocations, greater sharing of knowledge and learning, improving the accuracy of data collection and reporting and increasing awareness and engagement across DFAT, particularly with Australian High Commissions and Embassies (Posts) and the wider Australian public.

## Context

The ANCP is an annual grants program that provides funding to accredited ANGOs to support their work in developing countries. Established in 1974, the ANCP is DFAT's longest running NGO program. In 2014-15, 48 accredited ANGOs worked with more than 5,000 in-country partners to deliver 621 projects in 58 countries. ANGOs worked in a range of sectors including education, health, water and sanitation, governance and economic development reaching 19.2 million people. Beneficiary numbers are based on actual figures in 2014-15 Performance Reports and differ from estimated figures in 2014-15 Annual Development Plans.

The ANCP explicitly recognises ANGOs' organisational independence – a strength of the program identified in the ODE Evaluation. This feature gives flexibility to ANCP ANGOs and their partners to respond to community priorities and maximise their comparative advantage. The ANCP both complements and extends the reach of the Australian aid program: supporting activities, building relationships and developing capacity in sectors and geographic areas beyond the foot print of DFAT's regional and bilateral aid programs.

The global operating context in 2014-15 should be taken into consideration in reading this report. The last year saw 60 million people displaced due to wars, conflict and persecution – the highest ever recorded; and over 11,000 people died from the Ebola Virus Disease in West Africa<sup>1</sup>. Natural disasters had a devastating impact in our region and further afield; and world leaders, thinkers and activists agreed to the 2030 Agenda setting in place the Sustainable Development Goals.

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1 UNHCR - <http://unhcr.org/556725e69.html> and WHO: <http://www.who.int/csr/disease/ebola/en/>

2014-15 was also a significant year for the Australian aid program with Official Development Assistance budget reductions, the introduction of DFAT's innovationXchange and the development of a number of DFAT country and thematic strategies.

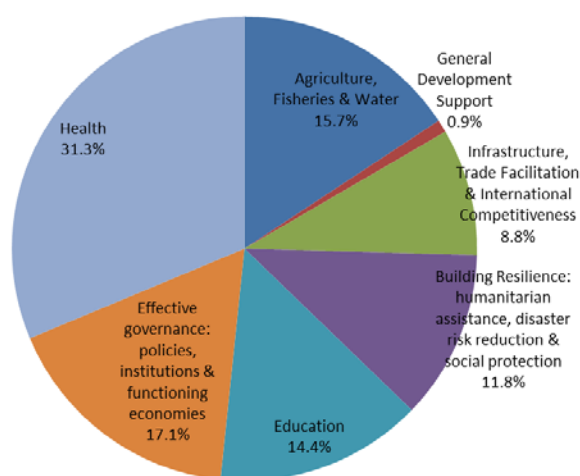
2014-15 marked the 40<sup>th</sup> Anniversary of the ANCP, which included a celebration of the successes of the program with a photo exhibition at Parliament House. DFAT also conducted a biennial Thematic Review focused on gender equality and women's empowerment in Timor Leste and Vanuatu. The ODE evaluation of the ANCP was undertaken and published in August 2015<sup>2</sup> and the ANCP program logic was completed and published in October 2015<sup>3</sup>.

DFAT committed to implementing all five of the ODE Evaluation's recommendations to further strengthen ANCP program management:

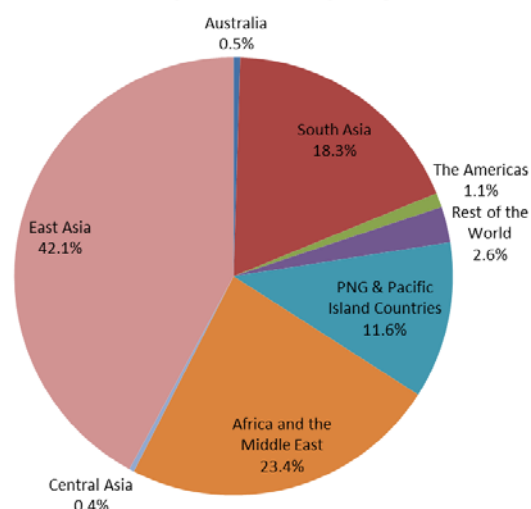
1. formalising a funding allocation policy
2. clarifying the role of the ANCP Partnerships and links with accreditation
3. clarifying the role of DFAT Posts in monitoring the program
4. strengthening the monitoring, evaluation and learning framework to capture program level outcomes
5. strengthening learning among ANGOs, in-country partners and DFAT.

## Expenditure

**2014-15 Expenditure by investment priority**



**2014-15 Expenditure by Region**



The 2014-15 ANCP budget allocation increased to \$134 million from \$131 million in 2013-14. Expenditure by ANGOs for 2014-15 was \$133 million with the remaining funds (approximately \$1 million, or 1 per cent of total allocation) used for ongoing program management including monitoring, evaluation and learning activities. 2014-15 expenditure was broadly consistent with 2013-14 expenditure by geographic distribution and investment priorities.

2 <http://dfat.gov.au/aid/how-we-measure-performance/ode/odepublications/Pages/evaluation-of-the-australian-ngo-cooperation-program.aspx>

3 <http://dfat.gov.au/about-us/publications/Pages/anpc-program-logic.aspx>

## Progress towards objectives

The evidence base to demonstrate ANCP effectiveness is drawn from a variety of sources<sup>4</sup> and indicates progress in addressing the priorities of people living in poverty. It also provides assurance that the ANCP continues to fund high-performing ANGOs.

### Program Strategy

As noted in the 2013-14 APPR, there were challenges in reporting Program level outcomes. Previous APPRs reported on the Program's progress towards its goal which was too high-level to make meaningful links with activities being implemented on the ground. The recent development of a program logic and performance assessment framework for ANCP addresses this gap. The revised ANCP Goal connects the Program to the purpose of the broader aid program which is to promote Australia's national interests by contributing to sustainable economic growth and poverty reduction.

The new goal statement for the ANCP is: **Through accredited Australian NGOs, improve the living standards and well-being of individuals and communities in developing countries.** To achieve this goal, three inter-related outcomes have been identified:

Outcome 1: Effective and value for money programming;


Outcome 2: A diversity of ANGOs draw on funding and expertise from a range of sources;


Outcome 3: Effective engagement with in-country partners


During consultations on the draft program logic document, ANGOs were asked to report against the outcomes above in their 2014-15 Performance Reports and this reporting period would be considered the baseline. In the first year of reporting against these outcomes, there is greater emphasis on Outcome 1 where a much stronger evidence base is emerging. As the ODE Evaluation attested, we know these outcomes are important processes that contribute to transformative change. It is expected that next year's APPR will achieve a greater balance across all three outcomes when more supporting evidence will be available.

Table 2 - Rating of the ANCP's Progress towards its Objectives

Objective	Previous	Current
Effective and value for money programming	n/a	Green
A diversity of ANGOs draws on funding and expertise from a range of sources	n/a	Green
Effective engagement with in-country partners	n/a	Green

 **Green.** Progress is as expected at this stage of implementation and it is likely that the objective will be achieved. Standard program management practices are sufficient.

 **Amber.** Progress is somewhat less than expected at this stage of implementation 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 at this stage of implementation and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

Reporting period: 2014-15

<sup>4</sup> ANCP NGOs submit Performance Reports in September on previous financial year progress. In addition, NGOs undertake project level evaluations once every three years and a number of DFAT monitoring and engagement visits happen each financial year. Other sources include ODE Evaluation (2015); DFAT monitoring and engagement visit findings (2014-15); ANCP Thematic Review (2015); ANCP Annual Development Plans (2014-15); ANCP Annual Performance Reporting (2014-15); ANCP Partner Agency Collaboration (APAC) Research Report – disability inclusion (2014); ANCP Partner Performance Assessments (2015); ANCP Aid Quality Check (2015); Accreditation assessments and RDE spot checks (2014-15)

## Outcome 1: Effective and value for money programming

This outcome focuses on the effectiveness of the work of ANGOs and aims to promote quality performance and the achievement of poverty reduction outcomes, including the contribution to ANCP performance benchmarks. This outcome focuses on DFAT's management of the Program, ensuring clear, transparent and efficient program management systems. Achieving this outcome is based upon the joint engagement by DFAT and the Australian NGO sector in the pre-qualification of potential recipients of ANCP funding via a rigorous accreditation process.

The development of Partner Performance Assessments (PPAs), regular accreditation reviews<sup>5</sup>, improved monitoring of the ANCP by DFAT and the ODE Evaluation have provided more rigorous evidence of the performance of the ANCP and value for money of the Program. PPAs were conducted for the eleven ANCP ANGOs that receive over \$3 million in 2014-15 and received an average rating of *good*<sup>6</sup> in criteria dealing with value for money and achievement of results and impact.

19.5 million people were reached under the ANCP in 2014-15, less than the projected 23 million people because of a number of factors. These included Cyclone Pam in Vanuatu in March 2015 and the Nepal earthquake in April 2015, the weakening Australian dollar and a shift in reporting cycles by a number of large ANGOs. This meant project implementation delays, reduction in the scale of planned activities, and cancellation of some components altogether.

### Results

The ODE Evaluation found that the ANCP was performing well and based on aggregate development results reporting ANCP is one of DFAT's best-performing programs. Key results in 2014-15 (\$133 million to 48 ANGOs) include<sup>7</sup>:

- › 7.8 million people (49 per cent women and girls, half a per cent people with disabilities) provided with integrated community approaches to health and wellbeing
- › 2.6 million people (60 per cent women and girls, half a per cent people with disabilities) have greater awareness of gender equality, women's equal rights and issues related to violence against women
- › 2.5 million people (50 per cent women and girls, 3 per cent people with disabilities) gained increased knowledge of hygiene practices
- › 1.7 million people (47 per cent women and girls, 6 per cent people with disabilities) gained increased access to essential medicines and health commodities including HIV treatment
- › 1.3 million people (46 per cent women and girls, 13 per cent people with disabilities) provided with prevention services excluding HIV/AIDS and sexually transmitted diseases.

The ODE evaluation recognised that the ANCP accreditation process requires all NGOs to demonstrate that their investment decisions take account of efficiency, effectiveness and economy and that ANCP NGO projects attract in kind contributions and additional funding from other sources. These can include funds from corporates, governments, local communities and in-kind contributions. While the required ratio of NGO to DFAT funds under ANCP is 1 to 5, NGOs often go above this matching requirement with the actual ratio achieved closer to 1 to 4.

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<sup>5</sup> For the full list of accreditation criteria, refer to the Australian NGO Accreditation Guidance Manual (2015): <http://dfat.gov.au/about-us/publications/Pages/australian-ngo-accreditation-guidance-manual.aspx>

<sup>6</sup> On a scale of 1-6 where 6 = very good, 5 = good, 4 = adequate, 3 = less than adequate, 2 = poor and 1 = very poor.

<sup>7</sup> These results are drawn from MELF indicators as reported by ANCP NGOs in their 2014-15 Performance Reports.



The evaluation also found that the ANCP has consistently outperformed many other DFAT programs on the reporting of output level aggregate development results.

### Performance benchmarks

There was progress in 2014-15 against almost all draft performance benchmarks identified in last year's APPR (see Annex B). The benchmarks identified in the 2013-14 APPR were based on an assessment of data in ANCP Online and drafted before the ANCP program logic and performance assessment framework (PAF) were finalised. Consultations on the draft benchmarks were undertaken during inaugural ANCP Annual Reflections Workshops in September 2015 and consideration was given to how to report against them. Based on these consultations, the PAF was finalised and benchmarks were revised including the removal of some benchmarks identified in 2013-14. Revised benchmarks that better reflect the ANCP's objectives were included in the ANCP PAF and will be reviewed annually. ANGOs were reassured that the benchmarks identified are primarily for DFAT reporting and ANGOs are not being directed to work in any particular sectors or countries thus ensuring ANCP remains a flexible program. The revised benchmarks are outlined below:

#### ***80 per cent of ANCP projects address gender issues in their implementation***

In 2014-15, 85 per cent of ANCP projects addressed gender issues with gender equality as the principal objective<sup>8</sup> in 108 projects (17 per cent) with expenditure of over \$18.6 million reaching 1.4 million people, which is consistent with 2013-14 results.

There is confidence in each ANGO's ability to deliver gender equality outcomes. The accreditation process assesses that ANGOs can demonstrate policies and practices of sound development principles including gender equality. The ANCP Monitoring Evaluation and Learning Framework (MELF) provides ANGOs with templates to disaggregate data by sex, age and disability, and report against a range of gender equality indicators.

Through the Enhancing Marginalised Urban Women's Rights and Gender Equality (EMERGE) initiative funded by ANCP, CARE regularly met with regional stakeholders including DFAT's Australia Mekong NGO Engagement Platform and UN Women. This led to an invitation to collaborate with UN Women on a regional workshop in FY15-16 on the cost of gender-based violence, contributing findings of CARE's study on sexual harassment in garment factories. Through EMERGE, CARE was invited to comment on the draft ASEAN Regional Plan of Action to End Violence Against Women.

Specialist ANGOs such as International Women's Development Agency (IWDA) offer added value to gender equality work within Australia and international development communities. IWDA is actively engaged in sector-level influencing, learning and coordination via national communities of practice within Australia, including the Australian Council for International Development (ACFID) Gender Equity Working Group. IWDA's CEO is a member of ACFID's Board and plays an ongoing advisory role including on the National Action Plan for Women, Peace and Security and has assisted DFAT in developing gender-sensitive indicators and benchmarks.

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<sup>8</sup> All ANCP projects must indicate how it addresses gender equality and women's empowerment using a scale of principle, significant or not targeted. Principle means promoting gender equality and empowering women is fundamental in the design and impact of the activity and is an explicit objective of the activity. Significant means promoting gender equality and empowering women is an important (but not principle) objective of the activity. Where an activity is not targeted gender equality could be addressed by ensuing participation of women and girls or a gender analysis will be/ has been undertaken as part of the activity's design.

### ***20 per cent of ANCP projects engage the private sector***

In 2014-15, 178 projects (28 per cent) involved engagement with the private sector. This is the first year this data is available following the introduction of a new private sector engagement reporting marker. ANGOs reported that ANCP funding resulted in the leveraging of more than \$34 million of private sector investment.

#### **Engaging the private sector**

Anglican Overseas Aid's ANCP projects in Vanuatu and Solomon Islands used the introduction of solar energy as a way to engage and support women to establish small solar micro-enterprise initiatives, as well as leverage private sector support towards women's economic empowerment. In 2014-15, the projects worked with ANZ Bank Vanuatu and Central Bank of Solomon Islands to provide financial literacy skills, business training and facilitation of the formation of Savings Clubs.

### ***Improved data capture of projects addressing people with disability***

In 2014-15, 61 per cent of ANCP projects addressed disability inclusion with disability inclusion as the principle focus in 88 projects (14 per cent) with a total expenditure of over \$8.9 million reaching almost half a million people. 2014-15 performance reporting showed there were over 495,000 people with a disability – an increase from 136,000 in 2013-14. In comparison, in 2013-14, 61 projects (9 per cent) addressed disability inclusion as the principle focus. ANCP NGOs reported a broad range of learning activities with their in-country partners in 2014-15 to build understanding of disability inclusive programming.

In November 2014, CBM Australia published an analysis of ANCP Partner organisations' engagement on disability inclusion and recommendations for future progress to support ANCP Partner NGOs in Australia to reflect and learn from each other's experience with disability inclusive development<sup>9</sup>.

The report found that a significant trigger for disability inclusion work within agencies has been DFAT ANCP requirements for grant recipients to include disability inclusion as a cross-cutting issue in programs and to begin to report data on beneficiaries disaggregated by disability. Where organisations were already engaging in advocacy efforts towards convincing partner organisations that disability inclusion is important, participants reported donor compliance gave strength to their argument. The report made a total of 22 recommendations, including four for DFAT to provide additional disability-specific resources and continue to use its policy influence with national partner governments and international donors to increase commitment to disability inclusive development.

A Practitioner Interest Forum on "NGO Experiences in disability inclusion" was held in November 2014 to discuss the findings more broadly and encourage cross organisational sharing and learning. The forum was jointly organised by Australian Disability and Development Consortium (ADDC), CBM Australia and ACFID and attended by participants from 21 organisations including ANGOs and DFAT.

<sup>9</sup> The full report is available at [https://acfid.asn.au/resources?&everything=disability%20inclusion&everything\\_op=allwords](https://acfid.asn.au/resources?&everything=disability%20inclusion&everything_op=allwords)

### ***Evidence of commitment to innovation and continuous improvement through efficient program management systems***

While there was no marker for innovation in the 2014-15 performance reporting, 38 ANCP projects involved the piloting and trialling of new approaches and many more built on successful ANCP funded pilots from previous years. The introduction of a marker to highlight innovation was introduced in the 2015-16 annual development plan template. It is expected that more data on innovation will be available for NGOs in their 2015-16 Performance Reports. The flexible nature of ANCP funding provides the scope for ANGOs to be innovative and to pilot new approaches if they choose. In encouraging innovation, DFAT and ANGOs must be cognisant of the difficulties and resources required of trialling and implementing new approaches to get the most out of the trial. As was articulated in the ODE Evaluation, ANGOs have good examples of innovation but there is no systematic way of capturing and sharing examples of innovation or for encouraging innovative ANCP programming. Innovation was the theme at the 2015 ACFID National Conference which provided a forum for the exchange of ideas and learning on innovation. DFAT will work with ANCP NGOs to harness the learning coming out of successful and failed pilots to share among ANGOs, DFAT and the sector through ACFID.

#### ***Innovation Recognised***

Engineers Without Borders, in partnership with Live and Learn, won one of four \$500,000 grants through the Google Impact Challenge for an initiative previously funded through ANCP to establish, train and support a network of local Cambodian entrepreneurs to manufacture and install a bio-digester floating toilet system on the Tonle Sap Lake in Cambodia, converting human waste into a constant and reliable source of renewable energy. This three year project will enable 25 local entrepreneurs to install 2,500 bio-digester toilet systems benefitting 15,000 people.

### **ANCP reporting**

The introduction of the MELF has seen continued improvement of the accuracy and consistency of reporting of program beneficiaries as well as changes to the indicators and associated guidance. However, there remain ongoing challenges. The design of ANCP and the flexibility in ANGOs' annual programming decisions means that there are often shifts in sector, programming location and associated beneficiary numbers from year to year preventing consistent analysis and comparison between years, as evidenced by lower reported beneficiary numbers in 2014-15 than in 2013-14.

The ODE Evaluation highlighted that while most results are regarded as reliable and fit for purpose, there is little evidence that data is validated or verified through independent sources. In focus group discussions with ANGOs it was revealed that in some instances indicator values are based on 'best guesses' particularly with regard to indirect beneficiaries.

Under the ANCP Manual, ANGOs are required to undertake an evaluation of projects or programs funded under ANCP at least once every three years. In 2014-15, 155 project evaluations were completed and the results submitted to DFAT with performance reporting in September 2015.

Through monitoring visits conducted in 2014-15, DFAT made a number of recommendations to improve program management at both the organisation and project level. These included coordinating with NGOs in-country to build on expertise in savings and loans programs,



improving in-country partner data collection and analysis practices to generate evidence base for programs, and ensuring adherence to DFAT's child protection policy.

An ongoing challenge for the program is quality performance reporting as well as the capacity of DFAT to review and verify performance data; this poses a risk for the program. DFAT's ability to meaningfully use evaluation data is also constrained by stretched resources. In 2015-16 DFAT will work to address these risks through webinars on Annual Development Plans and Performance Reporting, updates to guidance and ANCP Online forms and ongoing M&E visits.

## **Outcome 2: A diversity of ANGOs draw on funding and expertise from a range of sources**

This outcome focuses on DFAT using the ANCP to engage with a wide variety of accredited organisations with different origins, public support bases, missions, organisational sizes and structures, skills, technical capacity and partnerships. This also allows DFAT, via the ANCP, to tap into and support the existing linkages between Australian NGOs and the Australian public, their global networks and developing country partners. It recognises the importance of engagement with DFAT Posts and thematic areas to facilitate increased awareness of ANCP and draw on these areas of expertise. The 48 ANGOs funded through the ANCP in 2014-15 are a diverse mix of organisations – ranging from small organisations working in a limited number of sectors in a single country, accredited at the base level and receiving \$150,000 per year, to large ANGOs who are members of established international networks and affiliations, working on a global scale across a broad range of sectors, and receiving over \$5 million per year.

### **Leveraging funding**

As discussed under Outcome 1 above, ANGOs receive funding and in kind contributions from a range of sources including the Australian community, partner governments, other donors and the private sector. In addition, ANGOs have made creative use of other funding especially from other program areas in DFAT, to extend the reach of programs.

Accreditation verifies that ANGOs can raise minimum contributions from the Australian community in support of their development activities with ANCP funding making up only a relatively small percentage of ANGOs' total funding (on average). In 2014-15, 123 ANCP projects were co-funded with funding from other donors totalling \$26.3 million.

#### ***Leveraging funding for scale up***

Oxfam's Eliminating Violence against Women (EVAW) project in Papua New Guinea (PNG) commenced in 2012 solely through the support of the ANCP and has now been successful in leveraging multi-year funding from the DFAT bilateral program and Canada Fund's Local Initiative program to support scale up, and replication thus multiplying ANCP's investment.

### **Strong Relationships**

The long-term nature of the ANCP has fostered strong relationships between DFAT and ANGOs. The strength of these relationships in turn fosters frank and open collaboration and dialogue. In 2014-15, individual ANGOs and the networks and alliances they are members of have made submissions to Senate Inquiries on a number of topics including the private sector, economic development, human rights of women and girls in the Pacific and bilateral aid to Papua New Guinea. ANGOs have contributed to a number of DFAT Aid Investment Plans and have provided input to amend DFAT ANCP guidance material. For example, CBM engaged with DFAT to change the definition of welfare with regard to disability in the ANCP Manual.

Separate to the ANCP, DFAT's partnership with ACFID provides a mechanism for engaging with the NGO sector broadly on DFAT policy issues. Recent examples of engagement include the development of the "Engaging the Private Sector in Aid and Development" strategy and the DFAT-NGO Engagement Framework (replacing the Civil Society Engagement Framework).

### Sharing of knowledge & learning

A strength of the ANCP is the breadth and depth of networks in which the ANGOs engage. These networks include ACFID membership and both formal and informal mentoring arrangements. 2014-15 performance reporting has confirmed ANCP NGOs are active members of sector and geographic working groups and networks both in Australia and in the countries they work. Additionally, many ANGOs are part of a number of faith-based networks, including the Church Agency Network (CAN) which has been instrumental in progressing work on gender based violence in the Pacific.

In addition to membership in networks, ANGOs have strategically sought out partnership arrangements with specialist agencies to improve capacity in specific areas such as gender and disability. This was highlighted in the Thematic Review which found that these arrangements go well beyond the provision of once off inputs, demonstrating a process of sustained engagement for learning. Oxfam Australia noted in their performance report that their partnerships have "enabled access to technical and other resources that would otherwise not have been readily available to individual agencies" (e.g. accessing disability inclusiveness advice from Nossal Institute, gender expertise from CARE).

The Thematic Review noted that there is sharing of lessons on gender between ANCP NGOs at a country level but participation was variable and reliant on well-staffed offices in the country capital. The review noted that CARE was seen to be taking a lead role in this type of facilitation of information exchange, for example through the Vanuatu Gender Partnership Network. However, these forums do not always reach all ANCP NGOs. The Review noted examples of engagement with DFAT staff and Posts and suggested the potential for Posts to facilitate better linking of learning and sharing in gender; also a recommendation from the ODE Evaluation. Consideration needs to be given to the capacity of Posts to facilitate NGO roundtables (and how the NGOs and Volunteers Branch (NVB) can provide support) as well the frequency and timing of roundtables for strategic engagement in the ANCP program cycle.

While many ANGOs are already engaged in a range of partnerships and networks to leverage funding and expertise, there is currently no mechanism within the ANCP to encourage these collaborations and the systematic capture and sharing of expertise and lessons learned. DFAT engages with a greater number of ANGOs (20 per cent increase from 2012) despite constrained resources. Maintaining this level of engagement with a greater number of ANGOs is a challenge. NVB will explore options to improve the sharing of lessons among Australian NGOs, local NGOs and DFAT in 2015-16, as recommended in the ODE Evaluation, including looking to other parts of the Department, Posts and via ACFID to enhance opportunities for engagement.

## ANCP partners

There is a strategic partnership between DFAT and ten of Australia's largest development ANGOs<sup>10</sup>, with the most recent Memorandum of Understanding signed in 2013. In 2014-15 these Partners expensed a total value of 74 per cent of ANCP funds (totalling \$99.6 million). This strategic partnership promotes policy dialogue, enables the Government and ANGOs to share lessons, and jointly identify the most effective ways to help people overcome poverty. Activities involving the Partners in 2014-15 included the 40th anniversary celebration of the ANCP in March 2015 at Parliament House led by CARE Australia, World Vision Australia and DFAT. It was opened by the Foreign Minister and attended by government, private sector and ANGOs.

An ANCP Partner Agency Collaboration (APAC)-sponsored Economic Development Forum opened by then Parliamentary Secretary Brett Mason was held in August 2014, linking ANGOs with the private sector. The learning event was led by World Vision Australia and included representatives from DFAT's Executive. Outcomes included ANGOs' use of economic development tools and methodologies and sharing experiences of partnering with the private sector.

The ODE Evaluation found the absence of clear policies and procedures for selecting Partners presented a risk to the program. The Evaluation recommended the partnership concept should extend to all ANCP ANGOs. This would extend the effectiveness of the program and link to key priority areas for the Australian aid program as a whole. DFAT agreed to these recommendations and will look to strengthen strategic engagement with a number of ANCP NGOs in future years. The current ANCP Partnerships MOU will continue until June 2017.

### **Outcome 3: Effective engagement with in-country partners**

This outcome focuses on the links ANCP-funded NGOs have with a range of local partners and the role of these relationships in addressing poverty reduction. The provision of flexible funding allows ANGOs and their in-country partners to establish appropriate foundations for working with the poor, including building and maintaining long term relationships with partners and communities and responding iteratively to the priorities of the poor.

ANGOs demonstrate systematic approaches to partnership and development collaboration including regular assessment of capacity and performance of their partners. This is confirmed through performance reporting, DFAT monitoring and engagement visits as well as Accreditation reviews. All 11 ANCP ANGOs assessed under the PPAs were rated *good* or *very good* in criteria on collaboration and relationships. The ODE Evaluation confirmed ANCP ANGOs are engaging constructively with partner governments at many levels and contributing to building local capacity due to ANCP's focus on long-term commitment and relationship-building. Through DFAT's consistent approach to allocating funds, ANCP ANGOs are able to invest in their local partners over the long term, building trust among them, which then contributes to development effectiveness.

During DFAT monitoring and engagement (M&E) visits a range of engagement between ANCP ANGOs and their in-country partners was witnessed: from direct service provision to a more integrated partnership approach. While ANCP NGOs are working predominately with civil society organisations (37 per cent of in-country partners in 2014-15) and Government (31 per cent of

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<sup>10</sup> The 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.

in-country partners in 2014-15), there are over 60 different in-country partner types delivering ANCP projects, ranging from village councils to multilateral organisations. Examples of effective collaboration such as DFAT-NGO roundtables were also verified during DFAT M&E visits in 2014-15.

The ODE evaluation found that ANGOs play a critical role in supporting partner country governments particularly in terms of the delivery of services, and that ANCP ANGOs have significant engagement with partner governments at local, district, provincial and national levels. They also provide input to and influence government policy through participation in government committees and task forces.

ANCP ANGOs provide in-country partners with training and support, including on collecting new points of data. In return, local NGO partners share their deep understanding of the communities where they work to enhance project design and enable effective implementation on the ground. For example, ANCP reporting was amended following the release of DFAT's Indigenous Peoples Strategy in August 2015, to capture how ANCP projects are working with indigenous peoples. ANGOs supported in-country partners to collect this information. In 2014-15, Performance Reports indicated over 600,000 indigenous people participated in ANCP projects.

The Fred Hollows Foundation reported that broader health system weaknesses continued to impact on the ability of The Foundation to implement projects in 2014-15. Using eye health as an entry point, The Foundation engaged with partner governments in Kenya, Laos and the Philippines, to focus on issues such as the availability and training of general health workers, and to support development of government policies guiding health staff recruitment, deployment and retention.

## Program quality and partner performance

### Analysis of Aid Quality Checks (AQC)

The 2014 AQC ratings found that the ANCP was performing well with three criteria (Relevance, Efficiency, Sustainability) to be *good* and four criteria to be *adequate* (Effectiveness, Monitoring and Evaluation, Gender Equality, Risks & Safeguards). Overall, 2014 AQC ratings remained consistent with 2013 Quality at Implementation (QAI) ratings with an improvement in the rating for sustainability from *adequate* to *good*.

A table of AQC ratings is at **Annex D**.

### Performance of key delivery partners

The ANCP assesses effectiveness through accreditation, ANGO reporting under the MELF, evaluations, in-country monitoring visits and Partner Performance Assessments. The 11 of 48 ANCP ANGOs that were assessed via PPAs in 2014-15 represented just over \$102 million (77 per cent) of the total program with an average rating of *good* across all criteria assessed.

DFAT conducted 11 M&E visits in 2014-15 to projects undertaken by 21 ANCP NGOs. These visits offer the opportunity to verify reported ANGO achievements, and evaluate program effectiveness and efficiency. Several of these visits involved roundtables with participants from DFAT Posts and local NGO staff, to meet one another and share lessons. Capacity of local NGOs is variable with some NGOs requiring capacity building by ANGO counterparts. Through ANGOs' existing strong systems, as verified through accreditation, financial risk and fraud is managed to a high standard, even where capacity of local partners is low.

## Program management & operations

### Accreditation

The ODE evaluation noted that while the accreditation process is time consuming and resource intensive (for both DFAT and ANGOs), ANGOs value the process as it enhances their organisational capacity and represents a better investment than competing for funding through other mechanisms. For DFAT, the accreditation process is an effective means of identifying strong partners, leading to efficient management of ANCP. ANGOs undergo re-accreditation every five years.

In 2014-15, there were a total of 15 accreditation reviews - eight were re-accreditations and seven were new applications. Of the new applications, four successfully gained accreditation. In 2014-15 the accreditation process was streamlined with all applications submitted online. The online system has reduced processing time for applicants and reviewers but coordination, engagement of assessors, quality assurance and reporting to the Committee for Development Cooperation (CDC)<sup>11</sup> continue to require significant resources. Ongoing technical issues restrict some reviewer functions and DFAT is working to address these. The move away from paper-based applications is appreciated by ANGOs – particularly those moving to paperless offices.

Reviewer availability remains a constraint for accreditation reviews. DFAT requires specialists with a background in development and specific ANGO experience. With an average of 10-15 reviews per year, scheduling has been a challenge with some reviews in 2014-15 delayed by two to three months due to reviewer availability. DFAT is gradually bringing in new reviewers through a mentoring approach.

### Engagement and learning

In 2014-15, a total of 326 ANGO staff participated in ten DFAT webinars, including three on risks and safeguards and seven on ANCP's program cycle. Overall the feedback from participants was positive, particularly those new to ANCP processes and DFAT policies. Feedback on program cycle webinars will be used to inform content and scheduling in 2015-16.

ANCP projects present good public diplomacy opportunities for Australia and in 2014-15 there were a number of high-level visits to ANCP projects including by Australia's Ambassador for Women and Girls, Natasha Stott Despoja, who visited CARE's Safe Environment for Migrant Women project on the outskirts of Rangoon, Burma in February 2015. Additionally, increased reporting functionality has enabled the production of maps showing the locations of ANCP activities for sharing with DFAT Posts and during natural disasters<sup>12</sup>.

#### ***Creating public diplomacy opportunities***

Harare Post held biannual NGO forums to showcase program results, providing post with the opportunity to Tweet and report on positive ANCP project outcomes and raise the Head of Mission's profile. In August 2014, Harare post used ANCP projects to demonstrate to a visiting parliamentary delegation development results Australian NGOs are achieving. In countries of non-resident accreditation, the ANCP program also allows Heads of Mission to highlight people-to-people links with Australia through the relationships that Australian NGOs have developed with local partners. In early 2015 Australia's High Commissioner to Zambia held a well-attended NGO roundtable and hosted NGO partners at an Australia Awards reception in Lusaka.

<sup>11</sup> The Committee for Development Cooperation (CDC) is a joint DFAT/NGO advisory body that considers the accreditation process as well as broader ANCP policy and program matters.

<sup>12</sup> This information is not publicly available to protect beneficiary communities, particularly where projects work with children.



## Risks

Risks associated with the delivery of ANCP projects are largely managed through accreditation and consultation with Posts and thematic areas on proposed new and higher-risk projects. DFAT's internal audits target a number of ANGOs each year and Head Agreements and Funding Orders outline the terms and conditions of ANCP funding, helping to mitigate fraud risks. Where fraud cases do arise, these are actively managed by DFAT's NGOs and Volunteers Branch (NVB) in consultation with the Department's Fraud Control Section. DFAT webinars on fraud and corruption are held annually for ANGOs.

The AQC found that while risk is generally managed well in the ANCP, there are areas for improvement, specifically the need for systematic capture and review of risks. NVB has since introduced a quarterly review and update of ANCP's risk register to capture any emerging risks.

A pervasive risk is the impact of limited resources in DFAT to appropriately manage the ANCP, including DFAT's ability to review evidence, undertake site visits, verify NGOs' self-reports and conduct data analysis. NVB will continue to review resources and the allocation and prioritisation of work to mitigate these risks.

Table 3 Management of key risks to achieving objectives

Key risks	What actions were taken to manage the risks over the past year?	What further actions will be taken to manage the risks in the coming year?	Risk Rating (low, medium, high, very high)
A fluctuating aid budget poses challenges to ANCP's funding policy which was made more complex in an environment of rapidly expanding funding.	Budget updates, new accreditation application guidelines shared with the ANGO sector; consultations on funding principles in September 2015 at Annual Reflections	Development of transparent funding policy based on identified principles. Clear communication about the process and outcome	High
Inability to effectively analyse ANCP data because of resource constraints	Senior management matched priorities to resources and was clear about limitations	Continue to clarify the role of NVB and engage with Posts, NGOs & ACFID on resource constraints and where there are opportunities to share data analysis.	High
Poor data quality impacting on ability to provide accurate picture of ANCP	Working with relevant ANGOs to transition to July – June reporting period; webinars providing examples of good reporting.	Continue regular webinars on ADPlans and Performance Reporting; updates to guidance & ANCP Online forms.	Medium
Lack of alignment between ANCP funding and DFAT country and sector priorities	All new and higher risk projects sent to relevant desk/post for comment prior to approval. Desks/Posts notified when annual performance data becomes available. NGO round-table meetings held at Post.	Development and distribution of guidance for desk/Post regarding the ANCP and their role. NVB will encourage Posts to hold regular roundtables with NGOs in-country	Medium

## Management responses

Progress implementing the 2013-14 Management responses has been good with three of the four achieved and work well progressed against the final recommendation. Detailed progress against 2013-14 management responses is outlined in the table at **Annex A**.

### Management responses for 2015-16

In 2015-16, DFAT will continue to implement the recommendations from the ODE Evaluation as follows:

### 1: Finalise an improved transparent funding allocation policy for ANCP.

The funding policy will be finalised in 2015-16 for staged implementation from the 2017-18 budget. DFAT will return to a streamlined and simple to administer two-level scheme – full or base accreditation – with the analysis of community support being a key indicator for allocation of funding (i.e. recognised development expenditure (RDE), averaged over three years) together with reference to performance information where applicable to confirm allocations. With the current ANCP Partnerships MOU expiring in June 2017, any future partnership arrangements should delink the strategic relationship to funding.

### 2. Clarify partnership engagement

DFAT values regular strategic-level dialogue with the largest of our partner agencies in the ANCP. At the same time, the ODE evaluation recognised that the benefits of a partnership approach has permeated the ANCP and should apply to all ANCP members, not only the top ten. DFAT wants to ensure that policy dialogues with ANCP partners on development issues are not linked to funding levels but come from a healthy, strong partnership on shared interests and objectives. DFAT will consult with NGOs during 2015-16 on how partnership principles and strategic engagement can be embedded in future arrangements.

### 3: Clarify the role of Posts and increase ANCP's visibility within DFAT.

The ANCP provides excellent public diplomacy opportunities for DFAT staff at Post. NVB will maintain regular visits to Posts and provide regular briefing to Heads of Mission (HoMs) and other staff members prior to and during deployment. NVB will provide succinct information to programs (Canberra desk and Post) on ANCP projects detailing ANGOs, local partners, funding and sectoral breakdowns including maps showing the locations of ANCP activities. NVB will work with key country Posts to encourage resourcing for engagement and monitoring of the program proportional to size of Post and the concentration of ANCP activities within a particular country.

### 4: Strengthen the ANCP Monitoring, Evaluation and Learning Framework (MELF).

The ANCP program logic was finalised in October 2015 and published on the DFAT web page together with the associated performance assessment framework (PAF). DFAT will formalise the validation of performance management and results reporting through existing MELF and accreditation systems.

### 5: Work with ACFID to test new approaches to improve the sharing of lessons between Australian and local NGOs and DFAT.

In addition to the work on increasing the visibility of the Program with DFAT programs, particularly Posts, DFAT will encourage Posts to hold regular roundtables with NGOs in-country. DFAT will work with ACFID to test new ways to share information on design, monitoring and evaluation and lessons learnt amongst ANCP NGOs – particularly on gender, innovation and disability. The program logic helps identify a planned learning agenda including annual reflection workshops.

## Annex A - Progress in addressing management responses

Management responses identified in 2013-14 APPR	Rating	Progress made in 2014-5
Increase visibility of the ANCP across DFAT and linkages with Posts	Partly achieved	<p>Continued effort was made to raise the visibility of ANCP with both program desks and Posts through ANCP M&amp;E visits and pre-departure meetings with Heads of Mission. We continued to engage Post in the assessment of new and higher risk projects in the ADPlan process in 2014-15. ANCP data was published on the DFAT intranet for Posts &amp; Thematic areas to access. Work also commenced developing new 'products' to provide to Posts including a 'role of Post' info-graphic and mapping of ANCP projects by country along with our standard country/thematic briefs.</p> <p>The ODE Evaluation found that the ANCP is emerging as a public diplomacy tool for the aid program: at the Annual ANCP Reflections Workshop held in September 2015, ANGO participants saw great advantage to engaging more closely with Posts (especially DFAT locally engaged staff) as well as with other NGOs in-country. This work will be progressed as indicated in the management response to recommendation 3.</p>
Strengthen the MELF to reflect the priorities of the Government's aid policy and performance benchmarks	Achieved	In 2014-15, the ANCP strengthened the MELF to reflect the priorities of the Government's aid policy and performance benchmarks, with particular emphasis on private sector engagement; and quality assurance of annual ANCP performance data. Changes included updating aggregate result indicators. To improve data quality DFAT has updated the ANCP report templates for 2014-15 to include a mandatory marker for ANGOs to explicitly state if and how a project addresses private sector engagement.
Develop a program logic for the ANCP and associated performance assessment framework	Achieved	Work commenced in 2013-14 on developing a program logic but was delayed to wait for the outcomes of the ODE Evaluation of the ANCP. Development of the program logic involved: consultation meetings, workshops, circulation of draft documents to the sector for comment. The final program logic and PAF were published on the DFAT website in October 2015.
Continue a program of in-country monitoring and engagement visits and develop standard terms of reference for field visits to verify ANCP NGO performance and effectiveness.	Achieved	DFAT staff including staff from Post and NVB conducted 11 M&E visits in 2014-15 to 21 ANCP NGOs. The standard ToR and reporting template for visits will be further refined in 2015-16.

**Note:**

- **Achieved.** Significant progress has been made in addressing the issue
- **Partly achieved.** Some progress has been made in addressing the issue, but the issue has not been resolved
- **Not achieved.** Progress in addressing the issue has been significantly below expectations

## Annex B - Progress towards performance benchmarks in 2014 -15<sup>1</sup>

Aid objective	2014-15 benchmark	Rating	Progress in 2014-15
ANCP program and activities consider gender equality and women's empowerment.	60 per cent of activities funded under ANCP address gender equality and women's empowerment.	Achieved	In 2014-15, over 85 per cent of ANCP projects addressed gender issues. 108 projects (17 per cent) listed gender equality as the principle objective with a total expenditure of over \$18.6 million reaching 1.4 million people. This benchmark will be retained in 2015-16 and will be reviewed at the 2016 Annual Reflection Workshop.
	2014 ANCP Thematic Review on Gender Equality and Women's Empowerment completed and documented.	Partially Achieved	The Gender Thematic Review is close to completion. Work to date includes fieldwork to Timor Leste and Vanuatu, learning events in Sydney and Melbourne in March 2015, and presentation at the DFAT-ACFID Gender Working Group Meetings in October 2014 and June 2015. A Review report will be finalised by end 2015.
Improved policy dialogue with ANCP NGOs to shape program priorities.	ANCP NGOs engaged in at least three policy discussions across the aid program.	Achieved	In 2014-15, DFAT and ANCP NGOs were represented in the following policy dialogues: August 2014 – ANCP Partner Agency Collaboration (APAC) Economic Development Learning Event: this event linked ANGOs with the private sector and was led by World Vision Australia. February 2015 - Private Sector Engagement Roundtable: DFAT engagement with ACFID Business/NGO Partnerships Working Group on DFAT Private Sector Engagement Strategy. DFAT also participated in a range of ACFID working groups alongside ANCP NGOs members including: Humanitarian Reference Group – DFAT consultation on humanitarian strategy; WASH reference group; Health & Nutrition working group; Gender Equality Working Group; Geographic working groups including Indonesia and Sri Lanka.
			This benchmark was revised as it was previously restricted to ANCP Partner NGOs with dialogue to be coordinated through APAC. In reality, policy dialogue with ANCP NGOs occurs through a range of mechanisms and is often coordinated through ACFID to ensure that dialogue across the sector is consistent and reaches a broad range of ANGOs. The revised benchmark will refer to engagement with DFAT through annual Post/NGO Roundtables as per the PAF.
Reorient the ANCP to ensure the program can measure progress on the Australian government's new development priorities of sustainable economic growth and poverty reduction.	ANCP program logic and performance assessment framework documented; DFAT management response to ODE Evaluation of ANCP documented.	Achieved	The ANCP program logic and associated PAF were finalised in October 2015 and is available on the DFAT website.

<sup>1</sup> Please note: results reflect aggregated achievements during the 2014-15 financial year. The flexible ANCP design allows NGOs to alter programs from year to year based on their planning cycles. It is therefore not possible to draw comparisons of aggregated data across financial years.

Aid objective	2014-15 benchmark	Rating	Progress in 2014-15
ANCP program and activities promote prosperity	Maintain 20 per cent of ANCP focus on promoting prosperity	Achieved	In 2014-15, 40 ANCP NGOs invested in 340 projects that promote aid-for-trade, this represents 50 per cent (\$67,435,159) of total ANCP funding. Although this benchmark was identified in the 2013-14 APPR before the PAF was finalised, it will be retained in 2015-16 and will be reviewed at the 2016 Annual Reflections Workshop. NVB will collate this information from ANCP online; NGOs are not required to adjust programming.
ANCP program and activities reduce poverty	35 per cent of ANCP funding invested in projects that promote economic growth through economic development activities		In 2014-15, 41 ANCP NGOs invested in 394 projects that promoted economic growth through economic development activities. This represents 58 per cent (\$78,897,683) of total ANCP funding. Although this benchmark was identified in the 2013-14 APPR before the PAF was finalised, it will be retained in 2015-16 and will be reviewed at the 2016 Annual Reflections Workshop. NVB will collate this information from ANCP online; NGOs are not required to adjust programming.
ANCP program and activities engage the private sector	20 per cent of activities funded under ANCP promote private sector growth or engage the private sector		In 2014-15, 178 projects (29 per cent) involved engagement with the private sector. ANGOs reported that ANCP funding resulted in the leveraging of \$34,074,824 of private sector investment. Although this benchmark was identified in the 2013-14 APPR before the PAF was finalised, it will be retained in 2015-16 and will be reviewed at the 2016 Annual Reflections Workshop. NVB will collate this information from ANCP online; NGOs are not required to adjust programming.
ANCP program and activities ensure value for money	Maintain ANCP policy of a minimum of 1 to 5 match contributions to leverage additional funding for ANCP activities.		The ODE Evaluation found that ANCP projects leverage funding from other sources with many positive instances of ANGO projects attracting additional funding or in-kind contributions from other sources such as corporates, governments and local-community financial and in-kind contributions. In 2014-15, ANGOs provided greater matched funding for ANCP projects, including funding from other donors, where every dollar invested by DFAT translated into \$1.27 on the ground. This benchmark was identified in the 2013-14 APPR based on an assessment of data in ANCP Online, before the ANCP program logic and performance assessment framework (PAF) were finalised. During the Annual Reflections Workshops the PAF was finalised and benchmarks revised to align more closely. It was agreed that given this is a requirement for accreditation, this benchmark will be removed from future reporting.
	Total number of projects funded under the ANCP reduces by 5 per cent.		In 2014-15, DFAT supported 621 ANCP projects down from 669 in 2013-14. This represents a 7 per cent decrease in the number of projects. While there was a decrease in project numbers, this indicator is not relevant for ANCP because ANGOs decide how they allocate funds to their projects. This is in addition to having an open accreditation process and an increasing number of ANGOs eligible for ANCP funding. For these reasons it was agreed at the Annual Reflections Workshop that this benchmark would be removed from future reporting.

**Note:**

- Achieved. Significant progress has been made and the performance benchmark was achieved
- Partly achieved. Some progress has been made towards achieving the performance benchmark, but progress was less than anticipated.
- Not achieved. Progress towards the performance benchmark has been significantly below expectations



## Annex C - Evaluation and review pipeline planning

### List of evaluations completed in the reporting period

Name of Investment	AidWorks number	Name of evaluation	Date finalised	Date Evaluation report Uploaded into AidWorks	Date Management response uploaded into AidWorks	Published on website
ANCP	INL021	Evaluation of the Australian NGO Cooperation Program (ANCP)	August 2015 <sup>14</sup>			August 2015
ANCP	13B270	2014 ANCP Thematic Review: Gender equality and women's empowerment (Timor-Leste and Vanuatu).	To be finalised by December 2015			

### List of evaluations planned in the next 12 months

No Evaluations are planned for the next 12 months. Work will continue with ACFID and ANCP NGOs on implementing recommendation 4 from the ODE Evaluation on strengthening the MELF.

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<sup>14</sup> This was an ODE strategic evaluation, funded through ODE.

## Annex D - Aid Quality Check ratings

The previous investment level performance assessment system utilised Quality at Implementation (QAI) reports. Two criteria, Risks and Safeguards and Innovation and Private sector were not assessed in QAI reports and there have been significant changes in AQC reporting this year. Innovation and Private Sector is not a quality standard.

### AQC ratings

Investment name	Approved budget and duration	AQC/QAI year	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risks and Safeguards
ANCP	\$134,000,000 01/07/2014 - 30/06/2015	2014 AQC	5	4	5	4	5	4	4
		2013 QAI	5	4	5	4	4	4	n/a