



DFAT / NGO Committee for Development Cooperation
A joint committee of the Department of Foreign Affairs and Trade and
Australian non-government organisations

Minutes of the 148th Committee for Development Cooperation (CDC) Meeting held on 3 March 2017

DFAT CDC Members

Simon Cann-Evans
Majdie Hordern
MaryEllen Miller (Chair)

Secretariat

Naomi Jackson (DFAT)
Rebecca Lysaght (DFAT)

NGO Members

Misha Coleman (Act for Peace / NCCA)
Rob Floyd (UnitingWorld)
Mark Webster (ADRA)

Observers

Chris Adams (ACFID)
Jocelyn Condon (ACFID)

Apologies

Jon Burrough (DFAT)
Kalene Caffarella (ARC)
Sally-Anne Vincent (DFAT)

10:00 – Meeting Opened

Item 1. Welcome Remarks

In opening remarks, the Chair:

- Paid respect to the traditional custodians of the land on which the meeting takes place, and paid respect to Elders both past and present;
- Noted apologies from Jon Burrough and Sally-Anne Vincent. Kalene Caffarella is also an apology and has circulated written input to the meeting in advance via email;
- Noted this is her (MaryEllen Miller's) last CDC meeting as she will be taking up a new position within DFAT;
- Welcomed Jocelyn Condon who will be the ACFID Code of Conduct Coordinator while Sarah Burrows is in maternity leave.

In relation to Misha Coleman's position as an ACFID-appointed representative to the CDC:

- Misha Coleman announced she is resigning from her position as CDC representative; and
- Chris Adams noted he is unable to indicate a timeframe for announcing the replacement, but that he would notify DFAT as soon as available.

Conflict of interest check:

- The Chair requested all meeting participants declare any conflicts of interest.
- No conflicts were declared.

Item 2. Endorsement of minutes of the 147th CDC

- The Chair accepted the minutes of the 147th meeting, seconded by Misha Coleman.

Item 3. Update from DFAT

DFAT reported on action items from CDC 147 in November 2016.

Partnership Principles

The Chair spoke to the item.

- DFAT remains committed to embedding the partnership principles in the ANCP Program Logic. This work has not been deprioritised by DFAT, especially with the ANCP's formal partner MoU approaching completion. But the work has been delayed.
- DFAT has been involved in discussions with NGOs about the new partner arrangements and the group of ten current ANCP Partners is pursuing a broader dialogue with the government.
- The Chair noted that a partnership approach was agreed through consultation in 2016 and that there will be further consultation on a draft partnership principles for inclusion in the Program Logic that will be completed at the Annual Reflections workshops in 2017.

CDC attendance at International Development Contractors (IDC) Meeting

The Chair invited Simon Cann-Evans to speak to the item.

- DFAT has just held the Aid Suppliers Conference. It is anticipated that the next IDC Meeting will be held in April / May 2017. There will be an opportunity for NGO representatives on the CDC to engage informally with the IDC meeting.

Grant Agreements

- The Chair reported that DFAT's suite of contractual documents will be made available to stakeholders for consultation.
- Simon Cann-Evans outlined that the consultation period will commence in the week commencing Monday 6 March. DFAT will notify stakeholders and the templates will be available for viewing on the internet for one month. The standard grant agreement template will be prioritised as it needs to be ready for use in mid May for the ANCP / GAP while other templates would be ready at a later date e.g. July.
- Misha Coleman noted that a letter from Felicity Rowe A/g Assistant Secretary, Contracting Services Branch (CVB) of 24 February was received in relation to the review and asked DFAT to confirm whether the consultation process is in lieu of a meeting. Simon Cann-Evans confirmed the consultation process will be in lieu of the meeting which was an action point from CDC 147 in November 2016.
- Chris Adams asked what the role of CDC will be in the consultation process.
- Simon Cann-Evans explained DFAT has received comments on the Grant Agreement templates from a wide range of stakeholders. ACFID and CDC are welcome to provide feedback on the Grant Agreements. He requested the CDC resubmit earlier comments through the consultation process. DFAT also noted that the Grant Agreement for ANCP and GAP is also used by other unaccredited NGOs.

Item 4. Update from DFAT

Gender Action Platform (GAP)

The Chair spoke to the item.

- The GAP application process has run smoothly. An evaluation committee meeting has been held and both successful and unsuccessful applicants have been informed.
- DFAT received 34 applications, 12 were shortlisted and it was difficult to decide on the successful applications. The quality of applications was extremely high and the selection panel was happy with the way the ANCP applicants thought about collaborations and scaling up.

Changes to Recognised Development Expenditure (RDE) Calculations

- In preparation for this year's RDE submission new explanatory notes and calculation method was circulated to ANCP accredited NGOs in January.
 - The RDE calculation method has been revised to adopt a different starting point. Instead of starting with total disbursements and deducting ineligible expenses, the revised RDE worksheet starts with the disbursements to eligible expenses (that is international programs, program support costs and

community education). Deductions must then be made for non-Australian community funding and a reduced number of ineligible disbursements.

- The revised calculation method should not change NGOs' total RDE, as the eligible / ineligible disbursements remain the same. However, the revised calculation method should reduce confusion and errors in completing the RDE submission.
 - Other updates have been made to the RDE Explanatory Notes including minor changes to definitions of welfare, political and religious activities and indicative rates of pay for volunteers. The use of the terminology: "religious" to replace reference to evangelism is consistent with the ACFID Code of Conduct. Expenditure on religious activities compared to development activities needs to be clearly articulated. It has also been clarified that support for political-separatist movements is ineligible however development work in countries where political-separatist movements exist would not be excluded.
 - A successful webinar on RDE has been delivered for NGOs, hosted by ACFID. No concerns or issues about the new calculation method have been raised by NGOs.
 - ACFID's Code of Conduct's guidance for NGOs on preparing Audited Financial Statements is still directly linked to the calculation of RDE.
- Misha Coleman noted that the RDE Explanatory Notes are silent on the question of to what degree an NGO may include the loan components of RDE.
 - Majdie Hordern responded that from a program management perspective, DFAT has chosen to leave the advice on microfinance and in-kind expenditure the same at this time. Loans are considered a debt therefore they are not considered a disbursement for RDE purposes. Calculation of volunteers' hours is a subjective measure and DFAT decided to maintain a 50 per cent cap on volunteer hours claimable as a disbursement under RDE. The 2016 ANCP Funding Policy has commenced a phased implementation over four years therefore any further changes to the RDE calculation method would be better made after that time.

Item 5. Accreditation Updates

The Chair introduced Rebecca Lysaght to speak to the item of Accreditation Updates.

Proposed changes to the Accreditation opening window for new applications

- Applications for new accreditations are currently open from 1 September – 1 December each year
 - These dates are proving to be problematic as due to the budget cycle often NGOs have limited time to prepare and properly plan ADPlans, along with the ANCP team not being able to accurately advise NGOs of their grant amount for the upcoming financial year until all new accreditations for the year have been decided.
- DFAT's proposed solution is to shift the window for new accreditation applications. In order to make sure this does not adversely affect NGOs, who may be considering applying, DFAT is proposing a staged approach:
 - In 2017: opening date 1 August, closing date 31 October; and
 - In 2018: opening date 1 June, closing date 31 August.
- The CDC indicated it is comfortable with the proposed change of dates.
- DFAT briefed the CDC further on actions already taken to facilitate the entry of new applicants to the ANCP. A workshop was held recently for new NGO applicants to prepare for ANCP processes in the event that they are successful in gaining DFAT Accreditation. New applicants have access to ANCP program documentation, the ANCP Manual, RDE Explanatory Notes and the MELF prior to achieving DFAT Accreditation.
- DFAT reported that in relation to applications to upgrade, a discussion was had at the recent Assessors Workshop about capacity to spend an increased grant amount. Absorptive capacity is considered in a number of Accreditation selection criteria. But currently, if an NGO is applying for Full Accreditation then the NGO wouldn't know its potential grant amount. DFAT is considering including a question in the Agency Profile which asks the NGO to outline planning for additional funds to trigger early thinking.

AGREED ACTIONS:

- **DFAT will publish the revised application dates on the DFAT website.**

Assessors workshop

- DFAT held the annual workshop for Accreditation Assessors on 23 February. It was well attended.
- A number of topics were discussed including DFAT's Grant Agreements and the upcoming consultation process, and scheduling of Accreditations. DFAT's Child Protection area gave a briefing on the new Child Protection Policy.
- DFAT raised with assessors that ACFID asked DFAT to request that the Accreditation Assessors report any breaches of the Code of Conduct (the Code), detected during Accreditation processes, directly to ACFID. The assessors were uncomfortable with the possibility of this request compromising the independent nature of the assessor role. Assessors reported that they had previously been asked by ACFID not to report any breaches directly to ACFID.
- Chris Adams explained that he was not aware of the request from ACFID to DFAT about reporting breaches directly to ACFID. He clarified that it is ACFID's view that it is not the role of Accreditation assessors to assess compliance with the Code. ACFID expects that any breaches would be evident in the Organisation Review Reports which ACFID has access to as part of its participation on the CDC.

Accreditation Applications Updates

- DFAT has received eight applications this year from new applicants and NGOs applying to upgrade outside their five-yearly re-accreditation cycle.
- There will be 10 Organisation Reviews to consider at the next CDC meeting.
- NGO Representatives asked whether formal feedback has been received from any NGOs in response to the reports submitted to CDC.
- DFAT explained that none of the NGOs under consideration today have formally raised any issues in relation to their reviews or reports. General feedback forms are received from NGOs about the process. These feed into Assessor Contractor Performance Assessments and DFAT observers also raise any issues arising during Accreditations. Consolidated feedback can be provided to the CDC at the June meeting.

AGREED ACTIONS:

- **DFAT to provide consolidated feedback from NGOs/DFAT Observers about Accreditation processes to the CDC meeting in June.**

Item 6. Other items tabled by NGO Representatives

The Chair invited NGO Representatives to table any additional items.

DFAT's intended policy on ANCP and the role of Posts

- Chris Adams asked whether DFAT will open the policy to ACFID and CDC for consultation.
- DFAT responded that the policy is currently being drafted and will be focused on how the NGO Programs, Performance and Quality Section works within DFAT to manage the ANCP. DFAT confirmed it will be an internal document. The public facing component will be the advice in relation to the new policy that is included in the ANCP Manual for accredited NGOs.
- Chris Adams asked whether DFAT will consult with the CDC on the public formulation of the policy to be included in the ANCP Manual and explained to DFAT that there is a difference between consultation prior and information provided after.
- DFAT responded that any new information included in the ANCP Manual is shared with and explained fully to ANCP NGOs at the annual ANCP information sessions as a matter of course.

ANCP Programming in Afghanistan

- Chris Adams asked whether DFAT has an update on ANCP programming in Afghanistan.
- DFAT responded that the decision made in November 2017 was not an enduring decision. It would be timely to look at the decision again at the end of the calendar year.

Item 7. Organisational Review Reports

Item 8. Next Meeting

- The CDC agreed the next meeting will be on Tuesday 6 June 2017.

Meeting Close