



Australian Government
Department of Foreign Affairs and Trade



AID PROGRAM PERFORMANCE REPORT 2016-17

Australian NGO Cooperation Program (ANCP)

November 2017



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 2016-17 financial year. Key findings of this report are:

- 12.8 million people's lives were improved through 54 ANCP NGOs working with 2,113 local partners to implement 507 projects in 58 countries;
- Program quality was maintained with 16 accreditation reviews completed (focused on up-front risk management) and 45 ANCP projects in 16 countries monitored through visits by Canberra and posted staff;
- Program management was strengthened through the adoption of new DFAT-NGO partnership principles and clearer guidance on the role of Australian Embassies and High Commissions (Posts);
- the ANCP's approach to matching community grants and encouraging multi-funded programs resulted in 379 projects (74 per cent) leveraging funding from other sources to the value of \$31.9 million;
- A new communications strategy generated increased information to the Australian public on the use of Australian aid to co-fund programs through the ANCP.

CONTEXT

DFAT Policy on Civil Society

DFAT and NGOs: Effective Development Partners outlines the Department of Foreign Affairs and Trade's approach to working with non-government organisations (NGOs) to support international development.

An active civil society (non-state actors), and vibrant business sector, working alongside effective executive, legislative and judicial state institutions, play an important role in sustainable development. DFAT's *Effective Governance Strategy, NGO Engagement Framework* and commitment to *Agenda 2030* including Sustainable Development Goal 16, recognise the distinct and independent nature of civil society actors and that a strong civil society is a development objective in its own right.

Global Development Context

Globally, there continues to be a shrinking of space for civil society. The 2017 Global Risks Report published by the World Economic Forum noted, "a new era of restricted freedoms and increased governmental control could undermine social, political and economic stability and increase the risk of geopolitical and social conflict."¹ The closing of civic spaces weakens the ability of civil society organizations to provide critical services like healthcare, education, and humanitarian aid to local communities. It also undermines their ability to hold governments accountable for dedicating local financial resources to domestic priorities, thereby increasing the aid burden on foreign donors².

Further to this, evidence suggests that sustainable funding for an active civil society is only likely to occur once a country becomes an upper income country. As such, there is a risk that as countries in our region move to middle-income status, funding to the region's civil society organisations may be reduced rapidly, before they have had a chance to mature in their roles.

¹International Center for Not-For-Profit Law, "Survey of Trends Affecting Civic Space: 2015-16", Global Trends in NGO Law, Vol 7, Issue 4, September 2016

² Maria J. Stephan; Responding to the Global Threat of Closing Civic Space: Testimony before the Tom Lantos Human Rights Commission, United States Institute of Peace, March 2017, <https://www.usip.org/publications/2017/03/responding-global-threat-closing-civic-space-policy-options>



Program Design

The ANCP is a unique grants program that aligns with the priorities of the Australian aid program's development policy *Australian aid: promoting prosperity, reducing poverty, enhancing stability*, which has the two inter-linked pillars of economic growth and human development at its core. The Program has the flexibility to deliver aid consistent with these priorities.

The ANCP provides matched funding (up to 5:1) to ANCP-accredited Australian NGOs to support their work to alleviate poverty in developing countries. The ANCP is guided by the principles and objectives of the DFAT-NGO engagement framework *DFAT and NGOs: Effective Development Partners*.

The goal statement for the ANCP is:

Through support to accredited Australian NGOs, improve the living standards and well-being of individuals and communities in developing countries.

Three inter-related outcomes ensure NGOs are positioned to deliver on the overarching ANCP goal:

Outcome 1: Effective and value for money programming

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

Outcome 3: Effective engagement with in-country partners

Reflecting the contributions received from the Australian community, the footprint of the ANCP extends beyond the reach of Australia's bilateral aid program. The 2015 Office of Development Effectiveness (ODE) Evaluation of the ANCP found that there is consistency between NGOs' ANCP programming and the Australian aid program's geographic and sectoral priorities. This continues to be the case in 2016-17.

The up-front ANCP accreditation process and complementary Australian Council for International Development (ACFID) Code of Conduct provide DFAT and the Australian public with confidence that the Australian Government is funding professional, well-managed organisations that are capable of delivering quality development outcomes and are accountable to their stakeholders as well as able to meet their contractual obligations to DFAT. The rigorous accreditation process (complemented by in-country visits to a cross-section of projects) acts as an effective risk management tool for the Department.

NGOs can seek accreditation at either base or full level - depending on their capacity and levels of community support. NGOs with full accreditation must respond to a greater number and more comprehensive criteria than those applying for base accreditation. ANCP NGOs undergo re-accreditation every five years. DFAT's funding to ANCP NGOs is allocated based on an assessment of organisational capacity (accreditation level) and recognised development expenditure (RDE)³ which acts as a measure of community support.

The ANCP respects the organisational independence of Australian NGOs, providing flexible funding to implement co-funded development programs overseas. This includes their discretion in programming such as working in the sectors of their choice, and their right to comment on government policy and advocate for change.

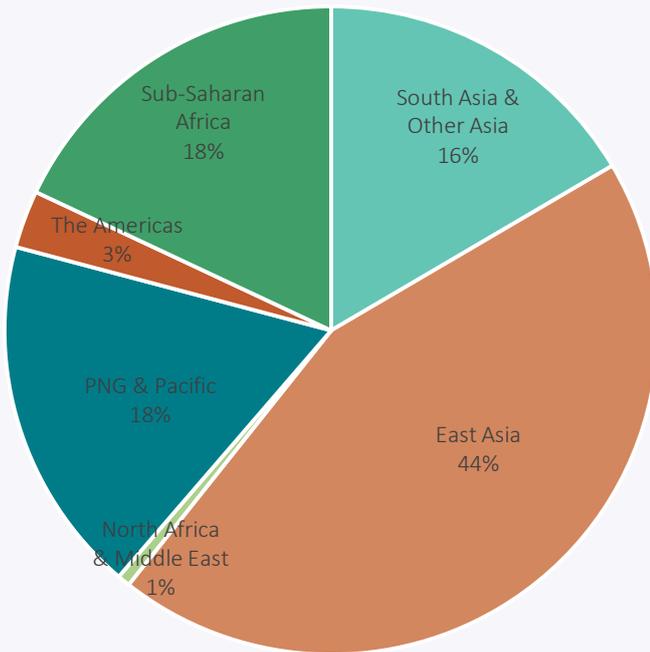
The ANCP is operating in an increasingly challenging environment for the effective operation of civil society, including instances where operations are affected by conflict or rising inequalities in transitioning economies. The ANCP enables ANCP NGOs to maintain relationships and develop capacity in sectors and geographic areas both within and beyond the footprint of regional and bilateral Australian aid programs. The Program may also help to bridge the funding gap to civil society organisations as bilateral aid budgets decrease or shift focus in transitioning economies.

³ RDE is the total eligible contribution that each NGO receives from the Australian community for the NGO's own development assistance

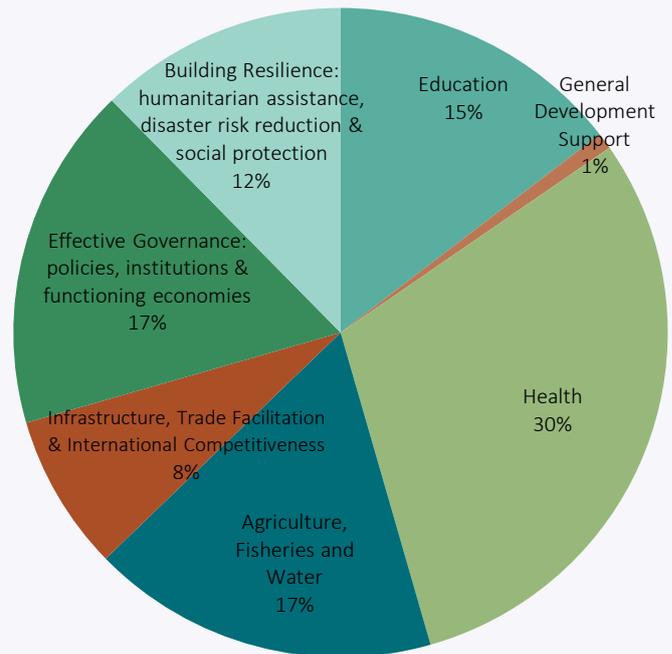
EXPENDITURE

The ANCP budget allocation was \$127.3 million in 2016-17 – the same as in 2015-16. Of the total budget allocation, less than one per cent (\$900,000) was used for program support costs including monitoring, evaluation and learning activities⁴. The remaining \$126.4 million was allocated to ANCP NGOs as grants, in accordance with the program’s transparent funding model. ANCP NGOs can use up to 10 per cent of their ANCP grant for design, monitoring and evaluation (DM&E) costs and in 2016-17 spent \$8.5 million on DM&E, with an average of 5.9 per cent.

2016-17 ANCP Expenditure by Region



2016-17 ANCP Expenditure by Investment Priority



PROGRESS TOWARDS OUTCOMES

Table 1 Rating of the Program's Progress towards Australia’s Aid Objectives

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

⁴ Program management is the responsibility of DFAT’s NGO Program, Performance and Quality Section (NPQ) in NGOs and Volunteers Branch.

OUTCOME 1: EFFECTIVE AND VALUE FOR MONEY PROGRAMMING



Accreditation, monitoring visits, annual reporting and Partner Performance Assessments (PPAs) confirm that ANCP NGOs are delivering effective programs and have monitoring and evaluation processes to demonstrate the effectiveness and value for money of their programs. The ANCP made strong progress in achieving intermediate outcomes including contributions to DFAT performance benchmarks, sharing good development practice and efficient program management systems. This builds on the work of the Program in 2015-16 and confirms the green rating in the 2016-17 period.

Results in 2016-17

Given the flexible nature of ANCP, programming contributes to many Sustainable Development Goals (SDGs). Results in 2016-17 (\$126.4 million to 54 NGOs) included⁵:

- 4,068,625 people with increased access to essential medicines and health commodities including HIV treatment (52.7 per cent female, 0.7 per cent people with disabilities);
- 236,349 poor people with increased access to financial services (75.6 per cent women and girls, 1.8 per cent people with disabilities);
- 969,534 people with increased access to safe water and basic sanitation (54 per cent women and girls, 1.4 per cent people with disabilities);
- 14,772 teachers trained (65.2 per cent women and 1.2 per cent people with disabilities);
- 5,003,468 million people with increased knowledge of hygiene practices (52 per cent women and girls, 0.3 per cent people with disabilities); and
- 1,075,763 million indigenous beneficiaries of ANCP projects.



Minister for Foreign Affairs, the Hon Julie Bishop MP with young Lao Rugby players participating in ChildFund Australia's ANCP 'Pass it Back' sports development program. Vientiane, Laos July 2016

⁵ Results are drawn from the 2016-17 Performance Reports from ANCP NGOs against the MELF indicators

Gender

The majority of ANCP NGOs have strong, explicit commitments to gender equality in their development approach and gender sensitive programming. In 2016-17, 69 per cent of ANCP projects addressed gender equality issues. This included 72 projects (14 per cent) marking gender equality as the principal objective with expenditure of \$18.4 million reaching 1,069,053 beneficiaries⁶. This reduction in the percentage of projects targeting gender equality (down from 87 per cent in 2015-16) is largely due to the introduction of new criteria for the OECD Development Assistance Committee (DAC) gender equality policy marker in December 2016. The new criteria were included in updated ANCP reporting templates in April 2017. Previously there was very little guidance available and this may have led to over reporting in the past.

In addition to the gender marker, the accreditation process ensures ANCP NGOs have the systems in place to deliver gender sensitive programming while the ANCP Monitoring Evaluation and Learning Framework (MELF) provides ANCP NGOs with templates and guidance to disaggregate by sex, age and disability and report against 16 gender equality indicators.

Key results for gender in the 2016-17 period included:

- Over 2 million people exposed to awareness raising campaigns/activities in communities highlighting issues of violence against women, including harmful cultural practices;
- 637,917 people provided with awareness raising/training on gender issues and women's equal rights (of these 54 per cent were women and girls and 4 per cent people with a disability);
- 6,209 women's groups, organisations and coalitions supported;
- 276 women supported to stand for formal election at sub-national or national levels;
- 11,303 women survivors of violence receiving services such as counselling; and
- 443 Civil Society Organisations (CSOs) supported to engage in activities to reduce violence against women

To improve the Program's attention to and reporting on inclusive development, as in previous years, gender was discussed at the 2017 Annual Reflections Workshop⁷. The range of approaches, practices and tools used by ANCP NGOs in promoting gender equality and gender from a risk perspective were key areas of discussion.

The ANCP's strong performance on gender equality was recognised through the establishment of the Gender Action Platform (GAP)⁸ a \$10 million competitive grants process for accredited ANCP NGOs to strengthen gender equality programming in the Indo-Pacific (see Box). Six ANCP NGOs were awarded grants to implement projects in 11 countries.

The **six GAP projects** began implementation on **1 July 2017** and will work to:

- : reduce gender-based violence;
- : build respectful relationships in secondary schools;
- : increase school retention for girls;
- : support women-led business initiatives;
- : reducing sexual harassment in the workplace;
- : support dignified and safe repatriation for marginalised female refugees;
- : improve menstrual and reproductive health, and
- : develop women's leadership on climate change policy and decision-making.

⁶ Results drawn from the 2016-17 Performance Reports from ANCP NGOs against the MELF indicators

⁷ A yearly workshop is held in Sydney and Melbourne with DFAT and ANCP NGOs to discuss program highlights from the previous year and emerging issues for the ANCP.

⁸ <http://dfat.gov.au/aid/who-we-work-with/ngos/pages/australian-ngo-gender-action-platform.aspx>

Disability inclusive development

Disability inclusion is integrated throughout the work of The Leprosy Mission Australia. Their project PACED CHAMP in Nepal invites people with a disability to join Self Help Groups and encourages participants to play leadership roles in their community, for example facilitating awareness raising activities to decrease the stigma of people living with a disability. These activities empower participants as well as diversify their skills and promote a more cohesive community.

In 2016-17, 61 per cent of ANCP projects addressed disability inclusion. Disability inclusion was the principal focus in 67 projects (13 per cent) with a total expenditure of over \$11 million reaching over 1.4 million beneficiaries.

Key results in 2016-17 included⁹:

- 27,378 people provided with disability services like prostheses and assistive devices (of these 49 per cent were women and girls);
- 3,339 adults with disability successfully obtained a livelihood as a result of skills training or capacity building (of these 47 per cent were women);
- 3,055 teachers trained in disability inclusion (of these 52 per cent were women and 6 per cent people with a disability); and
- 1,470 in-country Disabled Persons Organisations (DPOs) receiving capacity building.

Private sector

In 2016-17, 227 projects involved engagement with the private sector consistent with 2015-16. In 2016-17, ANCP NGOs engaged with 789 representative organisations (peak bodies /chambers of commerce /other business groups) and 44,993 individual businesses (excluding managing contractors) in the design, delivery, management, or evaluation of projects¹⁰.

Oxfam Australia engaged with a number of private sector organisations, including five extractive industries companies such as Rio Tinto and Oil Search, to discuss uptake of the Gender Impact Assessment app to improve their operations.

Innovation

The flexible nature of ANCP funding provides the scope for ANGOs to be innovative and to pilot new approaches. In 2016-17, ANCP NGOs identified 282 projects (43 per cent) as innovative, adopting new ways of partnering, agile and flexible approaches to design, results-based aid, trialling/adapting new technologies, and leveraging new partnerships/sources of finance.

Digital Innovation

Plan International Australia's Strengthening Birth Registration in Uganda project includes a partnership with Accenture Development Partnerships. As part of this project Accenture supported Plan Uganda to undertake an 'innovation sprint' which saw the development of the digital architecture necessary for digital birth registration in the low-resource setting of Uganda.

Over 40 projects involved pilots with many more building on previous pilots. ANCP NGOs have indicated that the flexible nature of ANCP is vital to trial innovative projects or establish a track record in new geographic/sectoral areas and then to access additional funds from other donors to take these projects to scale and ensure sustainability.

The GAP was established to explicitly fund innovative approaches to gender challenges that reduce violence against women, increase women's economic opportunities and improve leadership for and by women through collective action. In May 2016, NGOs shared learning on good gender equality practice and increase collaboration at a workshop involving DFAT and ANCP NGOs. The lessons

from year one of GAP implementation will be shared among all ANCP NGOs in 2017-18.

⁹ Results drawn from the 2016-17 Performance Reports from ANCP NGOs against the ANCP Monitoring, Evaluation and Learning Framework (MELF) indicators

¹⁰ Results drawn from the 2016-17 Performance Reports from ANCP NGOs against the MELF indicators

Value for Money (VfM)

ANCP continues to provide value for money through the NGO match, use of local systems and capacity building of in-country staff, and effective results on the ground. ANCP NGOs must match 20 per cent or one dollar of their own funds for every five dollars that DFAT provides under the ANCP (1:5 match). In 2016-17, ANCP NGOs contributed \$34.3 million to ANCP projects, exceeding the matched funding requirement by 7 per cent. Accreditation, monitoring visits and PPAs confirm that ANCP NGOs are committed to implementing monitoring and evaluation processes, progressing VfM approaches and tools, and sharing and applying lessons learned to further support VfM. Further discussion on ANCP NGOs leveraging of funds from other sources in the implementation of ANCP projects is outlined in Outcome 2.

OUTCOME 2: A DIVERSITY OF NGOS DRAW ON FUNDING AND EXPERTISE FROM A RANGE OF SOURCES



There was consistent, positive progress towards intermediate outcomes under this objective including allocation of funds within the Program and leveraging of additional resources. The NGOs participating in the ANCP are a diverse group in terms of size (both staffing and revenue levels) as well as sectoral and geographic focus. Accreditation ensures all ANCP NGOs meet common minimum standards but the differentiation between base and full accreditation ensures the standards expected for each level are different. In 2016-17, 16 of the 54 NGOs participating in the ANCP were base accredited and received grants of \$150,000 each, while 38 NGOs were accredited at the full level and received grants ranging from \$315,000 to \$27 million.

Leveraged funding

The flexible nature of the ANCP makes it ideal for leveraging additional funds from other sources (including international networks, donors and the private sector). In 2016-17, 379 projects (74 per cent) received funding from other sources to the value of \$31.9 million - an increase since 2015-16 when \$25.3 million was leveraged.

Leveraged funds

TEAR Australia's IDP and Host Populations project leveraged a further \$3.5 million funding from USAID/OFDA. The TEAR/ANCP component was an essential part of the total proposal to USAID; without it, the project would have been severely constrained. The combined funding enabled the project to reach 154,224 people through essential maternal and child health facilities.

Save the Children Australia's Enhanced Resilience of Filipino Urban Communities to Disasters/Climate Change (ENCORE) project successfully leveraged funds by collaborating with local government units and agencies to direct their own budget spending and systems to extend project activities. This contributed to the project significantly exceeding several key targets, including numbers of child-centred community based Disaster-and-Risk-Reduction-Management (DRRM) trainings (218% of target); numbers of approved Local-Government-Unit (LGU) DRRM plans (150% of target); and reaching 21 Department of Education Divisions (target 5). Project materials have also been adopted in a range of additional provinces and regions.

Networks, knowledge and learning

ANCP NGOs engage broadly and proactively in a wide range of networks in both policy and programming contexts, in Australia, in the countries in which they implement projects, as well as in international fora. One example that demonstrates ANCP NGOs engagement on policy is the Government's development of a foreign policy White Paper - a comprehensive framework to guide Australia's international engagement over the next five to ten years. Twenty ANCP NGOs made submissions as part of the public consultation process demonstrating their commitment to dialogue on policy issues beyond the ANCP program.

A number of ANCP NGOs participated in a DFAT-hosted roundtable to discuss the changes to DFAT's health program in Papua New Guinea (PNG). Discussion covered the changing context of development assistance in PNG and how Australia's bilateral relationship including the aid program is evolving. The group agreed to establish a series of regular consultations in Australia.

ANCP NGOs' 2016-17 performance reporting is full of examples of collaboration and engagement with technical and research bodies as well as thematic, regional and international networks that directly influence ANCP programs and contribute to shared learning and approach that drives efficiencies resulting in value for money programming.

The November 2016 ANCP Partner Agency Collaboration (APAC¹¹) Learning Forum focused on building community resilience. The Minister for International Development and the Pacific, Senator the Hon Concetta Fierravanti-Wells, opened the forum which focussed on the ability of communities to cope with shocks and stresses, including natural disasters, climate change, global conflict and economic crises. DFAT staff, APAC members, other Australian NGOs, ACFID staff, managing contractors and academics attended the forum. Key themes included innovation, sharing evidence-based experiences, learning partnerships and inclusive approaches to community resilience, particularly in relation to gender. The APAC forum has been an effective platform for facilitating collaboration and shared learning among the APAC group and in 2017-18, participation in the learning forum will be extended to the broader group of 57 NGO participating in the ANCP.

OUTCOME 3: EFFECTIVE ENGAGEMENT WITH IN-COUNTRY PARTNERS



Many ANCP NGOs implement long-term projects (of up to 20 years) with ANCP funds and must demonstrate a commitment to working in partnership with local organisations. ANCP NGOs demonstrate strong approaches to partnership and collaboration including ongoing assessment of the capacity and performance of implementing partners and partner governments. This is verified through monitoring and engagement visits, PPAs and accreditation reviews and shows strong progress towards intermediate outcomes.

Collaboration with local government

In Laos, CARE Australia builds on more than a decade of partnership with the Ministry of Agriculture and Forestry and the Laos Women's Union. This includes government staff seconded to CARE's project and engaged across activity implementation.

The 2015 ODE evaluation of the ANCP recommended clarification of the role of DFAT Posts in the management of the ANCP. In November 2016, a survey of ANCP focal points at Post was undertaken— 100 per cent of respondents supported the development of a policy document to guide Posts' engagement

¹¹ The ANCP Partner Agency Collaboration consisted the following ten NGOs: 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

Building local capacity.

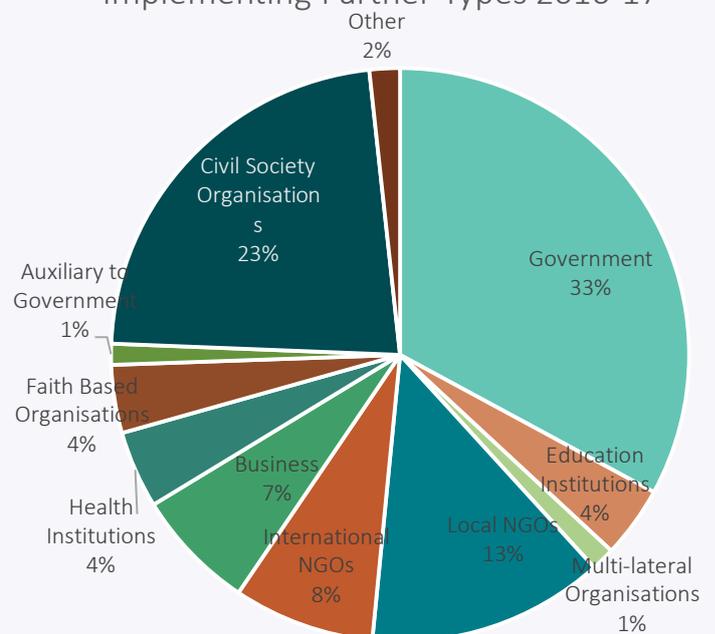
The Royal Australasian College of Surgeons (RACS) is working with doctors in Yangon to strengthen hospital systems. This work has established an emergency department and triage system which has significantly improved the treatment of in-coming patients at Yangon General Hospital.

with the program. The resulting document sets out the roles and responsibilities of Posts, Country Programs and Thematic Areas in the management of the ANCP and was distributed for consultation in June 2017. This policy document will be finalised in 2017-18 and has already begun informally guiding significantly increased engagement by Posts in the oversight of the ANCP.

This period saw continued increased engagement by Posts with ANCP NGOs. Post-initiated NGO Roundtables and workshops were held in Timor-Leste, Nepal, Papua New Guinea, and Zimbabwe. In addition to roundtables, a number of Posts provided or facilitated training to the local implementing partners of ANCP NGOs on topics such as Child Protection, Fraud Control and Anti-Corruption as well as disability inclusion. Posts also met with ANCP NGOs on a range of thematic issues, undertook monitoring visits to ANCP projects and facilitated high-profile visits to ANCP projects such as the Minister for Foreign Affairs, the Hon Julie Bishop MP's visit to a ChildFund project in Laos and the Minister for International Development and the Pacific, Senator the Hon Concetta Fierravanti-Wells' visit to a CBM project in Ethiopia.

In February 2017, NPQ trialled the provision of funds to support Post engagement with the Program. Under the trial, ANCP funding was made available to Posts to undertake project monitoring visits, undertake remote monitoring in complex contexts and hold NGO engagement activities such as roundtables. A total of \$62,400 was used by DFAT Posts primarily to undertake project monitoring and NGO roundtables. A total of 22 projects in ten countries were visited under the trial. Posts expressed great interest in undertaking these activities. While work remains to clarify expectations regarding this type of engagement, particularly compliance with ANCP processes and reporting requirements, the trial was a success and will be adopted as part of regular program management in 2017-18.

Implementing Partner Types 2016-17



PROGRAM QUALITY AND PARTNER PERFORMANCE

Overview

The effectiveness and performance of ANCP NGOs is assessed in the following ways:

- Annual assessment of NGO reporting under the MELF;
- Accreditation – completed every five years;
- NGO evaluations;
- Thematic reviews and meta-evaluations;
- Monitoring visits; and
- Completion of PPAs for ANCP NGOs receiving over \$3 million per year.



Aid Quality Checks (AQC)

The 2017 AQC process assessed the performance of the ANCP in 2015-16 and saw all ratings maintained at 'good' with the exception of Monitoring and Evaluation criteria which reduced to adequate due to concerns regarding the reliability and consistency of data generated by the program. An independent moderator from the Aid Management and Performance Branch was used for the peer review and the session was well attended by DFAT colleagues including staff from gender and disability sections to ensure the robustness of scores and narrative. The reduced rating reflected ongoing discussions between DFAT and the ANCP NGOs on data credibility and the yet to be undertaken data validation exercise (ODE Evaluation recommendation 4). A table of AQC ratings is at **Annex D**.

Performance of key delivery partners

Mandatory PPAs were conducted for 11 ANCP NGOs that received over \$3 million in 2016-17. All received satisfactory or above ratings across all five criteria.

In 2016-17, NPQ conducted seven monitoring and engagement visits to 28 projects in addition to those conducted by staff at Post. In total, 46 projects (nine per cent) were monitored in 2016-17 across 15 countries involving projects from 30 ANCP NGOs (56 per cent of ANCP NGOs). These visits confirmed the high quality of ANCP NGO programming. Common key areas for improvement identified on these visits included attention to gender and disability inclusive development, application of child protection procedures and compliance with branding requirements. The visits also made recommendations to improve the sustainability of projects; and collaboration and lesson sharing with DFAT Posts, in-country governments and other ANCP NGOs; and improvements to M&E systems to move from collecting output data to measuring outcomes and impact. NPQ will address these in the 2017-18 program of webinars and face-to-face information sessions.

PROGRAM MANAGEMENT & OPERATIONS

Accreditation

Sixteen accreditation reviews were completed in 2016-17. Of these, eight were scheduled reaccreditations (six full and two base), three involved applications to upgrade from base to full outside of scheduled reaccreditation (all of which were successful) and five reviewed new applicants. Of the five NGOs applying for accreditation for the first time, three were successful at base level and two were unsuccessful at full level. NPQ provided four applicants with technical assistance to help prepare for accreditation – three of these were new applicants and one a current base NGO seeking an upgrade in 2017-18. Feedback on the process from NGOs who underwent accreditation in 2016-17 was overwhelmingly positive regardless of the accreditation outcome.

NPQ supported applicants by providing an inaugural face-to-face "Introduction to the ANCP" session that provided applicant NGOs with an understanding of expectations. The 2017-18 window for accreditation applications was 1 August to 31 October. This timing was earlier than in previous years, allowing more time for successful NGOs to compile their ADPlans.

A review of accreditation is planned for 2017-18. It will examine the ANCP Accreditation criteria and processes to ensure that they meet DFAT's current and anticipated risk parameters and the requirements included in DFAT's Due Diligence Framework. It will also ensure accreditation continues to meet program needs, DFAT grant conditions and look at streamlining processes to reduce the administrative burden on NGOs and DFAT, where possible.

Contractual Reforms

In 2016-17, with the completion of the ANCP Partnership Agreement, the then ten Partner NGOs transitioned to standard DFAT Grant Agreements meaning all ANCP NGOs are now using the same grant



agreement. This has streamlined the number of agreements in place, improved consistency of contractual arrangements with all NGOs across DFAT, and clarified contractual arrangement for both DFAT and NGOs.

Engagement and Learning

In 2016-17, at least 247 staff from ANCP NGOs participated in eight DFAT webinars – four of these webinars covered the annual program cycle (including accreditation) and the other four concerned Child Protection, Gender Equality, Innovation and Communications. Anecdotal feedback indicates that webinar participant numbers often exceed the number of registered participants as there are often several staff members participating from one computer. In addition to live participants, these webinars were viewed 551 times on YouTube¹².

In addition to the webinars, in April and August 2017 DFAT conducted face-to-face ANCP Information sessions in Melbourne, Sydney and Canberra attended by 132 NGO staff members. These information sessions covered program updates, Annual Development Plan and Performance Report submission guidance. In August 2017, the third annual ANCP Reflections Workshop was held with sessions in both Sydney and Melbourne. The workshops were attended by DFAT, ANCP NGOs and representatives of both ACFID, the Committee for Development Cooperation (CDC) and accreditation assessors. There was full attendance and excellent participation by the ANCP NGOs in both Sydney and Melbourne. The purpose of the workshops was to reflect on the highlights of 2016-17; discuss and share approaches to key quality programming issues; provide an opportunity to share feedback on ANCP and discuss emerging issues.

In response to recommendations from the 2015 ODE Evaluation, NPQ developed an inaugural Communications Strategy in 2016-17. The strategy was developed following an internal communications survey involving ANCP focal points at DFAT Posts and geographic desks (20 Posts and five geographic desks participated), a survey of all 54 ANCP NGOs (33 ANCP NGOs participated) and in-depth interviews with ten ANCP NGOs. The strategy also drew on the DFAT Digital Media Strategy¹³, the NGOs and Volunteer Branch Business Plan and aid communications recommendations from the Development Policy Centre¹⁴. The key objectives of the Communications Strategy are to:

- Increase DFAT Post and Desk engagement with the ANCP;
- Equip and support ANCP NGOs in their DFAT engagement and communications; and
- Demonstrate the value of the Australian Aid Program and show achievements in partnership with ANCP NGOs.

Since the strategy was developed, the ANCP has tweeted approximately twice per week, raising the visibility of the program and showcasing achievements in partnership with Australian NGOs. As a result of the ANCP team's new communications and engagement guidelines, and this increased social media activity, ANCP NGOs and Posts have started to tweet about #ANCP and #AustralianAid. Retweets of ANCP content can be seen as a marker of a new level of engagement by ANCP NGOs. ANCP is also being profiled on other DFAT channels such as Facebook and Instagram.

Ways of working

The 2015 ODE Evaluation of the ANCP highlighted that the ANCP is delivered through a DFAT and NGO partnership approach, and recommended that the principles of partnership be articulated and extended to include all accredited NGOs. At the 2016 ANCP Annual Reflections Workshop, it was agreed that a new ANCP partnership agreement was not needed, but that the Program Logic would be updated to reflect principles of engagement. NPQ drafted a set of principles based on DFAT's NGO engagement framework *DFAT and NGOs: Effective Development Partners*. The principles will guide the relationship between DFAT and NGOs as well as among NGOs participating in the ANCP. Draft principles were distributed to all ANCP NGOs for input and comment and a revised draft discussed at the 2017 Annual Reflections Workshop. Further amendments

¹² As at October 2017. The most viewed webinars on YouTube were Child Protection and Communications with 130 views each.

¹³ <http://dfat.gov.au/about-us/publications/corporate/Pages/digital-media-strategy-2016-18.aspx>

¹⁴ http://devpolicy.org/dfat-aid-communications-improve-20160908/?utm_source=Devpolicy&utm_campaign=32111c3075-RSS_EMAIL_CAMPAIGN&utm_medium=email&utm_term=0_082b498f84-32111c3075-312084869

were made following the workshop and the final principles unanimously endorsed by post-workshop survey participants. In 2017-18, the ANCP Program Logic will be updated to include these principles and will be added as a standing agenda item to annual reflection workshops.

RISKS

NPQ manages the risks inherent in the program through an intensive, upfront due diligence accreditation process, rigorous contractual requirements, regular monitoring and engagement visits globally, robust financial and performance reporting requirements, input from DFAT Posts on new and high-risk projects and a rolling program of management and financial audits of ANCP NGOs. The risk profile of the program remains the same as in previous years.

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)
Demand driven, annual program with increasing numbers of NGOs entering the ANCP in a restricted resource context – both budgetary and staffing	Funding policy includes protections for existing NGOs in the program to minimise funding fluctuations	Maintain current staffing levels	Medium
Breadth and scale of program model means limited overview of project details and management of associated risks (incl.fraud, child protection and terrorism financing)	Ongoing accreditation - upfront due diligence and good practice check of NGOs Engagement with Posts/Desks for high risk countries/projects Support Post to undertake monitoring and engagement activities Modified reporting requirements to collect more in-depth project risk information Clarified risk management responsibilities in annual grant agreements	Continue to strengthen engagement with Posts/Desks Continue to provide support to Posts to undertake monitoring and engagement activities	Medium
Program data quality and management – limited capacity to assess and analyse quality and consistency of ANCP data	Ongoing accreditation – upfront due diligence to assess ANCP NGOs capacity to generate credible data Use of ANCP online to record all project aspects	Re-establish a MEL reference group to work on data-validation exercise	Medium



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)
Closing space in civil society in partner countries impacting on development outcomes	<p>NVB maintained close contact with bilateral programs to ensure consistent messaging and issues management</p> <p>Clarified risk management responsibilities in annual grant agreements</p>	<p>Through Posts, Australia will continue to advocate for the benefit of an inclusive, open society and the promotion of space for civil society to operate</p> <p>Continue to strengthen engagement with Posts/Desks around changes in operating environments on a case by case basis</p> <p>Continue to provide support to Posts to undertake monitoring and engagement activities</p>	Medium

Programming in high-risk locations

Increasing complexity in the international environment has heightened the risk profile for some activities in high risk locations. In 2016-17, NPQ updated the 2017-18 ADPlan template to allow for NGOs to indicate which of their projects are high-risk and to provide additional information on how these risks will be managed and the projects monitored. The Role of Post policy (currently being finalised) expands Posts' participation in the ANCP including ADPlan assessment and monitoring and engagement activities. Adjustments were also made to NPQ's monitoring and evaluation program to prioritise visits to a number of projects identified through the Annual Development Plan process as high-risk. In addition, the planned review of accreditation in 2017-18 will review whether the process still meets DFAT's risk requirements with a focus on meeting new policies on working in high-risk locations; risks related to countering terrorist financing; alignment with DFAT's due diligence framework and inclusion of past ANCP performance information in accreditation reviews.

Child Protection

As outlined in the table above, NPQ has a number of mechanisms in place to ensure the risks associated with child protection are well managed. Accreditation verifies that NGOs have child protection policies and procedures in place that comply with DFAT's Child Protection Policy. This includes reviewing project design documents, project contractual arrangements with partners, appraisal processes/criteria, monitoring reports, partner progress reports and capacity-building activities with partners. In annual ADPlan forms, ANCP NGOs must outline how potential risks to children will be managed in their programming. Monitoring and engagement activities routinely check child protection measures and NPQ provides an annual child protection webinar for ANCP NGOs.

In addition to ensuring potential risks to children are addressed in all ANCP projects, the ANCP supports a number of projects that are working to promote the rights of children, strengthen child protection mechanisms (including legal frameworks) and build capacity of partners in target communities.

Improving Child Protection Technical Capacity in the Pacific

In 2016-17, ChildFund Australia worked in Fiji, Kiribati, Solomon Islands and Vanuatu to improve the technical capacity of key government, civil society and religious actors who are responsible for formal child protection systems.

MANAGEMENT ACTIONS

Progress in implementing the management responses (arising from the ODE Evaluation of the program) from the previous reporting period continues with two of the actions achieved, one partly achieved and one not yet achieved. More detail on the progress against the 2015-16 management responses is outlined in the table at **Annex A**.

Management Responses for 2016-17 (to be implemented in 2017-18)

1. Strengthen the ANCP Monitoring, Evaluation and Learning Framework (MELF)

In 2017-18, NPQ will re-establish an ANCP MEL Reference Group which will:

- participate in a data validation exercise (ODE Evaluation Recommendation 4(c)) including attention to disaggregated sex and disability data;
- consider how the MELF and ANCP reporting will respond to the SDG agenda and indicators; and
- review the ANCP PAF and performance benchmarks for the 2017-18 period including how the program can strengthen reporting of outcomes.

2. Clarify the role of Posts and increase ANCP's visibility within DFAT

In 2017-18, NPQ will:

- Finalise and implement the Role of Post policy;
- Develop guidelines for ANCP M&E activities; and
- pilot training for Posts undertaking M&E activities.

3. Undertake a review of Accreditation

In 2017-18 NPQ will undertake a review of accreditation that will:

- ensure the ANCP Accreditation criteria and processes meets DFAT's current and anticipated risk parameters and the requirements included in DFAT's Due Diligence Framework; and
- look for opportunities to streamline the processes to reduce the administrative burden on NGOs and DFAT, where possible.

ANNEX A- PROGRESS IN ADDRESSING MANAGEMENT ACTIONS

Management actions identified in 2015-16 APPR	Rating	Progress made in 2016-17
Continue to clarify partnership engagement	Achieved	Partnership principles and behaviours drafted, consulted and endorsed. ANCP Program logic to be updated in 2017-18 to include these principles.
Strengthen the ANCP MELF	Not achieved	An initial tele-conference was held in December 2016 to discuss membership, terms of reference and workplan. Work has not progressed since then due to resource constraints.
Clarify the role of Posts and increase ANCP's visibility within DFAT	Partly achieved	NPQ drafted and consulted on a draft Role of Post policy for the ANCP in 2016-17. The policy is already being used to good effect informally and will be finalised in 2017-18. A Communications Strategy was developed in 2016-17 which has resulted in increased engagement and social media coverage of the program.
Improve communication and the sharing of lessons between ANCP NGOs, local NGOs and DFAT	Achieved	2016-17 saw the communications strategy implemented and an increase in the number of ANCP roundtables held in implementing countries through support provided to DFAT Posts to hold these in addition to those held as part of NPQ visits in-country. ACFID participated in Annual Reflections workshops and NPQ contributed to ongoing work undertaken by ACFID on effectiveness including work on demonstrating impact and the ACFID partnership with DFAT.

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 – PERFORMANCE BENCHMARKS

Progress towards Performance Benchmarks in 2016-17

Discussion on progress against specific performance benchmarks in 2016-17 should also be included as part of the text assessing progress against individual program objectives in the main body of the APPR.

Aid objective	Performance Benchmark	Rating	Progress in 2016-17
ANCP program and activities consider gender equality and women's empowerment.	>80 per cent of activities funded under ANCP address gender equality and women's empowerment.	Partly Achieved	In 2016-17, 69 per cent of ANCP projects addressed gender equality issues. This included 72 projects (14 per cent) marking gender equality as the principal objective with expenditure of \$18.4 million reaching 1,069,053 beneficiaries. This reduction in the percentage of projects targeting gender equality (down from 87 per cent in 2015-16) is largely due to introduction of new minimum recommended criteria for the OECD DAC gender equality policy marker in December 2016.
Evidence of strengthened relationships between ANCP NGOs and country/thematic areas of DFAT	Posts hold annual NGO roundtables	Achieved	In 2016-17, NPQ drafted and consulted on a draft Role of Post policy for the ANCP. A Communications Strategy was developed in 2016-17 which has resulted in increased engagement and social media coverage of the program. Funding was provided to Posts to support ANCP monitoring and engagement activities (including NGO roundtables) resulting in a total of 30 ANCP NGOs (or their implementing partners) being visited in 2016-17 – up from 17 in 2015-16.
ANCP program and activities promote prosperity	Maintain 20 per cent of ANCP focus on promoting prosperity	Partly Achieved	In 2016-17, 99 projects (19 per cent) promoted aid for trade with a total investment of \$23.5 million. Based on discussion at the 2017 Annual Reflections Workshops, this benchmark will be reviewed for future years' reporting as part of broader work by the MELF Reference Group on the Performance Assessment Framework.
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	Achieved	In 2016-17, 227 projects (45 per cent) involved engagement with the private sector

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 PLANNING

List of program prioritised evaluations planned for the next 12 months

Evaluation title	Investment number and name (if applicable)	Date – planned commencement (month/year)	Date – planned completion (month/year)	Purpose of evaluation	Evaluation type
Data validation – Meta-Evaluation	13B270	June 2017	June 2018	Address recommendation 4 of ODE review	Joint (in collaboration with the ANCP MEL Reference Group)

ANNEX D- AID QUALITY CHECK RATINGS

AQC RATINGS

AQC investment performance over the previous 12 months and where available last year's AQC ratings are included.

Approved budget and duration	year on year	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risks and Safeguards
		127.3 m (2016-17)	2017 AQC	5	5	5	4	5
127.3m (2015-16)	2016 AQC	5	5	5	5	5	5	5

ANNEX E – PERFORMANCE ASSESSMENT FRAMEWORK

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