Program Logic: Australian NGO Cooperation Program (ANCP)

September 2015

This document presents a Program Logic (also known as a Theory of Change (ToC)\(^1\)) and associated Performance Assessment Framework for the Australian NGO Cooperation Program (ANCP). Its primary purpose is for DFAT program management.

**Rationale**

The ANCP is an annual grant program established in 1974 which provides funding to accredited Australian-based international development NGOs (ANGOs) to support their work in developing countries. In 2014-15 the ANCP provided $134 million to 48 accredited Australian NGOs to deliver more than 600 development projects in over 50 countries. The projects are in a range of sectors including education, health, water and sanitation, food security and civil society strengthening.

While great gains have been made in streamlining and standardising ANCP reporting on outputs in respect of ANCP funded projects, the 2014 ANCP Aid Program Performance Report noted that: “There are challenges in drawing a line of sight from the overall objective of the ANCP to impact on the ground and to articulate results and outcomes against a set of program objectives.” \(^2\)

The development of a Program Logic for the ANCP was identified as a priority in 2014. Its finalisation was delayed to respond to an independent evaluation of the ANCP by the Office of Development Effectiveness (ODE). The ODE Evaluation, released in August 2015, assessed the ANCP as an effective mechanism to assist NGOs to reduce poverty and support sustainable development\(^3\). DFAT agreed with the Evaluation recommendation to finalise a Theory of Change and clearly articulate program objectives.

The Program Logic informs the development of tools for assessing program performance, including a Performance Assessment Framework (PAF), terms of reference for monitoring and evaluation visits and facilitates compliance with DFAT corporate reporting, such as Investment Quality Reporting and Aid Program Performance Reports.

The thinking underpinning the formulation of the Program Logic reflects the experience of both DFAT and ANGO stakeholders. It is a forward looking document that articulates the ‘value add’ of the ANCP to the Australian aid and development effort. The Program Logic identifies the domains along which the ANCP, as a Program, is expected to contribute to Australia’s efforts to sustainable economic growth and poverty reduction.

\(^1\) This document will use the term Program Logic while earlier work and the Office of Development Effectiveness Evaluation use the Theory of Change terminology.


Approach and methodology

The methodology for developing the ANCP Program Logic involved:

› initial consultations with key stakeholder groups within DFAT and the Australian NGO community, including preparatory workshops with groups of ANCP funded NGOs in Canberra, Sydney and Melbourne in November 2014
› preparation and circulation of a Discussion Paper articulating the outcomes of the consultations and preparatory workshops in November 2014
› a workshop in Canberra in late November 2014 attended by representatives of DFAT, ANCP funded NGOs and Australian Council for International Development (ACFID) representatives
› preparation of a draft document for circulation to all stakeholders in January 2015
› presentation of the revised document at inaugural Annual Reflections Workshops in Sydney and Melbourne in September 2015.

ANCP Goal

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

The ANCP recognises the optimal contribution of NGOs in working with the poor and aims to provide resources and support to maximise that comparative advantage. Specifically, the ANCP recognises the values driven nature of NGOs, their staff and volunteers, as well as their long term commitment to the poor, to working at the community level and to implementing flexible, demand-responsive programs. The new goal also makes it possible to assess the achievements of the Program as a whole.

Outcomes

To realise the ANCP goal, there are three inter-related outcomes that ensure NGOs are positioned to deliver on the overarching goal:

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.

These domains do not exist in isolation from one another and when combined, strengthen the impact of the Program. Through a cycle of continuous improvement, the Program promotes transformational change in areas such as access to information and services, building knowledge and skills, making informed decisions, and building trust and respect. The sum of these domains yields more complete and sustainable improvements to the living standards and well-being of individuals and communities in developing countries.

Figure 1 presents three outcome domains with the ANCP goal at the centre.

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4 The reference in the goal to accredited Australian NGOs recognises that although funding is channelled through ANGOs, these organisations work with local NGOs, local government agencies, private sector agencies and social movements in developing countries. It is the intent of the program to benefit and strengthen the developing country partners of ANGOs to maximise their comparative advantage to reduce poverty.
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 also focuses on DFAT’s management of the Program, ensuring clear, transparent and efficient program management systems.

The joint efforts of ANGOs and DFAT aim to bring about improved effectiveness across the project / program cycle. This includes effective analysis of the development context, accurate identification of the poor and marginalised, articulation of the barriers and causes of disadvantage, development of effective strategies / approaches to reduce poverty (including attention to DFAT cross-cutting issues), monitoring and reporting. It also includes a commitment to innovation and continuous improvement as enshrined in the ACFID Code of Conduct.

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 and endorsement of the ACFID Code of Conduct. This accreditation process ensures that recipients of ANCP funds meet high standards of integrity, accountability and professionalism.

The domain also recognises DFAT inputs to improve effectiveness including Design, Monitoring and Evaluation funding, training/guidance, Partner Performance Assessments, feedback on Annual Development Plans and Performance Reports, monitoring visits, thematic reviews and meta-evaluations. It recognises the importance of sharing evidence and learning with DFAT colleagues, other ANCP NGOs and the broader sector through the engagement of ACFID.

Professional and effective programs will deliver sustainable benefits to the poor and marginalised; empower and strengthen the capacity of poor communities and/or the organisations which represent them; and represent value for money for primary stakeholders and DFAT.

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 of Australian NGOs with the Australian public, 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.

ANCP accreditation allows ANGOs to demonstrate their capacity and professionalism both within Australia and in developing countries. This legitimacy, plus access to resources, allows ANGOs to expand their existing Australian and global networks and contacts to enhance public engagement in the national effort to reduce poverty in developing countries.

Achieving this outcome incorporates three elements. First, the requirement of ANGOs to ‘match’ ANCP funding ($1 ANGO to $5 ANCP) commits accredited ANGOs to leverage financial support from the Australian public and other donors, including developing country donors. Second, this, by extension, allows them to expand the impact of their own funds in addressing poverty.
Finally, ANCP funding is allocated at a level commensurate with an NGO’s accreditation status and recognised development expenditure\(^5\), subject to annual budget appropriations. The transparent and consistent approach of this funding model allows ANGOs to make longer term commitments to the poor. This is a key strength of the ANCP which is integral to achieving the overall goal of the Program.

**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\(^6\) 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.

Effective engagement also involves the development of long term strategies and plans with in-country partners, building on achievements over time, developing effective exit strategies and increasing the sustainability of benefits. It involves prioritising capacity building of partners (including support to partners to overcome deeply embedded prejudices that exclude poor people) and ensuring mutual accountabilities with in-country partners are articulated.

In-country partners for ANGOs include community based organisations, civil society organisations, the private sector, local / provincial governments, national governments and other donors with offices in developing countries. These partners bring intimate knowledge of the local context and both deep and wide networks with which to work. Ensuring this knowledge and learning is shared through more consultation and opportunities for dialogue will enhance the effectiveness of this engagement.

**Performance Management and Assumptions**

A Performance Assessment Framework (PAF) will be the primary planning and management tool used by DFAT to help manage for, and report upon, performance at the Program level. Risks and assumptions in this Program Logic are detailed in the PAF. Data will be collected using a range of existing sources, including Accreditation Organisational Review Reports, ANCP online data, Recognised Development Expenditure (RDE) worksheets, Annual Development Plans, Annual Performance Reports, Partner Performance Assessments, in-country monitoring visits by DFAT staff and thematic and meta-evaluations mandated under the ANCP Monitoring, Evaluation and Learning Framework (MELF).

The Program Logic will be reviewed annually by DFAT and ANCP funded NGOs to assess progress towards the program goal and outcomes, including Program-specific contributions to the Australian Aid Program’s Performance Benchmarks. This annual reflection will consider if any major changes need to be made to the outcome areas and the program approach, and will be used to report on and adjust the PAF.

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\(^5\) For base NGOs, **Recognised Development Expenditure** is $50,000/year, averaged over three years and for full NGOs $100,000/year, averaged over three years.

\(^6\) ANGOs must submit an Annual Development Plan (ADPlan) by 30 June for approval by DFAT outlining proposed activities in order to receive funding for the following financial year. Activities put forward in the ADPlan must conform to the **ANCP Guidelines** and be undertaken in developing countries. However, the funding arrangements are unique in permitting recipients to roll over up to 10% of unspent funds from one financial year to the next as per contract requirements.
The purpose of the aid program is to promote Australia’s national interests by contributing to sustainable economic growth and poverty reduction.

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

Through a cycle of continuous improvement, the Program promotes transformational change in areas such as access to information and services, building knowledge and skills, making informed decisions, and building trust and respect.
### ANCP Goal: Through support to accredited Australian NGOs, improve the living standards and well-being of individuals and communities in developing countries

#### Development Outcomes

<table>
<thead>
<tr>
<th>Effective and value for money programming</th>
<th>Indicators</th>
<th>Targets (Baseline to be ANCP APPR 2014*)</th>
<th>Data source</th>
<th>Key assumptions and risks</th>
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<tbody>
<tr>
<td>1. Progress in achieving ANCP performance benchmarks</td>
<td>a. &gt; 80% of ANCP projects address gender issues in their implementation; &gt; 20% of ANCP projects engage private sector; &gt; Improved data capture of projects addressing people with disability</td>
<td>- Accreditation Organisational Review (OR) reports; - Annual Development Plans, Performance Reports including stats from Head &amp; case studies; - NGO Evaluations; - DFAT M&amp;E visits; - Partner Performance Assessments (PPAs); - program management surveys; - Aid Program Performance Reports (APPRs)</td>
<td>i. ANGs have strong systems in place to undertake contextual analysis; ii. Accreditation remains robust to assess development policies and practice; iii. ANGs have high level of accurate and consistent self-assessment and reporting; iv. feedback loop from MELF thematic reviews/meta-evaluations influence a change in programming</td>
<td><strong>Assumption:</strong></td>
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<td>2. Evidence of commitment to innovation and continuous improvement through efficient program management systems</td>
<td>b. X% of NGOs demonstrate commitment to innovation</td>
<td></td>
<td>v. setting targets for the Program undermines flexibility; vi. ANCP does not meet targets &amp; funding gets cut; vii. failure not tolerated</td>
<td><strong>Risk:</strong></td>
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<td>3. Evidence of strengthened relationships between ANGs and country/thematic areas of DFAT</td>
<td>c. DFAT Service Charter developed in 2016</td>
<td></td>
<td></td>
<td><strong>Assumption:</strong></td>
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<td>4. Evidence of funding leveraged</td>
<td>d. &gt; 80% of ANCP projects address gender issues in their implementation; &gt; 20% of ANCP projects engage private sector; &gt; Improved data capture of projects addressing people with disability</td>
<td>- DFAT communications strategy; - Accreditation ORs; - Recognised Development Expenditure (RDE) worksheets; - Performance Reports; - PPAs; - NGO Evaluations; - DFAT M&amp;E visits</td>
<td></td>
<td><strong>Assumption:</strong></td>
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<td><strong>A diversity of ANGs draw on funding and expertise from a range of sources</strong></td>
<td>e. X% of Posts hold annual NGO roundtables</td>
<td></td>
<td>viii. On-going open communication between ANGs &amp; relevant areas of DFAT; ix. Due to accreditation status, NGOs able to leverage funding in addition to the matched ratio of at least 1 to 5 and have networks to be able to do this</td>
<td><strong>Risk:</strong></td>
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<td>5. Diversity of in-country partners supported by ANCP via ANGs</td>
<td>f. X% of projects have clear exit strategies</td>
<td>- Annual Development Plans; - Performance Reports; - PPAs; - Accreditation ORs; - NGO Evaluations; - DFAT M&amp;E visits</td>
<td>x. DFAT Posts are not resourced nor engaged with ANGs in-country; xi. NGOs unable to leverage additional funding</td>
<td><strong>Assumption:</strong></td>
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<tr>
<td><strong>Effective engagement with in-country partners</strong></td>
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<td><strong>Risk:</strong></td>
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<td>6. Evidence of strengthening relationships between ANGs and country/thematic areas of DFAT</td>
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<td><strong>Assumption:</strong></td>
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<td>7. Evidence of funding leveraged</td>
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<td><strong>Risk:</strong></td>
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#### Key evaluative questions for program goal

(i) Does the program engage the optimum number & combination of ANGs and facilitate maximum contribution from the Australian public? (ii) Are the funding arrangements fair & transparent; do they maximise the contribution of effective NGOs to poverty reduction? (iii) Are ANGs & their in-country partners demonstrating high levels of professional & technical capabilities in reducing poverty?

#### Overarching evaluative questions: (implementation processes)

(i) Is the ANCP modality the most appropriate mechanism for maximising the comparative advantage of NGOs in delivering sustainable development outcomes to reduce poverty? (ii) In what ways, if any, could the program be improved?

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*Note: Identification of on-going targets and progress towards them for ANCP will be discussed at Annual Reflections Workshops. This PAF will be adjusted accordingly.*