PROGRAM LOGIC: AUSTRALIAN NGO COOPERATION PROGRAM (ANCP) MAY 2018

This document presents a Program Logic (also known as a Theory of Change (ToC)) 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 2017-18 the ANCP will provide $129.5 million to 57 accredited Australian NGOs to deliver more than 450 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.”

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. 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.

Principles of Engagement

The following principles are based on and adopt the principles and behaviours in DFAT’s NGO engagement framework DFAT and NGOs: Effective Development Partners developed following extensive consultation in 2015. These principles are intended to guide the relationship between DFAT and accredited Australian NGOs as well as between NGOs participating in the ANCP. These principles were developed in collaboration and consultation with ANCP NGOs and endorsed following the 2017 ANCP Annual Reflections Workshop.

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1 This document will use the term Program Logic, while earlier work and the Office of Development Effectiveness Evaluation used Theory of Change.

2 Aid Program Performance Report 2013-2014 Australian Non-Government Organisation Cooperation Program (ANCP) September 2014, p 1

Transparency: open communication and dialogue

DFAT and accredited Australian NGOs value and welcome frank, open, constructive, timely and transparent dialogue that leads to an improved ANCP program and better outcomes for poor, vulnerable and marginalised communities. We will engage with one another’s views to achieve improved development outcomes through regular and structured engagement on ANCP policy and program development, dialogue and debate. All accredited Australian NGOs, regardless of their size, will have equal opportunities to engage with DFAT.

Mutual accountability for results

DFAT and accredited Australian NGOs choose to collaborate and cooperate to achieve the ANCP objectives based on our shared values and collective abilities and trust in one another. We will promote the ANCP, and share our individual and collective successes with our key stakeholders. We recognise that the achievements of ANCP is a result of collaboration between DFAT, Australian NGOs, in-country partners and local communities. We recognise the importance of reporting the results of our work to our partners, program participants and to the Australian public. Our approach is contained in DFAT’s performance framework for the Australian aid program, Making Performance Count: enhancing the accountability and effectiveness of Australian aid and the ANCP Monitoring Evaluation and Learning Framework (MELF).

Continuous Improvement: shared learning, cooperation and innovation

DFAT and accredited Australian NGOs will support opportunities to learn from each other; acknowledge and share good practices and lessons learned; seek new and innovative ideas to improve outcomes and opportunities for poor, vulnerable and marginalized communities; and collaborate to strengthen our ability to deliver improved results, and avoid duplication. This will improve outcomes and opportunities for poor people and foster shared learning. A collaborative approach will support us to evaluate and learn from our efforts, produce improved results and avoid duplication.

Respect for independence

DFAT and accredited Australian NGOs acknowledge that we each have our own strategic objectives and respect organisational autonomy. We will at times have divergent views and program approaches and we respect and welcome the important contribution of independent voices, programing and strategy. DFAT will respect the freedom of ANCP NGOs to contribute to public debate in Australia and abroad, and to act on behalf of their constituents and stakeholders without prejudice.

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.4

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.

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.
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.

**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 (RDE)\(^5\), 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, 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 MELF.

DFAT and ANCP NGOs will review the Program Logic annually 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.

ANCP NGOs and DFAT will also use the Annual Reflections to assess the relationship, constructively share feedback, and offer suggestions. In addition, NGOs will reflect on the relationship in Annual Performance Reports and DFAT will use the data to inform annual reporting.

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

\(^6\)**ANGOs submit an ADPlan by 30 June for approval by DFAT outlining proposed activities to receive funding for the following financial year. Activities put forward in the ADPlan must conform to the ANCP Manual 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.**
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.
# Australian NGO Cooperation Program Performance Assessment Framework

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

<table>
<thead>
<tr>
<th>Development Outcomes</th>
<th>Indicators</th>
<th>Targets</th>
<th>Data Source</th>
<th>Key Assumptions and Risks</th>
</tr>
</thead>
</table>
| **Effective and value for money programming** | 1. Progress in achieving ANCP performance benchmarks 2. Evidence of commitment to innovation and continuous improvement through efficient program management systems | a. > 80% of ANCP projects address gender issues in their implementation;  > 20% of ANCP projects engage private sector;  > Improved data capture of projects addressing people with disability  b. X% of NGOs demonstrate commitment to innovation  c. DFAT Service Charter developed in 2016 | • Accreditation Organisational Review (OR) reports;  • Annual Development Plans;  • Performance Reports including stats from Header & case studies;  • NGO Evaluations;  • DFAT M&E visits;  • Partner Performance Assessments (PPAs);  • program management surveys;  • Aid Program Performance Reports | Assumption:  
  i. ANGOs have strong systems in place to undertake contextual analysis;  
  ii. Accreditation remains robust to assess development policies and practice  
  iii. ANGOs 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  
  Risk:  
  v. setting targets for the Program undermines flexibility  
  vi. ANCP does not meet targets & funding gets cut  
  vii. failure not tolerated |

| **A diversity of ANGOs draw on funding and expertise from a range of sources** | 3. Evidence of strengthened relationships between ANGOs and country/thematic areas of DFAT 4. Evidence of funding leveraged | d. X% of Posts hold annual NGO roundtables  e. Match funding ≥ 1 to 5 ratio; Recognised Development Expenditure ≥ $50,000 (Base) or $100,000 (Full) averaged over 3 years | • DFAT communications strategy;  
• Accreditation ORs;  
• Recognised Development Expenditure (RDE) worksheets;  
• Performance Reports;  
• PPAs;  
• NGO Evaluations;  
• DFAT M&E visits | Assumption:  
  viii. On-going open communication between ANGOs & 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  
  Risk:  
  x. DFAT Posts are not resourced nor engaged with ANGOs in-country;  
  xi. NGOs unable to leverage additional funding |

| **Effective engagement with in-country partners** | 5. Diversity of in-country partners supported by ANCP via ANGOs | f. X% of projects have clear exit strategies | • Annual Development Plans  
• Performance Reports;  
• PPAs;  
• Accreditation ORs;  
• NGO Evaluations;  
• DFAT M&E visits | Assumption:  
  xii. NGOs have strong relationships with in-country partners and continue to strengthen capacity and networks in-country  
  xiii. ANCP Funding policy supports/maintains long term presence, planning and relationship building with poor and marginalised groups  
  Risk:  
  xiv. ANGOs unable to show evidence of diversity of partners |

| **Key evaluative questions for program goal** |  
(i) Does the program engage the optimum number & combination of ANGOs 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 ANGOs & their in-country partners demonstrating high levels of professional & technical capabilities in reducing poverty? |  | Independent evaluation of a purposive sample of ANCP supported activities (e.g. by sector, poverty group, country); periodic surveys of DFAT staff in Posts/Thematic groups. |

| **Overarching evaluative questions** | (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? |  | Repeat independent evaluation in # years. |