



Australian Government
AusAID

AUSAID - NGO COOPERATION PROGRAM (ANCP) GUIDELINES

Australian Agency for International Development

AusAID-NGO Cooperation Program (ANCP) Guidelines

The ANCP Guidelines should be read in conjunction with the ANCP Guiding Principles and the Annual Development Plan (ADPlan) Manual.

1. Description

1.1 Definition

Under the ANCP, AusAID partners with Australia-based international development NGOs which have met rigorous accreditation standards to implement their own development and poverty alleviation programs overseas.

1.2 Goal

The goal of the ANCP is to subsidise Australian NGO community development activities which directly and tangibly alleviate poverty in developing countries.

1.3 Timeframe

The ANCP is scheduled to operate for an indefinite period.

2. Objectives and Focus

2.1 Activities which are eligible for funding through the ANCP should alleviate poverty. Organisations should, in general, give priority to activities which have as a primary objective and the major focus of implementation one or more of the following:

- basic education and training - including literacy, primary, and non-formal education;
- primary health care - including nutrition, health education, environmental health, drug awareness, communicable and non-communicable diseases programs including HIV/AIDS, women's and children's health including family planning, and prevention and treatment of blindness;
- water supply and sanitation - including maintenance of water quality;
- income generation - including microfinance, microenterprise development, and small business development;
- rural and other poor - including the development of agriculture and basic services and capacity building of community organisations;
- disadvantaged groups, particularly women and children - including assistance to prevent violence against women and children, child labour, and the situation of minorities and marginalised groups;
- good governance and promoting civil society - especially where constraints of this nature are clearly limiting people's ability to meet their basic needs;
- strengthening the organisational, planning, management and accountability capacities of local NGOs;
- management of the environment and natural resources on a sustainable basis - including soils, water, fisheries, habitat and forests;
- renewable energy and appropriate technology.

2.2 In achieving these objectives, the ANCP also encourages the following outcomes:

- increased efficiency and effectiveness of NGO programs and improvement to their developmental impact;
- wider use of the skills, resources and commitment to poverty alleviation and sustainable development which exist in the Australian community;
- Australian community involvement in overseas aid programs through Australian NGOs;
- strengthened links between Australian and local organisations in developing countries at people-to-people level; and
- strengthened goodwill between the Australian community and the communities of developing countries.

3. Development Approach

3.1 Agencies should have a proven track record of activity in the sector and/or country concerned, and demonstrated links with an effective and accountable in-country implementing partner.

3.2 To be eligible for funding, activities must:

- have a strategy to ensure the development outcomes will be sustainable by the end of the activity;
- where possible, use existing community structures, be implemented by local or Australian NGOs acceptable to the national or local authorities of the country in which the activities are planned, and be consistent with the country's development policies;
- provide channels for Australians to contribute directly and meaningfully in international development efforts through voluntary activities and financial support;
- encourage and facilitate community self help and self reliance through local participation in defining goals, formulating development strategies, contributing to costs (including contributions in-kind), and in the implementation and management of such activities;
- ensure that the specific social and economic needs of both men and women are addressed and that opportunities for women to participate as decision makers in determining objectives and types of activities are increased;
- provide good value for money;
- use successful conventional or innovative approaches to problem solving which have potential for wider application in other communities;
- strengthen counterpart organisations in developing countries so as to enable them to sustain activities after Australian assistance has ceased;
- benefit groups selected on the basis of need - not on religious, sectarian or political grounds;
- encourage sound environmental and ecological practices; and
- encourage good governance and respect for human rights.

3.3 Prior approval from AusAID is required for:

- all activities in Aceh, Maluku and Papua. NGOs are required to submit documentation showing that the activity has the approval, at least at Provincial Government level, of the relevant Indonesian Government authorities;
- all activities in the areas of labour unions institution capacity building, training and advice; labour law and workers' rights;

(NB Activities requiring prior approval should be submitted 8 weeks before ADPlans are due to avoid any delays in the normal ANCP approval process.)

3.4 Approval will **not** be provided for activities which:

- are determined reasonably to be contrary to the interests of the Commonwealth of Australia;
- subsidise evangelism or missionary outreach;
- support activities by partisan political organisations;
- support independence movements;
- provide direct assistance to unions to organise industrial action and give direct material assistance to striking workers (while not precluding activities in the areas of labour unions institution capacity building, training and advice; labour law and workers' rights that are subject to prior approval (See 3.3));
- involve welfare activities (welfare is defined as care and maintenance, other than in refugee and emergency situations, which aims to maintain people in a particular condition on a longer-term basis. Substantial and broad impact on social and economic conditions in the community is not normally expected from welfare programs. Welfare is typically provided on an individual or family basis including home-based and institutional care programs, such as those provided by orphanages, homes for the elderly, hospices, support to the disabled, and the provision of food for those who are destitute);
- have a significant component of professional salaries at Australian or 'expatriate' rates;
- are for emergency relief activities;
- are for recurrent costs - unless there is a convincing plan to ensure the recipients will be able to take over those recurrent costs within the life of the activity;
- are currently funded under other Australian Government programs - NGOs seeking AusAID funds must declare all other proposals or sources of Australian Government funding which may impact on the activity;
- involve retrospective funding;
- do not comply with the guidelines set out in the *Reproductive health, family planning and the aid program* document;
- are primarily research focused;
- are focused primarily on the provision of equipment, freight or buildings unless:
 - the equipment, freight or buildings to be supplied are clearly part of a broader development program;
 - the equipment, freight or buildings to be supplied are appropriate to the environment in which they are to be placed;
 - the recipients have the capacity to maintain the equipment or buildings concerned and to meet recurrent costs;
 - the NGO has established that effective quality control measures have been used in the selection of goods for freighting overseas; and
 - adequate planning has gone into the goods' use and distribution so as to establish their part in the overall value of the activity.

3.5 Activities require a strategy to promote the Australian identity of the activity in an appropriate manner.

4. Notes to the ANCP Guidelines

Further guidance on issues to be considered during preparation and appraisal of proposals is contained below in the Notes to the ANCP Guidelines.

Notes to the ANCP Guidelines

Purpose

This section will outline issues to be considered in the appraisal and submission of ADPlans. It will also assist NGOs to design activities that are consistent with the development focused goals of the ANCP and other NGO schemes.

Political, Religious or Welfare Organisations

Funds under AusAID schemes are provided to assist in strengthening an organisation's or a community's development capacity or socio-economic situation.

For church, religious, welfare or political organisations, the key question is whether the local organisation or community is being strengthened for religious witness, welfare objectives and or partisan political objectives, or to increase its development capacity.

Development assistance must be provided on a non-discriminatory basis. The acceptance of specific religious or political beliefs or membership in a particular religious or political group must not be a condition for receiving assistance or participating in development programs on an equal basis.

In many situations this may not be an either/or question. Nevertheless, the primary objective of any project needs to be clear and will determine eligibility. When there is doubt, the recommendation is that where multiple objectives are within an activity (church leaders' training including components of development training), then this should be funded from an agency's own funds.

Only discrete activities with specific development objectives can utilise ANCP funds or be included in Recognised Development Expenditure.

Evangelical Activities

AusAID and NGOs recognise and agree that AusAID funds are not to be used for programming that is designed to convert people from one religious faith or denomination to another or from one political persuasion to another. Nor should AusAID funds be used to build up church, ecclesiastical or political structures except in circumstances where those structures are specifically designed to provide relief and/or development assistance. In this context, church, ecclesiastical and political structures include not just infrastructure, but could also extend to training or organisational activities.

Political Activities

Activities that could be construed as being political are those that involve "party" politics or partisanship. General support for political participation does not fall within this definition of "political"; examples of such general support could include civic awareness campaigns or activities that promote the participation of women as political candidates (without promoting specific parties).

Welfare Activities

Welfare means assistance to maintain individuals in a particular condition on a long term basis such as institutionalised care programs as provided by orphanages, child sponsorship (i.e. funds given directly to children or their families, and not funds drawn from child sponsorship used for community development purposes), hospital care programs, hospices, and costs for the maintenance of structures for institutionalised care programs (e.g. schools, orphanages).

Welfare is implemented independently of other sustainable community development activities;

Welfare has no strategy for integration into a broader, community development program;

Welfare is provided on an individual or family basis, rather than on a community basis, and is unconnected to emergency needs;

Welfare activities are implemented on an ongoing, long-term basis with no clear exit strategy.

Activities that conform to the approved definition of welfare **are not** eligible for funding and may not be counted by agencies in their RDE.

This does not imply any AusAID or Committee for Development Cooperation opinion about the value of welfare activities. The Australian Government provides matching grants under the ANCP for community development purposes only, and not for ongoing care and maintenance activities. NGOs are, of course, free to fund such activities using their own resources.

Education Costs

Education is recognised globally by governments, the World Bank and NGOs as the single most important key to development and to poverty alleviation. It is considered development's most basic building block and a vital contributing factor to the alleviation of poverty. Basic education, in particular, is seen as a **priority area** of the Australian Aid Program.

The Australian Government, through AusAID, supports the work of Australian NGOs in this sector. Funds are provided to accredited NGOs for basic education, secondary education, non-formal education including adult literacy, vocational training, and advanced technical and managerial training e.g training of nurses and teachers.

In order to facilitate this support, AusAID will approve the inclusion in RDE calculations and AusAID NGO funding scheme proposals of **some recurrent costs** for education and training activities which are subsidised by the Australian NGO.

In cases where an agency decides to include recurrent costs for education and training activities in its RDE calculations and/or funding proposals, **the agency must demonstrate** that the recurrent costs involved are vital components of the activity and are necessary in order to maintain the level of education and training activities delivered in a particular situation. Given concerns regarding the sustainability of supporting recurrent costs in development projects, it is up to the agency to **make a case** to AusAID.

Agencies should note that the **basis for approval** of inclusion of recurrent costs in RDE calculations and funding proposals is that such activities are clearly and demonstrably integrated into a broader community development activity and are implemented within an acceptable timeframe. NGOs will also be required to demonstrate to AusAID that they have a **clear exit strategy** which is reviewed periodically in line with changes in the project and external environment. A brief statement addressing these requirements **must** be attached to the RDE worksheet in order for recurrent costs to be considered.

Recurrent costs in education and training activities

The following are some examples of NGO activities funded by AusAID in which recurrent costs are a component:

Australian NGOs working in Papua New Guinea are currently involved in the provision of ongoing health and education services at the village level in order to meet the shortfall in the PNG Government's provision of these services. Activities include the *training and support of education and health professionals*. The focus of these activities is institutional strengthening and capacity building rather than support for individuals. These activities are clearly integrated into the broader development context. Furthermore, even though these activities form part of a long term program with no set completion date, there is a clear exit strategy which is reviewed periodically to ensure that the recurrent costs being funded continue to be a vital component of the activity and are contributing to the achievement of the long term goal of the activity.

One Australian NGO is receiving funding through the ANCP for a community development program in Africa which includes the provision of *short term educational assistance* (such as support for school fees, school books and uniforms) to families while they participate in a range of programs that enable them to increase their incomes and capacity to meet basic and longer term development needs. Most of the direct assistance provided to individual families and their children is provided to sustain children's education as part of the Australian NGO's overall, integrated community development program. As part of the exit strategy, school fee subsidies are intended to be reduced and their duration is not intended to exceed the three years for which the activity is being funded.

AusAID is also funding Australian NGOs to deliver *institutional strengthening activities* in the South Pacific region. One Australian NGO has recently focused on building the capacity of the local NGO community by first building the capacity of the peak body. The peak body is now capable of providing effective, local assistance and training to the local NGOs and community groups. This is having real outcomes on the ground, since the member NGOs are finding implementation and project management much more effective with this training. Currently, some recurrent costs are being covered by ANCP funds. This use of recurrent funds is clearly integrated into a broader community development focus. There is also a clear exit strategy planned. The management plan calls for a gradual shift to self-funding, largely relying on fees for services supplied by member NGOs as well as several other options.

Training

For the purposes of the ANCP, the delivery of significant education or training (such as year long specialist courses) to a small number of individuals must deliver benefits to a broader community in the longer term. For example, training an individual may be justified as part of a train the trainer program, or when that training will deliver significant benefits to a broader community, such as in the case of medical training.

The provision of training or education to an individual which is unlikely to result in a development benefit for a broader community can not be supported under ANCP. Any training or education programs must be in line with the community development objective of the ANCP.

NGOs may find it useful to complete the Strategic Framework section of the Annual Development Plan to demonstrate the eligibility of such activities for funding.

Buildings and Equipment

Any construction must be an integral part of an overall development plan rather than the primary purpose of the ANCP activity. The construction of buildings will only be supported if the NGO can demonstrate that it is necessary to meet broader development objectives. 'One-off' construction activities not connected with a broader activity, whether for schools, health facilities, housing or other purposes, will not be eligible for AusAID ANCP funding.

Any building must serve development rather than political, religious, sporting, welfare or factional needs.

When any building is added to the 'plant stock' of a religious organisation, some very important issues arise. Will it serve the development needs of the total community without regard to their faith? Will the building and the growing size of the plant be divisive in that community or change the dynamics of the society?

It is important that local organisations or communities are able to sustain the ongoing use of any buildings and their maintenance costs (e.g. in the case of hospitals, who will fund the medical supplies, water supply, maintenance, electricity, etc.).

Any proposal for funding must specify who will own and maintain the building when it is completed, whether the building is new or a refurbishment and the cost to AusAID. It is AusAID's expectation that ownership of any buildings purchased, or part-purchased with Australian Government funds, will pass to in-country partners during, or at completion, of the project.

Equally, any equipment purchased with AusAID funds must be part of an overall development plan and appropriate to the circumstances in which it is to be used. It is important that local organisations or communities are able to provide the ongoing operational costs of any equipment and associated maintenance costs. NGOs may find it useful to complete the Strategic Framework section of the Annual Development Plan to demonstrate how the construction of buildings or purchase of equipment fits within a broader development program.

Gender Issues

It is important that NGO activities consider the involvement of both women and men in development. 'The Guide for Gender and Development' (1998) will assist NGOs design gender sensitive activities. NGOs should also refer to 'Gender equality in Australia's aid program – why and how' (2007) which is intended to be a useful resource for all involved in the work of the Australian aid program.

Health Activities

Provision of medical services must be context appropriate and consider the feasibility and cost of appropriate follow up care.

Any program that includes the provision of medical services should ensure issues of sustainability are addressed. The program should incorporate a mechanism for capacity building of local institutions or another means of working towards ensuring equivalent medical services will be available to the community at the completion of the Australian NGO's program.

Initial Environmental Assessment

Preventing environmental degradation and taking advantage of opportunities to enhance the environment are essential to alleviating poverty and ensuring sustainable development. AusAID requires potential environmental impacts to be considered when designing and implementing all aid activities.

NGOs must specifically address environmental issues in each proposal for funding. As most projects/programs will be located in an environmentally sensitive location or sector most proposals will require an initial environmental assessment. Initial environmental assessment involves completing environmental marker questions and specifying further action to be taken, where required. The Guidelines for completing the environmental marker questions and AusAID's publication 'Environmental Management Guide for Australia's Aid Program' (2003) provide more detail on initial environmental assessment.

AusAID is bound by the *Environment Protection and Biodiversity Conservation Act 1999* (Cwlth) (EPBC Act), which applies to all aid activities.

For AusAID to meet its legal obligations under the EPBC Act it must ensure that an NGO properly assesses and manages its AusAID-funded projects/programs that may affect the environment (this is AusAID's environmental management objective). The NGO must:

- ensure that environmental requirements specified in its project/program proposal are implemented, monitored and reported on to AusAID
- ensure all actual or potential environmental impacts relating to its project/program, whether direct or indirect, positive or negative impacts, are assessed and managed to avoid or mitigate negative impacts and promote positive impacts, and
- through reporting requirements (described below and identified in AusAID's NGO package of information), advise AusAID of any potential or actual environmental impacts of its project/program and comply with all relevant environmental laws and regulations of the partner country

Environmental Conservation, Preservation and Biodiversity

To be funded, activities involving the management and conservation of biodiversity or the preservation of species must be an integral part of a development activity acceptable under the Guidelines for the applicable NGO scheme. The conservation or preservation part of the activity must explicitly contribute to the alleviation of poverty in a direct and tangible way.

ACIAR and NGO Agricultural Activities

The Australian Centre for International Agricultural Research (ACIAR) is an Australian Government statutory authority that operates as part of Australia's Aid Program within the portfolio of Foreign Affairs and Trade. It contributes to the aid program objectives of advancing Australia's national interest through poverty reduction and sustainable development. The Centre encourages Australia's agricultural scientists to use their skills for the benefit of developing countries and Australia.

ACIAR can provide NGOs with information about agriculture activities:

- By providing advice on Agricultural Research and Development in developing countries.
- By assisting NGOs to tap into the International Agriculture Research Centre network
- Through ACIAR's newsletters:
 - A Corporate newsletter published three times a year, highlights developments in ACIAR projects including details of new projects, news on the latest scientific publications and workshops, and news stories about ACIAR and related activities
 - Country newsletters (China; Indonesia; Philippines; South Asia; Thailand, Cambodia and Laos; Vietnam)
 - The Postharvest Newsletter contains information about the new Linking Farmers with Markets

Family Planning Activities

Australia supports a reproductive health approach to family planning activities based on the following guiding principles:

- Individuals should decide freely the number and spacing of their children and have the information and means to exercise this choice.
- Women and men should have access to the widest possible range of safe and effective family planning methods and should participate fully in defining the family planning services they need.
- Family planning programs should cater for all people who may be sexually active.
- Australia's assistance should actively work towards improving the quality of care in family planning programs by (but not limited to):
 - involving communities in planning programs appropriate to their needs
 - increasing the choice of family planning methods available
 - improving the skills and competence of family planning service providers
 - providing accurate information and confidential counselling for clients
 - providing follow-up advice and services to clients
 - ensuring affordable, acceptable and accessible services.

Procedures for Prior AusAID Approval of Australian NGO Activities in Special Designated Areas of Indonesia

1. NGO are required to submit to NGO Policy and Programs section (NGO PP) of AusAID Canberra, a written request for AusAID approval of intended AusAID-funded activities in one or more of the special designated areas (currently Aceh, Maluku, North Maluku and Papua provinces), including:
 - Details of the nature and location of the proposed activity/placement, proposed partner organisations, details of Australian citizens who would be visiting the special designated area, timing and duration of the proposed activity
 - Written evidence of the prior approval of the proposed activity by an appropriate Indonesian authority, of at least provincial government level
2. NGO PP will pass a copy of the approval request to Indonesia Group (ING) of AusAID Canberra, who will note/verify the approval of the appropriate Indonesian authority.
3. NGO PP, on the basis of Indonesia Group advice, will provide written AusAID approval of the proposed activity to the requesting NGO. In the event of AusAID non-approval, reasons will be provided to the NGO.