



ANCP Streamlining and Reform Agenda

May 2009

OVERVIEW

The reforms to ANCP recognise Australian NGOs' experience, capacity and linkages with partner organisations and communities in developing countries, and their extensive Australian community support. By strengthening and streamlining ANCP, the reforms seek to enhance accessibility and engagement between Australian NGOs and the Australian aid program.

Box 1: Approved reforms to ANCP include:

- Greater funding flexibility, (including multi year funding) and changed reporting to address inefficiencies associated with the current annual planning and reporting cycle;
- A change in the required matching ratio from 3:1 to 5:1, with the ratio being applied to the headline IPF figure;
- Simplification of the ANCP accreditation and administration process;
- Increased focus on monitoring development effectiveness outcomes of ANCP;
- Up to 10% of ANCP funding to be eligible for use on building domestic development awareness raising activities;
- Support for small and emerging non government organisations to help improve their system and processes prior to applying for accreditation;
- Establishing opportunities for ANCP Partnership Agreements for eligible NGOs;
- Establishment of the ANCP Innovations Fund for niche, small and medium sized NGOs.

In order to progress the broad suite of ANCP streamlining and reforms in a manageable way, a prioritised approach will be taken. Immediate actions will focus on financial reforms likely to positively impact the broadest number of NGOs, ANCP Partnership Agreements and technical support for small and emerging NGOs; followed by implementation of reforms that require more substantial consultation with the sector, including the ANCP innovations fund, streamlining accreditation, monitoring & effectiveness, and potential changes to ADPlans and reporting. This approach will ensure that AusAID is able to incorporate any responses to unforeseen negative impacts or additional sector views into proposed changes. All reforms will be outlined in ANCP Information Sessions in Sydney, Melbourne and Canberra (27-29 May) and agreed with the sector by the end of 2009, for full implementation in financial year 2010-11 (commencing July 2010).

The ANCP reforms are the first stage of a broader package that will promote enhanced partnership approaches and opportunities for NGOs to engage in both policy development and



programs across AusAID's country and thematic areas. Across some country and thematic areas of AusAID, there may be opportunities for partnership agreements with NGOs entirely independent of the ANCP partnership agreements. These changes will provide benefits to small, medium and large accredited NGOs and contribute to broader development effectiveness objectives.

Streamlining: New ANCP Administrative Arrangements

Immediate Changes for 2009-10

A range of important changes are currently underway, to be operational from the start of the 2009-10 Financial Year. These include:

Funding flexibility

- > multi-year base funding,
- > flexibility to roll-over a proportion of funds between financial years,
- > allowance of up to 10% of ANCP funds for Development Awareness and
- > allowance of 10% of ANCP funds for program/project design, monitoring and evaluation.
- > Head agreements are also being amended to allow greater flexibility for funding by other areas of AusAID.
- > Changing the matching ratio from 3:1 to 5:1.

Technical support for small, and emerging NGOs

The successful trial of technical support for pre-accreditation will be implemented as regular program component in 2009-10. The technical support function will be expanded to provide advice to agencies that fail, lose or have their accreditation downgraded. Newly accredited agencies will be able to access limited one-on-one support to better understand and implement Recognised Development Expenditure (RDE) procedures within their agency. This technical support program will engage closely with ACFID to ensure continuity between the advice of ACFID to the sector, and advice provided through this support mechanism.

ANCP Partnership Agreements

ANCP Partnership Agreements will be negotiated in 2009 with highly capable organisations that have a large amount of support from the Australian public, strong governance, accreditation and global reach. Agreements will focus on mutually strategic objectives. Partnership Agreements will be consistent with broad ANCP principles; eg: collaboration and investment on mutual objectives supports the ANCP principle of matched funding and on-going accreditation will remain an underlying requirement for Partnership agencies. Reporting – wherever possible, will be based on ANCP partnership agencies' own reporting systems.



Changes requiring further consultation with the sector

A range of reforms require further consultation with the sector and representative bodies such as the Committee for Development Cooperation (CDC) and ACFID (including the ACFID Development Practice Committee). An outline of the process for each of the reforms, including proposed consultation process with the sector, will be provided at the ANCP Information Sessions to be held in Sydney, Melbourne and Canberra (27-29 May 2009). AusAID's approach to the reform process will seek to ensure that further discussion, advice and review is carried out cooperatively with the sector, in line with the principles outlined in the AusAID-ACFID Partnership Agreement.

Further reforms to the ANCP, to be negotiated and agreed by the end of 2009, for full implementation in 2010 will include:

Monitoring and Effectiveness

- > A Monitoring and Evaluation Framework for ANCP, to be negotiated in conjunction with the ACFID Development Practice Committee (DPC).
- > Development of new ADPlan arrangements consistent with the agreed M&E framework, to allow more meaningful focus on development effectiveness.
- > New Reporting Templates - with a focus on streamlining and development effectiveness (that recognise the different reporting burden on base and fully accredited agencies).
- > An annual report to CDC on the ANCP program.

Innovations Fund

- > An innovations fund to encourage collaboration amongst ANCP accredited NGOs to pursue innovative and best practice programs and partnerships.
- > The fund will be open to all accredited NGOs, except those with ANCP Partnership Agreements.
- > The fund will seek to enhance effectiveness, reputation and influence of Australian aid (government and non-government funded) through increased knowledge sharing and collaboration.
- > Parameters such as selection processes will be agreed in consultation with the sector.

Streamlining Accreditation

AusAID has commissioned preliminary reviews of the Agency profile and Accreditation guidelines. These will be discussed with the sector in peer review and consultation processes to ensure changes reflect the sector's experience and capacity.



OUTCOME 1: ANCP FINANCIAL REFORMS

May 2009



1.1 Development Outcomes Sought

NGOs can plan, manage and monitor their ANCP subsidised activities better because:

- > Funding is more predictable as AusAID will guarantee a minimum funding amount over three years (multi-year funding);
- > Funding can respond to unexpected events (roll-over of funds between years);
- > AusAID supports NGOs who focus on the best possible program design and monitoring of development outcomes (by increasing allowable expenditure on design, monitoring and evaluation); and
- > Agencies can increase their work across a range of activities by reducing the amount of funds needed to commit together with AusAID (improving the matching ratio).

1.2 New ANCP Administrative Arrangements

Immediate Changes for 2009-10

Multi Year Funding increases confidence in planning activities for multiple years.

Following the release of the Budget in May, accredited NGOs are provided with an Indicative Planning Figure (IPF) (provided May/June 2009) for the next financial year (2009/10) and out-years two and three (2010-11 and 2011-12) based on the standard RDE calculation already submitted. This provides agencies with an agreed baseline amount. Actual out-year allocations will not be less than agreed but may be higher subject to scaling up of overall ANCP allocations, minus funding to new entrants.

By 30 June 2009, NGOs must submit their Annual Development Plan (ADPlan). AusAID will be encouraging NGOs to take a programmatic rather than project oriented approach to their ADPlan where possible. See advice on Annual Development Plans for more details.

Following acceptance of the NGOs ADPlan, AusAID will issue each NGO a three year funding order under the existing head agreements and allocate 100% of the IPF for the first year.

The next Recognised Development Expenditure (RDE) worksheet is submitted to AusAID by 30 March 2010. This calculation helps provide the baseline amount for the fourth year (2012-13). By 30 June 2010, NGOs submit their next ADPlan and subject to ADPlan agreement, AusAID then replaces/updates the existing funding order with a new three year funding order that includes the figure for 2012-13.

The September ADPlan report and acquittal will continue to be required as normal.



Roll-over of funds allows NGOs greater responsiveness to events that delay development outcomes. Under new 3-year funding order conditions, NGOs can roll-over up to 10% of ANCP funds between financial years without prior-approval from AusAID. Where, due to extenuating circumstances, an NGO will have more than 10% of ANCP funds unexpended, roll-over of funds may be permitted subject to agreement by AusAID. In this case the NGO must be able to demonstrate significant impact on planned activities by circumstances such as natural disasters, conflict or political instability. In these cases, NGOs must flag their intention to either persist with the same activities on a delayed timeline or reprogram funds to new activities. Any expected roll-over should be flagged with AusAID in April and any actual roll-over made between years must be included in September acquittals.

A focus on quality design, monitoring and evaluation is essential to adaptive management of multi-year activity. Current allowable expenditure of 5% on monitoring and evaluation is expanded to 10% to include design, as well as monitoring and evaluation.

Changing the current matching ratio from 1:3 to 1:5 facilitates increased development activity by allowing NGOs to absorb additional funds. NGO funds required to meet the matching ratio will be calculated on the headline Indicative Planning Figure and can be allocated in any ratio, against development activities.

1.3 Consultation Process

NGOs can provide feedback on this approach to ACFID or the Committee for Development Cooperation (CDC) via the CDC Secretariat, Mr Alex Oates or CDC NGO Representatives (John Deane, Andrew Newmarch, Di Kilsby) or directly to AusAID NGO and CE Section staff.

1.4 Related Reforms

See also information papers:

- > “Use of ANCP Funds for Development Awareness”
- > “Annual Development Planning”



ANCP Streamlining and Reform Agenda

OUTCOME 2: STREAMLINING ACCREDITATION

May 2009

2.1 Development Outcomes Sought

Reduce where possible any unnecessary administrative burden on Australian NGOs (particularly Base level) in relation to applying for and/or renewing their accreditation status. Streamlining accreditation will reduce administration without diminishing AusAID's capacity to manage risk. A streamlined accreditation process will continue to assist NGOs in building and maintaining best practice systems to achieve development outcomes.

2.2 Streamlined Accreditation

Agency profile: Currently, Australian NGOs are required to submit an Agency Profile which provides information about the agency's structure, strategies, staffing, international development activities and its financial capacity. The Agency Profile will be more streamlined and transparent in explaining why certain information is required.

Accreditation Criteria provide AusAID and the Australian public with confidence that Australian NGOs are using public monies in an appropriate, accountable and effective way. The accreditation process is quite rigorous and this can impose a resource intensive burden on small and new agencies.

In streamlining the accreditation process, AusAID hopes to:

- > Simplify, support and strengthen the ANCP;
- > Improve the efficiency of NGO accreditation preparations;
- > Consider whether duplication can be reduced for agencies re-applying for accreditation;
- > Consider additional administrative streamlining for base-level applicants; and
- > Strengthen the partnership approach between AusAID, NGOs and the Australian Council for International Development (ACFID).

Accreditation Feedback: NGOs in the accreditation cycle currently provide informal feedback to ACFID about the accreditation process. ACFID has proposed to formalise and manage an NGO accreditation appraisal mechanism in order to streamline feedback from the NGO sector. This information will be presented to the Committee for Development Cooperation (CDC) and AusAID to contribute to continual program quality assurance.



2.3 Provision of Technical Assistance for Accreditation

Technical Assistance was originally piloted to help guide agencies working to meet the accreditation criteria. As of 2009-10, Technical Assistance will be mainstreamed as part of the overall accreditation program and will be an integral part of AusAID's risk management approach to funding Australian Development NGOs.

Technical Assistance will be made available to qualifying agencies pre, post and if necessary, mid cycle in the re-accreditation process. This includes new non-accredited agencies, small, Base and in certain circumstances, Full level accredited agencies as well as those that have failed accreditation or reduced their level of accreditation.

Through Technical Assistance, agencies will be able to access assistance from both Development Consultants and Financial System Assessors.

2.4 Consultation Process

Improvements to the AusAID accreditation program are being undertaken through a consultation process that includes the Australian Council for International Development (ACFID) and Committee for Development Cooperation (CDC) members, accreditation assessors and NGOs. A representative selection of AusAID accredited NGOs will also be encouraged to provide feedback through targeted workshops.

NGO Accreditation Reforms Timetable 2nd half 2009

Activity	Detail	Date
NGO review of current accreditation program	Examine current accreditation issues with assessors, NGOs and AusAID	July 2009 (Sydney and/or Melbourne)
Develop revised guidelines and documentation	Consultancy	July-September 2009
Revised accreditation peer review	AusAID-NGO workshop	September 2009
New accreditation process agreed.	New guidelines and documents reviewed by CDC (5 Nov) and signed off by AusAID delegate	November 2009

2.5 Related Reforms

See also information paper:

- > "Technical Assistance"



ANCP Streamlining and Reform Agenda

OUTCOME 3: 10% of ANCP FUNDS FOR AUSTRALIAN DEVELOPMENT AWARENESS

May 2009

3.1 Development Outcomes Sought

More Australians will be aware of, and engaged in, Australia's overseas development program and development issues including increased understanding of messages around poverty reduction; development effectiveness; and the Millennium Development Goals.

3.2 Administrative Arrangements

This initiative provides accredited NGOs with the opportunity to utilise up to 10% of their ANCP funding to participate in engaging the Australian community in international development issues through domestic awareness raising efforts. Accredited Australian NGOs are encouraged to work more effectively with other less experienced organizations with good community reach to build capacity, manage risk and create linkages and synergies that heighten development awareness within the Australian community.

Types of activities

Proposed activities supported by the initiative can include:

- > Development awareness campaigns in Australia; and
- > Sector-wide events and activities which promote networks and linkages within, and between organisations on development awareness, to improve understanding of good development principles including the ACFID Code of Conduct

This funding must not be used for fundraising activities or to support political campaigns.

Sector-wide events aim to build capacity and understanding of the international development agenda. Activities might include:

- > Development awareness conferences;
- > Seminars and workshops for sharing experiences and lessons; and
- > Training on development awareness for non-accredited partners.



Following the release of each agency's Indicative Planning Figure (IPF) in May/June, accredited NGOs as part of their ADPlan preparations, can allocate up to 10% of their ANCP funding to engage in development awareness raising activities in Australia.

3.3 Consultation Process

NGOs can provide feedback to ACFID or the Committee for Development Cooperation (CDC) via the CDC Secretariat, Mr Alex Oates or CDC NGO Representatives (John Deane, Andrew Newmarch, Di Kilsby) or directly to AusAID NGO and CE Section staff.

3.4 Related Reforms

See also information papers:

- > “ANCP Financial Reforms” and
- > “Annual Development Planning”



ANCP Streamlining and Reform Agenda

OUTCOME 4: ANNUAL DEVELOPMENT PLAN REFORMS

May 2009

4.1 Development Outcomes Sought

NGOs can communicate, monitor, evaluate and adaptively manage their ANCP subsidised activities better by minimising the administrative burden associated with Annual Development Plans (ADPlans) and ADPlan reports.

The new arrangements will provide more outcomes oriented reporting. Information provided through ADPlans will directly support monitoring and evaluation by aligning with the Monitoring and Evaluation Framework for AusAID-NGO Engagement, currently under development in conjunction with ACFID Development Practices Committee.

By reforming ANCP and its planning and reporting processes, AusAID seeks to facilitate an increasingly strong focus on the evaluation of program effectiveness.

In support of international efforts to achieve the Millennium Development Goals (MDGs), AusAID encourages NGOs to focus their ANCP subsidy to address both the causes and effects of poverty, including through the promotion of self-reliance and facilitation of access to basic services.

4.2 Administrative Arrangements

ADPlan and ADPlan Report revision will be managed in a consultative fashion over the next six months. Given the short time available before the next round of ADPlans must be developed; the desire to link to the over-arching monitoring and evaluation; and other broad ANCP reforms occurring in the early months of 2009-10, only minor, necessary changes are proposed for the ADPlans in the current cycle. A broader range of reforms is planned for the second half of 2009 and will be the subject of further consultation with the sector.

4.3 Immediate Changes for 2009-10

Family Planning: The Minister has announced (Media Release AA07/09 10 March 2009) changes to the Family Planning Guidelines for Australia's overseas development assistance program. The implications for ADPlans will be made available as soon as possible.

Evaluation allowance now expanded: A focus on quality design, Monitoring and monitoring of effectiveness outcomes is essential to adaptive management of multi-year



activity. The previous allowable expenditure of 5% on monitoring and evaluation is expanded to 10% for design, monitoring and evaluation. All such activity funded with the 10% allocation must be shown as a distinct item in the agencies ADPlan.

Development Awareness: Up to 10% of the subsidy can be used for development awareness in Australia and should be shown as a separate line item and appendix.

Agencies are encouraged to take full advantage of the commitment of base level funding for three years to maximise approaches that support effective development outcomes.

Upcoming reporting dates:

- > By 30 June 2009 NGOs submit their 2009-10 ADPlan.
- > By 30 September 2009, NGOs submit their ADPlan Report and Acquittal for the previous years ADPlan (for 2008-2009 funds).

4.4 Consultation Process

AusAID plans to reform current ADPlan practice to conform to the Monitoring and Evaluation Framework for NGO Engagement that is currently under development in concert with ACFID Development Practices Committee.

ANCP ADPlan Reforms Timetable

Activity	Detail	Date
M&E Framework for NGO Engagement Finalised	In conjunction with ACFID Development Practices Committee	30 June 2009
Targeted Consultation	Committee for Development Cooperation: Progress and Advice	4 August 2009
Broad Consultation	ACFID MIFs: Presentation and NGO comments on proposed new approach	11-13 August 2009
Targeted Consultation	Committee for Development Cooperation: Review and Advice	5 November 2009
New ANCP ADPlan and reporting format		13 January 2010

NGOs can provide feedback to ACFID or the Committee for Development Cooperation (CDC) via the CDC Secretariat, Mr Alex Oates or CDC NGO Representatives (John Deane, Andrew Newmarch, Di Kilsby) or directly to AusAID NGOs and Community Engagement Section staff.

4.5 Related Reforms

See also information paper:

“Use up to 10% of ANCP Funds for Australian Development Awareness”



ANCP Streamlining and Reform Agenda

OUTCOME 5: TECHNICAL ASSISTANCE (ACCREDITATION)

May 2009

5.1 Development Outcomes Sought

NGOs can understand their accreditation responsibilities better and therefore be more efficient in their preparations for accreditation. NGOs can be more successful in achieving accreditation or reaccreditation and deliver more effective ANCP subsidised activities once accredited.

5.2 Administrative Arrangements

Technical Assistance (TA) was originally piloted as a support tool designed to guide agencies and target the work of the NGO to meet the accreditation criteria. As of 2009-10, Technical Assistance is being mainstreamed as part of the overall accreditation process and will be an integral part of AusAID's risk management approach to funding Australian Development NGOs.

TA will be made available to qualifying agencies pre, post and mid cycle in the re-accreditation process. This includes new non-accredited agencies, small, Base and in certain circumstances, Full level accredited agencies and those that have failed accreditation or reduced their level of accreditation.

Through TA, agencies will be able to access assistance from both Development Consultants and Financial System Assessors.

New non-accredited NGOs wishing to access TA should as a minimum be signatories to the Australian Council for International Development (ACFID) Code of Conduct and have successfully applied and obtained Overseas Aid Gift Deductibility (OAGDS). AusAID will expect agencies to be familiar with the Accreditation Criteria documents, and substantially commenced work on their Agency Profile. AusAID will not provide assistance with applications for OAGDS.

Technical Assistance for NGOs approaching first time accreditation: maximum allowance of five days per agency with either a Development Consultant (DC) or a Financial System Assessor (FSA), or a combination of the two.

A DC and a FSA consultant will review the agency's strategic planning documents, international program strategies and portfolio, samples of marketing material, financial systems, Recognised Development Expenditure (RDE) calculations and staffing details.



Consultants would expect to meet with NGO staff and the Agency's Chief Executive Officer to discuss accreditation and to explain that it is a whole-of-agency assessment.

One day of the consultants' time will be allocated to provide the NGO and AusAID with a short report on issues that the NGO needs to address in working towards AusAID accreditation. The report will record key recommendations that have already been discussed with the NGO.

Initial discussions between the TA consultant/s and the NGO will be used to determine their readiness for accreditation. AusAID may determine that remaining days should not be fully utilised if an agency considered not ready for accreditation. In this case AusAID will discuss next steps with the agency.

Re-accreditation of Base Level NGOs or small Full Level NGOs (with a maximum average RDE of \$150,000) Feedback from the NGO sector has highlighted that the accreditation process places significant burden on small agencies.

Technical Assistance is available mid-cycle onwards in the accreditation process to assist with this issue. Where NGOs qualify for TA, AusAID will consult with the NGO to determine the type and level of TA required. Technical Assistance for small/base agencies for re-accreditation: a maximum allowance of five days per agency with either a DC or a FSA consultant, or a combination of the two.

Agencies that have failed, lost or been downgraded in their accreditation may be eligible for TA: Based on the Accreditation report and advice from the Committee for Development Cooperation, the NGO and AusAID, the delegate will determine a downgraded agencies access to TA. AusAID will consider the allocation of both FSA and DC assistance for up to three days.

New Agencies - post successful accreditation: Based on the particulars on an agencies accreditation report, new agencies may be eligible for up to two days TA from an FSA to help the agency fully understand and implement Recognised Development Expenditure (RDE) accounting.

5.3 Consultation Process

NGOs can provide feedback on this approach to ACFID or the Committee for Development Cooperation (CDC) via the CDC Secretariat, Mr Alex Oates or CDC NGO Representatives (John Deane, Andrew Newmarch, Di Kilsby) or directly to AusAID NGO and CE Section staff.

5.4 Related Reforms

See also information paper:

"Accreditation Reforms"



ANCP Streamlining and Reform Agenda

OUTCOME 6: ANCP INNOVATIONS FUND

May 2009

6.1 Development Outcomes Sought

By pursuing innovative practice and shared learnings, AusAID accredited NGOs enhance the effectiveness of Australian development efforts overseas.

6.2 Administrative Arrangements

Applications will be sought for best practice projects and/or pilot approaches that directly contribute to one or more of the mutual objectives of the AusAID NGO Cooperation Program;

- > Promote effective, professional and accountable Australian development NGOs;
- > Increase recognition of NGO innovation and good practice in development; and
- > Promote innovative partnerships between NGOs, AusAID, and local and international stakeholders.

Organisations eligible to apply for the ANCP Innovations Fund will include Accredited Australian NGOs, but exclude organisations which have established an ANCP Partnership Agreement with AusAID.¹

The Innovations Fund will be an annual competitive process. The level of funding available will be determined by yearly budget allocations, and funding for individual projects will be decided through annual program guidelines and the selection process. It is envisaged that projects will be valued at between \$10,000-\$150,000. Total funding available in the 2009-10 year is \$0.5m.

Eligible NGOs are encouraged to approach the development of proposals in the spirit of partnership. Collaborative applications between Accredited NGOs and/or proposals that offer broader benefits to the sector will be considered favourably.

There will be no mandatory matching ratio applied to funding for the ANCP Innovations Fund. However value for money, including any proposed NGO funding contribution (in the same or subsequent years), will be favourably considered. Funding will be awarded on an annual basis.

¹ These NGOs are excluded as flexibility to promote innovation, partnerships and good practice will be included in the ANCP partnership agreements.



This arrangement means that NGOs will also be expected to make significant contributions during the life of the proposed activity. While AusAID funds may cover the activity costs for one or more financial years, NGOs may commit to continue the project, by utilising their standard ANCP funds, or through their own funding sources.

Organisations that submit applications, and are unsuccessful, will be able to reapply the following year. Applications for funds will be limited per organisation, to one project each financial year.

Applications for funding of travel and expenses related to attendance at international conferences will not be eligible, as funding is currently available under the International Seminar Support Scheme. Further information can be found at http://www.ausaid.gov.au/business/other_opps/issc.cfm.

6.3 Innovations Fund Timetable

ANCP Innovations Fund timetable

Template made available to NGOs	July 2009
Closing dates for Submission	10 September 2009
Shortlist to the CDC	5/6 November 2009
Announcement of successful Applicants	Subject to delegate approval, late November/Early December 2009

Templates for Innovations Fund proposals will be provided to Accredited NGOs via e-mail, and made available at: www.ausaid.gov.au/ngos on or before 1 July 2009

A call for proposals for the Innovations Fund 2009 will be opened on the 1 July 2009, with proposals due for submission by close of business on the 10 September 2009. A shortlist of applications, determined through a technical assessment and Peer Review process involving both AusAID and NGO representation, will be provided to the Committee for Development Cooperation, for formal assessment on 5 November 2009.

6.4 Consultation Process

NGOs can provide feedback on this approach to ACFID or the Committee for Development Cooperation (CDC) via the CDC Secretariat, Mr Alex Oates or CDC NGO Representatives (John Deane, Andrew Newmarch, Di Kilsby) or directly to AusAID NGO and CE Section staff.

6.5 Related Reforms

See also information papers:

- > “ANCP Financial Reforms” and
- > “Use of up to 10% of ANCP Funds for Development Awareness”



ANCP Streamlining and Reform Agenda

OUTCOME 7: ANCP PARTNERSHIP AGREEMENTS

May 2009

7.1 Development Outcomes Sought

Achieve mutually agreed development outcomes with eligible Australian NGOs in accordance with the harmonization agenda of the Paris Declaration and the Accra Agenda for Action

Leverage off the substantial reach and relationships of Australian NGOs in communities in developing countries, to improve the overall effectiveness of Australian aid and development efforts

Examine partnership as a mode of operation in comparison to traditional methods of AusAID-NGO relations

7.2 Eligibility

Partnerships will be built upon the strength and core principles of the AusAID NGO Cooperation Program (ANCP), through which NGOs have met rigorous accreditation standards. To be eligible to negotiate an ANCP Partnership, NGOs must meet the following eligibility criteria:

ANCP Partnership Agreements - Eligibility Criteria:

- > Shared strategic objectives and proven capacity to contribute to the aid program development, delivery and effectiveness;
- > AusAID accreditation;
- > Demonstrated extensive reach to communities in developing countries;
- > Demonstrated capability in policy analysis and development;
- > Demonstrated engagement with the Australian community (Recognised Development Expenditure to exceed \$8m based on a three year rolling average);
- > AusAID funding of less than 50% of total income;
- > A strong corporate governance structure; and
- > Demonstrated development cooperation expertise.



7.3 Funding Arrangements

ANCP Partnership Agreements are intended to identify shared development interests; agree on principles for working together; and provide a firm financing framework over a four year period. Funding will be based on current ANCP allocations with an additional partnership factor.

The total value of any one partnership agreement will depend on Recognised Development Expenditure (RDE) and the extent and nature of the shared strategic objectives identified.

7.4 Consultation Process

ANCP Partnership Agreements will be negotiated individually with eligible and interested NGO partners; and will likely vary significantly depending on the nature of agreed shared development interests. Opportunities will be made available to new entrants to enter into partnerships as they become eligible.

The relationship between the NGO partner and AusAID will be mutually respectful, valuing the contribution each agency can make to reaching common goals and recognising that each partner has different skills, attributes and strengths. AusAID funding is intended to complement the NGOs' own resources and investment in a particular strategic objective or area of NGO comparative advantage/strengths.

7.5 Next Steps

ANCP Partnership Agreements will be negotiated with eligible and interested NGOs over the period May-Sept 2009.

It is AusAID's intention that learnings from the development of ANCP Partnerships will be shared with the broader Australian NGO sector.