

Independent Evaluation of the Australian NGO Cooperation Program (ANCP)

Final Evaluation Report | Annexes

Tetra Tech International Development | November 2022

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Annex A – Stakeholders Consulted

Preliminary Consultation

- Assisi Aid Projects Inc
- Australian Doctors International
- Australian People for Health Education and Development Abroad (APHEDA)
- Diplomacy Training Program
- Friends of Femili PNG Inc
- International Needs Australia
- Nusatenggara Association Inc
- Palmera Projects
- Save the Children Australia
- Sight for All
- The International Nepal Fellowship [Australia] Ltd
- Transform Aid
- WaterAid Australia

DFAT Thematic Roundtables

- Assistant Director, Human Rights Policy and Social Inclusion Branch
- Climate Change Team
- Director Health Partnerships and Rights Team
- First Assistant Secretary Humanitarian Division
- Director Strategic Communications and Effectiveness Centre for Health Security
- Executive Officer Health Security Team
- Humanitarian Gender Advisor
- Technical Health Specialist
- Technical GESDI Specialist

DFAT NPQ/GPB/DPD Consultation

- Accreditation Manager
- Assistant Director NGO Program and Partnerships Section
- Communications Manager
- Director NGO Program and Partnerships Section
- Assistant Secretary
- First Assistant Secretary
- MEL Officer
- Operations Manager
- ACFID Partnership Manager

Committee for Development Cooperation (CDC) Consultation

- Plan International Australia
- Fred Hollows Foundation
- Uniting World
- International Women's Development Agency
- ACFID Observer

DFAT Post Consultation

- Bangladesh, AHC, Program Officer

- Cambodia, Australian Embassy, Program Manager
- Fiji, AHC, Program Manager- Climate Change & Humanitarian Response
- Fiji, AHC, Counsellor, Human Development
- Ghana, AHC, Program Manager| Gestionnaire de Programme
- Ghana, AHC, Second Secretary (oversee countries of non-resident accreditation)
- Indonesia, Australian Embassy, Program Manager
- Quality and Risk Unit – Development, Sustainability and Effectiveness – DFAT GHD Branch
- Indonesia, Australian Embassy, Head of Quality and Risk Unit – Development, Sustainability and Effectiveness – DFAT GHD Branch
- Iraq, AHC, First Secretary Humanitarian Program
- Kenya AHC Senior Program Manager (Somalia/Humanitarian)
- Laos, AHC, First Secretary, Human Development
- Laos, AHC, Second Secretary (Development and Political) Laos, AHC, Program Officer and ANCP Focal Point, Human Development
- Lebanon, AHC, Second Secretary, Humanitarian Program
- Nepal, Program Manager and ANCP Focal Point, Governance and Global Programs
- Pakistan, AHC, Program Manager
- PNG, AHC, First Secretary, Health Security
- PNG, AHC, ANCP Focal Point
- PNG, AHC, AHP Focal Point
- PNG, AHC, Counsellor – Program Strategy and Gender
- Palestinian Territories Australian Representative Office, Deputy Head of Post & Head of Development Cooperation
- Sri Lanka, Senior Program Officer
- Solomon Islands, AHC, Second Secretary
- Solomon Islands, AHC, Senior Program Manager
- Timor-Leste, Australian Embassy, First Secretary, Human Development
- Timor-Leste, Australian Embassy, Counsellor, Human Development
- Timor-Leste, Australian Embassy, Program Coordinator
- Vanuatu, Senior Program Manager – Aid Policy & Management, Focal point for ANCP & Climate Change
- Vietnam, Australian Embassy, First Secretary, Development Cooperation
- Vietnam, Australian Embassy, Program Officer and ANCP Focal Point

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- Zimbabwe, Australian Embassy, Second Secretary
- Zimbabwe, Australian Embassy, Research and Events Officer

ANGO Thematic Roundtables

- ACFID
- Action on Poverty
- Anglicans in Development Limited
- Australian People for Health Education and Development Abroad (APHEDA)
- Assisi Aid Projects Inc
- Australian Doctors International
- Australian Himalayan Foundation
- Australian Lutheran World Service
- Brien Holden Vision Institute Foundation
- Caritas Australia
- CBM Australia
- Credit Union Foundation Australia Pty Ltd
- Diplomacy Training Program
- Family Planning NSW
- Fred Hollows Foundation
- Friends of Femili PNG Inc
- Frontier
- International Needs Australia
- International Women's Development Agency
- Marie Stopes International
- Mary MacKillop Today
- Nusa Tenggara Association Inc
- Oxfam Australia
- Pacific Assist
- Plan International Australia
- Quaker Service Australia
- SurfAid
- Tearfund Australia
- TransformAid
- World Wide Fund for Nature-Australia (WWF-AU)
- World Vision Australia
- UNICEF

Local Implementing Partner Consultation

- Act for Peace
- Action Aid
- Asosiasaun Halibur Deficiente Matan Timor-Leste (AHDMTL)
- Australian Lutheran World Service (ALWS)
- Bhoga Marga Foundation (MBM)
- CBM Global Indonesia
- CBM Global Vietnam
- Centre for Disaster Risk Management (CDRM)
- Community Development Studies (CDS)
- Core Group Transparency
- Inanta

- Klibur Defisiensiia Tilun Timor-Leste (KDT-TL)
- Lao Hamutuk
- Leprosy Mission Timor-Leste
- Oxfam Timor-Leste
- Plan International Solomon Island
- Pusat Rehabilitasi Yakkum (PRY)
- Tanaoba Lais Manekat Foundation (TLM)
- UNICEF Regional ECCE Focal Point
- YAPPIKA Action Aid

Other DFAT Programs

- Fund Manager, Water for Women Fund Coordinator Team
- Partnership Director, Australian Humanitarian Partnership Support Unit

Other Donors

- Canada International Development Program, Deputy Director / Directeur adjoint Business Intelligence / Intelligence d'affaires (KESB), Partnerships for Development Innovation / Partenariats pour l'innovation dans le développement (KFM)
- Foreign, Commonwealth and Development Office (FCDO), Head, Civil Society & Civic Space, Open Societies & Human Rights Directorate
- Irish Aid Deputy Director, Civil Society Unit, Development Cooperation and Africa Division
- Irish Aid Deputy Director Civil Society Fund, Civil Society Unit, Development Cooperation and Africa Division
- New Zealand Ministry of Foreign Affairs & Trade, Lead Adviser – Partnerships; Partnerships, Humanitarian and Multilateral Division
- New Zealand Ministry of Foreign Affairs & Trade, NZ Disaster Response Partnership Fund Manager, Partnerships, Humanitarian and Multilateral Division
- Swedish International Development Cooperation Agency (SIDA), Senior Policy Specialist for Civil Society, Civil Society Unit, Department for Partnership and Innovation

Written Submissions

- ACFID
- Australian Lutheran World Service
- CARE Australia
- Caritas Australia
- CBM Australia
- Church Agencies Network
- DPC
- Engineers Without Borders Australia
- Mary MacKillop Today
- Oxfam Australia
- Plan International Australia
- Salvation Army
- Tearfund Australia

Annex B – Evaluation Approach and Methods

The Evaluation team gathered evidence to answer the key evaluation questions in three phases as part of our progressive inquiry technique:

- A systematic review of existing program policies and documents together with evaluations of activities, projects and ANCP commissioned by DFAT. This review included a quality assessment of evaluation documents according to DFAT standards
- A review of current knowledge and global best practices in donor NGO financing and a review of emerging trends disrupting development.
- An in-depth review of development trends, donor NGO financing practices and the current ANCP management arrangements in various thematic roundtables, KII, FGDs and written submissions with a purposive sample of stakeholders including: DFAT, other donors, ANGOs, and local implementing partners in selected focus countries through primary data collection and analysis.

Systematic review/Modality analysis: The Evaluation team conducted a systematic desk-based review of ANCP documents drawn from 2015-2021, to understand the current ANCP management, implementation and funding arrangements as well as to undertake the preliminary assessment of effectiveness and lessons learned including:

- The quality of evidence emerging from the MEL system, assessed using a quality assessment

tool based on the *DFAT Monitoring and Evaluation Standards*

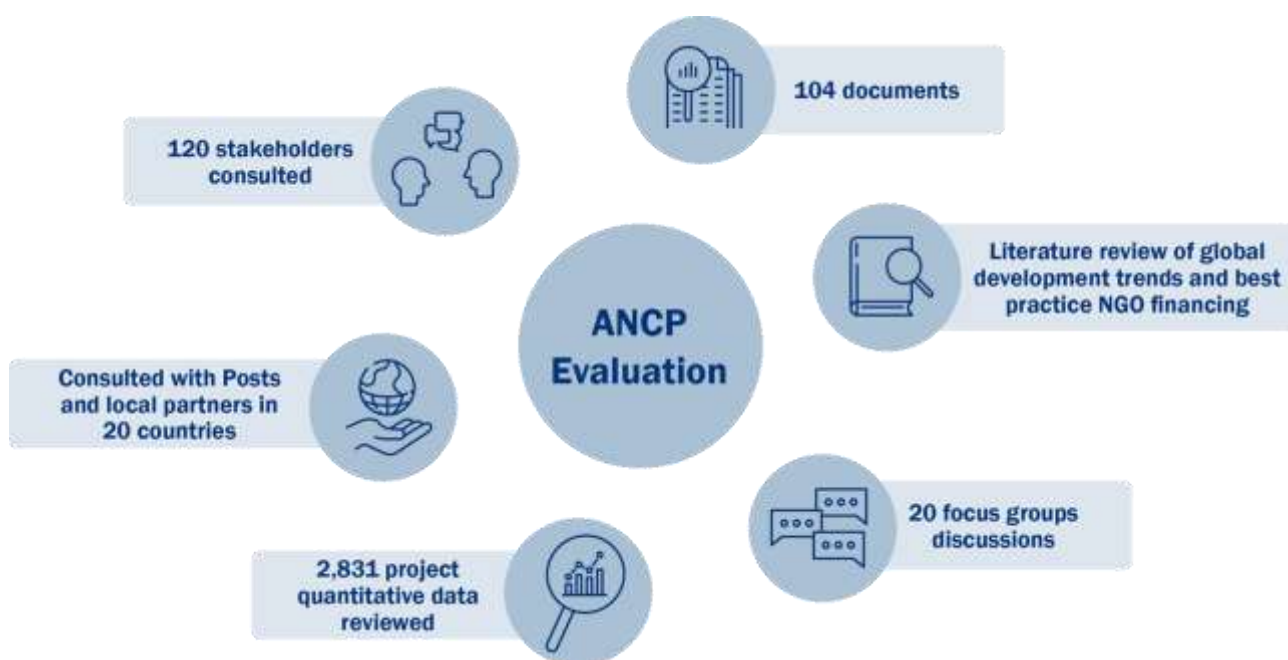
- Opportunities for streamlining the efficiency of key features and business processes within the modality
- Opportunities for improved MEL
- Initial thematic findings in response to the key evaluation questions across the global program.

This also included analysis of the ANCP's contribution to gender equality, disability, social inclusion, climate change and other critical cross-cutting issues. The systematic review was used to develop a comparative analysis of alternative programs and major donor approaches to funding ANGOs and managing and implementing such modalities.

The Evaluation team reviewed 104 documents shared by DFAT, ANGOs and other donors together with secondary data sourced from the AidWorks and SmartyGrants database. The review included DFAT and other donor program/modality design and annual reports, mid-term reviews, evaluations, and management responses. In addition, the team reviewed other relevant publications in the white and grey literature.

The systematic review of documents directly informed the selection of regional and country Posts and local implementing partners for the consultation phase.

Figure B.1: Overview of activities carried out in the ANCP evaluation



Literature review: The Evaluation team then undertook an extensive review of literature, current knowledge and global best practices in NGO funding modalities and programming. The Evaluation team also undertook an extensive review of the literature on global development trends to underpin a contextual analysis to help give a holistic view of the changing development context; the whole environment in which the ANCP operates. The results of both Literature Reviews have been consolidated into a single paper and are included at Annex H.

Written submissions: Written submissions were invited from ACFID, the Development Practice Committee (DPC) and ANCP ANGO partners to dig deeply into specific questions and gather insights on barriers and enablers to effective and efficient management arrangements of the modality. A template was provided via SurveyMonkey with the call for submissions to inform and guide responses by NGOs. Eight submissions were received and included in the qualitative analysis undertaken.

Criterion based assessment frameworks: Drawing on the literature review, the team developed two Criterion Based Assessment Frameworks (CBAF) (refer to Annex I), to guide the assessment of:

1. The ANCP's MEL system. The MEL CBAF includes 16 quality indicators in four key domains: strategy, infrastructure, capacity and enabling environment. This framework draws on the 2018 Office of Development Effectiveness (ODE) Evaluation of DFAT Investment Level Monitoring Systems.¹
2. The ANCP Modality. The CBAF for NGO modalities, provides a structure for analysing the ANCP, and comparable NGO modalities of DFAT and other donors. It acknowledges that effective funding modalities are fit for purpose and aligned to each donor's drivers, purpose, and systems, making it challenging to undertake a like for like assessment.

Consultation: The Evaluation team used a range of approaches to collect stakeholder perspectives for the evaluation to understand the strengths and limitations of the modality in the current and changing development context. Given the large and diverse number of ANCP partners, and the importance of their views, the Evaluation team conducted KIIs in addition to broad-based consultation tools and group methodologies such as roundtables and FGDs to ensure multiple perspectives were heard and considered within the evaluation data.

Consultation involved preliminary targeted interviews with key DPC and DFAT staff to frame the Evaluation and the analytical framework (refer to Annex F); consultation with the EWG, DPC ERG and NGO sector to seek feedback around the draft evaluation plan

and analytical framework; and preliminary FGDs with ANGOs to ascertain key development trends to explore in the key issues paper and to frame the literature review.

KII, FGDs, roundtables, case studies and written submissions were used to dig deeply into specific questions and gather insights from stakeholders including ACFID and CDC, DFAT Posts, other donors, ANGO partners, local civil society partners, government counterparts and potentially community groups. A mix of investigative and structured interviewing was used based on data collection tools developed in line with the evaluation Analytical Framework.

Consultations were mostly conducted remotely using videoconferencing platforms (i.e. Microsoft Teams, Zoom, and Webex), with online interpreters also supporting consultations with local implementing partners.

Sampling framework informing consultation:

Purposive sample of ANGOs for consultation via 9 x two-hour FGDs and Thematic Roundtables were undertaken with 32 (56percent) of ANCP ANGOs including:

- 1 x two-hour FGD with ACFID
- 8 x two-hour Thematic Roundtables aligned with the current issues disrupting development as outlined in the Key Issues Paper:
 1. COVID-19 and health security
 2. Locally led development
 3. Fundraising landscape
 4. DFAT-ANGO relationships
 5. Climate Change
 6. Humanitarian-Development Nexus
 7. Geopolitics
 8. Innovation

Purposive sample of DFAT Posts and Canberra based staff for consultation

Following descriptive analysis of the program data examining countries, sectors, level of funding, number of actors and strategic importance to Australia, the Evaluation team negotiated with DFAT a list of Posts and staff in Canberra to interview and conduct FGDs with. These FGDs and KIIs were particularly important for identifying enabling and inhibiting factors for the program and assessing their relative importance.

9 x one-hour FGDs with Posts were conducted (2 Pacific, 3 Asia, 3 Africa and 1 Middle East).

10 x one-hour KII or FGDs with DFAT staff in Canberra including:

- 3 x 1.5-hour DFAT ANCP team FGD
- 1 x one-hour New Divisional FAS KII

¹ Office of Development Effectiveness. "Evaluation of DFAT Investment Level Monitoring Systems." Accessed online 27

January 2022 at [evaluation-of-investment-level-monitoring-systems.pdf](https://www.dfat.gov.au/evaluation-of-investment-level-monitoring-systems.pdf) (dfat.gov.au)

- 1 x one-hour with Accreditation Reviewers KII
- 5 x two-hour FGD with a range of Canberra based DFAT staff from areas aligned with the current issues disrupting development as outlined in the Key Issues Paper (e.g., *Health Security (COVID-19 team), Localisation Policy Development Team, Climate Change and GEB and Disability, Safeguards, Design*).

Purposive sample of local partners for consultation

4 x one-hour FGDs with local implementing partners were undertaken to ascertain the views of grassroots agencies. Key geographies (Indonesia, Vietnam, Solomon Islands, and Timor-Leste) were selected/determined by applying the following criteria in discussion with DFAT: total funding envelope expended per year by country; geostrategic importance; and access to other development modalities and sectoral spread of projects.

Quantitative analysis: The Evaluation team undertook an assessment and compilation of data shortly after it was gathered. This included descriptive quantitative analysis of the ANCP as well as qualitative content analysis of relevant program and reporting documents and narrative content from the KIIs, thematic roundtables, FGDs and written submissions. GIS mapping tools were used to support data visualisation of program expenditure, geographic reach, and coverage together with visualisation of spend against sectors and the SDGs.

Conceptual framework: The team developed a “sphere of control” conceptual framework (refer to Figure B.2) as a helpful way to articulate the relationship between the ANCP modality and its contribution to the development and public diplomacy outcomes, and the roles and responsibilities of each actor along the results chain. The model is premised on the key evaluation finding

that *ANCP is a funding modality, not a program*. A sphere of control model is a valuable framing for evaluating modalities. It helps us to:

- Think through the theory of change in a clear way that considers what can reasonably be attributed to each actor
- Establish what a results chain might look like
- Identify what evidence is most meaningful at the different levels of the result chain.

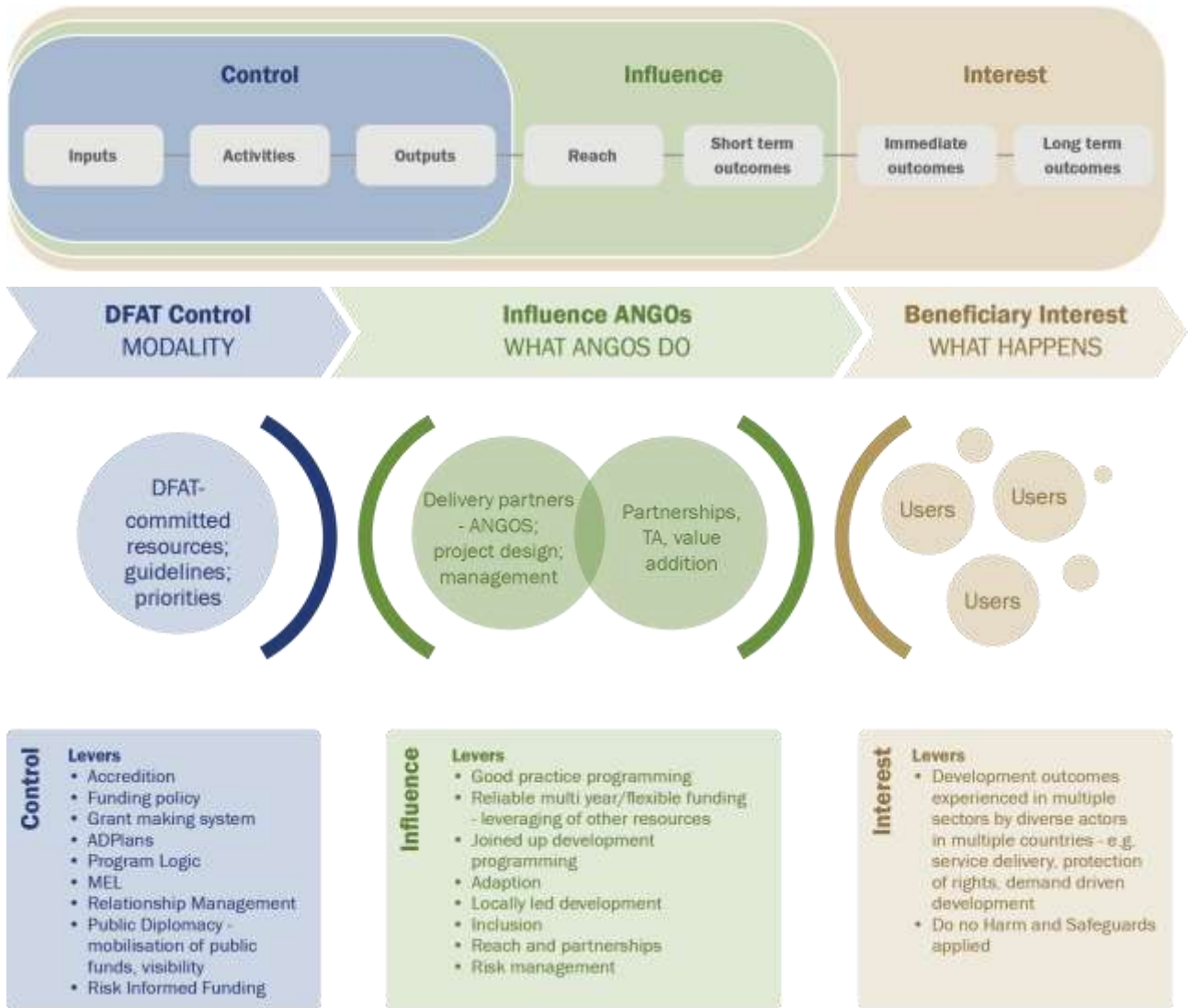
In short, this enables each actor to invest their time and resources in the areas that are within their control and competitive advantage to deliver impact and shared value where it matters the most.

This model has been used to inform the Evaluation team’s analysis, findings, and recommendations. The model provides a useful framing to ensure a focus on what is within the control or direct influence of DFAT as the funder. In turn, it usefully frames the intent of the modality in: “leveraging the diverse and individual capabilities and resources of ANGOs to deliver development outcomes in line with their institutional mandates where these intersect with Australian development priorities.”

In applying this conceptual framework to ANCP (see Figure B.2), it clarifies that the ANCP itself is not directly responsible for delivering development outcomes. The modality is designed to enable partners to deliver development outcomes as effectively and efficiently as possible. This model therefore enables us to identify the key levers that each actor (DFAT, ANGOs, local implementing partners etc) applies along the chain to deliver the intended results.

This Evaluation considers how the elements of the modality contribute to what ANGOs do and how this in turn leads to development and public diplomacy outcomes.

Figure B.2: Sphere of control results chain



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Sensemaking and strategy testing: In bringing together the preliminary findings the Evaluation team applied a realist approach—that is, not only assessing outcomes achieved but also understanding what mechanisms have worked in which contexts, and what outcomes have resulted. The Evaluation teased out mechanisms/factors that have enhanced and undermined effective partnerships between ANGOs and DFAT historically and how that has shifted in the evaluative period 2015-2022. Through a series of sensemaking and strategy testing workshops with the EWG, ERG and NGO sector, the Evaluation team unpacked and tested the findings and co-developed strategies to inform the evaluation recommendations, enabling DFAT to determine future efforts and investments based on their likely effectiveness within the shifting and increasingly complex context.

Synthesis and analysis: Audio recordings were made of interviews, and note takers worked contemporaneously. The Evaluation team entered close to a hundred individual data files with notes from meetings into the qualitative data analysis software NVIVO, and then coded each of the interviews using several dozen pre-determined codes as well as additional codes that were developed in the analysis process. After the notes were coded, the Evaluation team did searches and lists of texts with similar codes across the outcomes, modality features, countries, and sectors. Additional codes were included as new themes arose from the texts and coded texts were further grouped by thematic categories.

The Evaluation team used the coded texts during internal analysis workshops to map findings to the key questions. Common themes and differences in the data were compared. The findings were mapped against the Key Evaluation Questions to ensure that all questions were addressed. Direct quotations were selected to illustrate key findings.

Each question was answered using a triangulation of data sources, where the team had asked similar questions of many different actors during the FGDs and interviews (DFAT staff, ANGOs, local implementing partners, accreditation consultants, etc.) in 19 different countries and considering the four major areas of program management and implementation. The answers passed through the individual and collective judgement of the Evaluation team, their reading of additional documentary sources, and their knowledge of best practices on the subject. The team agreed after the analysis workshop to organise the report according to the key evaluation questions and OECD-DAC criteria rather

than the sub-questions to avoid tedious repetition, and to make the report more accessible to a broad audience.

Draft reports were reviewed for accuracy by the EWG and DPC ERG and comments were incorporated into the final draft.

Feedback from key stakeholders on the first draft report indicated findings largely reflected their own lived experiences. The Evaluation team made every effort to correct mistakes and omissions and to consider alternative views to our own from the comments.

Limitations and challenges

The Evaluation has several factors that limit its generalisability and validity. The Evaluation team made an effort to interview a wide range of stakeholders and actors globally (Annex A), it is possible that some important actors or perspectives were not included in the analysis.

Australia is the main donor in most of the Pacific Island countries (PICs) reviewed as part of the ANCP, but it was difficult to draw conclusions about the effects of Australian contributions at the outcome level several reasons:

- Aid investments and their monitoring systems operate within a complex environment, with ANCP managers and implementing partners often having limited capacity to influence factors such as partner government's monitoring systems. For this reason, the Evaluation took all steps possible to isolate the impacts of factors outside the direct control of the ANCP and ANGOs, to enable the successful and less successful features of the modality to be explored
- Attribution was also constrained by the number and quality of existing evaluations and the inability or appropriateness of aggregating development outcomes across the ANCP

The Evaluation focused on collecting a realistic and efficient body of data that is: (1) relevant for decision-makers in assessing the effectiveness and efficiency of the ANCP modality; and (2) sufficient to provide recommendations on potential enhancements. This focus was assisted by having a very solid and shared understanding of what quality or 'good practice' NGO funding modalities are. This was defined upfront and based on credible sources from the literature, with input from DFAT and other donors, then reviewed and shared back, and then reiterated so that everyone shared this understanding.

Annex C – Analytical Framework

No.	Key Evaluation Question	Factors to be considered	Desk Research ²	KIs	FGDs	Round- tables	Written Submissions	Case Studies	Strategy Testing Workshop
1.	How effective is the ANCP modality in assisting ANGOs to reduce poverty and promote sustainable and inclusive development?		✓	✓	✓			✓	✓
1.1	What are the major outcomes of delivering development through the ANCP?	<ul style="list-style-type: none"> To what extent have the three pathways in the program logic (modality, development outcomes and public diplomacy) and associated activities contributed to long term outcomes? 	✓	✓	✓			✓	✓
1.2	How has ANCP contributed to outcomes under PFR?			✓	✓			✓	✓
1.3	What are the features of the modality that contribute to or inhibit the delivery of outcomes? What is the relative importance of those features?	<ul style="list-style-type: none"> What activities have led to the most significant positive impact on ANCP? To what extent have the activities contributed to and/or inhibited the lives of women, people living with disability and others who experience social exclusion? Is the ANCP modality an effective way of promoting development? If so, why and under what conditions does it work best? What are the major strengths of the ANCP and how might these be leveraged? 	✓	✓	✓			✓	✓

² Desk research captures an extensive review and analysis of qualitative and quantitative secondary data.

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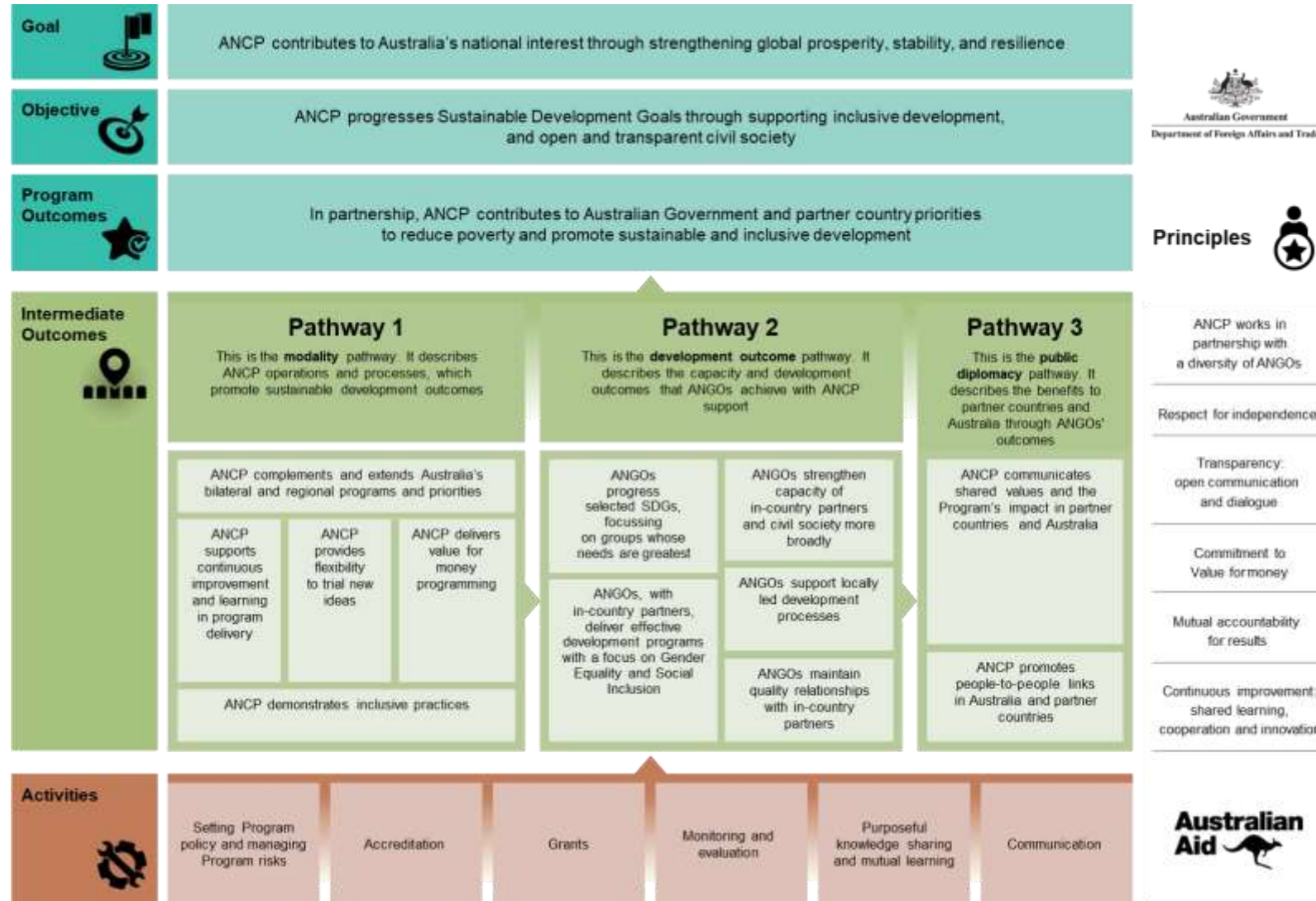
No.	Key Evaluation Question	Factors to be considered	Desk Research ²	KIs	FGDs	Round- tables	Written Submissions	Case Studies	Strategy Testing Workshop
2.	What are the key trends and emerging issues in the international development and NGO sector context which may impact on the ANCP modality and DFAT-ANGO relationships, and how might they be addressed?		✓	✓	✓	✓	✓		✓
2.1	What are the anticipated key trends in the NGO sector and in international development and their impacts that will be most relevant to delivering aid through the ANCP modality over the next 10 years?	<ul style="list-style-type: none"> • What are the emerging issues and new priorities within the development context? • What opportunities are there to improve the implementation of the ANCP? 	✓	✓	✓	✓	✓		✓
2.2	What opportunities and risks does this changing context present for ANCP?	<ul style="list-style-type: none"> • What risks are there to the management and implementation of the ANCP? 	✓	✓	✓	✓	✓		✓
3.	Is ANCP supported by robust and appropriate MEL processes?		✓	✓	✓			✓	✓
3.1	Does the current program logic adequately reflect the theory of change for the ANCP in the changing context, and how does the modality support this?	<ul style="list-style-type: none"> • What data is available to assess the effectiveness of the ANCP? • Are the assumptions and risk assessments in the original program logic still valid in the changing environment? 	✓	✓	✓			✓	✓
3.2	To what extent do ANCP M&E processes and systems generate robust evidence about the results and drive learning, policy, and program improvement?	<ul style="list-style-type: none"> • To what extent do lessons learned validate or challenge the program logic and underpinning rationale for the existing ANCP approach? • What are the characteristics of “better practice” investment monitoring and evaluation framework for NGO funding mechanisms? • What factors contribute to, or inhibit, “better practice” MEL frameworks? What are the management implications for the GoA? 	✓	✓	✓			✓	✓

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No.	Key Evaluation Question	Factors to be considered	Desk Research ²	KIs	FGDs	Round- tables	Written Submissions	Case Studies	Strategy Testing Workshop
4.	To what extent is the ANCP modality, including management, implementation, and funding arrangements, appropriate to the changing context and how can ANCP be adapted to be more relevant in the future?		✓	✓	✓	✓	✓	✓	✓
4.1	How efficient are current ANCP management, implementation, and funding arrangements in delivering against the ANCP's objectives in the changing context?	<ul style="list-style-type: none"> What value has been derived from the structural approach to ANCP delivery? Is there any evidence to suggest that the outcome of the ANCP is greater than the sum of its parts? 	✓	✓	✓	✓	✓		
4.2	What are the features of good practice in NGO modalities that are relevant to the current context?	<ul style="list-style-type: none"> To what extent does the structure of the ANCP modality contribute to establishing effective and sustainable partnerships –at the delivery, management, and governance levels? 	✓	✓	✓			✓	✓
4.3	What comparative models of NGO funding and program management has DFAT employed and what lessons can be learned from these?	<ul style="list-style-type: none"> To what extent and in what ways has ANCP been delivered in response to the changing environment? What have been the resource implications of this on DFAT, on ANGOs and on local partners? 	✓	✓	✓			✓	✓
4.4	What comparative models of NGO funding and program management have other like-minded donors employed and what lessons can be learned from these?	<ul style="list-style-type: none"> To what extent and in what ways has ANCP been delivered in response to the changing environment? What have been the resource implications of this on DFAT, on ANGOs and on local partners? 	✓	✓				✓	✓
4.5	What are the management implications for the ANCP for DFAT and the NGO sector, and what are the lessons for the broader Australian development program?	<ul style="list-style-type: none"> What factors have enabled or inhibited the relationship between DFAT and ANGOs? How best could this level of funding in this sector achieve the desired outcomes in the existing ANCP design? What can we learn from international best practice? How could the modality's arrangements be amended to enhance its relevance, efficiency, and effectiveness? 		✓	✓	✓			✓

Annex D – ANCP Program Logic³



³ DFAT. "ANCP Program Logic". Accessed on 25 June 2022 at [anpc-program-logic.docx \(live.com\)](https://www.dfat.gov.au/ncp-program-logic.docx)

Annex E – ANCP Architecture

Formal Processes Lead by DFAT

Accreditation

- Accreditation guidance and standards
- Accreditation process
- Procurement and contracting of accreditation reviewers
- Committee for Development Cooperation (CDC)
- DFAT Delegate approval of accreditation

Operations

- Management of RDE and funding policy/ allocation
- Grant agreement management
- Annual Development Plan Management
- Engagement with Posts
- ANCP Spot Check
- NGO Issues management with other DFAT sections
- Smarty Grants management
- Management of ANCP Policy

MERL & Reporting

- M&E frameworks
- Annual monitoring visits
- Smarty Grants – common reporting formats and program management
- Thematic reviews
- Meta-evaluations
- Annual reflections meeting
- DFAT analysis of data – AQC/IMRs, APPR, PPA, Annual Aid Performance Report
- Shared learning events
- Annual snapshot reports

Communications

- DFAT social media
- DFAT intranet, SharePoint site and website
- ANCP Impact Stories
- DFAT development, external and thematic area campaigns
- Ministerial and Executive speeches and briefings
- Delivery of ANCP Communications Strategy
- Engagement with ANCP Stakeholders

Process and Systems Managed by NGOs

Accreditation

- Policy devt/ alignment
- System alignment
- Mock accreditations
- External consultants
- Due diligence for local partners
- Requirements for local partners

Operations

- Program management
- Internal procurement for ANCP funding
- Management & capacity building of local partners
- NGO engagement with Post

MERL & Reporting

- M&E systems for ANGO
- M&E systems for local partners
- Monitoring visits
- Regular reporting
- Independent evaluations

Communications

- Content development
- Delivery of communications plan
- Engagement with local communities

NGO systems relating to servicing ANCP are integrated with individual NGO management systems, program cycles and organisational structures. They are both complex and complicated. The global architecture of the NGO world including decentralised power and control, and diverse legislative obligations particularly for those who are part of international alliances and organisations adds complexity to operationalising ANCP requirements including budgeting, planning and quality standards.

Processes and Systems Managed by Local Civil Society

These systems require local civil society partners to align their own management and program systems, processes and cycles with that of their ANGO partners and DFAT.

Annex F – The ANCP Accreditation Process

The accreditation scheme commenced in 1996 and has undergone continuous improvement in response to independent, management and administrative reviews.

ANGOs must be accredited by DFAT to receive funding under the ANCP. The process requires NGOs to go through a rigorous and independent assessment of their governance and risk management, development approaches and management, approaches to partnership and collaboration, communications, and financial management. It allows DFAT to assess ANGOs capacity to meet the terms and conditions of a Grant Agreement with DFAT.

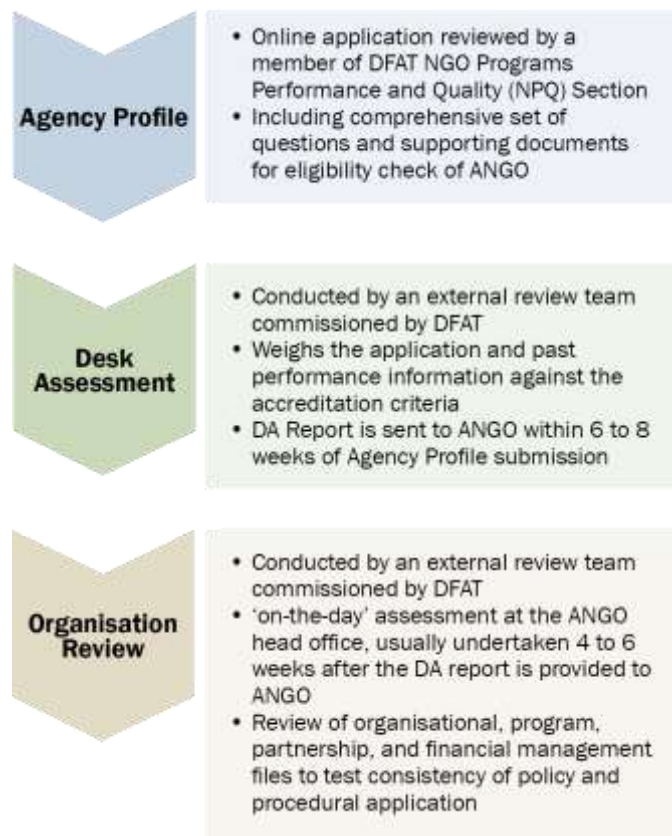
To apply for accreditation, ANGOs must meet pre-eligibility criteria which are assessed by DFAT prior to the commencement of the review process.

The pre-eligibility criteria are:

- ANGO must be registered with the Australian Charities and Not-for-Profits Commission (ACNC)
- ANGO is not included on the World Bank Listing of ineligible firms and individuals; the Asian Development Bank Sanctions List; the Attorney General's Department List of Terrorist organisations; or DFAT's consolidated list of individuals and entities subject to targeted financial sanctions, including relating to terrorism
- ANGO must be a signatory to the ACFID Code of Conduct
- ANGO meets the relevant RDE threshold, i.e. a RDE of \$50,000 minimum, averaged over three years, if applying for Base accreditation; or a RDE of \$100,000 minimum, averaged over three years, if applying for Full accreditation. Funding eligibility amounts are outlined in the ANCP Manual. ANGOs that have not previously been accredited, may need to undergo an RDE assessment by a financial assessor
- ANGO must demonstrate a minimum two-year track record of managing development activities.

ANGOs can seek accreditation at either Base or Full level. The criteria at each level are the same but there are differences in indicators and standards expected for each level and these are applied in proportion to the nature and significance of risk. ANCP funding available to each accredited ANGO differs between the levels of accreditation awarded, i.e. for Base level accreditation ANGOs can receive a minimum grant amount of \$150,000 and for Full accreditation ANGOs can receive upwards of that amount.

The process of accreditation starts with:



The accreditation process above provides an interactive opportunity for information exchange between the review team and the ANGO. The review team's final report is presented to the Committee for Development Cooperation (CDC), a joint DFAT-ANGO advisory body that considers each Organisational Review report prior to making its recommendation to the DFAT delegate for a final decision.

ANGOs must undertake this process at least every five years to remain accredited.

Annex G – ANCP Grant Funding by ANGO 2015-21

Funding by NGO (AUDm)	2015-21 Total Funding							Grand Total
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	
World Vision Australia	27,474,332	27,474,332	28,980,000	29,655,000	29,655,000	29,902,500	29,913,752	203,054,916
Oxfam Australia	11,093,838	11,093,838	10,805,987	10,798,023	10,125,709	8,100,568	8,234,199	70,252,162
The Fred Hollows Foundation	6,237,215	6,237,215	7,172,797	8,607,357	10,759,196	13,448,995	13,772,814	66,235,589
Caritas Australia	8,238,424	8,238,424	7,652,495	7,844,107	7,695,004	7,266,551	7,379,195	54,314,200
ChildFund Australia	7,498,738	7,498,738	6,929,845	7,184,292	7,030,368	6,646,282	6,269,477	49,057,740
Save the Children Australia	6,166,597	6,166,597	6,816,009	6,879,891	6,388,400	6,387,029	7,105,996	45,910,519
Plan International Australia	6,699,749	6,699,749	6,134,648	6,355,299	6,588,898	6,557,755	6,272,171	45,308,269
CBM Australia	6,755,098	6,755,098	6,079,588	5,986,919	6,113,983	6,162,145	6,089,100	43,941,931
CARE Australia	5,954,189	5,954,189	5,358,770	4,554,955	3,643,964	3,092,466	2,888,596	31,447,129
TEAR Australia	5,104,700	5,104,700	4,594,230	4,219,717	4,160,756	4,042,038	3,974,567	31,200,708
Transform Aid International (previously Baptist World Aid Australia)	3,065,000	3,218,250	3,092,094	3,314,844	3,565,007	3,994,197	4,258,979	24,508,370
Adventist Development & Relief Agency	2,084,027	2,188,228	2,107,469	2,528,962	2,950,709	3,352,416	3,261,812	18,473,623
Action on Poverty (formerly Aust. Foundation for Peoples of Asia and Pacific)	1,824,205	1,915,415	2,202,727	2,643,273	2,235,819	2,169,661	2,436,776	15,427,876
Opportunity International Australia	1,918,408	2,000,674	1,800,607	1,788,838	1,820,285	2,001,416	2,211,583	13,541,812
National Council of Churches in Australia - Act for Peace	1,914,349	1,818,631	1,636,768	1,585,632	1,863,623	2,121,886	2,140,730	13,081,618
UNICEF	150,000	150,000	1,999,289	2,158,183	2,454,624	2,823,211	3,218,152	12,953,459
Brien Holden Vision Institute Foundation	2,018,315	2,119,230	2,138,851	2,066,905	2,018,512	2,052,487	150,000	12,564,300
Australian Lutheran World Service	1,706,855	1,678,679	1,622,945	1,741,227	1,796,070	1,815,053	1,857,264	12,218,092
MSI Asia Pacific (formerly Marie Stopes International Australia)	1,704,915	1,619,669	1,457,702	1,246,548	1,279,615	1,350,432	1,308,229	9,967,110
Australian Red Cross	2,737,408	2,000,000	2,500,000	2,500,000	n/a	n/a	n/a	9,737,408
Aust. People for Health Education & Development Abroad	1,445,956	1,373,658	1,236,292	1,283,317	1,322,735	1,291,735	1,218,012	9,171,705
Uniting World	1,203,443	1,263,615	1,199,413	1,288,925	1,212,315	1,076,584	927,236	8,171,532
Engineers Without Borders	806,815	847,156	974,229	1,169,075	1,238,796	1,210,448	1,204,533	7,451,051
WaterAid Australia	845,194	887,453	1,020,571	1,173,365	1,226,170	1,075,041	1,093,004	7,320,798
The Leprosy Mission Australia	1,041,530	1,016,541	966,287	917,775	918,635	1,004,066	1,156,922	7,021,756
ActionAid	883,321	927,487	834,739	150,000	1,180,189	1,237,839	1,304,240	6,517,815
Habitat for Humanity Australia	923,344	877,176	831,208	950,919	982,453	986,255	941,139	6,492,494
Burnet Institute	706,775	742,114	801,717	866,791	897,138	868,952	832,454	5,715,940
International Women's Development Agency	616,128	646,934	743,974	870,550	990,424	1,049,425	787,069	5,704,505

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Funding by NGO (AUDm)	2015-21 Total Funding							Grand Total
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	
Anglicans in Development (Formerly Anglican Board of Mission Australia Limited)	765,303	803,568	774,499	768,270	748,275	729,520	683,110	5,272,545
Anglican Overseas Aid (previously AngliCORD)	703,159	738,317	808,220	797,405	734,069	672,193	654,080	5,107,442
World Education Australia Limited (Good Return)	624,090	655,294	720,342	747,537	732,024	713,645	791,579	4,984,511
International Needs Australia	620,569	651,597	607,404	609,937	623,143	637,338	674,493	4,424,481
Kokoda Track Foundation	150,000	150,000	542,876	630,106	774,168	922,568	968,302	4,138,020
Credit Union Foundation Australia	699,736	670,864	603,778	524,665	496,960	502,913	479,566	3,978,481
Interplast Australia & New Zealand	541,370	568,438	653,704	784,445	936,636	150,000	150,000	3,784,592
Quaker Service Australia	300,000	315,000	362,250	419,846	437,618	428,056	417,101	2,679,871
Family Planning NSW	300,000	315,000	362,250	389,814	373,998	365,326	371,645	2,478,033
World Wide Fund for Nature Australia	375,669	394,452	453,620	544,344	150,000	150,000	150,000	2,218,085
Motivation Australia	150,000	150,000	348,495	360,313	380,981	374,535	379,844	2,144,168
Mary Mackillop Today	n/a	n/a	n/a	n/a	300,000	851,847	965,774	2,117,621
SurfAid International Australia	150,000	150,000	150,000	150,000	300,000	600,982	580,657	2,081,639
Australian Doctors International	150,000	150,000	150,000	150,000	447,731	463,644	532,602	2,043,977
Every Home Global Concern Limited	551,240	523,678	471,311	492,632	n/a	n/a	n/a	2,038,862
International Nepal Fellowship	150,000	150,000	150,000	150,000	150,000	150,000	693,246	1,593,246
Assisi Aid Projects	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,050,000
Australian Himalayan Foundation	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,050,000
Diplomacy Training Program	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,050,000
Nusa Tenggara Association Inc	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,050,000
Palmera	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,050,000
Reledev Australia	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,050,000
Royal Australasian College of Surgeons	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,050,000
Salvation Army	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,050,000
Global Mission Partners	n/a	150,000	150,000	150,000	150,000	150,000	150,000	900,000
Australian Doctors for Africa	150,000	150,000	150,000	150,000	150,000	n/a	n/a	750,000
See Beyond Borders	n/a	n/a	150,000	150,000	150,000	150,000	150,000	750,000
Sight for All	n/a	n/a	150,000	150,000	150,000	150,000	150,000	750,000
MAA International	n/a	n/a	150,000	150,000	150,000	150,000	-	600,000
Kyeema	n/a	n/a	n/a	n/a	150,000	150,000	150,000	450,000
So They Can	n/a	n/a	n/a	n/a	n/a	150,000	150,000	300,000
Friends of Famili PNG	n/a	n/a	n/a	n/a	n/a	n/a	150,000	150,000
Archbishop of Sydney Overseas Relief and Aid Fund	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-

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	2015-21 Total Funding							
<i>Funding by NGO (AUDm)</i>	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	Grand Total
Australasian Society for HIV, Viral Hepatitis and Sexual Health Medicine (ASHM)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-
Edmund Rice Foundation Australia	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-
Hagar	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-
TOTAL ANCP FUNDING TO NGOs	126,400,000	126,400,000	128,800,000	131,800,000	131,800,000	132,900,000	132,800,000	910,900,000
DFAT Program Management Costs	900,000	900,000	700,000	700,000	700,000	600,000	700,000	5,200,000
TOTAL ANCP APPROPRIATION	127,300,000	127,300,000	128,800,000	132,500,000	132,500,000	133,500,000	133,650,000	915,550,000

Annex H – Evidence underpinning development outcomes

Figure H.1: Breakdown of spending by year by country 2015-21

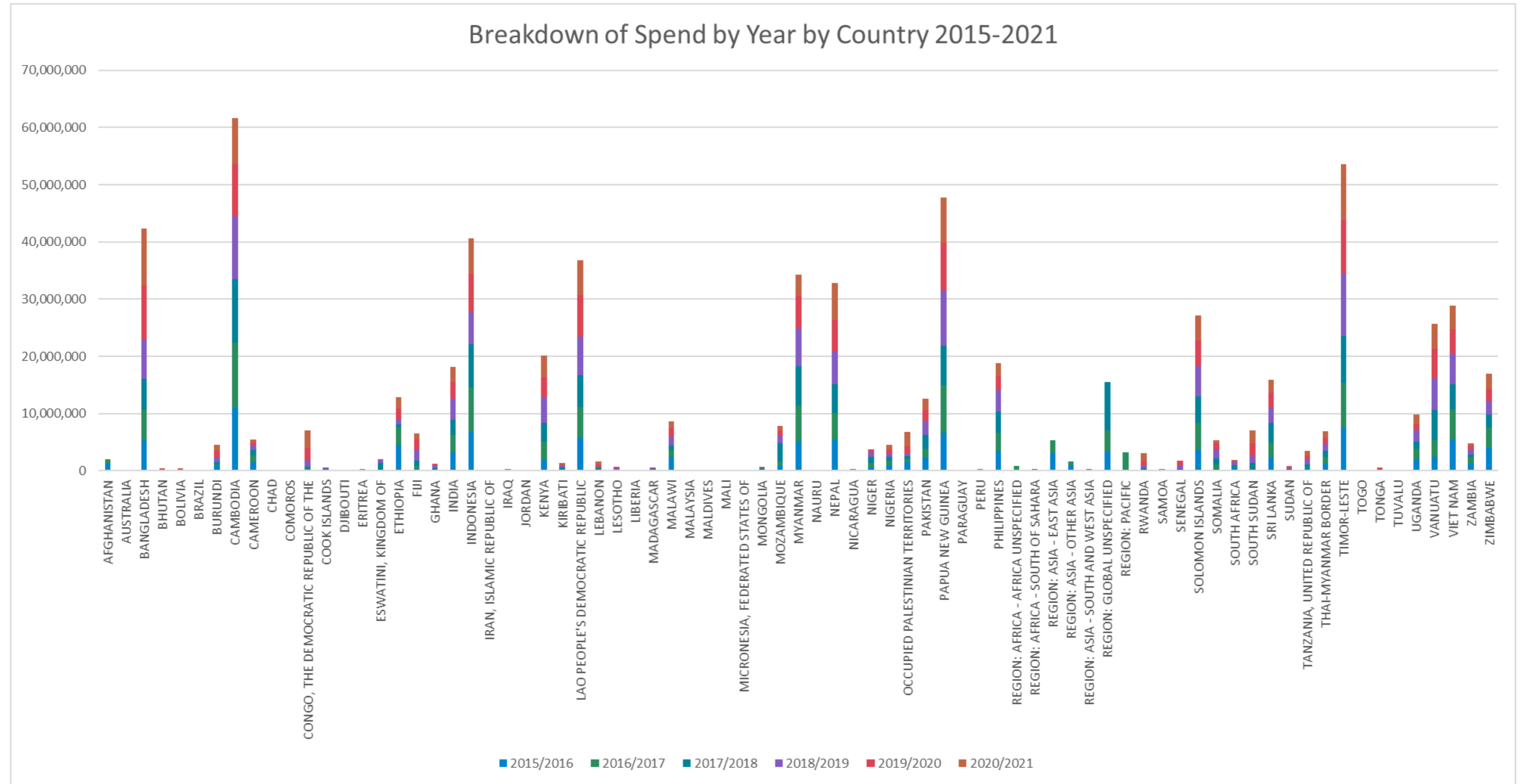


Figure H.2: Total number of male, female and diverse sexual orientation gender identity/expression and sex characteristics (SOGIESC) direct beneficiaries of ANCP 2015-21

6,291,893	9,048,142	0	5,292,526	7,211,344	0	8,326,330	9,955,687	89	8,008,822	11,041,378	2,682	5,143,950	6,695,425	481	4,044,224	4,906,611	957
Male	Female	X	Male	Female	X	Male	Female	X	Male	Female	X	Male	Female	X	Male	Female	X
2015/2016			2016/2017			2017/2018			2018/2019			2019/2020			2020/2021		

Figure H.3: Proportion of total ODA and ANCP expenditure by region 2015-21

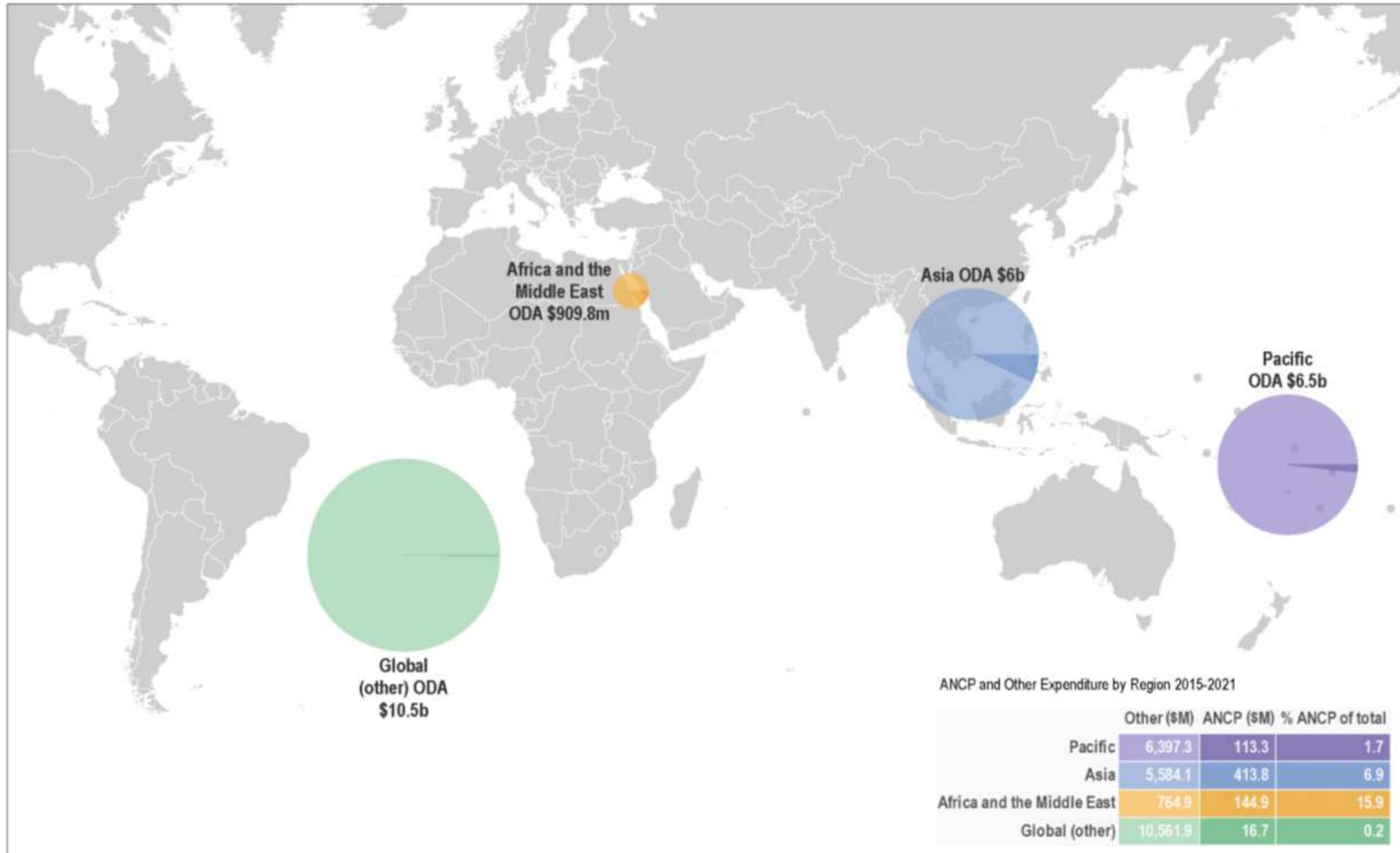


Figure H.4: Total ANCP spend by country 2015-21

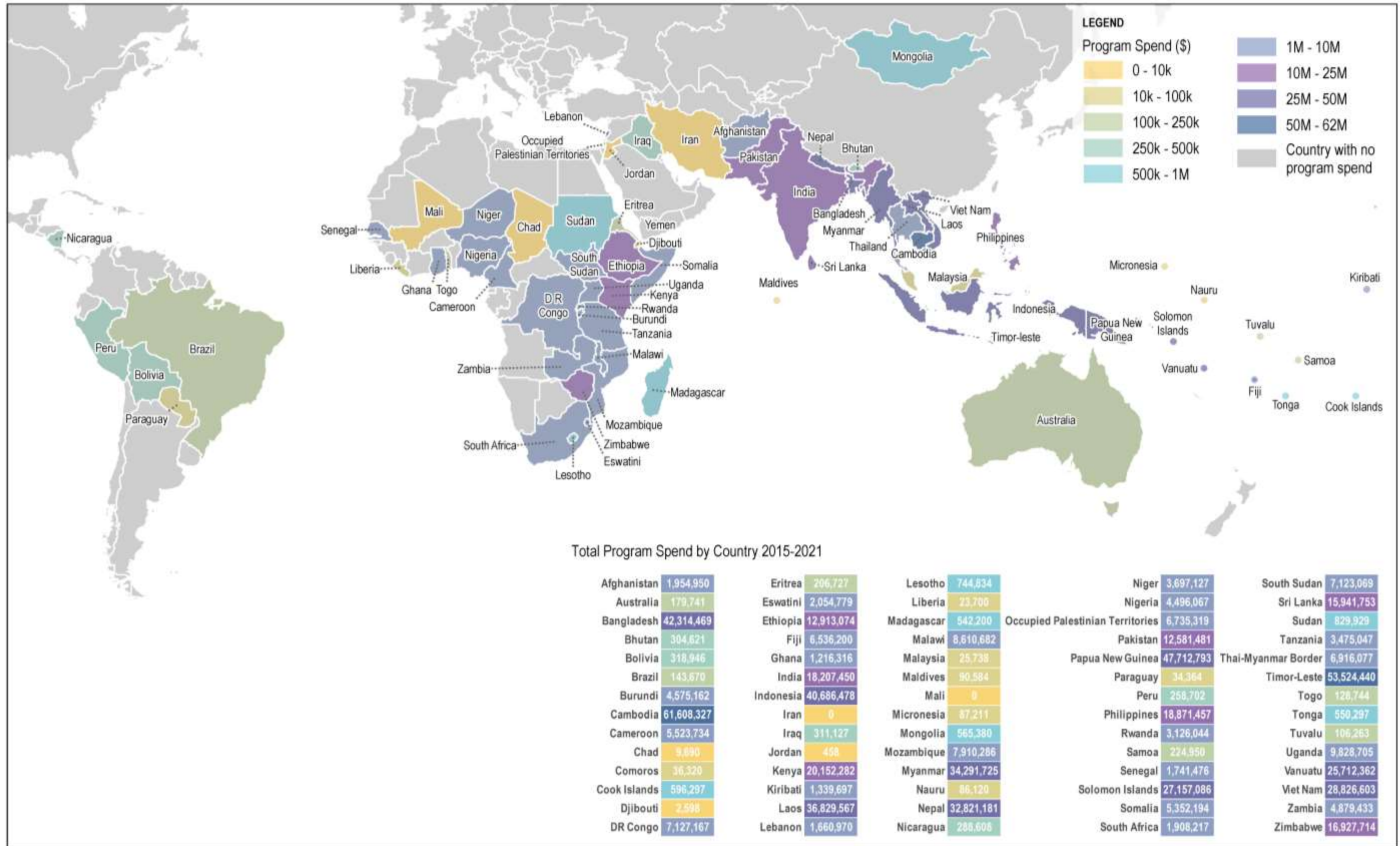


Figure H.5: ANCP spend by sector by year 2015-20

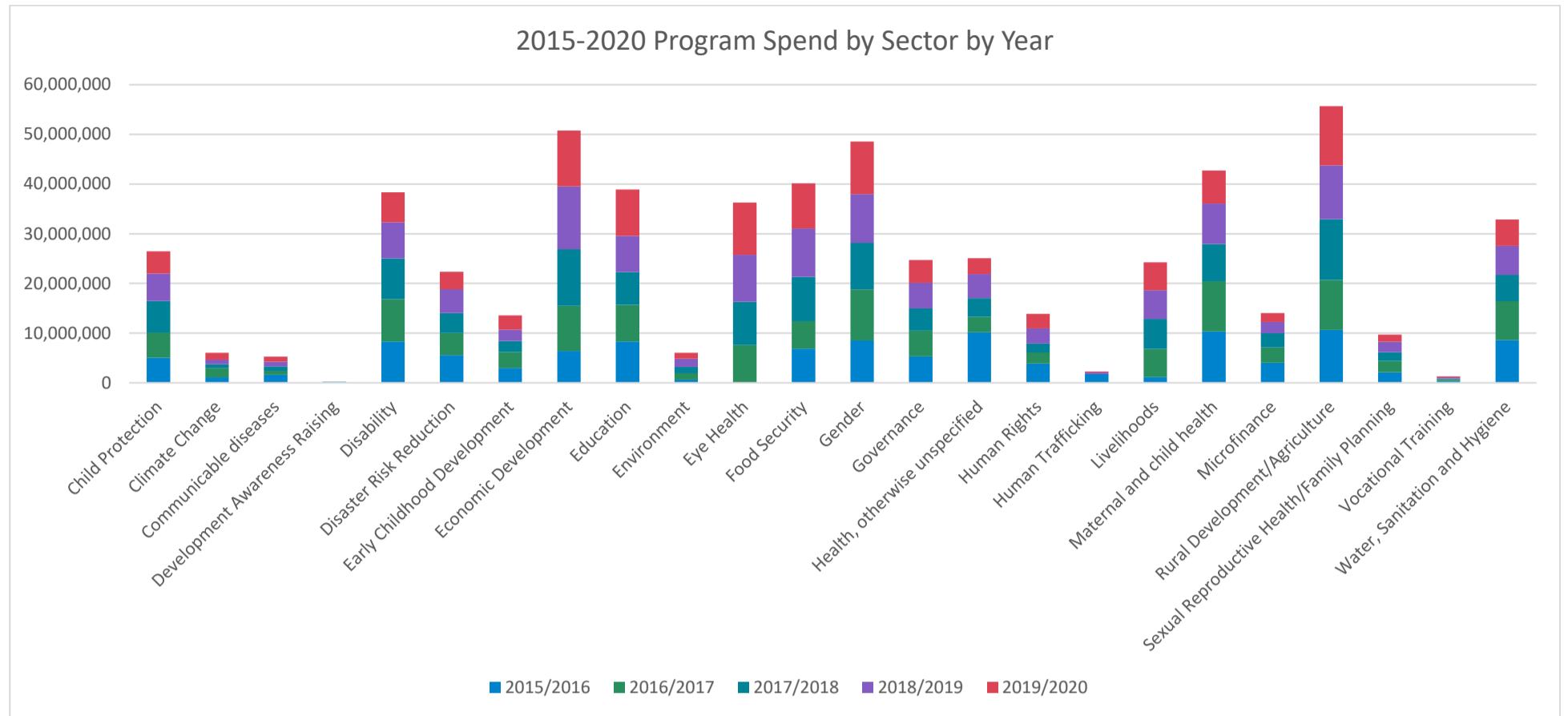
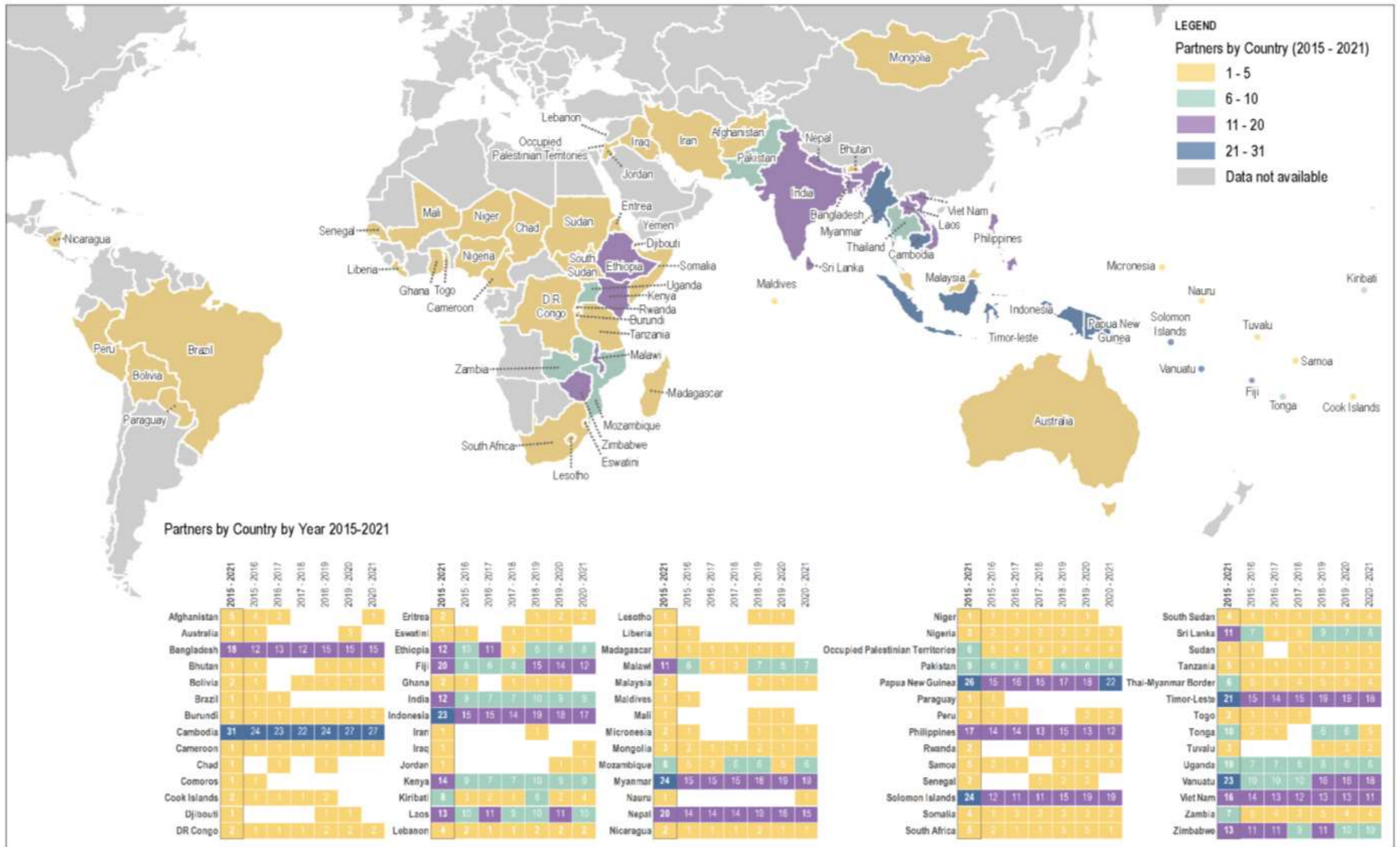


Figure H.6: Number of local implementing partners by country



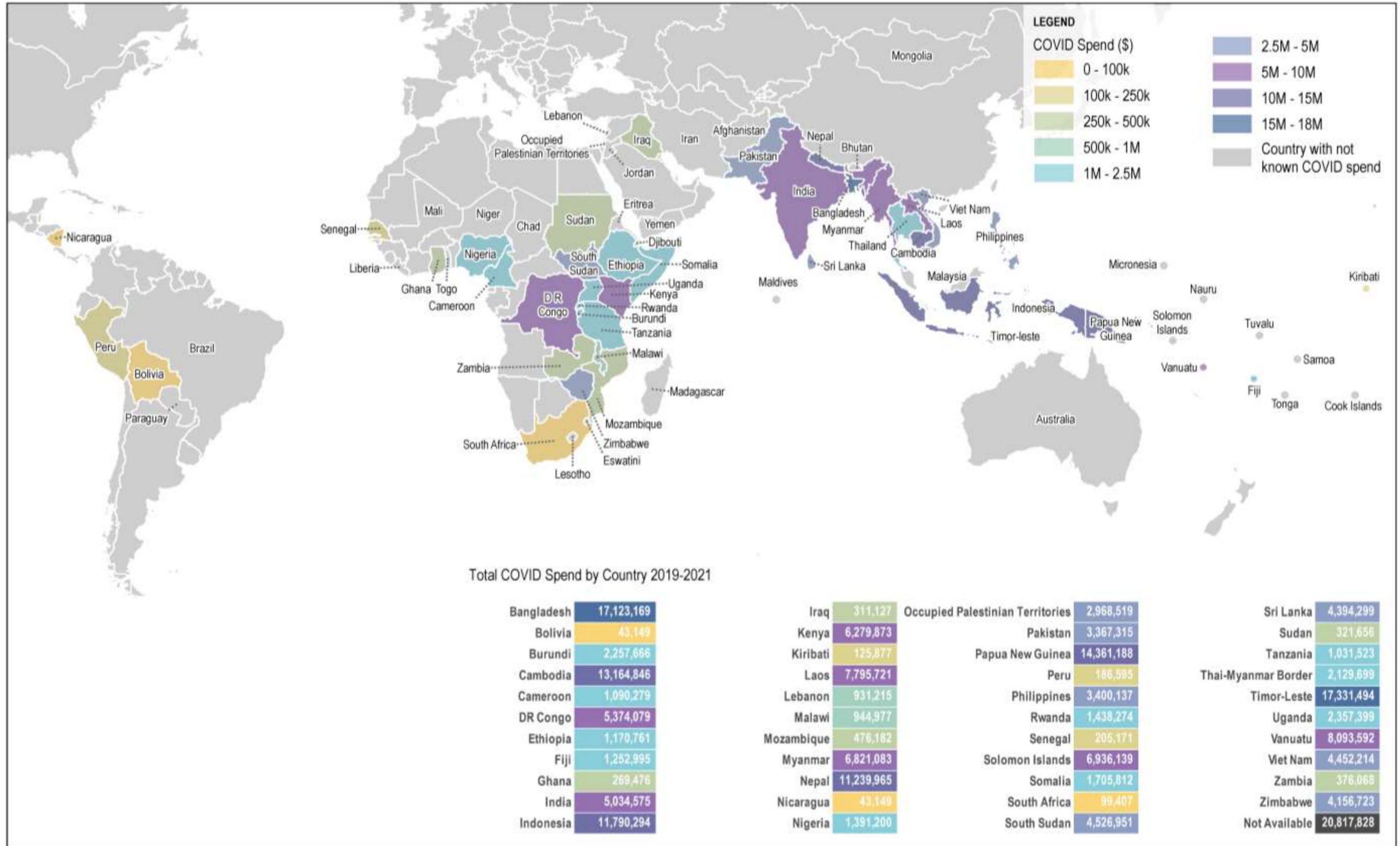
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Table H.1: ANCP Activities and expenditure by year, country, and NGO on Climate Change⁴

2015 - 20 Activities and Funding spent on Climate Change						
Year	NGO	Country	Project Name	Primary DAC Code	Funding	Total Funding
2015/2016	Action on Poverty	VIET NAM	Bright Futures Program - Scaling Up Community Based Adaptation (Vietnam)	41081 - Environmental education/ training	113,113	1,100,061
	Plan International Australia (PIA)	VIET NAM	Community Resilience to Climate Change in Poor Rural Communes in Central Vietnam	74010 - Disaster prevention and preparedness	137,982	
	Save the Children Australia (SCA)	BANGLADESH	Integrated Child Centred Climate Change Adaptation Project in Bangladesh (ICCCCA), Phase II	74010 - Disaster prevention and preparedness	343,080	
	World Vision Australia (WVA)	TIMOR-LESTE	Bobonaro Acts on Climate Change	31130 - Agricultural land resources	175,679	
	World Vision Australia (WVA)	TIMOR-LESTE	Building Resilience to a Changing Climate and Environment (BRACCE)	31220 - Forestry development	330,207	
2016/2017	Action on Poverty	CAMBODIA	Promoting Climate Resilient Communities (Cambodia) (PILOT)	41081 - Environmental education/ training	50,483	1,897,966
	Plan International Australia (PIA)	INDONESIA	Community Resilience to Climate Change and Disaster in Nagekeo, Indonesia	74010 - Disaster prevention and preparedness	224,600	
	Plan International Australia (PIA)	VIET NAM	Community Resilience to Climate Change in Central Vietnam	74010 - Disaster prevention and preparedness	257,188	
	Save the Children Australia (SCA)	BANGLADESH	Integrated Child Centred Climate Change Adaptation Project in Bangladesh (ICCCCA)	74010 - Disaster prevention and preparedness	342,595	
	World Vision Australia (WVA)	REGION: AFRICA - AFRICA UNSPECIFIED	Farmer Managed Natural Regeneration for East Africa	41081 - Environmental education/ training	791,518	
	World Vision Australia (WVA)	TIMOR-LESTE	Bobonaro Acts on Climate Change	31130 - Agricultural land resources	231,582	
2017/2018	Action on Poverty	CAMBODIA	Promoting Climate Resilient Communities (Cambodia)	41081 - Environmental education/ training	63,389	699,260
	Plan International Australia (PIA)	INDONESIA	Community Resilience to Climate Change and Disaster in Nagekeo, Indonesia	74010 - Disaster prevention and preparedness	227,219	
	Save the Children Australia (SCA)	BANGLADESH	child-centred Climate Change Adaptation project in Bangladesh	74010 - Disaster prevention and preparedness	408,652	
2018/2019	Oxfam Australia (OAU)	Not available	Pacific Climate Change Collaboration, Influencing and Learning	74010 - Disaster prevention and preparedness	471,142	946,723
	World Wide Fund for Nature Australia (WWF)	SOLOMON ISLANDS	Community Adaptation Pathways in the Solomon Islands (with Plan International Australia)	43040 - Rural development	50,297	
	Save the Children Australia (SCA)	BANGLADESH	Child Centred Climate Change Adaptation project in Bangladesh	74010 - Disaster prevention and preparedness	425,284	
2019/2020	Oxfam Australia (OAU)	Not available	Pacific Climate Change Collaboration, Influencing and Learning	Not available	797,842	1,401,056
	Plan International Australia (PIA)	SOLOMON ISLANDS	Community Adaptation Pathways in the Solomon Islands.	Not available	269,588	
	Save the Children Australia (SCA)	BANGLADESH	Child centred Climate Change Adaptation project in Bangladesh	Not available	333,625	

⁴ Source: ANCP SmartyGrants data

Figure H.7: Total COVID-19 spend by country 2019-21



Annex I – Comparative Donor Case Studies



Global Affairs Canada (GAC)

GAC provides funding to NGOs through unsolicited applications and through multiple funding windows and calls for proposals.

Certain windows accept applications on an ongoing basis, including Innovative Finance Programs, Canada and Climate Finance, and Canada for Local Voice.⁵

There are also specific calls for proposals which target particular sectors or particular countries or regions. There have been four such calls in 2022.



What does this look like?

- There is a civil society engagement policy and a joint GAC and NGO governance structure
- The funding is entirely administered in-house
- Separate contracts are prepared for every agreement – some agencies have over 20 contracts
- Due diligence is done on a contract-by-contract basis
- There are regular interactions with Posts – monthly calls to many relevant Posts
- Strong relationships between NGO programs and Posts
- Each contract includes a detailed program logic
- NGOs develop comprehensive project implementation plans which include a lot of detail. These are produced at project inception, but are not necessarily updated through a project or used to hold NGOs to account
- There is work underway to improve administrative efficiency. NGOs can already share costs between contracts. Where organisations hold multiple contracts, each with a small percentage of funding dedicated to a certain function such as gender equality or MEL, there is consideration as to whether this can be pooled and funded separately.



Budget: CAD \$350 million



Time period: Ongoing



Partners: Over 100 NGO partners



How is this different to what DFAT ANCP currently do and what are the trade-offs?

- Multiple contracts for NGOs and much greater administrative burden
- Competitive funding means lack of predictability in funding – some organisations go bust, but generally good organisations are successful
- Regular competitive rounds theoretically make it possible for new entrants – there are over 2000 NGOs in the sector. However, it is generally the same cohort of organisations that bid and win
- Competitive rounds mean funding goes to organisations that can write a good proposal – this is a big complaint from the NGO sector
- Policy dialogue is run by policy teams and peak bodies – this means functions can be separate within the organisations and doesn't cause confusion.



What are the lessons learned and where to from here?

- Consider expanding the platforms for engagement with NGOs – especially direct engagement between NGOs and foreign affairs branches on issues broader than development assistance

⁵ Application windows for Canada for Local Voice vary according to country.

Irish Department of Foreign Affairs (DFA) – Irish Aid

Irish Aid partners with a wide range of organisations to undertake long-term overseas development, development education, and delivery of emergency assistance and recovery. The aim of these partnerships is to contribute to the reduction of poverty in the developing world and to the achievement of SDGs. There are three central grant mechanisms - program grants, project grants, and global citizenship education funding.



Budget: €3.92million program grants (2017-2021), €9.02million in 2021 for the Civil Society Fund, €1.8million in 2022 for the Global Citizenship grants



Partners: 14 Program grant partners, 27 project grant partners, 34 Global Citizenship Education partners



What does this look like?

- DFA's development policy *A Better World* sets out clear objectives for civil society⁶
- DFA also have a civil society policy which was drafted in 2008⁷ and a Global Citizenship Education Strategy 2021-2025⁸
- Programme Grants provide multi-annual flexible funding for programmatic approaches aimed at holistic change for poor and marginalised people
- Project grants are provided annually through the Civil Society Fund – they are for 1–3-year development projects delivered to support Irish Aid Policy
- Global Citizenship Education funding aims to increase public knowledge and understanding of the rapidly changing, interdependent and unequal world
- DFA provides organisational development support and governance reviews which has improved the compliance of partners and may contribute to long term risk management performance
- Funds are managed in-house
- ICSP for A Better World is due to commence in January 2023. There will be four funding streams for: development; chronic humanitarian crises; acute humanitarian crises and global citizenship education.



How is this different to what DFAT ANCP currently do and what are the trade-offs?

- Management and administrative support is integrated between development and humanitarian funding – for example NGOs receiving both types of funding can submit one joint annual report. This enables greater integration and visibility across funding streams.⁹
- An open approach to policy dialogue meant that dialogue was often reactive rather than proactive and favoured CSOs with greater resources.¹⁰ An independent evaluation recommended a more structured and strategic approach to dialogue centrally and at Post.



What are the lessons learned and where to from here?

- Having specific grants for development education and public engagement have been effective in achieving public diplomacy outcomes and could be considered by DFAT
- DFA's policy objectives around civil society are in line with OECD-DAC good practice. DFAT could review and strengthen its current partnerships statement.

⁶ A safe and enabling environment where civil society can develop and function; CSOs to hold State institutions to account for improved quality and access to information and services, as well as increased transparency; CSOs to support the poorest members of society to participate in the economy and access quality services; CSOs, globally and nationally, to engage in promoting development, human rights and social justice

⁷ This policy will likely be reviewed next year

⁸ Irish Aid. "Global Citizenship Education Strategy." Accessed online 7 July 2022 at

https://www.irishaid.ie/media/irishaid/whatwedo/howweworkwith/civilsociety/21-024-Global-Citizenship-Education-Strategy_V5.1_Digital.pdf

⁹ While administration is integrated, funding is separate. A pilot for blended funding was undertaken and found to improve the pilot organisations effectiveness in working at the humanitarian, development, peace nexus

¹⁰ DFAT Internal Report Cover (irishaid.ie)



The Swedish International Development Cooperation Agency (SIDA)

SIDA's Strategy for support via Swedish CSOs aims to strengthen civil society in developing countries through support offered via Swedish CSOs in order to achieve the overall objective of creating opportunities for better living conditions for people living in poverty.

CSOs are very important partners for Sweden – 40 percent of ODA is allocated to CSOs. Funding is provided through framework agreements to Swedish strategic partners as well as directly to local CSOs.



What does this look like?

- In addition to the Strategy for support via Swedish CSOs there are guidelines for CSOs to support them to engage with civil society. These have been developed and implemented in close consultation with the OECD-DAC
- Framework agreements with 17 Swedish CSOs are the main mechanism for civil society support and engagement. They are 5-year agreements and highly flexible – though not core funding
- SIDA manages these agreements in-house
- SIDA is committed to enhancing locally led development. Partnership with a local organisation is a condition of funding for Swedish CSOs – the 17 framework agreement partners support over 3000 local CSOs
- SIDA is committed to providing flexible funding which respects NGO autonomy – and expects this to be handed on to consortium partners and local CSOs – though this is not always the case. There are no set formats for applications or budgets. SIDA expects partners to be goal oriented but does not demand a logical framework
- SIDA maintains a database where CSOs report their activities. Many of these are project-based despite the flexibility of funding.



Budget: SEK1.9bn (AUD275 million)



Time period: Ongoing



Partners: 17 Swedish Strategic Partners (many are consortia)



How is this different to what DFAT ANCP currently do and what are the trade-offs?

- In 2015 the Swedish Ministry of Foreign Affairs and Trade made a joint commitment with CSOs to strengthen dialogue and collaboration in development cooperation
- The Ministry of Foreign Affairs have responsibility for CSO engagement and organising a CSO forum which they then co-host. This is an effective and greatly appreciated opportunity for policy dialogue
- While SIDA have detailed information on how funding is spent, they do not have an effective means of assessing the impact of funding on local partner capacity
- The conditions for funding under the framework agreements respect NGO autonomy and try to avoid imposing donor requirements as much as possible. This has contributed to an imbalance of power with the NGOs and an unwillingness to change the program to tackle emerging issues.



What are the lessons learned and where to from here?

- It is important to be clear on the individual and shared objectives in a partnership and regularly reflect on whether these are being met.



New Zealand Ministry of Foreign Affairs and Trade (MFAT)

MFAT's flagship NGO support mechanism is Partnering for Impact: "a strategic, targeted, efficient and effective program for delivering impact with New Zealand NGOs and their partners."¹¹

There are three windows: Negotiated Partnerships, the Manaaki contestable fund, and a civil society strengthening mechanism which is still being designed. The three outcome streams for the programs are development, partnership, and public diplomacy.



What does this look like?

- MFAT do not have an overarching policy for engaging with NGOs
- The Negotiated Partnerships are bespoke partnerships with 10 NZ NGOs – the identification of partnerships and allocation of co-investment was based on trends from the previous ten years of funding. The Negotiated Partnerships provide multi-year, multi-sector programmatic funding, managed through a high-trust, outcome focussed approach
- The Manaaki contestable fund provides co-investment to NZ NGOs for smaller scale development opportunities. There have been three rounds for funding launched since 2019
- Both funding mechanism are focussed on enabling locally led development and encouraging local voice. The importance of locally led development is emphasised in the selection process, program design, implementation, monitoring, and reporting
- There is an accreditation process for all NGOs receiving funding – Negotiated Partners have slightly more onerous requirements. Accreditation is broader than due diligence and considers development effectiveness and safeguarding. It is carried out by a third party
- There is a reference group, Te Rōpū o Ngā Toroa, which represents sector wide interests in relation to the partnerships and funds.



Budget: NZD70 million



Time period: Ongoing



Partners: 10 Negotiated Partnerships, 16 Manaaki partners



How is this different to what DFAT ANCP currently do and what are the trade-offs?

- MFAT have formal partnership agreements with their Negotiated Partners which are separate to funding agreements and set out shared objectives and business processes for working in partnership. This is resource intensive, but has contributed to a significant shift in the relationship between partners from activity-focussed to more strategic
- MFAT have prioritised the engagement of local partners and of locally led development in all funding instruments. This is reflected in design, monitoring, communication, and evaluation requirements.



What are the lessons learned and where to from here?

- Greater investment in partnership can more effectively leverage the skills and experience of both partners and contribute to more strategic relationships. DFAT should consider making more explicit their partnership objectives with individual NGOs or cohorts within the ANCP portfolio
- Annual partnership reviews which engage NZ NGOs, MFAT Policy areas and Posts and local partners are valuable for relationship building and lesson learning.

¹¹ Ministry of Foreign Affairs and Trade. "Partnering for Impact." Accessed 7 June 2022 at [Partnering for Impact: our approach to partnering with New Zealand NGOs | New Zealand Ministry of Foreign Affairs and Trade \(mfat.govt.nz\)](https://www.mfat.govt.nz/en/about-mfat/partnering-for-impact/partnering-for-impact-our-approach-to-partnering-with-new-zealand-ngos)



UK Foreign, Commonwealth & Development Office (FCDO)

FCDO have a decentralised funding model, with only 10 percent of funding for civil society coming through three centrally managed programs: UK Aid Direct, UK Aid Connect, UK Aid Match. These centrally managed funds have a strong emphasis on public diplomacy and building relationships in the UK. The funds are administered by the Civil Society and Civic Space team sit within the Open Societies and Human Rights area. In addition to fund management, this team are the central point of engagement for CSOs and provide policy advice to improve the way FCDO works with civil society.



What does this look like?

- FCDO's current approach to working with civil society is set out in its 2016 Civil Society Partnership Review (CSPR)¹²
- FCDO does not have a framework for guiding country offices on how to respond to closing civic space
- FCDO has a range of mechanisms for engaging with CSOs, including structured policy dialogue, FCDO Civil Society Open days, road shows and working groups
- Fund management and evaluation functions are outsourced, and there is only a small team within FCDO that oversee funding
- Due diligence is conducted (by a third party) on a case-by-case basis, but there are centralised safeguarding assessments which can be 'credited' across projects
- UK Aid Connect supports consortia to undertake action research, trialing new approaches and testing the viability of scaling up in relation to important themes, such as civil society effectiveness, disability inclusion or tackling child labour and modern slavery
- UK Aid Match provides £1 for every £1 raised through public appeals
- UK Aid Direct supports small and medium sized CSOs, based in the UK and overseas, to achieve sustained poverty reduction and to achieve the SDGs.



Budget: UK Aid Direct £150 million



Time period: Ongoing



Partners: 374 UK Aid Direct partners, 8 UK Aid Connect consortia, over 100 Aid Match charities



How is this different to what DFAT ANCP currently do and what are the trade-offs?

- In 2016-2017 FCDO (then DFID) moved away from strategic funding to projected competitive grants. This increased transparency and accountability, but were found to be time consuming and costly, reducing "CSOs' opportunities for self-driven capacity development, longer-term strategic thinking and adaptation to the evolving contexts in which they operated" – all of which are important as civic space continues to decline in many partner countries¹³
- The modalities actively encourage a more diverse group of NGOs as the large established ones already have a strong fundraising base. This can increase the cost and complexity of administration when working with smaller CSOs who are not familiar with government requirements and have varying degrees of sophistication
- There is a Small Charities Challenge Fund which builds networks of UK organisations and builds support for the development program.



What are the lessons learned and where to from here?

- There are innovative ways to structure programs when public diplomacy is a primary priority.

¹² Foreign Commonwealth and Development Office. "Civil Society Partnership Review". Accessed 4 March 2022 at [Civil Society Partnership Review \(November 2016\) \(publishing.service.gov.uk\)](#)

¹³ Foreign Commonwealth and Development Office. "DFID's partnerships with civil society organisations." Accessed 4 March 2022 at [DFID's partnerships with civil society organisations - ICAI \(independent.gov.uk\)](#)



DFAT – Australian Humanitarian Partnership (AHP)

The Australian Humanitarian Partnership (AHP) is a five-year (2017-2022) partnership between the Australian Government and ANGOs. Through the AHP, partners aim to save lives, alleviate suffering and enhance human dignity in the face of conflict, disasters and other humanitarian crises. In disaster response, the AHP uses Australian Government resources to leverage NGO networks and expertise, to deliver effective humanitarian assistance. In disaster preparedness, the AHP delivers the \$50 million Disaster READY initiative across the Pacific and Timor-Leste.



Budget: AUD50m (Disaster READY)



Time period: 2017-2022



Partners: 6 partners (all consortia)



What does this look like?

- The AHP supports Australian Government commitments outlined in the 2017 Foreign Policy White Paper, the Sendai Framework for Disaster Risk Reduction 2015-2030 and the SDGs
- The AHP is managed by a managing contractor – there is a small program support unit which manage operations and have expertise in monitoring and evaluation, communications
- ANCP accreditation is used as the due diligence mechanism for partners
- There is an overarching partnership agreement signed collectively by all partners which sets out their objectives for funding and working together. There is an annual health check to enable partners to reflect on the partnership
- The Disaster Ready Program is currently being re-designed with a view to increasing local leadership and ownership – there are four coordination committees in the Pacific and Timor-Leste – each of these will have their own MEL and communications functions funded by NGOs
- The support unit runs independent evaluation exercises. For example, the unit recently published an evaluation on disability inclusion.



How is this different to what DFAT ANCP currently do and what are the trade-offs?

- Project management is outsourced, and it is suggested that this frees DFAT up to focus on strategy and relationships
- The AHP invited consortia of organisations. This does not reduce the administrative complexity of the program, it simply transfers it to the lead organisation
- Consortia funding has raised some interesting issues about who determines access to funding. Lead organisations can make decisions which significantly impact on NGOs funding streams, and this was not necessarily fully realised in the program design.



What are the lessons learned and where to from here?

- COVID demonstrated that there is a lot of crossovers between ANCP and AHP – not just in terms of the partners, but also in the relationship between the humanitarian and development assistance they provide. Consider how there can be better integration of the programs, for example thought joint context and political economy analysis
- Outsourcing time consuming or highly technical components of program management can create significant efficiencies.



DFAT – Water for Women (WfW)

WfW is the Australian Government's flagship WASH program. The WfW Fund aims to raise the bar in terms of gender equality and socially inclusive research, analysis, design and program delivery in WASH, and in doing so to lead practice globally. WfW is delivering 20 WASH projects in 15 Countries in South Asia, Southeast Asia and the Pacific.



Budget: AUD118.9 million



Time period: 2018-2022



Partners: 10 NGO partners



What does this look like?

- WfW aligns with Australia's commitment to the High-Level Panel on Water
- WfW is a competitive grant funding program
- WfW is delivered by INGOs as well as research institutes
- Due diligence was based on ANCP accreditation status
- WfW is delivering 20 WASH Projects in 15 countries in Asia and the Pacific
- WfW also supports 13 research projects that aim to address gaps in research knowledge and WASH project delivery
- WfW's Innovation and Impact (I&I) grants provide a targeted opportunity for partners to further contribute to Fund outcomes
- WfW is managed by a managing contractor
- There is an overarching partnership agreement and principals for engagement that have been helpful in guiding actions and decision making.



How is this different to what DFAT ANCP currently do and what are the trade-offs?

- The partnership approach has enabled the portfolio of partners to work extremely effectively together to influence policy change – this includes setting clear pre-conditions to collaboration to ensure its effectiveness
- Water for Women has identified 9 learning themes which drive research, data collection and analysis. Carefully scoping these themes has been helpful in targeting MEL activity.



What are the lessons learned and where to from here?

- Consider setting learning objectives or themes to increase the effectiveness of the learning process.

Annex J – Literature Review of Emerging Trends in Development and Donor Good Practice in NGO Financing

The purpose of the literature review is to examine relevant literature in similar donor-funded programs, review the ANCP program management documents, and collate white and grey literature relating to emerging trends shifting the operating context of ANGOs in international development. This paper provides an analysis of the features of and good practice in funding NGO modalities as well as the emerging trends disrupting development.

This paper covers:

- Understanding what makes an effective and efficient aid modality
- Exploring and identifying the key features of NGO programs
- Identifying and understanding the emerging issues and trends that disrupt development for ANGO.

Methods

The literature review involved research of publicly available policy papers and statements, published evaluation reports and studies on similar donor-funded NGO modalities, emerging issues and action plans by ANGOs, and searches of online databases for peer-reviewed papers. These policy papers, and reports were sourced from submissions by ANCP ANGOs, DFAT's NPQ team, Australia's Council for International Development (ACFID), as well as from online databases.

The review used NVIVO, a qualitative data analysis software, to code themes according to the evaluation's analytical framework, and then conducted queries within the database of documents collected. The analysis prioritised issues that had been identified through the preliminary consultations with a sample of ANCP ANGOs, highlighted in the Independent Evaluation's Key Issues Paper. The key findings are documented and summarised in this paper.

Key search terms used

Some of the key search terms used included:

- Impact of locally led development on funding
- COVID-19 trends in international development
- Flexible funding models and mechanisms
- Humanitarian-development nexus
- Geopolitical issues and the nexus

- Fundraising landscape and trends in international development
- Impact of climate change on international development.

Structure of the paper

This paper is structured as follows:

- Understanding key concepts – this section looks to define what an effective and efficient aid modality is
- Key features of NGO programs – this section breaks similar donor-funded NGO programs into key components through the operational, management, and strategic lens
- Trends disrupting development – this section identifies the emerging issues that impact the operating context in which ANGO work as well as exploring how these issues might shape future ANGO work in international development.

Understanding key concepts

An 'aid modality', according to the World Bank, is the aid instrument through which ODA is delivered. It relates to how funds are managed and disbursed, and the process used to transfer funds. These could include the:

- Type and terms of finance
- Disbursement channels
- Procurement conditions
- Targeting and tracking of donor resources.¹⁴

An aid modality “can be a flexible program, sector wide approach, facility, project, or humanitarian assistance. Delivery partner/s may include partner government, multilateral bank, UN, regional organisation, NGO, or commercial contractor, or combination. Forms of aid include technical assistance, budget support, grants, infrastructure, training, and cash transfers. Consider including independent M&E mechanisms, such as technical advisory groups, specialist advisers, and joint donor review missions.”¹⁵

Aid effectiveness

Australia is committed to a development program that seeks to achieve greater aid effectiveness and aligns with the aid effectiveness principles outlined in both the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, signed in 2005 and

¹⁴ Tilley, H. and Tavakoli, H., 2012. “Better aid modalities: are we risking real results?”. Accessed 17 May 2022 at: <<https://cdn.odi.org/media/documents/7757.pdf>>.

¹⁵ Department of Foreign Affairs and Trade, 2022. “Investment Concept Template.” Accessed 17 May 2022 at: <<https://www.dfat.gov.au/sites/default/files/investment-concept-template.pdf>>.

2008, respectively. These initiatives commit donors, such as Australia, to more coordinated, efficient, and empowering ways of aid delivery. The principles and themes described in both international commitments are listed below:

Table J.1: Aid Effectiveness

Paris Declaration on Aid Effectiveness ¹⁶	
OWNERSHIP	Developing countries are empowered to set their own development strategies
ALIGNMENT	Donor countries and organisations bring their support in line with these strategies and employ local systems for development gains
HARMONISATION	Donor countries and organisations coordinate their actions, simplify procedures, and share information to avoid duplication
MANAGING FOR RESULTS	Donor countries and donors focus on producing and measuring results
MUTUAL ACCOUNTABILITY	Donor countries and donors are accountable for development results
Accra Agenda for Action ¹⁷	
OWNERSHIP	Developing countries take a leadership role in determining their development strategies and coordinating aid delivery in their country
INCLUSIVE PARTNERSHIPS	All partners, including new donors, foundations, and civil society are contributing and participating fully
DELIVERING RESULTS	Aid is producing measurable impact in developing countries

These principles should inform the way the ANCP views and delivers on aid effectiveness and should influence decision-making throughout the modality's implementation.

Aid efficiency

The OECD defines efficiency as “a measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results”.¹⁸ Value for money is crucial to the achievement of Australia's development strategic objectives. Building on the

Public Governance, Performance and Accountability Act (2013) and the Commonwealth Procurement Rules, DFAT has eight Value for Money Principles set up to guide decision-making and ensure the enhancement of its investments.

These eight principles are:¹⁹

9. **Cost consciousness** – DFAT must seek to reduce cost at every level of operation
10. **Encouraging competition** – DFAT must ensure that it selects the options that offers the optimal mix of costs and benefits
11. **Evidence-based decision-making** – Systems must be set up to gather relevant data to inform decisions so that DFAT is able to avoid methods and approaches that have not worked in the past
12. **Proportionality** – DFAT must ensure that business processes are developed with a clear understanding of transaction costs measured against potential benefits
13. **Performance and risk management** – DFAT must ensure that there is regular review of performance against identified objectives as well as strong risk management strategies in place to optimise an investment's potential to achieving objectives
14. **Results-focused** – quality program and investment design, well thought out contract, and strong implementation are critical to ensuring that DFAT meets its objectives in a timely and cost-effective manner
15. **Experimentation and innovation** – creative and flexible approaches to all aspects of the program must be employed to maximise impact
16. **Accountability and transparency** – necessary to ensure value for money as they strengthen responsibility for results programs.

Trends Disrupting Development

The global development sector is grappling with complexity – in a changing development landscape, donors are evolving as new players with new approaches to development cooperation and new aid modalities are making an increasingly important contribution to development. Research reveals a fragmented development ecosystem and an ever-expanding cast of players. It illuminates concerns about how to stay relevant in a world that is heading in many different directions at once. During this upheaval, development leaders are innovating,

¹⁶ OECD. “Paris Declaration on Aid Effectiveness” Accessed 1 November 2021 at <http://www.oecd.org/dac/effectiveness/parisdeclarationandaccraagendaforaction.htm>

¹⁷ Organisation for Economic Cooperation and Development, n.d. “THE ACCRA AGENDA FOR ACTION (AAA).” Accessed online 17 May 2022 at: <https://www.oecd.org/dac/effectiveness/45827311.pdf#:~:text=The%20Accra%20Agenda%20for%20Action%20is%20the%20pr>

duct,to%20and%20taking%20place%20during%20the%20Accra%20meeting.>

¹⁸ Organisation for Economic Cooperation and Development.. 2010. “Glossary of Key Terms in Evaluation and Results Based Management.:

¹⁹ n.d. “Value for Money principles.” Accessed 17 May 2022 at: <https://www.dfat.gov.au/aid/who-we-work-with/value-for-money-principles/Pages/value-for-money-principles>>

harnessing technology in exciting ways, using data to drive decision-making, and empowering partners on the front lines. In 2020, the ANCP was one of the first Australian Government programs to redirect a significant proportion of existing ANGO development programming to respond to the immediate impact of the COVID-19 pandemic.

There have been eleven main shifts in the current policy and operating environment impacting on the work of ANCP ANGOs that the evaluation considered in light of its impacts on the effectiveness, efficiency, and relevance of the ANCP.

Figure J.1: Emerging contextual issues disrupting development



1. COVID-19

²⁰ The Asia Foundation, 2020. "Conclusions and Recommendations." Southeast Asia Civil Society Scoping Study (2019-2020). The Asia Foundation.

²¹ PIANGO, HAG, FCOSS, VANGO, CSFT, DSE, 2022. "Demonstrating change on locally led humanitarian action in the Pacific: Ki Namuka vata ga nikua." Humanitarian Advisory Group.

²² GLOW Consultants, 2020. "Remote Humanitarian Monitoring: Guidance Note. Work in the Age of COVID-19 Guidance Note

COVID-19 has changed the way the world operates. Traditional workspaces and ways of working are now being rethought, shifting towards a hybridised work environment, and leveraging on the advancements of the internet for connection. Travel restrictions and lockdowns across the world resulted in a quick shuffle to adapt to the new conditions of delivering aid and development programs. These dramatic changes have impacted the way in which local and international actors as well as donors operate.

COVID-19 has expanded the role of CSOs in humanitarian and development programming. However, the localisation of funding structures has not caught up with this trend to make international development funds more accessible to local actors.

When the impact of COVID-19 began to be felt throughout the world, the humanitarian and development sectors were not spared. If anything, CSOs were mobilised to ensure aid relief was provided to communities, especially in countries where government capacity was lacking. For example, they were especially instrumental in Malaysia where vulnerable and marginalised communities, such as refugee and illegal migrants, were unwilling to go to relief distribution centres for fear of being arrested.²⁰ Furthermore, the reduction and return of international non-government organisation (INGO) staff back to their home countries created the space for local actors to have more agency and power in decision-making and implementation, bringing to the fore the need to increase access to international donor funds for local actors. International actors continue to struggle to transform their funding strategies to allow local actors the flexibility to use funding for self-defined priorities. According to a study commissioned by the Humanitarian Advisory Group (HAG), many INGOs are limited by how donors commit funding, restricting the flexibility INGOs can provide to local actors.²¹

Remote MEL methods are becoming increasingly commonplace in the COVID-19 context. COVID-19 has brought about the need for remote methods of MEL. Because of this, INGOs have had to expand their information and communication technology (ICT) systems and platforms to continue monitoring progress on the ground. Data collection methods are limited as face-to-face options are no longer possible because of travel restrictions and lockdowns.²¹ Where ICT options are available, internet connectivity often proved weak and intermittent,²² disrupting interviews and FGDs. A further challenge is in ensuring no groups are excluded as the requirement for internet connection could limit

Series." Accessed 4 March 2022 at: <<https://humanitarianadvisorygroup.org/wp-content/uploads/2020/12/Remote-Monitoring-Guidance-Note-May-2020-Final.pdf#:~:text=However%2C%20collecting%20and%20using%20monitoring%20data%20to%20inform,actors%20are%20initiating%20or%20scaling%20up%20remote%20monitoring.>>

participation of rural and remote communities²³. Preliminary consultations with a pool of large ANCP ANGOs for this evaluation confirmed the challenges outlined in the literature review, noting the urgent response to COVID-19 put pressure on existing systems as well as the need to develop a contextualised, remote monitoring framework for their respective organisations and to ensure the framework was sufficiently resourced.

Flexible funding strategies can allow INGOs to adapt to emerging needs more easily. Traditional funding arrangements with donor governments and United Nations (UN) agencies have, in the past, predominantly been 'earmarked' to specific programs or projects in a specific country, making it easier for donors to keep accountable to taxpayers. However, the fundraising landscape is becoming increasingly less directed towards a specific fund or program to promote greater flexibility in funding strategies, reducing transaction costs and fragmentation through consistent programmatic approaches.²⁴

Through the COVID-19 pandemic, these flexible funding mechanisms have proven to be effective in also increasing the ease and speed in getting resources where needs were. Consultations with ANCP ANGOs indicate that the flexible funding arrangements of the ANCP made pivoting and reallocating resources to a COVID-19 response much easier, as Australia also shifted its priorities to its *Partnerships for Recovery: Australia's COVID-19 Response*. Preliminary evaluation consultations with ANGOs indicated that even though there were natural disasters and geopolitical conflicts that arose, on top of the COVID-19 response, the flexibility of the ANCP ensured that resources were mobilised to provide relief to communities without further bureaucratic delays, resulting in approximately 60 percent of projects under the ANCP pivoting to the pandemic.²⁵

COVID-19 is causing an additional challenge of funds for ANCP NGOs. The pandemic has caused many NGOs to feel the pinch in their funding resources as donors and the public begin to tighten up spending and planned fundraising campaigns and activities have been cancelled.²⁶ This was confirmed through written submissions with ANCP

NGOs. Many expressed that they are expecting their Recognised Development Expenditure (RDE) to reduce for the following year as the pandemic has caused corporate partners to take more risk-averse approaches and volunteer programs have had to pause because of travel bans.

2. Locally led development

There is increasing research and journal articles exploring the concept of locally led development as a critical approach to effective international development practice, accelerated by the onslaught of the COVID-19 global pandemic. The concept began to really take root through the Paris Declaration on Aid Effectiveness and Grand Bargain, which had five principles that stemmed from the need to support partner country efforts "to strengthen governance and improve development performance."²⁷

Donors such as USAID have also published development policies to reflect its support for the broadly-held consensus for local capacity development in the development landscape.²⁸ The Australian Government's rationale for locally led development also states that locally led development helps to progress Australia's strategic foreign policy interests and development objectives because it empowers local leadership which builds a strong and sovereign state's capabilities, legitimacy, and resilience.²⁹ It also strengthens economic partnerships and maximises value for money as investments are able to go directly to local partners and systems.³⁰

This section applies a broad definition of the term as it is used in the humanitarian and development spaces to refer to the process of creating an ecosystem in which local actors wield and are yielded the power to set their own agendas, develop solutions, and empowered with the resources to address development issues.³¹

Locally led development is shifting the role of INGOs in development. Locally led development requires a systematic re-thinking of how the whole aid system works, requiring a "complete shift in how assessments, planning and response design are done" to effectively redistribute power into the hands of local actors.

²³ PIANGO, HAG, FCOSS, VANGO, CSFT, DSE, 2022. *Op cit*.

²⁴ Akinnifesi, F., 2021. "The Importance of Flexible Funding in the Era of COVID-19." [online] Impakter. Available at: <<https://impakter.com/the-importance-of-flexible-funding-in-the-era-of-covid-19/>> [Accessed 2 March 2022].

²⁵ Australian Council for International Development, 2020. "Annual Report 2019-20." Canberra: Australian Council for International Development.

²⁶ Pasic, A., Jovanovich, M. and Voss, M., 2020. "The Current and Potential Impact of COVID-19 on Nonprofits (SSIR)." [online] Ssir.org. [Accessed 9 June 2022 at: <https://ssir.org/podcasts/entry/the-current-and-potential-impact-of-covid-19-on-nonprofits#>].

²⁷ OECD, 2008. "The Paris Declaration on Aid Effectiveness and the Accra Agenda for Action."

²⁸ USAID, 2022. "Strengthening Local Capacity in USAID Programming and Partnerships." Accessed 25 October 2022 at: <https://www.usaid.gov/local-capacity-strengthening-policy#:~:text=The%20LCS%20Policy%20builds%20on%20decades%20of%20USAID,to%20be%20a%20more%20effective%20and%20equitable%20partner.>

²⁹ Department of Foreign Affairs and Trade, n.d. "Localisation Note: DFAT's approach to localisation." Unpublished and confidential.

³⁰ McKechnie, A. and Davies, F., 2013. "Localising Aid: Is it worth the risk?" [online] Overseas Development Institute. Accessed 1 March 2022 at: <https://cdn.odi.org/media/documents/8456.pdf>.

³¹ Tawake, P., Rokotuibau, M., Kalpokas-Doan, J., Illingworth, A., Gilbert, A. and Smith, Y., 2021. "Decolonisation & Locally Led Development." Australian Council for International Development (ACFID).

The literature on locally led development acknowledges the critical role of the INGO sector in promoting sustainable development and influencing national and international policy but also recognises the need for these INGOs to adapt to new roles and ways of working with local actors, as well as for donors to adapt compliance and decision-making processes, increasing complementarity between them and international actors.³² This was confirmed through consultations with the small ANCP ANGOs where it was unanimously agreed that there was an overwhelming sense that ANGOs no longer fit the model and that meant these organisations needed new ways of working. INGOs should seek to work as locally led as possible and as internationally where necessary. This could be through seeking equal partnership and collective action with local and national actors, coordinating multiple partners with varying capacities,³³ capacity building, as well as acting as a buffer to the growing compliance burden³⁴ ³⁵ required by donors for risk management and accountability. These themes also emerged through written submissions from ANCP ANGOs and DFAT staff discussing the value add INGOs could play.

There is an increasing number of calls to localise long-term funding instruments to improve accessibility for local actors. In 2016, the Grand Bargain was launched as an agreement between “the largest donors and humanitarian organisation committed to get more means into the hands of people in need and to improve the effectiveness and efficiency of the humanitarian action”.³⁶

As of September 2020, there were 65 Grand Bargain Signatories, including Australia. One of the main targets of the commitments under the Grand Bargain is to achieve an aggregated target of at least 25 percent of humanitarian funding to local and national responders by 2020.³⁷ The idea is to improve program effectiveness as well as reduce transactional costs. This could look like adapting current accountability and reporting requirements to local context, lightening the compliance burden, and ensuring greater agency for local implementing partners. Doing so could help mitigate the risks of rigid decision-making amongst local partners who may feel constrained by upward accountability.²⁰

In 2021, the Grand Bargain 2.0 was endorsed, acknowledging the need to centre the Grand Bargain more around the people. The Grand Bargain 2.0 enhances the need for quality funding and locally led development but also emphasises the importance of components such as effectiveness and efficiency, visibility, risk sharing, transparency and accountability – including accountability to affected populations.³⁸ The call to increase local NGO access to direct international funding also came through the consultations. There is need to re-evaluate the ways in which the modality could enable improved locally led development.

COVID-19 has accelerated the locally led development agenda but its progress in the international development system has not changed much. The global pandemic has brought to the front the long-expected competencies of the local and national actors in development. Consultations with ANGOs and DFAT Posts have revealed the importance of the local actors, and this is emphasised with the onslaught of COVID-19. Since March 2020, international non-governmental organisations (INGO) have had to find new ways of delivering aid because of travel restrictions and safety protocols. These tightening of movements and changes to traditional ways of working have created the space for local and national actors to showcase greater agency in their own development.³³ It has also meant that COVID-19 assistance has been able to reach communities faster.

There has been a difference between international and local actor perceptions in the extent to which COVID-19 has strengthened locally led development. International actors believe that this has happened to a greater extent than local actors.³⁹ A study commissioned by the British Red Cross found that systems-level change towards locally led development has been quite limited. The study found that 48 percent of local actors involved in the COVID-19 response said there was an unequal relationship between their organisation and international actors. Most of which is stemmed from the asymmetric funding support and structure provided to local and non-local actors that continue to occur as well as more deeply the continued presence of the sector’s colonial roots with systemic

³² Barbelet, V., 2019. “Rethinking capacity and complementarity for a more local humanitarian action.” Accessed 1 March 2022 at: <https://gblocalisation.ifrc.org/wp-content/uploads/2019/11/Rethinking-capacity-and-complementarity-for-more-local-humanitarian-action-ODI-Oct-2019.pdf>.

³³ Vielajus, M. and Bonis-Charancle, J., 2020. “Aid localisation: current state of the debate and potential impacts of the COVID-19 crisis.” 1 March 2022 at: <https://alternatives-humanitaires.org/en/2020/07/23/aid-localisation-current-state-of-the-debate-and-potential-impacts-of-the-covid-19-crisis/>.

³⁴ The Asia Foundation, 2020. “Conclusions and Recommendations. Southeast Asia Civil Society Scoping Study (2019-2020)”. The Asia Foundation.

³⁵ ANCP Annual Reflection 2020, Tearfund presentation. Unpublished.

³⁶ InterAgency Standing Committee, 2022. “About the Grand Bargain.” Accessed 1 March 2022 at: <https://interagencystandingcommittee.org/about-the-grand-bargain>.

³⁷ InterAgency Standing Committee, n.d. “More support and funding tools for local and national responders.” Accessed 1 March 2022 at: <https://interagencystandingcommittee.org/more-support-and-funding-tools-for-local-and-national-responders>.

³⁸ InterAgency Standing Committee, 2021. “The Grand Bargain 2.0 Endorsed framework and annexes.” Accessed 9 June 2022 at:

<https://interagencystandingcommittee.org/system/files/2021-07/%28EN%29%20Grand%20Bargain%202.0%20Framework.pdf>

³⁹ PIANGO, HAG, FCOSS, VANGO, CSFT, DSE, 2022. “Demonstrating change on locally led humanitarian action in the Pacific: Ki Namuka vata ga nikau.” Humanitarian Advisory Group.

racism and the way it comes through the decisions made.⁴⁰

3. Fundraising landscape

Australia's aid budget increased slightly since COVID-19 began and has increased by AUD1.4 billion as recently announced by Australia's new government – with AUD900million added to the Pacific budget in particular. Under the Liberal and National Coalition, Australia committed \$4.34 billion to its ODA, a reduction from its 2020-21 budget of \$4.56 billion.⁴¹ Its ODA to Gross National Income (GNI) proportion remains lower than the OECD country average of 0.3.⁴² The OECD has observed a declining trend is evident in the past decade in both volume and as proportion of ODA/GNI.⁴³ PNG and the Pacific continue to hold the largest allocation of the aid budget for 2021-22 with East Asia taking second place. In the last nine years, PNG and the Pacific have been allocated \$1.264 billion on average while East Asia has received \$1.158 billion demonstrating Australia's continued commitment to its nearest neighbours through the Pacific Step-Up.

The two biggest recipients of Australian aid are PNG and Indonesia, with the latter overtaking the former from the 2007-08 to the 2015-16 fiscal year.⁴⁴ However, an increase in aid investments have recently been pledged to increase foreign aid to the Pacific to ensure that Australia remains 'the first partner of choice' in the region.⁴⁵

Millennials and Gen Zs make up a large proportion of the donor landscape through community fundraising. In the NGO Roundtable on fundraising, it was stated that the next generation are an important demographic to begin investing and building awareness on international development issues. According to Zelle's September Consumer Payment Behaviour report in 2020, three out of four

millennials have donated money to a friend, family, or non-profit. The second highest were the Gen Zs.⁴⁶ Donor behaviour differs among the younger generation than from Boomers and Gen X and Y. The former is more interested in engaging and building relationships with NGOs, providing more hands-on support to causes and specific issues they care most about, while the latter have contributed predominantly through traditional donations of goods.⁴⁷ These younger donors are more interested in systemic change and being an integral part of contributing to social impact, and tend to build close relationships with NGOs that include them in their operations and development programs.⁴⁸

The impacts of COVID-19 on fundraising methods and platforms could go beyond the pandemic. A survey conducted by CCS Fundraising for the September 2020 period found that the negative impacts on fundraising in the early phases of the pandemic has decreased when compared to results from its first survey in May 2020.^{49 50}

NGOs have been able to shift from crisis management mode to embracing new fundraising tactics – such as through creative and increased use of available technologies and online platforms to connect with donors and the wider public space. Some examples cited by Third Sector in the UK and the CCS Fundraising report are organising online events, such as Facebook Live concerts, in partnership with local artists, to continue community fundraising initiatives as well as "win a date night online" with participating celebrities; virtual major gifts asks via the phone, video, or both; and organising events where donors/community members can choose to attend in-person or virtually.^{51 52} Social media platforms have become even more central to the fundraising landscape. The *State of Philanthropy 2020* report found that 60

⁴⁰ DA Global, 2021. "Is aid really changing? What the Covid-19 response tells us about localisation, decolonisation and the humanitarian system." British Red Cross.

⁴¹ Howes, S., 2021. "Foreign aid set to be cut next year to below pre-pandemic levels." Accessed 7 March 2022 at: <https://devpolicy.org/foreign-aid-cut-20211209/>.

⁴² Clare, A., 2021. "Australia's foreign aid budget 2020–21." Department of Foreign Affairs and Trade. Accessed 7 March 2022 at:

https://www.apf.gov.au/About/Parliament/Parliamentary_Departments/Parliamentary_Library/pubs/rp/BudgetReview202021/AustraliasForeignAidBudget.

⁴³ OECD, 2022. "Australia." Accessed 7 March 2022 at: <https://www.oecd-ilibrary.org/sites/7c99890b-en/index.html?itemId=/content/component/7c99890b-en>.

⁴⁴ Devpolicy. 2022. "How our aid is shared around the world." Accessed 7 March 2022 at: <https://devpolicy.org/aidtracker/destinations/#:~:text=How%20our%20aid%20is%20shared%20around%20the%20world,data%20for%202021-22%20is%20from%20DFAT%E2%80%99s%20latest%20budget>.

⁴⁵ Hurst, D., 2022. "Labor pledges more foreign aid to Pacific with plan 'to restore Australia's place as first partner of choice'." Accessed 6 June 2022 at:

<https://www.theguardian.com/australia-news/2022/apr/26/labor-pledges-more-foreign-aid-to-pacific-with-plan-to-restore-australias-place-as-first-partner-of-choice>.

⁴⁶ Leonhardt, M., 2020. "Nearly 3 out of 4 millennials have donated money during the pandemic." Accessed 7 March 2022

at: <https://www.cnn.com/2020/09/29/more-millennials-donated-money-during-the-pandemic-than-other-generations.html>.

⁴⁷ McCrindle, M., Renton, S. and Wherrett, S., 2022. "Communicating your social impact." Accessed 7 March 2022 at: <https://mccrindle.com.au/wp-content/uploads/reports/NFP-Insights-Report-2022.pdf>.

⁴⁸ Hoss, S., 2021. "The Future of Giving: Trends Shaping Next-Gen Philanthropy." Accessed 7 March 2022 at: <https://www.forbes.com/sites/forbesnonprofitcouncil/2021/12/27/the-future-of-giving-trends-shaping-next-gen-philanthropy/?sh=7aa61ae01b88>.

⁴⁹ Abel, E., 2021. "Reimagining Fundraising in a COVID-19 Landscape: Lessons for Success in the Future." Accessed 7 March 2022 at: <https://www.ccsfundraising.com/insights/reimagining-fundraising-in-a-covid-19-landscape-lessons-for-success-in-2021/>.

⁵⁰ GIFTED, 2020. "The Fundraising Landscape." Accessed 7 March 2022 at: <https://www.giftedphilanthropy.com/files/downloads/resources/Surveys/gifted-fundraising-landscape-survey-results.pdf>.

⁵¹ ThirdSector. 2021. "How Covid-19 has changed the fundraising landscape for the long-term." Accessed 7 March 2022 at: <https://www.thirdsector.co.uk/covid-19-changed-fundraising-landscape-long-term/fundraising/article/1718631>.

⁵² DAU Consulting. 2022. "3 Top Trends to Navigate the New Fundraising Landscape." Accessed 7 March 2022 at: <https://www.dauconsultingservices.com/3-top-trends-to-navigate-the-new-fundraising-landscape/>.

percent of traffic to the Classy fundraising platform came through mobile devices, 50 percent of which came from social media.⁵³ It is also reported to be most cost-effective, according to findings from NGO Roundtable. A report by CCS Fundraising indicates that these increased donor engagements through online platforms are likely to continue beyond the pandemic, especially as 72 percent of respondents reported their virtual methods had been as successful or more successful than previous in-person solicitations.⁴⁹

4. NGO-DFAT relationships

ANGOs and DFAT staff have observed that spaces for policy dialogue and engagement with DFAT has been shrinking in recent years but ANGOs continue to seek avenues for advocacy. Representatives from ANCP ANGOs who participated in consultations indicated that there has been less opportunity for policy dialogue between DFAT and ANGOs in recent years. The focus has been greater on compliance and risk management.

However, COVID-19 did create improved space for advocacy and collaboration between ACFID ANGOs and DFAT. ACFID led and coordinated members of the ANGO community to campaign the Australian government to increase its development assistance in its COVID-19 response as well as worked with local partners and DFAT effectively responded to the needs of local communities in the first year of the pandemic.⁵⁴ ⁵⁵ Climate change appears to also be another avenue through which ACFID and DFAT will collaborate and engage on as it is a thematic focus under ACFID's Memorandum of Understanding (MoU) with DFAT.⁵⁶ ANCP NGO Survey findings also reveal a majority of NGO respondents found the ANCP team to be highly responsive and engaging during the upheaval caused by the pandemic as ANCP-funded NGOs sought to pivot its projects to respond to the COVID-19 needs.

New actors in the Australian humanitarian and development scene could further complicate ANGOs' 'fit' in the development landscape and impact DFAT-NGO relationships. The entry of managing contractors into the international development space is raising questions among ANGOs. Aid program contracts are seemingly fewer but larger in contract value, leading to the increasing role of

Australian managing contractors. In addition to the shifts towards locally led development and the new role that ANGOs may need to adapt to in the current aid delivery model, the entrance of managing contractors in international development further complicates the way ANGOs are to fit into the development landscape.

It was found that close to 20 percent of Australia's development programs are being delivered by ten private contractors.⁵⁷ This trend is evident also internationally. A 2017 article by the Economist reported that there is a growing role of private contractors in the aid sector. Roughly 70 percent of the humanitarian aid funding in response to the Haiti earthquake in 2010 provided by the US Agency for International Development (USAID) went through private companies.⁵⁸

The AusAID integration with Australia's Department of Foreign Affairs led to shifts in aid management approach, resulting in loss of aid and development expertise. According to a 2019 independent review of the DFAT integration, a large group of technical experts in aid and development resigned from DFAT shortly after the integration due to DFAT managers not understanding the complexity of what is needed to successfully plan, resource, and implement aid and development programs.⁵⁹ About 1,000 years of cumulative expertise was lost quickly, and it is estimated another 1,000 years of expertise has been lost since.⁶⁰ However, the biggest loss is the reduction of senior, locally engaged staff with consequences seen in the quality of aid and development programs delivered.

This has also been observed within the NPQ Section. The reduced development capacity in DFAT's NPQ Section over the evaluation period is compounded by turnover of long-serving staff in the NPQ team. Alongside some of the inefficient ANCP business processes and DFAT's focus on risk compliance, this capability gap means that NPQ team members are now less able to add value by providing relevant technical support and guidance to NGOs (including for the review of ADPlans and partner performance reports), and are increasingly focusing on contract management, compliance, and risk.

⁵³ Classy, 2022. "The State of Modern Philanthropy 2020." Accessed 7 March 2022 at: https://learn.classy.org/rs/673-DCU-558/images/classy_state-of-modern-philanthropy-2020.pdf.

⁵⁴ Australian Council for International Development, 2021. "Annual Report 2020-21." Australian Council for International Development.

⁵⁵ Australian Council for International Development, 2020. "Australians call for boost to overseas COVID-19 funding to avoid deadly second waves." Accessed 4 March 2022 at: <https://acfid.asn.au/media-releases/australians-call-boost-overseas-covid-19-funding-avoid-deadly-second-waves>.

⁵⁶ Australian Council for International Development, 2021. "Annual Report 2020-21." Australian Council for International Development.

⁵⁷ Pryke, J., 2017. "Aid and development links: Contractors, WHO leadership, aid budgets and more." Accessed 4 March 2022 at:

<https://www.lowyinstitute.org/the-interpreter/aid-and-development-links-contractors-who-leadership-budgets-and-more>.

⁵⁸ The Economist. 2017. "A growing share of aid is spent by private firms, not charities." Accessed 4 March 2022 at: <https://www.economist.com/international/2017/05/06/a-growing-share-of-aid-is-spent-by-private-firms-not-charities>.

⁵⁹ Donaldson, D., 2019. "Mixed reviews for DFAT-AusAID merger five years on." Accessed 8 March 2022 at: <https://www.themandarin.com.au/105619-mixed-reviews-for-dfat-ausaid-merger-five-years-on/>.

⁶⁰ Moore, R., 2019. "A future-focused review of the DFAT-AusAID integration." Accessed 8 March 2022 at: <https://devpolicy.org/publications/reports/DFAT-AusAIDIntegrationReview-ShortVersion.pdf>.

5. Climate change

Climate change is becoming significantly more important on the global stage. In 2015, 196 Parties at the COP 21 adopted the Paris Agreement, legally binding them to an international treaty on climate change. The goal of the Agreement is to slow global warming to well below two degrees Celsius compared to pre-industrial levels.⁶¹ The world invested \$920 billion in clean energy deployment and innovation in 2021 to combat climate change, a record high and a 54 percent increase from the previous year.⁶² The figure below shows how the global investment in energy transition has increased from 2004 to 2021.

The greater attention to climate change is also evident in Australia. ACFID and its members have committed to promoting climate change mitigation and adaptation measures through its work. It is a key domain of work under ACFID's new Strategic Plan and a pillar of its new Advocacy Agenda, working to keep climate change on the public agenda. Members have reported prioritising climate change and embedding its considerations across its programs.⁶³ ACFID has also recently developed and launched a Climate Action Framework to guide ACFID members in mainstreaming climate action through its operations and programs.⁶⁴ Preliminary consultations with ANCP ANGOs revealed that this is seeing more of a priority placed through programs on resilient livelihoods and water, sanitation, and hygiene (WASH).

Demand for international humanitarian responses is likely to increase as climate-related disasters increase in frequency. The PICs are particularly vulnerable to these disasters. The World Risk Report 2021 categorises Vanuatu, Solomon Islands, and Tonga as the top three most at-risk of natural hazards.⁶⁵

⁶¹ UN Climate Change, 2022. "The Paris Agreement." Accessed 2 March 2022 at: <https://unfccc.int/process-and-meetings/the-paris-agreement/the-paris-agreement>.

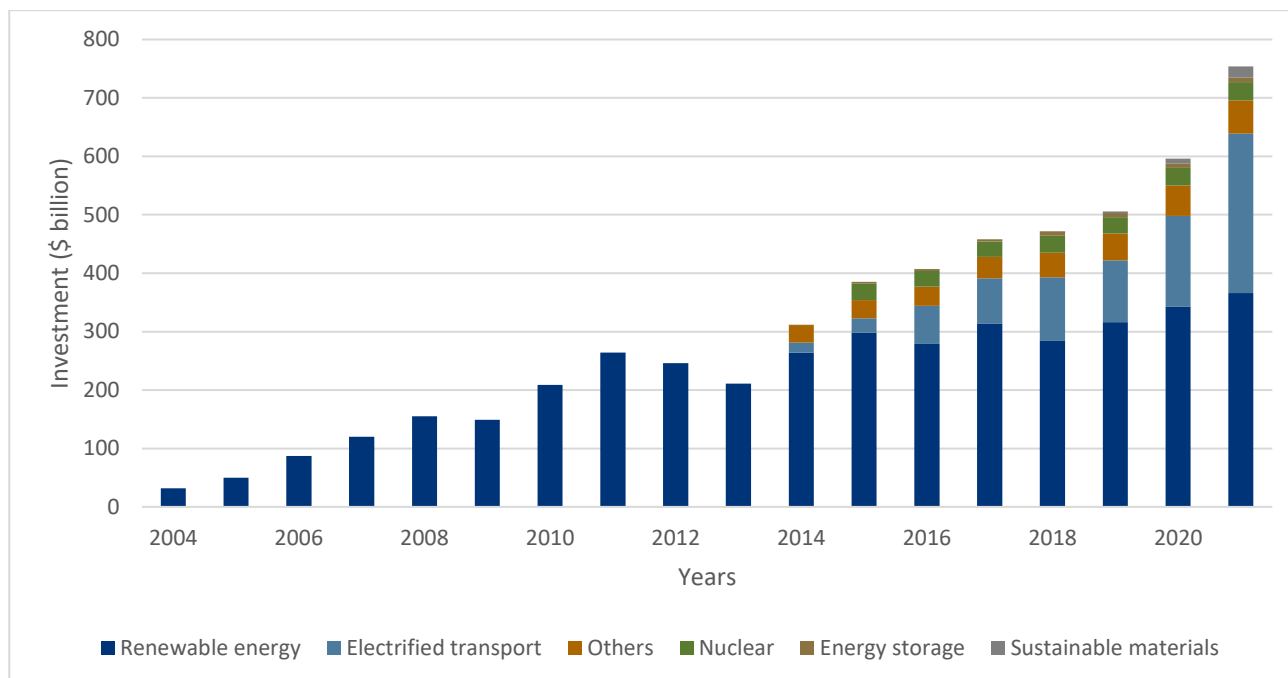
⁶² Freedman, A., 2022. "Global spending on energy transition nears \$1 trillion." Accessed 2 March 2022 at: <https://www.axios.com/global-spending-energy-transition-1-trillion-cbc30984-1a8d-4031-9f85-24991e67e637.html>.

⁶³ Australian Council for International Development, "2021. "Annual Report 2020-21." Australian Council for International Development.

⁶⁴ Australian Council for International Development, 2021. "Climate Action Framework for the Australian International Development Sector." Australian Council for International Development.

⁶⁵ Aleksandrova, M., 2021. "WorldRiskReport 2021." Accessed 3 March 2022 at: <https://reliefweb.int/sites/reliefweb.int/files/resources/2021-world-risk-report.pdf#:~:text=WorldRiskIndex%202021%20%2B%20The%20WorldRiskIndex%202021%20assesses%20the,profile%20is%20increasingly%20also%20determined%20by%20sea-level%20rise.>

Figure J.2: Global investment in energy transition, by sector



Globally, humanitarian expenditure is on an uptrend. In 2018, disasters and conflict responses saw \$28.9 billion expended for international humanitarian responses, an increase of \$6.6 billion from just four years before.⁶⁶ Unfortunately, the top 15 most vulnerable countries to climate-related risks received less than 6 percent of global adaptation finance in 2019.

A 2020 Oxfam report states that only an estimated 20.5 percent of reported climate finance went to least developed countries and approximately 3 percent to small island developing states (SIDS).⁶⁷ The sector takes up the largest proportion of ACFID members’ programmatic focus areas as well, raising about 34 percent of funding from all sources.⁵⁴

Preliminary consultations with ANCP ANGOs also indicate there is anticipation of migration flows as climate change displaces communities, increasing the need for longer-term development funding as INGOs seek to respond to needs.⁶⁸ Weather-related disasters around the world uprooted 30 million people in 2020⁶⁸ and, according to UNHCR, more than 20 million people are forced to leave their homes on average as a result of natural hazards.⁶⁹

INGO programs are shifting to focus on building community resilience, particularly on WASH and livelihoods. Feedback from ANCP ANGOs found that development programs and projects are shifting focus to resilience as extreme weather events become more frequent, disproportionately affecting marginalised groups.⁷⁰ ACFID’s annual report reveals that ACFID members are prioritising climate change programming, advocacy, and campaigning in relevant thematic areas such as climate change adaptation, carbon credits, nature-based solutions, climate-smart agriculture, and green growth.⁶³

There is a need for greater access to climate financing in the Pacific. PICs are a high priority region for Australia and are among the most at risk of climate change impacts. Despite the adverse effects of climate change evident in these countries, financing to date has fallen short of PIC’s needed climate adaptation funding.⁷⁰ The average financing needs in the Asia Pacific for climate-proofing infrastructure is at 3.3 percent of the GDP. However, for PICs the proportion is higher.

An International Monetary Fund (IMF) report on climate financing in the Pacific found this shortfall is largely due to limited PIC capacity to meet the

⁶⁶ Global Humanitarian Assistance, 2019. “Global Humanitarian Assistance Report 2019.” Accessed 8 March 2022 at: https://reliefweb.int/sites/reliefweb.int/files/resources/GHA%20report%202019_0.pdf.

⁶⁷ Oxfam, 2020. “Climate Finance Shadow Report 2020.” Accessed 8 March 2022 at: <https://oxfamlibrary.openrepository.com/bitstream/handle/10546/621066/bp-climate-finance-shadow-report-2020-201020-en.pdf>.

⁶⁸ Jordan, R., 2021. “How does climate change affect migration?” Accessed 3 March 2022 at:

<https://earth.stanford.edu/news/how-does-climate-change-affect-migration#gs.rgo7f4>.

⁶⁹ 2022. “Climate change and disaster displacement.” Accessed 3 March 2022 at: <https://www.unhcr.org/climate-change-and-disasters.html>.

⁷⁰ Atteridge, A. and Canales, N., 2017. “Climate finance in the Pacific: An overview of flows to the region’s Small Island Developing States.” Accessed 8 March 2022 at: <https://mediamanager.sei.org/documents/Publications/Climate/SEI-WP-2017-04-Pacific-climate-finance-flows.pdf>.

accreditation requirements of climate funds. Pacific governments must satisfy rigorous accreditation processes and navigate the different access modalities, as well as work effectively with local and international partners in order to resource and implement climate adaptation projects.⁶⁷

Further to this, developed countries have not quite achieved their commitment to contribute \$100 billion per year by 2020 to support developing countries in their climate adaptation efforts. Oxfam's *Climate Finance Shadow Report 2020* suggests that donor reports continue to overstate climate finance by a huge margin. In 2019, it was reported that only \$80 billion had been collected with observers sceptical the 2020 target will be achieved.⁶⁷

6. Humanitarian-development nexus

As geopolitical conflicts are increasingly complex and climate-related emergencies become more intense and frequent, it has become more and more evident that humanitarian aid, development programs, and peacebuilding are not linear processes. Instead, the support produced through each of these segments are often needed concurrently to ensure sustainability of outcomes.

Humanitarian and development actors are working more closely towards longer-term collective objectives. The 2016 World Humanitarian Summit (WHS) saw the launch of the New Way of Working and commitments made by donor governments, humanitarian organisations, INGOs, and local actors towards shared goals.

The humanitarian-development nexus focuses on the support needed to coherently respond to vulnerable populations before, during, and after crises.⁷¹ The call for increased collaboration and what that means is still in its early stages but a review conducted in 2019 indicates that it is beginning to take shape in emergencies and fragile contexts, shifting from mere planning to implementing programmatic approaches.⁷² Practically, this could mean humanitarian and development actors sharing information and analyses to develop a common understanding of the situation; pushing for joined-up programming to ensure complementarity; aligning planning cycles; and partnering with national actors in response.⁷³

Within the UN system, for example, the role and function of the Resident Coordinators and the Humanitarian Coordinators is critical to advancing the ambition for collective outcomes.

To enable stronger synergies, the lines between the humanitarian and development segments are being blurred. The 2016 WHS called for humanitarian approaches that transcend traditional notions of humanitarian action:

- Humanitarians had to now commit to engaging in conflict prevention through addressing root causes – expectations usually bestowed on development practitioners
- Humanitarians to increase emphasis on political diplomacy and conflict resolution – expectations usually aligned with peacebuilding activities
- Bringing together humanitarian, development, and peacebuilding efforts into the “triple nexus” to harmonise diverging actors and objectives.⁷⁴

This call was then reinforced by the OECD-DAC in 2019, calling for DAC members to adopt related recommendations to better coordinate across the nexus.

There is an appetite for international partnerships and cooperation across the humanitarian and development space as challenges in these areas become more complex and increasingly overlapping. However, it is not yet clear how effective these partnerships are. These partnerships and cooperation mechanisms transcend multiple scales and levels and are key vehicles for implementing and achieving the SDGs, especially SDG 17.

The GPEDC, the Grand Bargain 2.0 (a successor of the Grand Bargain in 2016), and the European Consensus on Development are three examples of international partnerships consisting of a wide range of stakeholders – local and national governments, civil society, bilateral and multilateral organisations, private sector, trade unions, parliaments, and philanthropic foundations. Each of these instruments, in some way or another, outline the need for increased local ownership and decision-making power, a commitment to widening the types of stakeholders included in the partnership, and for flexible and transparent financing arrangements.⁷⁵ ⁷⁶ Although this increased cooperation and the pooling of resources is an effort to progress towards

⁷¹ Oxfam, 2019. “The Humanitarian-Development-Peace Nexus: What does it mean for multi-mandated organizations?.” Oxfam Discussion Papers. Accessed 3 March 2022 at:

<https://reliefweb.int/sites/reliefweb.int/files/resources/dp-humanitarian-development-peace-nexus-260619-en_0.pdf>

⁷² Center on International Cooperation, 2019. “The Triple Nexus in Practice: Toward a New Way of Working in Protracted and Repeated Crises.” Accessed 3 March 2022 online at the Center on International Cooperation:

<<https://cic.nyu.edu/sites/default/files/triple-nexus-in-practice-nwov-full-december-2019-web.pdf>>

⁷³ Peer to Peer Support: For Humanitarian Leaders in the Field. 2017. “Humanitarian-Development Nexus: What is the New Way of Working?.” Accessed online 3 March 2022 at

<<https://www.deliveraidbetter.org/webinars/humanitarian-development-nexus/>>

⁷⁴ Harald, J., 2020. “The humanitarian-development nexus: humanitarian principles, practice, and pragmatics.” *Journal of International Humanitarian Action*, 5(18).

⁷⁵ Global Partnership for Effective Development Cooperation. 2021. “The Global Partnership at a Glance.” Accessed 9 June 2022 at:

<<https://www.effectivecooperation.org/system/files/2021-01/English%20-infographic.pdf>>

⁷⁶ Ec.europa.eu. 2017. “The New European Consensus on Development ‘Our World, Our Dignity, Our Future’” Accessed 9 June 2022 at: <https://ec.europa.eu/international-partnerships/system/files/european-consensus-on-development-final-20170626_en.pdf>

better humanitarian and development outcomes, it is not immediately clear yet to what extent these expectations have materialised. There are no agreed indicators that exist to monitor and evaluate these partnerships.⁷⁷

The population of people forcibly displaced is higher now than ever and is expanding the need for the nexus. At the end of 2020, 82.4 million people were reported to be forcibly displaced, representing a trend that has increased in the last nine consecutive years. This includes 48 million internally displaced persons and 26.4 million refugees. Seventy-five percent of those who are internally displaced come from ten countries, nine of which are situated in sub-Saharan Africa and the Middle East.⁷⁸ These communities flee to neighbouring countries, often developing countries with limited capacity to respond to humanitarian needs.

Displacement can be protracted as geopolitical issues and warring factions continue to perpetuate conflict, making the traditionally expected period for humanitarian responses insufficient. A World Bank Report suggests that there is an increasingly pressing need for “a coherent response with a medium- to long-term horizon” that will build on the collaboration between humanitarian and development actors.⁷⁹

Successful implementation of the nexus requires more multi-year flexible funding strategies. Pool funds have been identified as potentially best suited for funding nexus-type programs as they allow donors to pool their contributions into an unearmarked fund that are then mobilised rapidly as needs emerge. This is evident with bilateral donors adapting their processes and instruments to allow for more coherent and integrated financing.⁷² Country-based pool funds (CBPFs) are believed to be particularly helpful in programs where there is collective action between humanitarian and development actors because these funds are increasingly being used by Grand Bargain donors to deliver on commitments.

The challenge in funding the nexus is in integrating the traditionally shorter-term nature of humanitarian efforts and longer-term development programs.

Through the 2016 WHS, donors pledged to shift from annual to multi-year funding to ensure there is long-term planning to allow space for actors to strategically address root causes.⁸⁰ This is enhanced further in the 2021 Grand Bargain 2.0 through first outcome pillar of the Framework on flexibility, predictability, transparency, and tracking. This is certainly the theme that emerged through consultations and written submissions. ANCP NGOs pointed out that many ANCP-funded projects are design for several years. The annualised process of ADPlans and budget allocation creates a level of fear and uncertainty for ANCP NGOs, on top of the yearly compliance burden that ensue.

Although multi-year humanitarian funding mechanisms are becoming increasingly common, existing institutional silos within donor governments and the separation between humanitarian-development financing in affected countries constrain the effectiveness of the nexus.⁷² There was also a call to make aid more efficient by harmonising and reducing the compliance burden, reducing overhead costs, and earmarking less funding targeted at specific projects.⁸¹

7. Geopolitics

The demand for humanitarian aid is increasing as a result of protracted geopolitical crises globally. In 2022, the UN OCHA identified 274 million people in need of humanitarian aid, a large increase from 235 million people in 2021. The Global Humanitarian Overview 2022 report found that about 60 percent of all conflicts worldwide were fought violently, putting civilians and non-combatants at risk. In 2020, 59 percent of casualties were civilians and about 88 percent of deaths from explosive arms globally are civilians. Despite the immense need for humanitarian relief, aid organisations’ access and operations are often challenged by “insecurity, violence against humanitarian workers and its assets, bureaucratic impediments, counterterrorism, sanctions measures, and political attacks.”⁸²

COVID-19 is creating opportunities for aid diplomacy. When COVID-19 began to spread in early 2020, donor governments began to fill a need for humanitarian relief, especially in developing

⁷⁷ Centre for International Environmental Studies, 2021. “Summary of Completed Project. Effectiveness of Partnerships for Advancing the Sustainable Development Goals: Behavioural Pathways and Impacts.” SNIS. Accessed 9 June 2022 at: <<https://effectivenessofpartnerships.org/wp-content/uploads/2021/01/Summary-of-Completed-Project.pdf>>.

⁷⁸ Global Humanitarian Overview, 2022. “Part one Global Trends. Global Humanitarian Overview.” OCHA. Accessed 4 March 2022 at: <<https://reliefweb.int/sites/reliefweb.int/files/resources/Global%20Humanitarian%20Overview%202022%20%28Part%20One%29.pdf>>

⁷⁹ World Bank Group, 2016. “Forced Displacement and Development.” World Bank Group. Accessed 11 March 2022 at: <<https://thedocs.worldbank.org/en/doc/749591485963737472-0270022017/original/DC20160002FDDDevelopmentCommitteePaperForcedDisplacementandDevelopment.pdf#:~:text=The%20h>

umanitarian.%20E2%80%93development%20nexus%20has%20long%20been%20seen,complementary%20throughout%20the%20entire%20period%20of%20forced%20displacement.>

⁸⁰ OECD, 2017. “Multi-year Humanitarian Funding.” The Commitments into Action Series. Paris: OECD. Accessed 3 March 2022 at: <<https://www.oecd.org/development/humanitarian-donors/docs/multiyearfunding.pdf>>

⁸¹ Aly, H., 2016. “The World Humanitarian Summit: Winners and Losers.” The New Humanitarian. Accessed 4 March 2022 at: <<https://www.thenewhumanitarian.org/2016/05/26/world-humanitarian-summit-winners-and-losers>>

⁸² Global Humanitarian Overview, 2022. “Part one Global Trends. Global Humanitarian Overview.” OCHA. Accessed 4 March 2022 at: <<https://reliefweb.int/sites/reliefweb.int/files/resources/Global%20Humanitarian%20Overview%202022%20%28Part%20One%29.pdf>>

countries where national healthcare infrastructure may not have been sufficient. On top of the humanitarian motivation, countries such as China, Australia, Russia, and the US saw the opportunity for aid diplomacy.⁸³ The US promised \$118 million towards Australia's COVID-19 recovery fund⁸⁴ and \$32 million to PICs. China is providing \$1.9 million to fund grants and medical supplies to PICs, as well as donations in cash to several countries particularly hard hit by the pandemic. China is also seeking to target mainstream media in the Pacific to ensure its efforts are publicised.⁸⁵

Humanitarian and development support are key tools for public diplomacy and national security.

Foreign aid is a public diplomacy tool that enhances soft power.⁸⁶ The Quadrilateral Security Dialogue (known as the 'Quad') between Australia, the United States, Japan, and India, and the European Union's Global Gateway are seen to be a response to China's growing belligerent actions in expanding its economic and security power through what is cynically known as 'debt trap' diplomacy.⁸⁸ In response to this, the Quad have oriented their foreign policy to limit China's geostrategic and economic influence and to use Indo-Pacific connections to provide alternatives to China's Belt and Road Initiative (BRI). Australia, for example, is focusing its foreign policy on the Pacific through the Pacific Step-Up as a means to increase investments and regional cooperation with PICs.⁸⁴ Through the Pacific Step-Up, Australia plans to invest \$500 million in the Pacific Island Forum over the next few years to promote renewable energy goals.⁹⁰

The new Government of Australia, is adamant it will secure its position as 'first partner of choice' in the Pacific, via an increased focus of investments that challenge China's growing influence and development cooperation in the region. On top of the

BRI, China continues to deepen its ties to the Pacific through a new agreement – a five-year action plan – with 10 PICs. The new agreement will cover sectors such as policing, security, and data communications cooperation. China's recently signed security pact with the Solomon Islands and continued interest to establish a strong presence and influence in the region is making other developed Asia Pacific countries nervous, with the potential to upset current security dynamics in the region.⁹¹

The newly elected government has set its sights on increasing its investments in the region to ensure regional security aligns to Australia's national interests. It is intent on curbing China's plans as its proposed initiatives would "conflict with existing Australian arrangements that also seek to integrate Pacific Islands countries into economic and security institutions."⁹²

8. Gender equality, disability, and social inclusion

COVID-19 has highlighted the importance of addressing existing gender inequalities to sustain advancements in the sector in the event of such crises. Women continue to disproportionately hold the responsibility of childcare in the home, as compared to men. As COVID-19 resulted in lockdown measures that closed schools and childcare centres globally, women had to stay home to ensure children were cared for. This was particularly evident with single-mother households.⁹³ Women spend triple the time in unpaid care and domestic work.⁹⁴ A McKinsey Global Institute report found that although women made up 39 percent of the global employment, they held a greater share of overall job losses (54 percent) since the pandemic began. It also identified that the virus's impacts are most felt in women-dominant job sectors, causing a disruption

⁸³ Varpahovskis, E., 2020. "Aid Diplomacy & Nation Image: Central Asia and Russia." USC Center on Public Diplomacy. Accessed 4 March 2022 at: <https://uscpublicdiplomacy.org/blog/aid-diplomacy-nation-image-central-asia-and-russia>.

⁸⁴ PANKAJ, E., 2021. "Australia's Pacific Step-up and the Quad." The Interpreter. Accessed 4 March 2022 at: <https://www.lowyinstitute.org/the-interpreter/australia-s-pacific-step-and-quad>

⁸⁵ Zhang, D., 2020. "China's Coronavirus 'COVID-19 Diplomacy' in the Pacific." Department of Pacific Affairs. Accessed 4 March 2022 at:

https://dpa.bellschool.anu.edu.au/sites/default/files/publications/attachments/2020-04/ib_2020_10_zhang_final_0.pdf

⁸⁶ Leight-Give'on, N., 2010. "The Two Sides of Aid Diplomacy" CPD Blog. Accessed 4 March 2022 at:

<https://uscpublicdiplomacy.org/blog/two-sides-aid-diplomacy>

⁸⁷ Reinsberg, B., 2019. "Do countries use foreign aid to buy geopolitical influence?." UNU. Accessed 4 March 2022 at: <https://www.wider.unu.edu/sites/default/files/Publications/Working-paper/PDF/wp-2019-4.pdf>

⁸⁸ Chellaney, B., 2017. "China's debt-trap diplomacy." ASPI The Strategist. Accessed 4 March 2022 at:

<https://www.aspistrategist.org.au/chinas-debt-trap-diplomacy/>

⁸⁹ POLITICO. 2022. "EU tempts Africa away from Chinese influence." Accessed 4 March 2022 at:

<https://www.politico.eu/article/eu-tempts-africa-away-from-chinese-influence/>

⁹⁰ DFAT. n.d. "Stepping-up Australia's engagement with our Pacific family." Accessed 4 March 2022 at:

<https://www.dfat.gov.au/geo/pacific/engagement/stepping-up-australia-pacific-engagement>

⁹¹ 2022. "China is pursuing a Pacific-wide pact with 10 island nations on security, policing and data - report." Accessed 9 June 2022 at:

<https://www.theguardian.com/world/2022/may/25/china-is-pursuing-a-pacific-wide-pact-with-10-island-nations-on-security-policing-and-data-report>

⁹² Booth, M., 2022. "Competing with China in the Pacific will backfire." *theinterpreter*, [Accessed 9 June 2022 at:

<https://www.lowyinstitute.org/the-interpreter/competing-china-pacific-will-backfire#:~:text=Australia%20is%20a%20major%20foreign%20aid%20and%20trading,that%20may%20provide%20diplomatic%20reach%20greater%20than%20China%E2%80%99s.>>

⁹³ Alon, T., Doepke, M., Olmstead-Rumsey, J. and Tertilt, M., 2020. "The Impact of COVID-19 on Gender Equality." NBER Working Paper Series. Cambridge: National Bureau of Economic Research. Accessed 8 June 2022 at:

https://www.nber.org/system/files/working_papers/w26947/w26947.pdf

⁹⁴ United Nations, 2020. "Policy Brief: The Impact of COVID-19 on Women." United Nations. Accessed 8 June 2022 at:

https://www.un.org/sites/un2.un.org/files/2020/04/policy_brief_on_covid_impact_on_women_9_apr_2020_updated.pdf

to women's economic participation in both developed and developing economies.⁹⁵

In addition to economic impacts for women, the added stresses of economic uncertainty in the household have exponentially increased gender-based violence for women. This is compounded by the lockdowns where women were forced to stay home with their abusers while support services for abuse survivors were halted. Consultations with DFAT staff in the Gender Equality Branch confirmed that it is likely that the priority on gender equality and women's economic empowerment as well as efforts to EVAWG will remain for ANCP NGOs.

Climate change does not affect people equally and there is an increasing need for ANCP NGOs to apply a GEDSI lens to all areas of operations and programming, specifically to ensure disability inclusion is considered in DRR and climate change adaptation plans and policies. As climate change and its disasters continue to increase in frequency and severity, the impact it has on the general population is proportional between gender equality, disability, and other marginalised communities.

Both climate change and GEDSI are similar in that they are horizontally integrated issues that exist largely in vertically integrated policy frameworks.⁹⁶ Many do not understand or consider the intersectionality of needs between the impact of climate change and people with disabilities.

The World Health Organization has estimated that 200 million people are likely to become climate refugees by 2050. If the current proportion of people living with disability in the world is at 10 to 15 percent, it is likely that an estimated 30 million people will need differentiated support by 2050 in the event of disasters. DRR and preparedness community plans need to consider the specific, accurate approaches necessary for the range of disability categories in their communities.⁹⁷

9. Innovation

Although Australia has made some efforts in supporting innovative ideas in international development in the past, it is unclear what DFAT's

plans for ensuring innovation in its programs are and where that path will lead. InnovationXchange (iXc), operating from 2015 to 2020, was the innovation hub established within DFAT. The Innovation Resource Facility, managed by DT Global, was launched under the iXc as an agile resource facility to support the iXc team with rapidly sourcing for technical experts.⁹⁸ The hub reportedly ran several challenge funds to catalyse and encourage innovative ideas into action.⁹⁹ Not too long after, DFAT published its 2018-2021 Innovation Strategy.

The IRF ended operations in November 2021. However, innovation continues to be mentioned in DFAT policies and programs, notably in the *Partnerships for Recovery: Australia's COVID-19 Development Response* where innovation is required for new ways of working and with new levels of program flexibility.¹⁰⁰ Within ANCP, reporting templates also feature capture of lessons learned and innovation within each ANCP-funded project. It is evident that innovation continues to be part of DFAT. Yet with the recent change in government, it is hard to predict at this time what new efforts will be made to further enforce and encourage innovation in Australia's development program.

Multiple international development innovation funds have been established in recent times with differentiated approaches and tools but similar investment criteria and objectives. There is appetite to invest in innovative ideas in international development. The Global Innovation Fund,¹⁰¹ the Fund for Innovation in Development,¹⁰² and the Innovation Fund for Climate Action under the European Commission,¹⁰³ as well as USAID's Development Innovation Ventures,¹⁰⁴ are a few examples of grant-funding bodies investing in innovation for international development. Each of these funds look at the following for award criteria:

- Scalable and sustainability
- Cost-efficiency
- Rigorous evidence of impact.

The Innovation Fund for Climate under the European Commission also includes project maturity as a criterion. There are a variety of ways in which these

⁹⁵ McKinsey Global Institute, 2020. "COVID-19 and gender equality: Countering the regressive effects." McKinsey Global Institute. Accessed 8 June 2022 at:

<<https://www.mckinsey.com/featured-insights/future-of-work/covid-19-and-gender-equality-countering-the-regressive-effects>>

⁹⁶ Roy, K., 2020. "What do gender equity and climate change have in common?." World Economic Forum. Accessed 9 June 2022 at: <<https://www.weforum.org/agenda/2020/07/gender-equality-and-climate-change-have-more-in-common-than-you-think/>>

⁹⁷ Saxton, M. and Ghenis, A., 2018. "Disability Inclusion in Climate Change: Impacts and Intersections. Interdisciplinary Perspectives on Equality and Diversity," 4(1). Accessed 9 June 2022 at: <<http://journals.hw.ac.uk/index.php/IPED/article/viewFile/43/45>>

⁹⁸ Dunn, M., 2021. "The end of an aid era? Innovation Resource Facility closes - DLIT." DLIT. Accessed 9 June 2022 at:

<<https://dlit.co/the-end-of-an-aid-era-innovation-resource-facility-closes/>>

⁹⁹ Oxfam Australia, 2017. "The Future of Australian Aid." Oxfam.

¹⁰⁰ Department of Foreign Affairs and Trade, 2020. "Partnerships for Recovery: Australia's COVID-19 Development Response." Accessed online 9 June 2022 at [Partnerships for Recovery: Australia's COVID-19 Development Response \(dfat.gov.au\)](https://www.dfat.gov.au/partnerships-for-recovery)

¹⁰¹ Global Innovation Fund. n.d. "Our approach - Global Innovation Fund." Accessed 9 June 2022 at:

<<https://www.globalinnovationfund.org/what-we-do/our-approach/>>
¹⁰² FID. n.d. "Fund for Innovation in Development." Accessed 9 June 2022 at: <<https://fundinnovation.dev/en/>>

¹⁰³ Climate Action. n.d. "Innovation Fund." Accessed 9 June 2022 at: <https://ec.europa.eu/clima/eu-action/funding-climate-action/innovation-fund_en>

¹⁰⁴ US Agency for International Development. n.d. "Development Innovation Ventures | U.S. Global Development Lab | U.S. Agency for International Development." Accessed 9 June 2022 at: <<https://www.usaid.gov/div>>

funding bodies finance innovation: staged funding; milestones and deliverables; proportion of the funding request depending on the size of the project. Except for the Innovation Fund for Climate, other funding bodies are open to almost anyone or organisation across the world wanting to test an innovative idea.

10. Civic space

CSOs are recognised for the critical role they play in the 2030 Agenda for Sustainable Development in implementing and upholding accountability for the SDGs. The Global Partnership for Effective Development Co-operation has committed to providing enabling environments for CSOs, both as implementing partners and as independent development actors in their own right.

Between 2017 and 2020, OECD conducted a comprehensive review of DAC members' work with civil society. The review found while members cite advantages of working with CSOs, "donors, including [DAC] members, struggle to appropriately leverage CSOs' knowledge, capabilities, and influential role as public advocates for sustainable development, and they struggle to offer effective support for CSOs."¹⁰⁵

Many of the findings and recommendations of the review are highly relevant to DFAT and specifically to the ANCP (see Table J.2).

The DAC Community of Practice on Civil Society has contributed to an international standard and a call to action for development actors to enable civil society as a critical priority in meeting the SDGs. This is based on comprehensive reviews of current practice¹⁰⁶ as well as analysis on development effectiveness.¹⁰⁷ There are three pillars of enabling civil society:

1. Respecting, protecting and promoting civic space
2. Supporting and engaging with civil society
3. Incentivising CSO effectiveness, transparency and accountability.

The Recommendation highlights the interdependence of the three pillars and the importance of addressing all three to enable civil society. It stresses the importance of recognising CSOs as independent development actors as well as recognising their role as implementing partners.

There is a strong focus on locally led development and supporting local civil society actors through flexible funding, capacity building and equalising partnerships between international NGOs and local partners. The Recommendation also emphasises the importance of streamlining administrative requirements for civil society and incorporating adaptive and flexible processes in results management.¹⁰⁸

Table J.2 Applying DAC recommendations for good practice for engaging with civil society

Action points for DAC members ¹⁰⁹	Relevance to the ANCP
Clarify definitions of CSOs and civil society towards establishing a common understanding across members and more broadly recognising civil society's diversity.	DFAT's support – especially through ANCP – is largely restricted to select ANGOs. There is growing recognition of the diversity of civil society actors including social enterprises, not for profit foundations, co-operatives and community-based organisations. DFAT might consider updating its terminology to a broader reference to CSOs and working with partners to define the status of local partners and consider the role and obligations of ANGOs as intermediaries in the context of locally led development more clearly.

¹⁰⁵ OECD (2020), "Development Assistance Committee Members and Civil Society, The Development Dimension," OECD Publishing, Paris, Accessed 9 June 2022 at <https://doi.org/10.1787/51eb6df1-en>

¹⁰⁶ OECD. "Digital Transformation and the futures of civic space." Accessed online 9 June 2022 at https://www.oecd-ilibrary.org/development/development-assistance-committee-members-and-civil-society_51eb6df1-en and [https://www.oecd-ilibrary.org/development/digital-transformation-and-the-futures-of-civic-space-to-2030_79b34d37-en](https://www.oecd-ilibrary.org/development/development-assistance-committee-members-and-civil-society_51eb6df1-en)

¹⁰⁷ OECD. "Making development Cooperation more Effective." Accessed 9 June 2022 at https://www.oecd-ilibrary.org/development/making-development-co-operation-more-effective_26f2638f-en

¹⁰⁸ OECD, "DAC Recommendation on Enabling Civil Society in Development Co-operation and Humanitarian Assistance," OECD/LEGAL/5021. Accessed 4 March 2022 at [Enabling Civil Society in Development and Humanitarian Assistance - ICNL](https://www.oecd-ilibrary.org/development/enabling-civil-society-in-development-and-humanitarian-assistance-icnl)
¹⁰⁹ OECD (2020), Development Assistance Committee Members and Civil Society, The Development Dimension", OECD Publishing, Paris, Accessed 9 June 2022 at <https://doi.org/10.1787/51eb6df1-en>

Action points for DAC members ¹⁰⁹	Relevance to the ANCP
<p>In consultation with CSOs, develop policies that address both the member’s objectives and ways of working with CSOs and civil society and contextual issues including civic space. Integrate civil society considerations across policy realms other than development cooperation.</p>	<p>While there is increasing recognition of the shrinking civic space,¹¹⁰ this is not directly addressed in DFAT policy or ANCP guidelines and operational documentation. This is an area that warrants greater attention and dedicated effort. Meaningful, inclusive and safe public and civil society participation is crucial to achieving democratisation, peace, security and respect for human rights.</p>
<p>Embrace the two types of objectives for working with CSOs and civil society: to strengthen a pluralist and independent civil society in partner countries and to meet other development objectives beyond strengthening civil society in partner countries.</p>	<p>DFAT’s <i>Effective Development Partners Statement</i> and <i>ANCP Program Logic</i> are primarily focussed on the value of NGOs in delivering development outcomes and mobilising public support. An open and transparent civil society is noted as a means of achieving SDGs but is not explicit in the program logic. While there is an assumption that this will occur through strengthening the capacity of in-country partners, capacity building efforts are largely focussed on risk and management arrangements. DFAT might consider more clearly articulating the inherent value of civil society and NGOs as development actors in their own right.</p>
<p>Use a variety of strategies to rectify the imbalance between project/program support and flows through CSOs as program implementers on behalf of members, on one hand, and partnership/framework/core support and flows to CSOs as independent development actors, on the other.</p>	<p>The ANCP is a single modality for supporting ANGOs with ‘base’ and ‘full’ accreditation distinguishing the amount of funding provided. Other programs within DFAT and internationally include multiple sub-funding arrangements within one program to meet a broader set of objectives. This reflects the different needs of civil society actors and the key role of civil society in democratic governance, upholding of rights, and peace and security¹¹¹. ANCP could consider including other sub-funding arrangements within ANCP to better support locally led development and fortifying civic space.</p>
<p>Augment direct financial support for partner country CSOs and support for a broader swathe of civil society including for more fluid and informal forms of association, new types of associations, and traditional civic actors.</p>	<p>The ANCP solely funds ANGOs. This is consistent with general trends in donor funding with 85 percent of funding provided through CSOs as implementers of donor projects.¹¹² However research and good practice increasingly points to the importance of supporting local CSO organisational capacity to achieve development results and effectively support civil society in partner countries. ANCP however does not fund local organisations¹¹³. DFAT is doing this through some of its bilateral programmes including in Indonesia and through its BRAC partnership.</p>
<p>Make dialogue and consultation with CSOs and civil society more systematic and place greater emphasis on systematic dialogue at partner country level, while paying attention to good practice. Encourage dialogue on policy realms other than development co-operation,</p>	<p>The ANCP annual reflection workshops and ANCP working groups facilitated by ACFID are appreciated by NGOs and DFAT but could be further strengthened through more targeted themes and attendance. Australia’s development program is currently strongly structured around bilateral engagements and priorities and it can be challenging for global programmes to gain attention or to demonstrate relevance/ contribution to these. There is currently limited structured space for DFAT–NGO civil society dialogue at the country level. However, where this happens it is seen as being of significant value.</p>

¹¹⁰ UN Guidance Note, “Protection and Promotion of Civic Space,” September 2020, Accessed 9 June 2022 at [UN_Guidance_Note.pdf \(ohchr.org\)](https://www.un.org/ohchr.org/)

¹¹¹ DFAT has made numerous investments in this space over the last 20 years with significant impact. There are multiple lessons to be learned through investments such as ACCESS, Peduli, Mampu, KSI, AIPJ.

¹¹² OECD (2020), “Development Assistance Committee Members and Civil Society, The Development Dimension,” OECD Publishing, Paris, Accessed 9 June 2022 at <https://doi.org/10.1787/51eb6df1-en>

¹¹³ The government channels some of Australia’s bilateral ODA through civil society organisations (CSOs) under the umbrella of ‘Global Programs’. In 2018, CSOs were funded with US\$265 million, or 10 percent of bilateral ODA, according to OECD data. In addition, Australian CSOs mobilize public support and voluntary contributions for development. More than 140 A NGOs operate under the ACFID self-regulatory Code of Conduct. ACFID also supports policy engagement with the Australian government. Over 50 Australian NGOs have met comprehensive due-diligence requirements through accreditation under ANCP, which enables them to receive funding from the government.

Action points for DAC members ¹⁰⁹	Relevance to the ANCP
such as on members' foreign policy and private sector investment and trade policies.	In other countries, NGO policy dialogues are sponsored by Foreign Affairs divisions and relate to issues beyond the aid program, bringing local voices to the dialogue space. Other donors such as MFAT and SIDA also have mechanisms to bring local voices from partner countries into the dialogue space.
Assess, minimise and monitor the transaction cost burden of members' administrative requirements , including by co-ordinating and harmonising requirements with other members based on the 2013 Code of Practice on Donor Harmonisation.	The use of RDE as a means of allocating funding creates administrative efficiencies for DFAT and partners by avoiding multiple funding rounds and separate contracts and project documents. However, the annual nature of funding and the burden of the accreditation process on NGOs create significant administrative requirements. There are opportunities to streamline ANCP business processes.
Work with CSOs to define relevant, locally owned results frameworks and indicators while applying iterative and adaptive approaches to results management. Explore results indicators for strengthening a pluralist and independent civil society in partner countries.	ANCP MEL is largely structured around logics and results frameworks that are managed by ANGOs and that are positioned in DFAT's sphere of interest. There is no explicit requirement to consider results indicators that could help to strengthen civil society and hold governments to account. Reports follow DFAT's format but are not routinely used by DFAT. There are opportunities to streamline existing project reporting to be more outcomes focussed and better accommodate local voices.
Support CSOs' accountability in partner countries using a mix of methods, while also enhancing member transparency and ensuring that member practices for working with CSOs and civil society do no harm to CSOs' partner country-level accountability.	While ANCP funding offers flexibility for partners to adapt their annual work program, there are no specific mechanisms to encourage downwards accountability to local partners or beneficiary groups. In reviewing its business processes, ANCP should explicitly consider the impact of its requirements on ANGO partners' accountability to their local partners and constituents.

Annex K – Criterion Based Assessment Framework (CBAF)

1. CBAF for Quality MEL Systems



The CBAF provided the Evaluation team with a structure based on the determinants of quality for monitoring systems from which to assess the ANCP MEL system. The domains represent the four key areas in which good quality monitoring takes place. They describe the essential characteristics of good quality monitoring systems. Associated with each domain is a set of four related elements. They are the core determinants of quality of each domain and are designed to provide guidance on what must be in place or addressed within investment monitoring systems to achieve sustained success within each domain.

Strategy domain

The Strategy domain describes the strategic context within which the monitoring system is established and sustained. High-quality monitoring systems require an understanding of how monitoring information can assist managers and decision makers set directions and guide investments, this requires strategic leadership as well as a clear understanding of the basic concepts and potential uses of MEL.



These elements describe how:

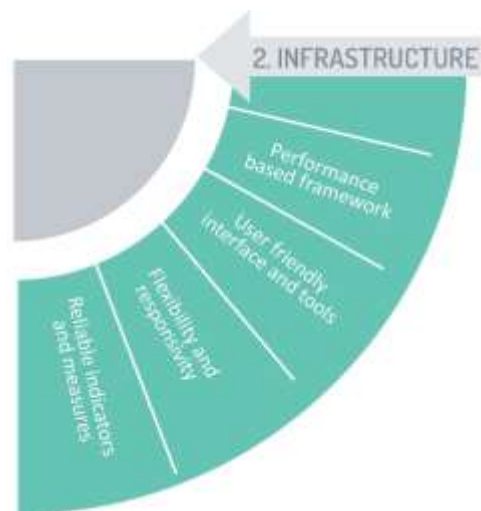
- ✓ The vision for investments is collaboratively developed to be realistic, challenging, and relevant
- ✓ Strong political support is required for sustained leadership and ownership
- ✓ Investment managers use information appropriately to manage investments and the MEL system to achieve improvements
- ✓ Theories of change provide adequate detail on the theory of action to enable partners to use it to guide their implementation.

Infrastructure domain

The infrastructure domain describes the infrastructure that is needed to help ensure a systematic, comprehensive and credible approach to MEL.

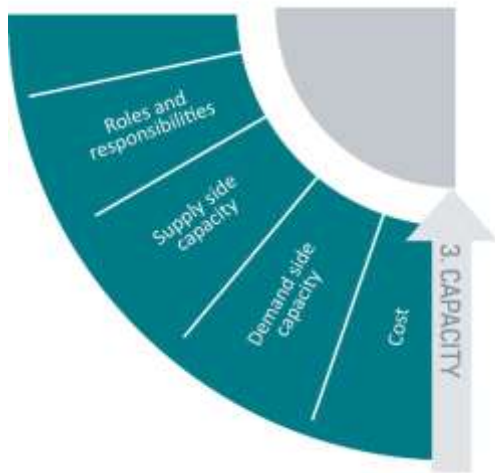
These elements describe how:

- ✓ The quality of the information required by actors in the monitoring system depends on its relevance and, therefore, usefulness
- ✓ The reliability of the system contributes to its quality and is the direct function of its coverage and the inverse function of the average size of errors and their frequency
- ✓ The quality of the information architecture reveals whether the system is integrated or segmented, its flexibility.



Capacity domain

The Capacity domain describes both the capacity to supply and ‘use’ MEL information. This requires both clarity of expectations about where and how MEL information is intended to be used (e.g. planning, policy or program development; decision-making; budgeting), as well as the capacity to actually incorporate and use the MEL information as part of the normal process of business.



These elements describe how:

- ✓ Investment managers demonstrate effective resource management to achieve results
- ✓ Policies and standards clarify roles, responsibilities and accountabilities for performance monitoring; establish expectations across the system in regard to timing and level of reporting; and, set out quality standards for MEL conduct.
- ✓ Design of the system is responsive to the information needs of its users, determines the resources available to build and sustain the system, and assesses the capacities of those who will both produce and use the information.

Enabling Environment domain

The Enabling Environment domain describes the assumptions that non-technical personnel (e.g. program managers) have a suitable appreciation of MEL concepts and that there are adequate ‘incentives’ within the organisation to ensure managers will actually use MEL information, reporting credible and unbiased results in a timely fashion.

These elements describe how:

- ✓ Political support is needed as an essential ‘driver’ to launch and resource monitoring systems; lead changes in organisational culture that may be needed; provide the champion(s); ensure an enabling environment; and provide the basis to help ensure the M&E system is sustainable over the long term
- ✓ Incentives and contracting mechanisms can work to support structural changes that enhance quality
- ✓ Communication and participatory processes support greater ownership and sustainability of monitoring systems.



2. CBAF NGO Modalities

We have visualised the CBAF in two ways that show the two-step process the team will use to apply the CBAF. The table below provides an indication of the foundational building blocks we would expect to see in a NGO modality and the various components, characteristics, systems or processes that are associated with each of these.

The column on the left highlights the building blocks and the column on the right highlights examples of

the types of component parts we would expect to explore.

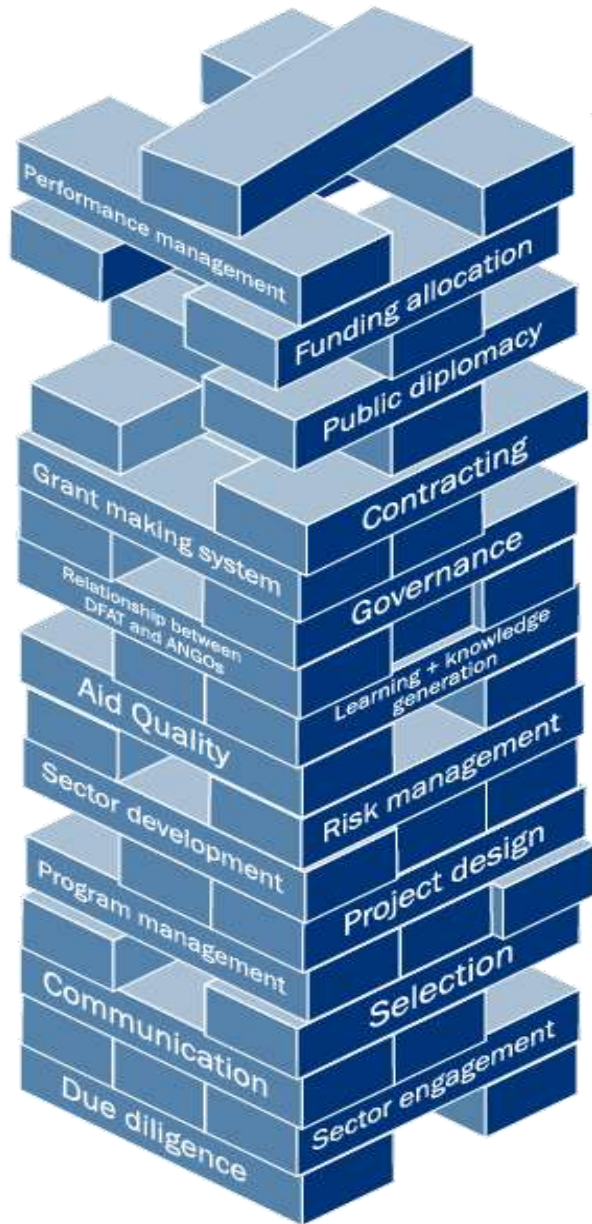
These blocks and components emerged from the evaluation Literature Review, which analysed NGO modalities to understand their key characteristics across a range of donor types and contexts. This shows how the team will map out the various components of NGO modalities.

Building Block	Key components and considerations
Governance	<ul style="list-style-type: none"> • Makeup of a governance group – donor + sector + international development experts + partner country representatives • Management of cohort of partners – how can it be greater than the sum of parts? • Role in providing strategic advice - e.g. emerging trends, sectoral priorities etc
Relationship between donor and NGOs	<ul style="list-style-type: none"> • Partnership objectives - shared vision, priorities or donor driven • Is this a partnership on behalf of all of the donor or a sub section - e.g. NGO branch, humanitarian or thematic section • Contract or partnership agreement - level of detail and specificity • Continuity and momentum over time • Breadth of mutual knowledge of each other • Equity and use of power • Mutual accountability and shared purpose • Who holds the relationship – i.e. there are multiple relationships at the donor and NGO level (e.g. administrative, strategic, policy)
Due diligence (accreditation)	<ul style="list-style-type: none"> • Is there an accreditation process or do partners have to do due diligence per activity? • Do requirements e.g. around social inclusion and local capacity building lift the standards of practice in priority policy areas? • Accreditation acts as front-end risk management and due diligence process? • Proportionality of due diligence/accreditation • Eligibility requirements/restrictions
Selection (setting program policy)	<ul style="list-style-type: none"> • Donor engagement in approval of designs/activities • Contracting and management arrangements meet donor risk management requirements • Demonstrates clear objectives for the program: <ul style="list-style-type: none"> – Development objectives – Organisation objectives (i.e. improve overall effectiveness of an NGO) – Partnership objectives – Public diplomacy – soft power outcomes • Market distortion and picking winners • Alignment v. complementarity with donor funding priorities • Funding rounds based on donor priorities encourage NGOs to branch out from their core strengths/mandate • Funding organisations who can write a good proposal v. those with deep community connections • Setting targets, i.e. X percent funding targeting specific location, or specific beneficiaries (i.e. women and girls)
Funding allocation	<ul style="list-style-type: none"> • Funding is used to extend donor bilateral and regional programs and policies? • Annual v. multi-year funding • How funding is determined - e.g., RDE • Nature of funding – core/unrestricted funding v. project/restricted funding, matched funding • Different funding types for different organisations, i.e. base v. full • Ability to use funds to secure alternate sources of capital, i.e. loans, equity etc.
Contract management (contracting)	<ul style="list-style-type: none"> • Output v. outcome-based contracting • Flexibility of contractual arrangements to enable NGOs and modality to be responsive

Building Block	Key components and considerations
Grants management	<ul style="list-style-type: none"> • Are there different types of funding for different purposes? • Flexible funding is used to pilot innovative approaches, leverage other funds, work in different contexts • Flexibility of funding allows programs to pivot and adapt • Systems and processes for grant and fraud management aligned with donor policies • Is risk transferred to partners and downstream partners? • Distribution of funding (e.g. up front, in arrears, tranches, milestone based, performance based)
Project design	<ul style="list-style-type: none"> • Are local partnerships required? • Are there systems that support locally led development – e.g. local communities are engaged in design process, core funding, measurement of capacity outcomes • Holistic designs v. projects targeting single issues • Project funding v. civil society enabling space • Eligibility requirements for activities, i.e. no political activity
Activity planning	<ul style="list-style-type: none"> • How engaged is the donor in activity approval? • Demonstrates clear objectives for the activities • Alignment v complementarity with donor funding priorities • Targets, i.e. X percent funding targeting specific location, or groups
Program management	<ul style="list-style-type: none"> • Oversight and management of systems, e.g. SmartyGrants • Organisational structure – how the donor team is structured - what do donor staff do and not do? • What capabilities do donor staff have to fulfil their role (e.g. contract management or technical leadership)? • What resourcing is required within the donor?
Monitoring, evaluation, learning (MEL)	<ul style="list-style-type: none"> • Are data requirements commensurate to the investment? • Is data used (e.g. systems and processes enable donor(s) to aggregate and analyse data across the portfolio; systems and processes enable donor(s) to manage across the program cycle)? • Requirements to disaggregate beneficiary data by gender and disability status promotes social inclusion • Is there a clear purpose and targets for learning? • Is learning resourced?
Communication and public diplomacy	<ul style="list-style-type: none"> • Communication raises domestic awareness • Communication raises international awareness • Program is seen as a tool for public diplomacy - building touch points
Policy dialogue	<ul style="list-style-type: none"> • The program links to Posts and policy areas • There are clear spaces for NGO engagement in policy dialogue and the role is clear, e.g. providing advice, advocacy on emerging trends, sharing evidence • The donor values the policy engagement of civil society and drives and resources this engagement
Project closure	<ul style="list-style-type: none"> • Systems and processes enable donor(s) to aggregate and analyse data from the project • Systems and processes enable donor(s) to manage closure of the project including risk management. • Are local communities, partner governments, and Posts engaged in the closure process? Is there a transfer of knowledge? • How is sustainability considered?

To explore potential efficiencies in the ANCP system, the Evaluation team explored how these characteristics related to each other and supported or restricted the modality.

In the figure below, the CBAF is represented as a tower that shows the building blocks of NGO modalities and illustrates the interlinked nature of these.



It highlights that in testing which of the building blocks and their component parts can be adjusted and/or removed, how these parts fit together and impact each other. In short, it helped the team to assess what must be in place or addressed within the modality (its resourcing and management requirements) to hold the program up with maximum strength and efficiency.

What the CBAF will help us to do?

When it comes to reporting, the CBAF helps us to describe to DFAT a range of options where efficiency gains in the modality can be made while concurrently highlighting the series of implications or trade-offs of these changes so that it can make informed management decisions on the future shape and form of the modality.