



Australian Government
Department of Foreign Affairs and Trade

ANCP MANUAL
Australian NGO Cooperation Program (ANCP)
Department of Foreign Affairs and Trade
JUNE 2016

Table of Contents

1. INTRODUCTION	4
ANCP MANUAL: PART 1 Introduction to the ANCP	4
2. OVERVIEW OF THE ANCP	4
3. THE OBJECTIVES OF THE ANCP	5
4. HOW THE ANCP WORKS	7
4.1 Governance Arrangements.....	7
4.2 Accreditation.....	7
4.3 Recognised Development Expenditure (RDE).....	8
4.4 Funding Aims	8
4.5 Funding Principles	9
4.6 Funding Policy	9
4.7 Funding Policy Review and Consultation.....	10
4. 8 Funding Match	11
ANCP MANUAL: PART 2 Program Guide for Accredited NGOs.....	12
5. ANCP DEVELOPMENT ACTIVITIES.....	12
5.1 Eligible Projects	12
5.2 Political, Religious or Welfare Organisations.....	14
5.3 Recurrent Costs in Education and Training.....	15
5.4 Assets.....	16
5.5 Health Activities	17
5.6 Family Planning and Reproductive Health Activities.....	18
5.7 Disability Inclusion.....	18
5.8 Gender Equality.....	19
5.9 Child Protection	19
5.10 Environment	20
5.11 ACIAR and NGO Agricultural Activities	21
5.12 Private Sector Development and Engagement.....	21
5.13 Innovation.....	22
5.14 ANCP Activities in Sensitive and Higher Risk Regions or Countries	22
5.15 Anti-Terrorism Obligations	23
5.16 Promoting the Australian Identity.....	23
5.17 Public Announcements and Project Events	24
5.18 Ethical photography	24

6. ANCP PLANNING AND REPORTING	25
6.1 Program Cycle	25
6.2 Annual Development Plans (ADPlans).....	25
6.3 Annual Performance Reports.....	29
6.4 Indicators and Aggregate Development Results (ADRs)	30
6.5 Development Assistance Committee (DAC) Codes	31
6.6 Additional information	31
7. FINANCIAL REQUIREMENTS	33
7.1 Administration Costs	33
7.2 Rolled over funds	35
7.3 Interest	35
7.4 Currency fluctuations	35
7.5 Project Design, Monitoring and Evaluation Costs.....	35
8. MONITORING, EVALUATION AND LEARNING FRAMEWORK (MELF)	36
9. PARTNER PERFORMANCE ASSESSMENTS (PPAs)	36
10. FURTHER INFORMATION	37
10.1 Contact details	37
10.2 Acronyms	37
10.3 Reference Documents	38
Additional Information and Related Links	40

1. INTRODUCTION

The purpose of this document is to provide information to NGOs on the Australian NGO Cooperation Program. Part 1 of the Manual provides an overview of the ANCP. Part 2 of the Manual provides further detail on the obligations of ANCP accredited NGOs and gives guidance about the processes required by the ANCP. Links to Policy and reference documents can be found at the end of the Manual.

ANCP MANUAL: PART 1 Introduction to the ANCP

2. OVERVIEW OF THE ANCP

The Australian NGO Cooperation Program (ANCP) is an annual grants program that supports Australian NGO community development programs which directly and tangibly alleviate poverty in developing countries. The program operates in over 50 countries worldwide and supports development in a range of sectors. The ANCP is the Australian aid program's largest and longest running funding support mechanism for Australian development non-government organisations (NGOs).

Through the ANCP, the Department of Foreign Affairs and Trade (DFAT) partners with Australian professional development NGOs to implement their own development and poverty alleviation programs overseas. NGOs are responsible for the design, delivery, monitoring and evaluation of activities, submission of reports and acquittals and for fully accounting for funds provided by DFAT.

To receive funding through the ANCP, NGOs must be accredited by DFAT. Accredited NGOs are required to undergo a rigorous assessment of their organisational structure, systems and philosophies. The accreditation process aims to provide DFAT and the Australian public with confidence that the Australian Government is funding professional, well managed, community based organisations that are capable of delivering quality development outcomes.

The ANCP has been supported by the Australian Government in some form since 1974. It can be reviewed at any time at the discretion of the Government or DFAT.

3. THE OBJECTIVES OF THE ANCP

The ANCP Goal connects the Program to the purpose of the broader aid program which is to promote Australia's national interests by contributing to sustainable economic growth and poverty reduction.

The **goal statement** for the ANCP is: Through support to accredited Australian NGOs, improve the living standards and well-being of individuals and communities in developing countries.

Outcomes

There are three inter-related outcomes that ensure NGOs are positioned to deliver on the overarching goal:

- Outcome 1: Effective and value for money programming.
- Outcome 2: A diversity of ANGOs draw on funding and expertise from a range of sources.
- Outcome 3: Effective engagement with in-country partners.

The ANCP Program Logic on the DFAT website provides further information.

The ANCP contributes to these outcomes by providing a unique funding model that leverages the development work of Australian NGOs overseas.

The ANCP supports development in a range of areas, including:

- *income generation* – including microfinance, microenterprise development, and small business development;
- *gender equality* – including women's roles in decision making and leadership, ending violence against women and girls, women's economic empowerment and advancing equal access to gender-responsive health and education services;
- *basic education and training* – including literacy, primary, and non-formal education;
- *health* – including cost-effective interventions to support better health for individuals and stronger health systems;
- *water supply and sanitation* – including maintenance of water quality;
- *disability inclusion*;
- *rural and other poor* – including the development of agriculture and basic services and capacity building of community organisations;
- *disadvantaged groups, minorities and marginalised groups, particularly women and children*;
- *good governance and promoting civil society* – especially where constraints of this nature are clearly limiting people's ability to meet their basic needs;
- *strengthening the organisational, planning, management and accountability capacities of local NGOs*;
- *management of the environment and natural resources on a sustainable basis* – including soils, water, fisheries, habitat and forests; and
- *climate change adaptation and mitigation* – including renewable energy technology.

The ANCP also achieves the following outcomes:

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

4. HOW THE ANCP WORKS

4.1 Governance Arrangements

DFAT – NGOs and Volunteers Branch

ANCP is managed by the NGO Programs, Performance and Quality Section in NGOs and Volunteers Branch, DFAT. The management team can be contacted by emailing ancp@dfat.gov.au or calling the ANCP Hotline on (02) 6178 5888 during business hours.

Committee for Development Cooperation

The Committee for Development Cooperation (CDC), established in 1975, is a joint Department of Foreign Affairs and Trade/NGO advisory and consultative body made up of members from the Australian NGO community and the Department.

The role of the CDC is to:

- review NGO accreditation reports commissioned by the department; the Chair of the CDC makes recommendations to the department delegate on accreditation of NGOs;
- provide advice on accreditation criteria and Australian NGO Cooperation Program (ANCP) policy; and
- act as an advisory and consultative body to the department for professional development of the Australian NGO community on issues of concern to that community.

CDC meetings are held a minimum of three times a year and are chaired by the Department.

4.2 Accreditation

Accreditation acts as a front-end risk management process that enables NGOs to participate in the ANCP. It is one component of the Government's risk management strategy. It is also part of industry self-regulation, along with the Australian Council for International Development (ACFID) Code of Conduct for Non-Government Development Organisations.

Accreditation allows DFAT to assess Australian NGOs' capacity to meet the terms and conditions of a Grant Agreement with DFAT. Accreditation is also a capacity building tool that enables NGOs to reflect on and improve their own performance. There are two levels of accreditation under the ANCP: base and full accreditation. The amount of ANCP funding for each level differs according to the level of accreditation.

Base Accreditation

Organisations applying for base accreditation must have a minimum Recognised Development Expenditure (RDE) of \$50,000 per year, averaged over three years. The process for base accreditation is not as rigorous as full accreditation. Organisations applying for base accreditation are not expected to have as comprehensive a capacity, as extensive a track record, or systems that are as robust as those of larger, more established NGOs applying for full accreditation.

Full accreditation

NGOs with full accreditation must respond to a greater number and more comprehensive criteria than those applying for base accreditation. Organisations applying for full accreditation must have a minimum RDE of \$100,000 per year, averaged over three years.

Partners

Ten Australian NGOs with full accreditation status have signed a Memorandum of Understanding (MOU) with DFAT which is in effect until 30 June 2017. ANCP Partners need a minimum of \$8 million in RDE and were invited to sign the MOU. The partnership arrangement recognises leadership in the sector and comes with a responsibility to work closely with full and base accredited NGOs.

More information on the accreditation process is available on the DFAT website. For assistance with accreditation, please contact the accreditation team at accreditation@daft.gov.au.

4.3 Recognised Development Expenditure (RDE)

RDE is the total eligible contribution that each NGO receives from the Australian community for the NGO's own development assistance, emergency relief or rehabilitation activities overseas. Only discrete activities with specific development objectives can use ANCP funds or be included in RDE. Eligible contributions include donations of cash, gifts in kind and volunteer services. Up to half of the RDE can be for gifts in kind and/or volunteer services. Further information is available in the RDE worksheet explanatory notes which can be found on the DFAT website.

NGOs must maintain a level of RDE to continue to be accredited (\$50,000 for base, \$100,000 for full and \$8 million for Partners averaged over three years) and the average RDE over three years is used when calculating the grant amount for full NGOs.

4.4 Funding Aims

Effectiveness

Working with NGOs engaged in international development leverages networks, knowledge and community support to extend the reach and effectiveness of Australian aid. ANCP links performance to funding through accreditation and Partner Performance Assessment processes that ensure DFAT funds high performing NGOs.

Fairness

ANCP funding aims to achieve fairness to Australian NGOs, both in the process used to determine funding and the final distribution of funding.

4.5 Funding Principles

Consistency

Accredited NGOs will have access to ANCP funding from year-to-year as long as their accreditation status is maintained.

- A consistent approach to allocating funding supports good development practice, assists long term planning and allows NGOs to build sustainable partnerships.

Transparency

- ANCP funding will be communicated clearly, easily understood and open to scrutiny. Transparency contributes to fairer processes and outcomes for NGOs. It enhances trust and accountability.

Organisational capacity and community support

Funding will link to core foundations of ANCP's design including organisational capacity through accreditation level, and community support through Recognised Development Expenditure (RDE).

- Funding based on organisational capacity and level of community support increases effectiveness, mutual accountability, sustainability and assists Australia's public diplomacy.

Flexibility

The ANCP allows NGOs to determine the direction of their development programs and respects organisation autonomy.

- Flexible funding allows NGOs to focus on their core competencies and complements other sources of funding. This facilitates innovation and increases the reach of Australia's aid program.

4.6 Funding Policy

1. Funding is allocated to accredited ANCP NGOs on an annual basis.
2. Each ANCP accredited NGO will receive a minimum annual grant amount consistent with their accreditation tier:
 - a. Base accredited NGOs - \$150,000; or
 - b. Full accredited NGOs - \$300,000 plus a proportion of the total remaining funding based on their respective RDE.¹
3. RDE is averaged over three years and calculated by totalling an NGO's eligible expenditure as outlined in the RDE explanatory notes².
4. Funding to NGOs is subject to budget availability.
5. Funding is subject to NGOs:
 - a. maintaining accreditation status;
 - b. meeting the RDE threshold for their accreditation tier (\$50,000 for Base NGOs and \$100,000 for Full NGOs);

¹ This will not be applied to the Australian Red Cross during the term of partnership arrangements with the Humanitarian, NGOs and Partnership Division.

² Refer to link at **10.3**

- c. meeting the terms and conditions of their contract with DFAT; and
 - d. receiving satisfactory ratings under DFAT's Partner Performance Assessment (PPA) process (where applicable).
6. Funding to NGOs reflects the changes to overall budget appropriation for the ANCP, the impact of NGOs moving across accreditation tiers and new NGOs entering the ANCP. Full NGOs' grants will increase or decrease proportionate to these annual changes. To maintain a level of consistency, the annual change to each existing Full NGO's grant will be limited to a maximum 25% increase and 20% decrease.³
 7. New NGOs entering the Full tier will receive the minimum annual funding grant of \$300,000 in their first financial year in the ANCP. The NGO will have access to their total eligible grant amount from their second financial year in the ANCP.
 8. NGOs upgrading from the Base tier to the Full tier will have access to their total eligible grant amount from their first financial year in the Full tier.
 9. The total eligible grant amount for new and upgrading NGOs entering the Full tier will be calculated based on existing Full NGOs not exceeding the maximum annual grant decrease, in line with point 6.
 10. No NGO will be allocated more than 22.5% of the total available ANCP funding.
 11. The NGO must match one dollar for every five dollars that DFAT provides under the ANCP (20% match). The NGO contribution to ANCP projects consists of funds raised from the Australian community. Counterpart NGO and other donor contributions cannot be counted as matching funds. The match is applied to the entire NGO's ANCP grant, not individual ANCP projects.
 12. Funding is provided to each NGO in two payments:
 - a. 80% on the submission to DFAT and approval of Annual Development Plans (ADPlans); and
 - b. 20% on the submission to DFAT of correct Annual Performance Reports.
 13. Newly accredited NGOs will receive 100% of their grant funding on the submission and approval of ADPlans in their first year in the ANCP.
 14. NGOs may roll over a maximum of 10% of their grant from one financial year to the next, or provide written request to DFAT to roll over an amount in excess of 10% in line with terms and conditions of their contract with DFAT.
 15. DFAT may consider, in exceptional circumstances and on a case by case basis, amendments to the application of the policy where appropriate and in consultation with the affected NGO.

4.7 Funding Policy Review and Consultation

The funding policy will be reviewed every five years, or as circumstances require. ANCP accredited NGOs will be informed prior to any funding policy amendment.

³This will be applied from 2019-20 onwards at the conclusion of the transition period for this policy.

4. 8 Funding Match

The NGO must match 20% or one dollar for every five dollars that DFAT provides under the ANCP (1:5 match). The NGO contribution to ANCP projects consists of cash funds raised from the Australian community. Counterpart NGO and other donor contributions, in-kind goods and services cannot be counted as matching funds. The funding match must comprise project funds only; administration costs cannot be put towards the NGO contribution. The match is applied to the entire NGO's ANCP program (i.e. the total grant), not individual ANCP projects. The funding match required is based on the grant amount for any financial year and cannot be rolled over.

ANCP MANUAL: PART 2 Program Guide for Accredited NGOs

5. ANCP DEVELOPMENT ACTIVITIES

The ANCP both complements and extends the reach of the Australian aid program: supporting activities, building relationships and developing capacity in sectors and geographic areas beyond the footprint of DFAT's regional and bilateral programs. ANCP projects must align with the Aid Program's overarching goals, but in order to maintain the flexibility of the ANCP, are not required to align with DFAT Aid Investment Plans.

5.1 Eligible Projects

To be eligible for ANCP funding, activities must:

- be delivered in a country on the list of developing countries as declared by the Minister for Foreign Affairs for the purposes of Overseas Aid Gift Deduction Scheme established by the Income Tax Assessment Act 1997 with the following exceptions:
 - *India*: India remains on the list of developing countries as declared by the Minister for Foreign Affairs. While the Government of India has elected to phase out bilateral aid from Australia, accredited ANCP NGOs are still able to use these funds to support NGO activities in India.
 - *Thailand*: Thailand remains on the list of developing countries as declared by the Minister for Foreign Affairs. DFAT will not support activities in Thailand with ANCP funds unless they relate to Myanmar beneficiaries or are regional. Activities in Thailand which assist Myanmar refugees and Myanmar migrants are classified and reported as Myanmar activities.
 - *China*: China (excluding Hong Kong) remains on the list of developing countries as declared by the Minister for Foreign Affairs. DFAT will not support activities in China with ANCP funds unless they are in support of a regional project.
 - *High risk countries or regions*: It is essential that NGOs contact ANCP to discuss the feasibility of projects in sensitive or 'Do Not Travel' countries or regions as listed on the *Smartraveller* website (refer to **5.14** for further details).
- have a strategy to ensure the development outcomes will be sustainable by the end of the activity;
- where possible, use existing community structures, be implemented by local or Australian NGOs acceptable to the national or local authorities of the country in which the activities are planned, and be consistent with the country's development policies;
- provide channels for Australians to contribute directly and meaningfully in international development efforts through voluntary activities and financial support;

- encourage and facilitate community self-help and self-reliance through local participation in defining goals, formulating development strategies, contributing to costs (including contributions in-kind), and in the implementation and management of such activities;
- ensure that the specific social and economic needs of both men and women are addressed and that opportunities for women to participate as decision makers in determining objectives and types of activities are increased;
- provide good value for money;
- use successful conventional or innovative approaches to problem solving which have potential for wider application in other communities;
- strengthen counterpart organisations in developing countries so as to enable them to sustain activities after Australian assistance has ceased;
- benefit groups selected on the basis of need - not on religious, sectarian or political grounds;
- encourage sound environmental and ecological practices; and
- encourage good governance and respect for human rights.

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

- are determined reasonably to be contrary to the interests of the Commonwealth of Australia;
- subsidise evangelism or missionary outreach (refer to **5.2** for further details);
- support activities by partisan political organisations (refer to **5.2**);
- support independence movements;
- provide direct assistance to unions to organise industrial action and give direct material assistance to striking workers (while not precluding activities in the areas of labour unions institution capacity building, training and advice, activities of this nature are subject to additional approval);
- involve welfare activities (refer to **5.2**);
- do not comply with partner country government laws, guidelines and policies;
- have a significant component of professional salaries at Australian or 'expatriate' rates;
- are for emergency relief activities;
- are for recurrent costs - unless there is a convincing plan to ensure the recipients will be able to take over those recurrent costs within the life of the activity;
- are currently funded under other Australian Government programs – NGOs seeking DFAT funds must declare all other proposals or sources of Australian Government funding which may impact on the activity;
- involve retrospective funding;
- provide medical or clinical services without:
 - established clinical governance arrangements for managing clinical risk and ensuring best practice standards;
 - medical liability insurance or equivalent in place; and
 - appropriate approval from the host country;
- do not comply with the guidelines set out in the *Family Planning and the Aid Program: Guiding principles* document available on the DFAT website;

- are primarily research focused;
- are development awareness raising activities; or
- are focused primarily on the provision of equipment, freight or buildings unless the assets to be supplied are clearly part of a broader development program.

Funds under DFAT schemes are provided to assist and strengthen an organisation's or a community's development capacity or socio-economic situation. The following provides detail about the eligible and ineligible activities that may be funded under the ANCP.

5.2 Political, Religious or Welfare Organisations

It is vital to ensure development is not delivered for the purposes of religious witness, welfare objectives or partisan political objectives, but to deliver development activities and increase the development capacity of partners.

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

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

Political Activities

Activities that could be construed as being political are those that involve 'party' politics or partisanship. General support for political participation does not fall within this definition of 'political'; examples of such general support could include civic awareness campaigns or activities that promote the participation of women as political candidates (without promoting specific parties). DFAT funds should not be used to build up political structures except in circumstances where those structures are specifically designed to provide relief and/or development assistance. In this context, political structures include not just infrastructure, but could also extend to training or organisational activities.

Religious Activities

DFAT funds are not to be used for programming that is designed to convert people from one religious faith or denomination to another or from one political persuasion to another. DFAT funds should not be used to build up church or ecclesiastical structures except in circumstances where those structures are specifically designed to provide relief and/or development assistance. In this context, church or ecclesiastical structures include not just infrastructure, but could also extend to training or organisational activities.

Welfare Activities

Welfare is defined as care and maintenance, other than in refugee and emergency situations, which aims to maintain people in a particular condition on a longer-term basis. Substantial and broad impact on social and economic conditions in the community is not normally expected from welfare programs. Welfare may be provided to an individual or family basis including home-based and institutional care programs, such as those provided by orphanages, homes for the elderly, hospices and the provision of food for those who are destitute. Exceptions to this may include situations where home-based care leads to inclusion in development and sustainable long-term change.

Welfare project examples that will not be approved include where:

- welfare is implemented independently of other sustainable community development activities;
- welfare has no strategy for integration into a broader, community development program;
- welfare is provided on an individual or family basis, rather than on a community basis, and is unconnected to emergency needs; or
- welfare activities are implemented on an ongoing, long-term basis with no clear exit strategy.

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

5.3 Recurrent Costs in Education and Training

DFAT will fund some recurrent costs for education and training activities that are subsidised by the Australian NGO. The basis for approval of inclusion of recurrent costs in project proposals is that such activities are clearly and demonstrably integrated into a broader community development activity and are implemented within an acceptable timeframe. NGOs will be required to demonstrate to DFAT that they have a clear exit strategy that is reviewed periodically in line with changes in the project and external environment.

In cases where an NGO decides to include recurrent costs for education and training activities, the NGO must also demonstrate that the recurrent costs involved are vital components of the activity and are necessary in order to maintain the level of education and training activities delivered in a particular situation. Any training or education programs must be in line with the community development objective of the ANCP.

Training for a small number of individuals

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

Some examples of NGO activities funded by DFAT in which recurrent costs are a component:

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

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

5.4 Assets

Assets are defined as non-consumable items valued over \$2,000 using funds provided by DFAT through the ANCP; and for the purposes of delivering activities in the ANCP ADPlan. Assets may include:

- vehicles (including boats);
- office equipment;
- IT and communications equipment;
- software; and
- buildings and land.

Asset purchases and disposal with ANCP project funds should be carefully considered to ensure value for money and sustainability:

- Any construction must be an integral part of an overall development plan rather than the primary purpose of the ANCP activity. The construction of buildings will only be supported if the NGO demonstrates that it is necessary to meet broader development objectives.
- Where assets comprise a significant proportion of the project budget NGOs must provide details of the assets to be purchased, including rationale and disposal process as part of the ADPlan.
- The assets to be purchased or supplied must be appropriate to the environment in which they are to be placed.

- Ownership of any assets purchased, or part-purchased with ANCP funds, must pass to in-country partners during, or at completion, of the project.
- Where an asset is disposed through sale, the funds should be reinvested in the program.
- The recipients (following asset disposal) must have the capacity to maintain the asset concerned and to meet recurrent costs (e.g. in the case of a hospital, funding the medical salaries and supplies, utilities, maintenance etc.).

Asset registers and associated documentation such as import documents, invoices and warranties must be available for audit by or on behalf of DFAT at any time.

5.5 Health Activities

The focus of Australia's investments in health is primarily directed to supporting better health outcomes for people through stronger health systems – so that men, women and children can access basic health services and live healthy and productive lives. All interventions should be in context of the host country's health priorities and country plans; and consider the ability to sustain services beyond the life of the activity.

Provision of medical or clinical services must be context appropriate and consider the medical ethics, feasibility, sustainability and cost of appropriate follow up care; and must be appropriate in countries with low or limited resources for health.

Any project that includes the provision of medical or clinical services must ensure sustainability outcomes are addressed in the design, implementation, monitoring and reporting of activities. The project should incorporate an approach for capacity building of local institutions or another means of working towards ensuring equivalent medical services will be available to the community at the project's completion.

For activities that include medical or clinical services, evidence of the following must be provided to DFAT:

- approval to provide clinical services in the host country;
- established clinical governance arrangements for managing clinical risk and ensuring best practice standards; and
- medical liability insurance or equivalent.

NGOs that intend to train traditional birth attendants or other lay health workers will need to provide DFAT with detail on the type of training, for example: training to refer women to the formal health system; post-partum family planning; or promoting newborn health. If training of traditional birth attendants is outside of the formal health system, DFAT would need to see strong justification and evidence that activities complement and do not undermine efforts to improve access to skilled birth attendants. Programs that support the training of lay health workers, including traditional birth attendants, must comply with the *World Health Organization's (WHO) guidance* on task shifting in maternal and newborn health interventions.

The recommendation that skilled birth attendants should support all births has been universally acknowledged and endorsed and, overall, progress is being made in raising rates of coverage. The WHO defines a Skilled Birth Attendant as ‘an accredited health professional – such as a midwife, doctor or nurse – who has been educated and trained to proficiency in the skills needed to manage normal (uncomplicated) pregnancies, childbirth and the immediate postnatal period, and in the identification, management and referral of complications in women and newborns’.

5.6 Family Planning and Reproductive Health Activities

All reproductive health and family planning activities must comply with the *Australian Government’s Family Planning and the Aid Program: Guiding Principles*.

The DAC (Development Assistance Committee) code 13030 designates that an activity includes a family planning component. All ANCP activities that involve a family planning component should be assigned this code. The 13030 code may be assigned as a primary or secondary code. An activity with even a small family planning component should be assigned a secondary code of 13030.

5.7 Disability Inclusion

Disability-inclusive development is a priority for Australia’s international engagement. *Development for All 2015-2020: Strategy for strengthening disability-inclusive development in Australia’s aid program* responds to the agenda set out in DFAT’s development policy, and aims to promote improved quality of life of people with disabilities in developing countries. The Australian Government aims to ensure that people with disability are included in and benefit equally from Australia’s aid program, consistent with our obligations under the *United Nations (UN) Convention on the Rights of Persons with Disabilities (CRPD)*. DFAT’s definition is ‘persons with disabilities include those who have episodic or long-term physical, mental, intellectual or sensory impairments which in interaction with various barriers may hinder their full and effective participation in society on an equal basis with others’. The reference to disability is based on the characterisation of persons with a disability in Article 1 of the Convention on the Rights of Persons with Disabilities. The term ‘episodic’ has been added by DFAT in line with the ‘evolving concept of disability’ referred to in the Preamble.

The Australian Government’s approach is outlined in the strategy which provides guidance on how the aid program will meet the needs and priorities of people with disabilities, who are often among the poorest, most vulnerable and excluded members of developing countries. The strategy aims to improve the quality of life of people with disabilities in developing countries, through enhancing participation and empowerment, reducing poverty, and improving equality for people with disabilities in all areas of life.

DFAT can provide technical advice to partners who require assistance designing a process for collecting disability data that is program relevant. If you would like to access this support, please contact the DFAT ANCP section on anpc@dfat.gov.au.

5.8 Gender Equality

Gender equality is about equal opportunities, rights and responsibilities for women and men, girls and boys. It does not mean that women and men are the same. Gender inequality is a result of unequal power distribution between women and men, exacerbated by ongoing discrimination, weaknesses in laws, policies and institutions, and social relations that normalise inequality. DFAT's Gender Equality and Women's Empowerment Strategy applies across all work undertaken by DFAT. It strengthens gender equality and women's empowerment as a priority across Australia's foreign policy, economic diplomacy and development efforts. The strategy acknowledges the systems and structures that can play a significant role in entrenching or exacerbating discriminatory practices.

Australia's foreign policy and aid program supports gender equality and women's empowerment under three pillars:

- Enhancing women's voice in decision-making, leadership, and peace-building;
- Promoting women's economic empowerment; and
- Ending violence against women and girls.

Gender equality is central to economic and human development and to supporting women's rights. Equal opportunity for women and men supports economic growth and helps to reduce poverty.

ANCP requires that all NGOs incorporate measures to address gender equality and women's empowerment in design, implementation, monitoring and evaluation and reporting of ANCP activities.

DFAT's Gender Equality and Women's Empowerment Strategy was released in February 2016 and outlines how and why DFAT works on gender equality and women's empowerment in the aid program.

5.9 Child Protection

The 2013 Child Protection Policy for the Australian Government's overseas aid program aims to create and maintain protective environments for children and to protect them from exploitation and abuse of all kinds in the delivery of Australia's overseas aid program.

The Policy applies to:

- all DFAT staff delivering the aid program including those based overseas;
- all contractors and civil society organisations funded by DFAT through the aid program including:
 - individual contractors;
 - partners or organisations subcontracted by DFAT funded contractors or civil society organisations;
 - personnel of DFAT-funded contractors and civil society organisations;
 - Australian Volunteers for International Development Program participants and partners.

All ANCP activities must comply with *DFAT's Child Protection Policy*. For all ANCP projects that involve directly working with children or contact with children, ANCP NGOs must identify all Personnel positions working with children or having contact with children and maintain a register of these details which must be available for audit or review as required by DFAT; and ensure that the project risk assessments include assessment of the risks to children. General enquiries as well as details on reports and notifications required under the policy can be made at childprotection@dfat.gov.au or 02 6178 5100.

Child exploitation and abuse is not tolerated by DFAT and attracts criminal penalties under Australian legislation.

If you have been abused or have any concerns relating to the abuse or exploitation of children within your community or if you or a child is in immediate danger, contact your local police.

5.10 Environment

The *Environment Protection Policy for DFAT's Aid Program* outlines DFAT's legal obligations to protect the environment when delivering aid. The Policy applies to all aid investments across economic growth and human development sectors such as infrastructure, agriculture, forestry, tourism, mining, fisheries and infrastructure works in health, water & sanitation and education programs.

The Policy outlines DFAT's obligation under the *Environment Protection and Biodiversity Conservation Act (Cth) 1999 ('the EPBC Act')* to ensure that through our overseas work we are considering whether we are causing, or are likely to cause, a significant impact on the environment and taking steps to reduce any such negative impacts. Under the provisions of the EPBC Act, such potential significant impacts on the environment from the implementation of the Australian aid program must be diligently assessed and managed as prescribed under the EPBC Act.

The Policy also outlines DFAT's obligations under partner government laws and under a range of Multilateral Environmental Agreements (MEAs) to which Australia is a signatory. Many developing partner countries have environmental resources of international significance covered under MEAs that need to be protected such as wetlands, world heritage sites and migratory birds.

All investments, regardless of the monetary value or delivery approach, must be assessed for potential environmental impacts in accordance with the Policy. NGOs, like other DFAT aid delivery partners, must specifically consider environmental issues in each proposal for funding. Projects/programs identified as having potential adverse environmental impacts or located in an environmentally sensitive location or sector will require an initial environmental assessment. A guide to assessing your environmental risk is included in the *Environment Protection Policy Good Practice Notes*. The Good Practice Notes set out how to apply best practice in environmental management to Australian aid program activities.

The NGO must:

- ensure all actual or potential environmental impacts relating to its project/program, whether direct or indirect, positive or negative impacts, are assessed and managed to avoid or mitigate negative impacts and promote positive impacts;
- ensure that environmental requirements specified in its project/program proposal are implemented, monitored and reported on to DFAT; and
- through reporting requirements, advise DFAT of any potential or actual environmental impacts of its project/program and comply with all relevant environmental laws and regulations of the partner country.

5.11 ACIAR and NGO Agricultural Activities

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

ACIAR can provide NGOs with information about agriculture activities by providing advice on Agricultural Research and Development in developing countries, assisting NGOs to access the International Agriculture Research Centre network and providing access to regular ACIAR newsletters which provide updates on ACIAR projects, scientific developments and country specific news.

5.12 Private Sector Development and Engagement

Private sector development is one of two pillars of Australia's development policy. The Strategy for Australia's aid investments in private sector development provides the rationale, principles and approaches for how our investments can improve the growth and inclusiveness of the private sector in the countries in which we work. The strategy should be read in conjunction with the Ministerial statement on engaging the private sector in aid and development which outlines why and how DFAT works with the private sector across the aid program.

The private sector comprises all privately owned commercial enterprises and includes individual farmers and street traders, small and medium enterprises, large locally-owned firms and multinational corporations. Also includes enterprises in developing countries, developed countries, and multinationals.

Private sector engagement is a key tool that can be used to achieve better development outcomes in private sector development and human development. It includes a wide range of interactions between private sector organisations (individual businesses, business associations) and the NGO, ranging from dialogue to financial partnerships. Private sector engagement allows the NGO to get better insights into the drivers and constraints facing business in the countries in which they work, allowing the NGO to more effectively make investments that drive private-sector led economic growth.

Private sector development is used to describe ANCP funded activities that support the private sector to contribute to economic growth in our partner countries. Private sector development activities fall into three main categories

NGOs are required to outline in project ADPlans if the project contributes to private sector development and/or involves private sector engagement.

5.13 Innovation

ANCP projects are often used to pilot or trial innovation. This may be through applying new approaches to aid delivery or different partnerships and collaboration or applying innovative processes. DFAT recognises that most innovation is based on incremental improvements to policy, programs and systems based on trialling ideas and effectively sharing information on what has worked and learning from our failures.

5.14 ANCP Activities in Sensitive and Higher Risk Regions or Countries

NGOs considering proposing project activities in sensitive or 'Do Not Travel' countries as listed on the *Smartraveller* website should consult with the ANCP team prior to submitting new project proposals as part of ADPlans. DFAT travel advisories on the *Smartraveller* website are subject to change and ANCP NGOs should ensure they are aware of the most recent travel advice. Countries where the delivery of aid programs may be sensitive include Pakistan, Palestinian Occupied Territories, West Papua or other countries where NGOs face significant risks or challenges.

ADPlan project forms for projects should include:

- detailed assessment of risks and identify risk treatment that reduce the likelihood and or the consequence of realising risks;
- written evidence of the prior approval of the proposed activity by an appropriate government authority;
- commitment that all Australian citizens or permanent residents who travel to high risk countries as part of project activities will register on Smartraveller including as much detail of travel activities as possible.

New and continuing multi-year ANCP project proposals will be provided to the relevant geographic desk or Post for review prior to project approval. Additional information and clarifications may be sought from the requesting NGO. In the event of DFAT non-approval, reasons will be provided to the NGO.

5.15 Anti-Terrorism Obligations

ANCP NGOs should ensure that they do not provide support or resources to organisations or individuals associated with terrorism, including 'terrorist organisations' as defined in Division 102 of the Commonwealth Criminal Code Act 1995 (Cth). For further information on the obligations of NGOs under Australian law, please refer to *Safeguarding your organisation against terrorism financing: A guidance for non-profit organisations*.

5.16 Promoting the Australian Identity

NGOs under the ANCP must promote the Australian identity through their ANCP funded work.

Activities should have a strategy to promote the Australian identity of the activity in an appropriate manner. It is the responsibility of NGOs to ensure that Australian identity is recognised in some way for Australian Government funded NGO activities. Judgement should be exercised in promoting Australian identity. In the Annual Performance Report, NGOs will be asked to report on how they promoted the Australian identity in the ANCP projects they implemented. NGOs should refer to guidance on the DFAT website on referencing DFAT in public materials. While this list is not intended to be exhaustive, opportunities for the promotion of Australian identity can take many forms and could include:

- visits by Australian officials;
- keeping Australian Missions overseas informed of ANCP projects and possible publicity opportunities;
- in-country publicity in the local press reflecting Australia's involvement and support;
- ensuring beneficiaries understand where support is coming from;
- labelling and badging of project materials;
- signage that features *supported by the Australian Government, DFAT* - signs should be in the local language and, where possible, include the English version;
- the recognisable participation of Australian advisers in project activities;
- media releases that include references to previous activities and achievements and the history of Australia's aid to the area through projects, programs or NGO activities (i.e. number of teachers trained to date, area of land reafforested, or physical outputs of agricultural programs).

Note that the Australian Government logo should not be used in press articles that lobby government on development or political issues.

Branding Merchandise (including clothing)

Permission to use the Australian Aid identifier and/or a supporting statement on any merchandise (for example program clothing, pens, mugs or drink bottles) must first be obtained from DFAT. NGOs must provide a written request outlining the positive benefits for the project being delivered and for the Australian aid program, and only where this can be demonstrated will permission be granted.

Permission must be sought from DFAT for the use of the Australian Aid identifier in conjunction with the logo of the NGOs or multilaterals on clothing and/or uniform items worn at work by employees of NGOs.

The Australian Government crest logo must not be placed on clothing.

Further guidance on branding is available on the DFAT website

5.17 Public Announcements and Project Events

NGOs must provide DFAT with reasonable advance written notice prior to making any public announcements or statements to the media regarding the ANCP as a program, overall funding, performance and the DFAT/NGO management of the program.

DFAT also requires notification (where practical) of any public or media events associated with the implementation of projects under the ANCP including launches and openings. DFAT will use this information to promote and support these activities where possible.

5.18 Ethical photography

Photography used in publications and provided to DFAT must meet the *DFAT Ethical Photography Guidelines*.

6. ANCP PLANNING AND REPORTING

This section provides detail on the ANCP planning and reporting processes.

6.1 Program Cycle

31 March – Due date for NGOs to submit RDE worksheets to DFAT.

May – DFAT advises each NGO of their annual grant funding for the upcoming financial year.

30 June – Due date for NGOs to submit an Annual Development Plan (ADPlan) to DFAT. All NGOs, except new entrants are paid 80 per cent of their grant amount on the basis of an accepted ADPlan. New NGOs to the ANCP receive 100 per cent of their grant amounts.

30 September – Due date for NGOs to submit Performance Reports and Financial Acquittals for the financial year ending on the preceding 30 June. NGOs are paid 20 per cent of their grant amount on the basis of an approved Performance Report, except new NGOs who will have previously already received 100 per cent of their grant amount for that financial year upon ADPlan approval.

November – Partner Performance Assessments (PPAs) will be conducted for ANCP grants with a value greater than \$3 million. DFAT conducts the assessment and will provide the PPA to the NGO for endorsement.

Every five years – NGOs undergo reaccreditation.

6.2 Annual Development Plans (ADPlans)

An ADPlan is a plan of development programs and projects put forward by an NGO in order to receive funding through the ANCP. ADPlans outline targets and milestones for a variety of development projects and programs over the 12-month ADPlan period (refer below for definitions of *program* and *project*).

An NGO may present a common set of projects in the ADPlan each year to provide predictable, continued funding or they may wish to change some or all of the projects in the ADPlan each year. Projects may take place during one financial year or they may continue over a number of financial years. For continuing projects, objectives may remain similar from year to year, although outputs would be expected to vary. If an NGO is implementing several projects with varying implementation schedules crossing financial years (e.g. one project might be implemented from May to February, another from December to November) then the ADPlan would identify only what targets and milestones (e.g. outputs) will be addressed or delivered in the 12-month ANCP funding period (i.e. July to June). Activities for projects that are implemented or completed after 30 June would need to be funded out of the following year's ANCP allocation. ADPlans should comply with the guidance on ANCP eligible projects outlined earlier in this manual. Once an NGO has finalised the ADPlan, it should be reviewed and approved by the relevant NGO authorised officer and attached to the Header form in ANCP Online.

Program and Projects

DFAT acknowledges that NGOs use a variety of terminology to define their development work. To be able to accurately capture information about the ANCP, it is important that consistent definitions relating to 'program' and 'project' are applied. NGOs are not required to adjust their internal systems to align with the ANCP definitions. However, information provided in ADPlans and Annual Performance Reports should be consistent with the explanation provided below.

Program: Programs are overarching development approaches and initiatives that set priorities and guide project outcomes, results and activities. Programs constitute a coherent set of development activities (projects) that pursue a single focus, which may be regional, sectoral or country based.

Project: Projects are the practical implementation of an NGO's overarching development approach or program. Projects are discrete investments in particular countries, contexts and/or sectors, with a specific start and end date and identified funding. DFAT strongly encourages NGOs to submit multi-year ADPlan projects to reflect ongoing activities rather than single-year projects. Each year the outputs and outcomes can be updated but the description should clearly articulate the long-term results the project is hoping to achieve. Although the ADPlan template requests that NGOs present information by project (to meet DFAT's corporate reporting requirements).

DFAT acknowledges that NGOs often plan development activities at a program level; on a geographic or thematic basis. The ADPlan template in ANCP Online supports NGOs to provide an overview of program approach in the Program Form, and also provide details on the country/context specific ways in which this program is implemented.

It is also possible for parts of programs to be captured in the ADPlan as projects. For example, included in the ADPlan may be the nutrition component of a broader health program, or the Vietnam component of a Mekong Water and Sanitation program. In these cases, DFAT encourages NGOs to provide information at the program level, to the extent possible, as well as providing the required project information, to give a clear picture of the NGO's work and overall approach to development.

ANCP Online

RDE worksheets, ADPlans, Annual Performance Reports and Financial Acquittals are submitted through ANCP Online.

Each NGO will have one unique user name and password that will provide a single point of access for ANCP Online for ADPlans or Annual Performance Reports. NGOs will access ANCP forms through a URL that will be emailed to each NGO when each round (RDE, ADPlans and Annual Performance Reports) is opened in the system. For RDE, NGOs must register each year and set up a new registration user name and password via ANCP Online.

If required, multiple users from the same NGO can access ANCP Online at the same time, by using the same log on information. There are no messages generated by the system to indicate multiple users are logged into the same form at the same time. If an NGO chooses to allow multiple users, it is important to ensure that separate users are not working in the same form (i.e. same Project form or same Program form) at the same time, as this may cause data loss. ANCP Online does **not** have a recovery function if data is lost due to multiple users working on the same form at the same time.

Structure of reporting in ANCP Online

In the ANCP Online, the ADPlan has been separated into a three-tier structure:

- *Header Form:* The overarching application form, which contains the NGO's executive summary, overarching development approach, aggregated indicator data (refer below) and contact details including authorised officers. It also contains the certification document. The Header Form is mandatory.
- *Program Form:* The Program form supports NGOs both to report in line with a programmatic approach to development. The Program Form is optional. NGOs that do not use programs, or which have projects that are not otherwise linked to a program, should answer 'no' to the program question and leave the program title blank. Where NGOs have multiple projects that do not operate under a program structure, the relevant projects should be clustered under one blank program (i.e. do not set up multiple blank programs to host multiple projects).
- *Project Form:* In ANCP Online, all projects exist within a program. The Project Form is completed after the Program Form has been completed (or identified as not being applicable). The Project Form contains all information on a project, such as financials, implementing partners, project description and other donors that contribute to the project. This form is mandatory.

NGOs submit **one** ADPlan for the full funding period (i.e. for the upcoming financial year). This ADPlan can be varied if required throughout that period subject to the caveats below. NGOs then submit **one** Annual Performance Report for the full funding period (i.e. the previous financial year). The ADPlan and Annual Performance Report consist of a Header Form, followed by sub-forms containing more detailed program and/or project information. The entire ADPlan or Annual Performance Report forms should be submitted at the same time. The ADPlan must be reviewed and approved by the relevant Authorised Officer. The ANCP Program Certification must be signed by an Authorised Officer in hard copy and attached to ANCP Online. ADPlans will not be considered final without this Certification being completed and attached to the Header Form.

In April of each year, DFAT will migrate data from the previous year's ADPlan to use as a basis for the next year. NGOs will be able to update information for ongoing projects rather than re-entering data. NGOs will be able to add new projects or remove projects as required.

ADPlan Approval Process

ADPlans are due by 30 June each year. DFAT will assess and approve ADPlans as soon as possible. ADPlans will usually be reviewed in the order in which they are received.

Step 1: NGO completes ADPlan information in ANCP Online. NGOs will have access to the ANCP Online system from early May to 30 June.

Step 2: DFAT will run an automated report on all submitted ADPlans after 30 June. The report checks financial and data information to ensure that all necessary sections have been completed. If any inconsistencies are detected, the NGO will be notified and asked to revise the ADPlans as necessary and then resubmit to DFAT.

Step 3: DFAT appraises the ADPlan to ensure all sections have been completed correctly and are consistent with key DFAT policies. For example, DFAT will ensure:

- projects adhere to the ANCP Manual and other key DFAT policies;
- projects are being implemented in DFAT approved regions and sectors;
- correct DAC codes have been entered; and
- specific project information is included such as who, what, where, why, when and how, as well as how the project will be sustained.

DFAT Country and Thematic teams ALSO conduct a risk assessment of the ADPlan, focusing on high risk or new projects. The definition of high risk may change depending on global circumstances, but include projects such as those operating in sensitive or 'Do Not Travel' countries as listed on Smartraveller; or those focused on providing clinical or medical services, or training of lay health workers outside of the formal health system. All projects in the areas of labour unions institution capacity building, training and advice; labour law and workers' rights also require additional risk assessments by DFAT. Projects that may have significant environmental impacts or involve resettlement will also require additional risk assessments.

NGOs should refer to **section 5.1** to ensure relevant approvals are obtained for projects in high risk areas.

Step 4: If no issues arise, DFAT will approve the ADPlan. If any issues are detected and the NGO is required to provide updates/revisions, DFAT will notify the NGO and provide a report explaining what additional information or changes are required. The relevant forms will be 'unsubmitted' through the ANCP Online system so that they are available to the NGO for editing. Once updated, the NGO should then 'Submit' the revised ADPlan for approval, ensuring that the approval information is updated and the certification document re-signed and re-attached.

Step 5: Payment will be issued after an ADPlan has been approved by DFAT.

Revising ADPlans

NGOs should exercise judgement and draw upon their experience when considering whether a project amendment needs to be brought to DFAT's attention.

Changes that should be advised to DFAT may include:

- major changes to project scope, budgets (over 20 per cent), project locations or a change of implementing partner.
- Major change to project scope
 - changed project objectives,
 - additional or different sector focus/DAC code,
 - different project activities
- Changes to ANCP contribution to or total project budget where increase or decrease is 20% or more
- Change to expected beneficiary numbers where increase or decrease is 20% or more
- Changes to implementing partner
- Project delays
 - Delay in proposed commencement date greater than three months
 - Project closure where more than three months earlier than planned closure date
- Changes to project location
 - Change to province/city or other community

Additional or different countries and new projects can only be submitted as part of the ADPlan process. Where there are exceptional circumstances outside the control of the NGO, please contact DFAT to discuss.

When liaising with DFAT on amendments to projects, NGOs should notify DFAT of the Project Online Identification Number/s and submit the completed ADPlan Variation Request form. Consideration should be given to the full impact of the project revision, e.g. will a project budget change impact timeframes, impact other ANCP projects, or will a change in implementing partner impact the project activities or location.

DFAT will advise whether amendments should be made to the ADPlan or a variation noted in the Annual Performance Report. NGOs must have received written approval of the changes from DFAT before changes may be implemented.

When delays are likely to be encountered in forwarding funds to the project delivery organisation/partner, the funds must be put in a secure, interest bearing account.

6.3 Annual Performance Reports

NGOs submit Annual Performance Report in ANCP Online three months after the funding period has finished (by 30 September). The Performance Report contains the annual achievements of the ADPlan and the annual financial acquittal.

The acquittal component of the Performance Reports is a periodic accounting to DFAT for the use of DFAT funds, supported by the NGO keeping records that show all spending of every part of every payment received from DFAT. To be accurate, acquittals must be a record of how and where money has been expended on a project, not simply a record that money has been sent from the Australian NGO to the partner organisation. NGOs must be able to fully account for all Australian Government funding provided. Project and ADPlan reporting enables DFAT to be confident that all Australian Government funds provided have been applied and acquitted as agreed. DFAT may request that NGOs provide additional financial details for projects where questions arise. The Annual Performance Report component provides information on the specific achievements of NGOs at the overall agency-wide level, the program level and the project level. This includes both qualitative and quantitative information, through the narrative on lessons learnt, achievements, beneficiary values and indicator reporting. Annual Performance Reports are required to be certified by an authorised officer within the NGO.

6.4 Indicators and Aggregate Development Results (ADRs)

Aggregate Development Results (ADRs) are indicators that can be aggregated across the aid program to demonstrate the contribution of Australian aid to development outcomes in partner countries (for example, kilometres of road built or number of children vaccinated).

In addition to the indicators identified as ADRs, ANCP developed a number of indicators under the *ANCP Monitoring, Evaluation and Learning Framework (MELF)*. The use of ADR and MELF indicators is a way for DFAT to capture quantitative information about the contribution ANCP NGOs are making to DFAT's strategic goals. These indicators allow DFAT to communicate ANCP achievement in a quick and simple way and support more in-depth analysis of the qualitative information provided by NGOs.

Aggregate Development Result indicators are accompanied by technical notes in the ANCP online forms, which can be downloaded and distributed as required. If there are any questions or concerns around how to calculate values or respond to particular indicators, NGOs should contact the ANCP team at anpc@dfat.gov.au for advice.

ADPlan – For the ADPlan, NGOs will be asked to report *expected* results against the indicators. For the initial ADPlan, this is the only required category, although DFAT encourages NGOs to complete baseline and target values where possible. DFAT expects that NGOs will be able to provide these values in the ADPlans.

Annual Performance Report – NGOs are required to report against the indicators for each project when the Annual Performance Report is completed. In the Annual Performance Report, the information in the indicators section should be consistent with the information provided in the projects and beneficiary tables. For indicators in the Annual Performance Report, NGOs should report on *actual* results against the selected indicators and, to the extent possible, NGOs should disaggregate indicator values. At a minimum, and where relevant, DFAT expects disaggregation into men, women, boys, girls and people with disability. When completing the Performance Report for each

project, NGOs should select the relevant indicators from the list provided for each project. After making this selection, the next page of the Performance Report will ask NGOs to enter the relevant values. For most indicators, the values entered correspond directly against the indicator selected. Please refer to ANCP Online for further details.

6.5 Development Assistance Committee (DAC) Codes

DAC codes are required as these feed directly into DFAT reporting. Please consult the current *DAC Codes list*.

DAC codes refer to the sector in which the project is taking place. They do not describe the effects of the project. For example, a flow-on effect from WASH work may be that the local community are more aware of their civil rights. However, the project itself is a WASH project. The DAC code should therefore be WASH specific. It is not appropriate to include an equivalent civil rights DAC code.

6.6 Additional information

ANCP Online

To ensure receipt of updates and advice from the ANCP team, NGOs should ensure that their contact details in ANCP online are current. Staff changes should be updated as soon as practicable.

Prior to submission, ensure that all information is consistent with the ANCP Manual. Once an ADPlan or Annual Performance Report has been submitted to DFAT, NGOs cannot make changes through ANCP Online. The ADPlan will need to be 'unsubmitted' by DFAT before updates or amendments can be made.

In line with Department of Foreign Affairs and Trade's (DFAT) commitment to transparency and accountability, a summary of the ADPlans will be provided on the DFAT website. NGOs should ensure that sensitive information is not included in information to be published.

As information will be made publically available, ADPlans must be easy to read and understand. Avoid confusing, lengthy statements or sentences. Similarly, ensure information can be understood by someone without an aid and development background. Avoid language such as: lobbying, campaign/s, activist/ism, advocacy (when to government), action groups, mobilising, touring, fundraising.

How Time Period and Australian Financial Years are reflected in ANCP Reporting

Under ANCP, NGOs deliver programs according to an Australian financial year, from 1 July to 30 June. ANCP reporting requirements are also designed according to the Australian annual financial year cycle.

For the purposes of an ADPlan or Performance Report, the financial year being reported on is referred to as 'current' or 'this' ADPlan period. The previous year's ADPlan is referred to as 'previous' ADPlan period, even where this period is still underway.

7. FINANCIAL REQUIREMENTS

NGOs have a series of financial obligations including:

- Acquittal of 100% of ANCP and matching funds, including interest;
- Gains from currency fluctuations must be used on projects or refunded to DFAT; and
- Using no more than 10% of funding on administrative costs.

NGOs should also note that approval of ADPlans for multiyear funding does not imply a forward financial commitment for those activities. Funding is subject to availability, maintaining accreditation status and project approval.

7.1 Administration Costs

NGOs are able to allocate up to 10 per cent of their annual ANCP grant to administrative costs in any financial year.

Administration costs are charges associated with the operations of an NGO including and are listed in the administrative costs table reproduced below. The preparation of ADPlans, RDE Worksheets and Annual Performance Reports are considered to be administrative costs.

Project-related administrative costs may be charged to project budgets. However, NGOs should remember that value for money is a significant aspect of the assessment of activities for funding and general overheads and pre-project costs (such as recurrent expenses at headquarters, membership costs or administration fees and maintenance costs of basic operations such as appraisal and design mechanisms) would not normally be charged to project operations, whether they occur in Australia or elsewhere.

Fundraising costs are not eligible to be included in administration costs.

NGOs are required to have auditable records of their actual expenditure against the approved list of items covered by the administration percentage, but will not be required to acquit them. The expenditure should be signed off by the NGO's auditor as part of the NGOs annual financial audit forming part of their financial statement. If an NGO's actual expenditure is less than 10 per cent, they can use the balance of the funds for capacity building for staff assigned to development program implementation within the agency or with partner agencies in development projects, but they must be able to document use of the funds in an audit.

Administrative costs attributable to the ANCP

Administrative & Support Costs	The salaries and associated overheads of annual leave, long service leave, payroll tax, superannuation and workers compensation payments for administrative, clerical and other support personnel not involved in chargeable project/program work, but who support DFAT related activities such as ADPlans, Performance Reports and RDE calculations.
Management Costs	The salaries, bonus payments and associated overheads of annual leave, long service leave, payroll tax, superannuation and workers compensation payments for any management personnel not involved in chargeable project/program work, but who support ANCP related activities such as ADPlans, Performance Reports and RDE calculations.
Office Accommodation	Office rental payments, power and light and leased office furniture, depreciation of office furniture and equipment, but excluding any capital costs, to cover management, technical, support and other personnel.
Office Expenses	Printing and stationery, leasing or depreciation costs for computers, photocopiers and other office equipment that are not directly chargeable to project work, to cover management, technical, support and other personnel.
Operating Expenses	Includes items such as audit fees, legal fees, fees for other professional services, bank charges, bank interest, membership of various associations (excluding ACFID) advertising (not fundraising), brochures, staff recruitment costs, repairs and maintenance, office cleaning, staff amenities.
Communication Costs	Telephone, facsimile rentals and operating costs, internet connection and operating costs, courier costs, air freight costs and postage to cover management, technical, support and other personnel.
Travel Expenses	Air, land and sea travel costs which are not directly chargeable to a project/program, to cover management, technical, support and other personnel.
Insurance & Professional Indemnity	The costs of any general insurance, public liability and professional indemnity cover.

7.2 Rolled over funds

If an NGO does not spend all of the grant allocation by the end of the financial year, it may roll over up to ten per cent of the funds to the next financial year. NGOs may roll over to the next financial year an amount greater than ten per cent with prior written approval from DFAT. If it is likely that an NGO will roll over more than 10 per cent of the grant allocation, they should advise DFAT as soon as possible. Once a roll over above 10 per cent has been approved by DFAT for the following ADPlan financial year, the NGO must advise DFAT prior to 31 December of that year whether the NGO expects to disburse the funding (refer to **Section 6** for further information on Annual Performance Reports).

If DFAT has declined approval to roll over funds, DFAT may reduce the next tranche payment to the NGO by the amount of unexpended funds. If an NGO will not be receiving any funding in the next financial year, it must repay any unexpended funds to DFAT within 28 days of DFAT's final acceptance of the final Annual Performance Report and Financial Report.

7.3 Interest

The estimated amount of interest earned on DFAT funds must be recorded in ADPlans and the final amount reported as part of the financial acquittal. Interest earned should include interest earned in Australia and overseas. Any interest earned should be expended and acquitted during that financial year, rolled over or refunded to DFAT together.

7.4 Currency fluctuations

Currency fluctuations during the course of an activity may affect project budgets planned at the time the project was designed. NGOs should take into account the possibility of such fluctuations when preparing budgets. Where there is a gain from exchange rates, that gain should be used for project purposes, rolled over or refunded to DFAT. NGOs may need to contact DFAT about additional activities proposed if the gain is significant. Exchange rate losses need to be factored into project design and implementation where practicable. In cases where an unexpected exchange rate loss occurs, NGOs should contact DFAT to discuss any required adjustments to project activities.

7.5 Project Design, Monitoring and Evaluation Costs

Design, monitoring and evaluation are normal parts of the project management cycle and NGOs may use up to 10 per cent of their annually allocated ANCP funding for evaluation. Evaluation activities must be proposed by using the normal ADPlan proposal format. DFAT requires a copy of the full report of any evaluation conducted on an ANCP activity.

Evaluations should contribute to future project design and analysis and therefore may not be appropriate for all NGO activities. Evaluation costs are available to assist the NGO to conduct feasibility studies, baseline surveys and evaluations of similar activities, where the lessons learnt can be readily adapted and incorporated into the existing project or activity.

8. MONITORING, EVALUATION AND LEARNING FRAMEWORK (MELF)

DFAT conducts monitoring and evaluation of the ANCP under the *Monitoring, Evaluation and Learning Framework (MELF)*. The aims of the MELF are to provide information about the overall program performance of the ANCP, the range and scope of ANCP funded work and the high level outcomes achieved. It also aims to provide shared learning about development effectiveness.

The MELF comprises:

- The Annual Performance Reporting system that captures data submitted by NGOs;
- A Meta-evaluation report conducted every two years on NGO evaluations; and
- A biennial thematic review on a topic of relevance to DFAT and ANCP NGOs.

In addition, DFAT staff undertake a number of field visits each year to selected ANCP projects. The ANCP also participates in DFAT's quality reporting system including the preparation of an Annual Program Performance Report (APPR).

9. PARTNER PERFORMANCE ASSESSMENTS (PPAs)

In line with the Government's new development policy and performance framework, the performance of the aid program's key delivery partners is increasingly being assessed to ensure a stronger linkage between performance and future engagement opportunities.

Partner Performance Assessments (PPAs) are the key mechanism in DFAT used to assess and improve the performance of delivery partners implementing Australia aid agreements. PPAs are completed for commercial suppliers, NGOs and multilateral organisations, except for core funding contributions.

The PPA report is prepared by DFAT and sent to the relevant NGO for comment. NGOs must have at least 15 working days to review and endorse the PPAs. Where a partner disagrees with the assessment and an agreed position on performance is not shared, the partner may submit a written statement declaring its objections and upload into AidWorks.

For further information on the operation of PPAs please contact the ANCP team at anpc@dfat.gov.au.

10. FURTHER INFORMATION

10.1 Contact details

For further information, contact DFAT as outlined below.

For assistance with accreditation, please contact the accreditation team at accreditation@dfat.gov.au.

For assistance with program management or administration (e.g. ADPlans, Performance Reports), please ring the ANCP Hotline on (02) 6178 5888 during business hours or e-mail ancp@dfat.gov.au.

For technical assistance with the ANCP Online system managed by Smarty Grants, please contact the Smarty Grants Help Desk: (03) 9320 6888.

10.2 Acronyms

ABN	Australian Business Number
ACFID	Australian Council for International Development
ACIAR	Australian Centre for International Agricultural Research
ADPlan	Annual Development Plan
ANCP	Australian NGO Cooperation Program
CDC	Committee for Development Cooperation
CRPD	Convention on the Rights of Persons with Disabilities
DAC	Development Assistance Committee
DFAT	Department of Foreign Affairs and Trade
DGR	Deductible Gift Recipient
DM&E	Design, Monitoring and Evaluation
MELF	Monitoring and Evaluation Framework
EPP	Environment Protection Policy
EMS	Environmental Management System
IETs	International Environmental Treaties
M&E	Monitoring and Evaluation
NGO	Non-Government Organisation
POI	Program/Project Online Identification
RDE	Recognised Development Expenditure
UN	United Nations
WASH	Water, Sanitation, and Hygiene

10.3 Reference Documents

Further information on the ANCP including key documents which can be used in the preparation of ADPlans can be found on DFAT's website at:

<http://dfat.gov.au/aid/who-we-work-with/ngos/ancp/Pages/australian-ngo-cooperation-program.aspx>

Accreditation for Australian NGOs Australian NGO Accreditation Manual	http://dfat.gov.au/aid/who-we-work-with/ngos/Pages/accreditation-for-australian-non-government-organisations.aspx http://dfat.gov.au/about-us/publications/Pages/australian-ngo-accreditation-guidance-manual.aspx
ANCP Aid Program Performance Report 2014-15	http://dfat.gov.au/about-us/publications/Pages/ancp-appr-2014-15.aspx
ANCP Aid Program Performance Report 2013-14	http://dfat.gov.au/about-us/publications/Pages/australian-non-government-organisation-cooperation-program-ancp-aid-program-performance-report-2013-14.aspx
ANCP Manual	http://dfat.gov.au/about-us/publications/Pages/australian-ngo-cooperation-program-manual.aspx
ANCP Partnerships Mid-Term Review	http://dfat.gov.au/about-us/publications/Pages/ausaid-ngo-cooperation-program-partnership-agreements-mid-term-review-report.aspx
2012 ANCP Monitoring, Evaluation and Learning Framework	http://dfat.gov.au/about-us/publications/Pages/2012-ancp-monitoring-evaluation-and-learning-framework.aspx
ANCP Program Logic	http://dfat.gov.au/about-us/publications/Pages/ancp-program-logic.aspx
Australian Council for International Development (ACFID)	https://acfid.asn.au/code-of-conduct
The Australian NGO Cooperation Program Brochure	http://dfat.gov.au/about-us/publications/aid/Pages/the-australian-ngo-cooperation-program-brochure.aspx
Branding Aid Projects and Initiatives	http://dfat.gov.au/about-us/corporate/Pages/branding-aid-projects-and-initiatives.aspx

Committee for Development Cooperation	http://dfat.gov.au/aid/who-we-work-with/ngos/cdc/Pages/committee-for-development-cooperation.aspx
Development Assistance Committee (DAC) Codes	http://www.oecd.org/dac/stats/dacandcrscodelists.htm
DFAT's Child Protection Policy	http://dfat.gov.au/about-us/publications/Pages/child-protection-policy.aspx
DFAT Ethical Photography Guidelines	http://dfat.gov.au/about-us/publications/corporate/Pages/consent-for-use-of-images-videos.aspx
List of developing countries (as declared the Minister of Foreign Affairs)	http://dfat.gov.au/aid/who-we-work-with/ngos/Pages/list-of-developing-countries.aspx
Recognised Development Expenditure	http://dfat.gov.au/about-us/publications/Pages/recognised-development-expenditure-worksheet-explanatory-notes.aspx
Safeguarding your organisations against terrorist financing: Guidance for NGOs	https://www.ag.gov.au/search/results.aspx?k=safeguarding%20your%20organisation

Additional Information and Related Links

Further information on DFAT's key strategies, policies and other relevant publications are available as below:

Aid Effectiveness	http://www.oecd.org/department/0,3355,en_2649_3236398_1_1_1_1_1,00.html http://www.oecd.org/document/18/0,3343,en_2649_3236398_35401554_1_1_1_1,00.html
Agriculture, Fisheries and Water	http://dfat.gov.au/about-us/publications/Pages/strategy-for-australias-aid-investments-in-agriculture-fisheries-and-water.aspx
Aid for Trade	http://dfat.gov.au/about-us/publications/Pages/strategy-for-australias-aid-for-trade-investments.aspx
Disability Inclusion	http://dfat.gov.au/about-us/publications/Pages/development-for-all-2015-2020.aspx
Displacement & Resettlement	http://dfat.gov.au/about-us/publications/Pages/displacement-and-resettlement-of-people-in-development-activities.aspx
Economic Infrastructure	http://dfat.gov.au/about-us/publications/Pages/strategy-for-australias-investments-in-economic-infrastructure.aspx
Education	http://dfat.gov.au/about-us/publications/Pages/strategy-for-australias-aid-investments-in-education-2015-2020.aspx
Effective Governance	http://dfat.gov.au/about-us/publications/Pages/effective-governance-strategy-for-australias-aid-investments.aspx
Environmental Protection	http://dfat.gov.au/about-us/publications/Pages/environment-protection-policy-aid-program.aspx
Good Practice Notes	http://dfat.gov.au/aid/topics/safeguards-risk-management/environmental-protection/Pages/environmental-protection.aspx
Environment Protection and Biodiversity Conservation Act, 1999	https://www.environment.gov.au/epbc/about
Family Planning	http://dfat.gov.au/about-us/publications/Pages/family-planning-and-the-aid-program-guiding-principles.aspx

Gender Equality	http://dfat.gov.au/about-us/publications/Pages/gender-equality-and-womens-empowerment-strategy.aspx
Health	http://dfat.gov.au/about-us/publications/Pages/health-for-development-strategy-2015-2020.aspx
Humanitarian	http://dfat.gov.au/about-us/publications/Pages/humanitarian-strategy.aspx
Indigenous Peoples	http://dfat.gov.au/news/news/Pages/australian-indigenous-peoples-strategy.aspx
Private Sector Development	http://dfat.gov.au/about-us/publications/Pages/strategy-for-australias-aid-investments-in-private-sector-development.aspx
Smarttraveller	http://smarttraveller.gov.au/Pages/default.aspx
Social Protection	http://dfat.gov.au/about-us/publications/Pages/strategy-for-australias-aid-investments-in-social-protection.aspx
United Nations (UN) Convention on the Rights of Persons with Disabilities (CRPD)	http://www.un.org/disabilities/convention/conventionfull.shtml
WHO guidance on traditional birth attendants	http://www.who.int/bulletin/volumes/86/4/08-052928/en/
Further information on terrorist organisations listed under Division 102 of the Criminal Code Act 1995 (Cth) and the DFAT Consolidated List of persons and entities subject to UN sanctions regimes maintained in accordance with the Charter of the United Nations Act 1945 (Cth) can be found at:	http://dfat.gov.au/international-relations/security/sanctions/Pages/sanctions.aspx https://www.nationalsecurity.gov.au/Informationforbusiness/Pages/Terrorismfinancing.aspx