

# **ANCP MANUAL**

## **Australian NGO Cooperation Program (ANCP)**

---

**Department of Foreign Affairs and Trade**

**May 2015**

## Contents

<b>1. INTRODUCTION</b>	4
<b>ANCP MANUAL: PART 1 Introduction to the ANCP</b>	5
<b>2. OVERVIEW OF THE ANCP</b>	6
<b>3. THE OBJECTIVES OF THE ANCP</b>	7
<b>4. HOW THE ANCP WORKS</b>	8
4.1 Governance Arrangements	8
4.2 Accreditation	8
4.3 Recognised Development Expenditure (RDE)	9
4.4 Funding Model	9
4.4 Funding Match	10
4.5 Program Cycle	10
<b>ANCP MANUAL: PART 2 Program Guide for Accredited NGOs</b>	11
<b>5. ANCP DEVELOPMENT ACTIVITIES</b>	12
5.1 Eligible Projects	12
5.2 Political, Religious or Welfare Organisations	13
5.3 Recurrent Costs in Education and Training	15
5.4 Buildings and Equipment	16
5.5 Health Activities	16
5.6 Family Planning and Reproductive Health Activities	17
5.7 Disability Inclusion	17
5.8 Gender Equality	18
5.9 Child Protection	19
5.10 Environment	19
5.11 ACIAR and NGO Agricultural Activities	20
5.12 Private Sector Development and Engagement	21
5.13 Australian NGO Activities in Special Designated Areas of Indonesia	21
5.14 Anti-Terrorism Obligations	22
5.15 Promoting the Australian Identity	22
5.16 Ethical photography	23
<b>6. ANCP PLANNING AND REPORTING</b>	24
6.1 Program Cycle	24
6.2 Annual Development Plans (ADPlans)	24
6.4. Annual Performance Reports	28
6.5. Indicators and Aggregate Development Results (ADRs)	29
6.6 Development Assistance Committee (DAC) Codes	30
6.7 Additional information	30

<b>7. FINANCIAL REQUIREMENTS</b> .....	31
7.1 Administration Costs .....	31
7.2 Project Design, Monitoring and Evaluation costs .....	32
7.3 Rolled over funds .....	33
7.4 Interest .....	33
7.5 Currency fluctuations .....	33
<b>8. MONITORING, EVALUATION AND LEARNING FRAMEWORK (MELF)</b> .....	34
<b>9. PARTNER PERFORMANCE ASSESSMENTS (PPAs)</b> .....	34
<b>10. FURTHER INFORMATION</b> .....	35
10.1 Contact details .....	35
10.2. Acronyms .....	35
10.3. Reference Documents.....	36

## **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.

# **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 approximately 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 forms part of the overarching Australian Aid program which is outlined in the policy document *Australian aid: Promoting Prosperity, Reducing Poverty, Enhancing Stability*. The ANCP contributes to these objectives 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*;
- *sustainable 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 outcomes in 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](mailto:ancp@dfat.gov.au) or calling the ANCP Hotline on (02) 6178 5888 on Tuesdays and Thursdays, between 2-4pm.

#### *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 on the CDC makes recommendations to the department delegate on accreditation of NGOs
- provide advice on accreditation criteria and Australian NGO Cooperation Program (ANCP) policy
- 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 Head Agreement with DFAT. Accreditation is also a capacity building tool that enables NGOs to reflect on and improve their own performance.

There are different types of accreditation arrangements 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 that 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. 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<sup>1</sup>. For assistance with accreditation, please contact the accreditation team at [accreditation@dfat.gov.au](mailto:accreditation@dfat.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](#).<sup>2</sup>

NGOs must maintain a level of RDE to continue to be accredited (\$50,000 for base, \$150,000 for full and \$8 million for Partners averaged over three years) and the average RDE over three years is used when calculating the Indicative Planning Figure (IPF) for full NGOs.

### **4.4 Funding Model**

NGOs' annual allocation of funding is referred to as an Indicative Planning Figure (IPF). Base accredited NGOs receive a fixed amount of funding (\$150,000 in 2014-15). NGOs with full accreditation receive a higher fixed amount (\$300,000 in 2014-15) plus a proportion of the funding pool based on their respective RDE. Partners receive a proportion of the overall funding under the ANCP. Funding also

---

<sup>1</sup> <http://dfat.gov.au/about-us/publications/Pages/australian-ngo-accreditation-guidance-manual.aspx>

<sup>2</sup> <http://dfat.gov.au/about-us/publications/Pages/recognised-development-expenditure-worksheet-explanatory-notes.aspx>

reflects the changes to overall appropriation for the ANCP, the impact of shifting distribution of NGOs across the tiers of accreditation and new entrants into the ANCP. Funding to NGOs is subject to budget availability.

#### **4.4 Funding Match**

The NGO must match one dollar for every five dollars that DFAT provides under the ANCP (1:5 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 program (i.e. the grant), not individual ANCP projects.

#### **4.5 Program Cycle**

The ANCP runs according to the following funding cycle for any given financial year.

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

**May / June** – 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 IPF on the basis of an accepted ADPlan. New NGOs to the ANCP receive 100 per cent of their IPF.

**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 IPF on the basis of an approved Performance Report, except new NGOs who will have previously already received 100 per cent of their IPF 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.

## **ANCP MANUAL: PART 2**

### **Program Guide for Accredited NGOs**

## 5. ANCP DEVELOPMENT ACTIVITIES

### 5.1 Eligible Projects

To be eligible for funding, activities must:

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

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

- are determined reasonably to be contrary to the interests of the Commonwealth of Australia;
- subsidise evangelism or missionary outreach;
- support activities by partisan political organisations;
- support independence movements;
- provide direct assistance to unions to organise industrial action and give direct material assistance to striking workers (while not precluding activities in the areas of labour unions institution capacity building, training and advice, activities of this nature are subject to additional approval);
- involve welfare activities (refer to **5.2** for further details);
- 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*<sup>3</sup> document;
- are primarily research focused;
- are focused primarily on the provision of equipment, freight or buildings unless:
  - the equipment, freight or buildings to be supplied are clearly part of a broader development program;
  - the equipment, freight or buildings to be supplied are appropriate to the environment in which they are to be placed;
  - the recipients have the capacity to maintain the equipment or buildings concerned and to meet recurrent costs;
  - the NGO has established that effective quality control measures have been used in the selection of goods for freighting overseas; and
  - adequate planning has gone into the goods' use and distribution so as to establish their part in the overall value of the activity.

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 increase its development capacity.

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

<sup>3</sup> <http://dfat.gov.au/about-us/publications/Pages/family-planning-and-the-aid-program-guiding-principles.aspx>

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:

- Australian NGOs working in Papua New Guinea (PNG) are currently involved in the provision of ongoing health and education services at the village level in order to meet the shortfall in the PNG Government's provision of these services. Activities include the *training and support of education and health professionals*. The focus of these activities is institutional strengthening and capacity building rather than support for individuals. These activities are clearly integrated into the broader development context. Furthermore, even though these activities form part of a long-term program with no set completion date, there is a clear exit strategy which is reviewed periodically to ensure that the recurrent costs being funded continue to be a vital component of the activity and are contributing to the achievement of the long term goal of the activity.
- An Australian NGO is receiving funding through the ANCP for a community development program in Africa which includes the provision of *short term educational assistance* (such as support for school fees, school books and uniforms) to families while they participate in a range of programs that

enable them to increase their incomes and capacity to meet basic and longer term development needs. Most of the direct assistance provided to individual families and their children is provided to sustain children's education as part of the Australian NGO's overall, integrated community development program. As part of the exit strategy, school fee subsidies are intended to be reduced and their duration is not intended to exceed the three years for which the activity is being funded.

#### **5.4 Buildings and Equipment**

Any construction must be an integral part of an overall development plan rather than the primary purpose of the ANCP activity. The construction of buildings will only be supported if the NGO demonstrates that it is necessary to meet broader development objectives. Buildings must not serve than political, religious, sporting, welfare or factional needs; 'one-off' construction activities not connected with a broader activity, whether for schools, health facilities, housing or other purposes, are not be eligible for DFAT ANCP funding.

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

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

Equally, any equipment purchased with DFAT funds must be part of an overall development plan and appropriate to the circumstances in which it is to be used. It is important that local organisations or communities are able to provide the ongoing operational costs of any equipment and associated maintenance costs.

#### **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 which can be found at <http://optimizemnh.org/>

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\*](#).

## **5.7 Disability Inclusion**

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.<sup>4</sup>

The Australian Government's approach is outlined in the forthcoming *Development for All 2015-2020: Strategy for strengthening disability-inclusive development in Australia's aid program*.<sup>5</sup> The strategy 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.

The Australian Government is currently in the process of producing guidance to support implementing partners to disaggregate data by disability. In the interim 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 [ancp@dfat.gov.au](mailto:ancp@dfat.gov.au).

## 5.8 Gender Equality

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

- women's voice in decision-making, leadership, and peace-building;
- 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.

For further details please see *Empowering women: Australia's Support for Gender Equality and the Empowerment of Women*.<sup>6</sup>

---

<sup>4</sup> 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 (e).

<sup>5</sup> From 25 May 2015 details will be available at: <http://dfat.gov.au/aid/topics/development-issues/disability-inclusive-development/Pages/disability-inclusive-development.aspx>.

<sup>6</sup> <http://dfat.gov.au/about-us/publications/Pages/empowering-women-australias-support-for-gender-equality.aspx>

## 5.9 Child Protection

The Child Protection Policy for the Australian Government's overseas aid program (Child Protection Policy 2013) 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. General enquiries as well as details on reports and notifications required under the policy can be made at: Email: [childprotection@dfat.gov.au](mailto:childprotection@dfat.gov.au); Telephone: +61 2 6178 5100.

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

For more information please download a copy of the department's [Child Protection Policy](#)

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

DFAT's Environment Protection Policy for the Aid Program<sup>7</sup> 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<sup>8</sup> ('the EPBC Act') to ensure that through our

---

<sup>7</sup> <http://dfat.gov.au/aid/topics/safeguards-risk-management/environmental-protection/Pages/environmental-protection.aspx>

<sup>8</sup> <http://www.environment.gov.au/topics/about-us/legislation/environment-protection-and-biodiversity-conservation-act-1999>

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.<sup>9</sup> 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

---

<sup>9</sup><http://dfat.gov.au/aid/topics/safeguards-risk-management/environmental-protection/Pages/environmental-protection.aspx>

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**

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 Australian NGO Activities in Special Designated Areas of Indonesia**

NGOs are required to submit a written request to DFAT for approval of intended ANCP-funded activities in Special Designated Areas of Indonesia. Special Designated Areas are those provinces identified as ‘reconsider your need to travel’ or above in the *DFAT travel advisory*,<sup>10</sup> at the date of submission of the ADPlan or new project proposal. This request must be supplemented by a full project description in ANCP Online, which should include:

- details of the nature and location of the proposed activity/placement, proposed partner organisations, details of Australian citizens who would be visiting the special designated area, timing and duration of the proposed activity; and
- written evidence of the prior approval of the proposed activity by an appropriate Indonesian authority, of at least provincial government level.

DFAT will pass a copy of the approval request to the relevant Indonesia program area, who will note/verify the approval of the appropriate Indonesian authority.

---

<sup>10</sup> <http://smartraveller.gov.au/zw-cgi/view/Advice/Indonesia>

DFAT, on the basis of advice from the Indonesia program area, will provide written approval of the proposed activity to the requesting NGO. In the event of DFAT non-approval, reasons will be provided to the NGO.

### **5.14 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*.<sup>11</sup>

### **5.15 Promoting the Australian Identity**

NGOs under the ANCP must promote 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.<sup>12</sup> 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

---

<sup>11</sup><http://www.ag.gov.au/CrimeAndCorruption/AntiLaunderingCounterTerrorismFinancing/Documents/Safeguardingyourorganisationagainstterrorismfinancing-booklet.pdf>

<sup>12</sup><http://dfat.gov.au/about-us/corporate/Pages/branding-aid-projects-and-initiatives.aspx>

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.

#### **5.16 Ethical photography**

Photography used in publications and provided to DFAT must meet the DFAT Ethical Photography Guidelines: A copy of the guidelines are available by contacting [ancp@dfat.gov.au](mailto:ancp@dfat.gov.au).

## **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 to DFAT.

**May / June** – 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 IPF on the basis of an accepted ADPlan. New NGOs to the ANCP receive 100 per cent of their IPF.

**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 IPF on the basis of an approved Performance Report, except new NGOs who will have previously already received 100 per cent of their IPF 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 delegate 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. 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, 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.

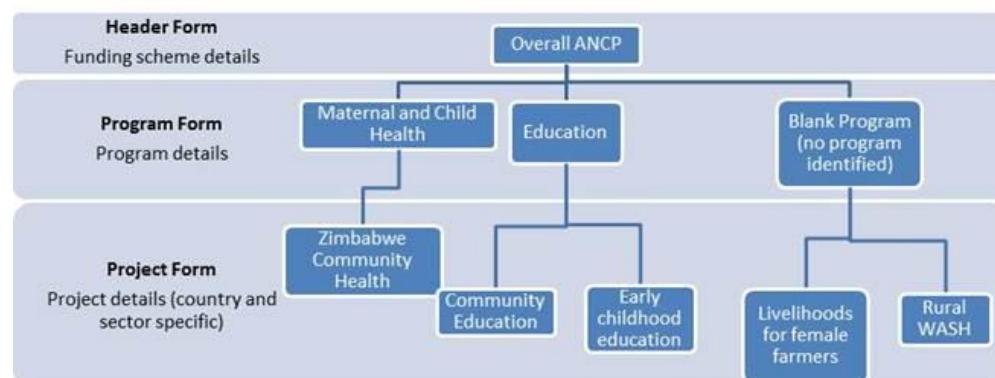
If required, multiple users from the same NGO can access ANCP Online at the same time, by using the same log on information. There are no messages generated by the system to indicate multiple users are logged into the same form at the same time. If an NGO chooses to allow multiple users, it is important 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. 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.

The diagram below explains how these three tiers interact with each other.



NGOs submit **one** ADPlan for the full funding period (i.e. for the upcoming financial year). This ADPlan can be updated as necessary throughout that period. 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 project information. The entire ADPlan or Annual Performance Report should be submitted as one document (i.e. the Header Form and sub-forms are submitted at the same time).

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 mid-May to 30 June.

*Step 2:* DFAT will run an automated report on all submitted ADPlans. 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 Papua (Indonesia), Mindanao (Philippines), China, South Sudan, Afghanistan, Pakistan, the Thai-Burma Border or the Occupied Palestinian Territories; 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.

Specific approval from DFAT is required for all activities in Special Designated Areas of Indonesia. NGOs are required to submit documentation showing that the activity has the approval, at least at Provincial Government level, of the relevant Indonesian Government authorities.

*Step 5:* 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 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 6:* Payment will be issued after an ADPlan has been approved by DFAT.

#### *Revising and Updating ADPlans*

NGOs should contact DFAT in the first instance if there are significant changes to projects during the program cycle. Changes may include major changes to project scope, budgets (over 20 per cent), project locations or a change of implementing partner. NGOs should exercise judgement and draw upon their experience when considering whether a matter needs to be brought to DFAT's attention. When in doubt, please contact the ANCP team at [ancp@dfat.gov.au](mailto:ancp@dfat.gov.au).

When liaising with DFAT on amendments to projects, NGOs should notify DFAT of the Project Online Identification Number/s. This will assist to fast-track processing and approval of amendments.

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.

DFAT would normally expect activities to start on the commencement date given in the ADPlan. If an NGO does not disburse funds to start the DFAT funded part of an activity within three months of that date, the NGO must advise DFAT. In such a case the NGO should advise why there is a delay, when disbursement is expected and confirm whether the project will be delivered within the financial year. 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.

#### **6.4. 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, using the specified measures of performance 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 and an authorised officer within the NGO.

### **6.5. 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 has developed a number of indicators to provide more detail around particular areas. The use of 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 [ancp@dfat.gov.au](mailto:ancp@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. In the future, 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.

## **6.6 Development Assistance Committee (DAC) Codes**

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

[www.oecd.org/investment/aidstatistics/purposecodessectorclassification.htm%23bottom](http://www.oecd.org/investment/aidstatistics/purposecodessectorclassification.htm%23bottom).

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.

## **6.7 Additional information**

The information below is provided to assist NGOs in preparing their reporting to DFAT.

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.

Information in ADPlans and Annual Performance Reports may be used publically. Therefore, they must be easy to read and understandable. 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. Double-check for spelling mistakes and grammatical errors. Spell out all acronyms when used for the first time on each form.

### *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
- 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 staff-related social charges, rent, financial audit and/or legal fees, general administrative fees, membership fees (but must not include ACFID membership), insurance, staff support (e.g. secretarial), utilities, bank charges and office supplies. These are more specifically 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.

<b>Administrative costs attributable to the ANCP</b>	
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 stationary, 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 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 must 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.

### **7.3 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 7** 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.

### **7.4 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.

### **7.5 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.

## **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;
- An Annual Program Performance Report (APPR) which is DFAT's self-assessment of performance;
- Field visits conducted by DFAT to ANCP NGO project localities;
- 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.

## **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.

For 2013-14 PPAs were completed for all NGOs that received greater than \$3 million in ANCP funding.

The report is prepared by DFAT and sent to the relevant NGO. 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 [ancp@dfat.gov.au](mailto:ancp@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](mailto:accreditation@dfat.gov.au) .

For assistance with program management or administration (e.g. ADPlans, Performance Reports), please contact the ANCP Hotline on (02) 6178 5888 on Tuesdays and Thursdays, between 2-4pm or [ancp@dfat.gov.au](mailto: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
EPP	Environment Protection Policy
EMS	Environmental Management System
IETs	International Environmental Treaties
IPF	Indicative Planning Figure
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

The following documents are to be used in the preparation of ADPlans:

[Empowering Women: Australia's Support for Gender Equality and the Empowerment of Women](#)

[Environment Protection Policy](#)

[Environment Protection and Biodiversity Conservation Act, 1999](#)

[DFAT Family Planning and the Aid Program: Guiding Principles](#)

[DFAT Child Protection Policy](#)

[Safeguarding your organisation against terrorism financing: Guidance for non-profit organisations](#)

[Development for All: Towards a disability inclusive Australian aid program](#)

[Optimizing health worker roles for maternal and newborn health: World Health Organisation Guidance](#)

[Australian Council for International Development \(ACFID\) Code of Conduct](#)