



Australian Government

AusAID

AusAID / NGO Committee for Development Cooperation

A Joint Committee of the Australian Agency for International Development and Australian Non Government Organisations

Notes from the CDC

Highlights of the 113th CDC meeting held on 31 August 2006

Attendance:

NGO Representatives

Ms Karen Hill
Mr Jamie Isbister
Rev John Deane

Chair

Ms Ellen Shipley (CPS)

CPS Representatives

Ms Jessica Jordan Hoverman

Observers

Mr Alex Maroya, ACFID
Ms Cecily Dignan, ACFID

Others

Mr David Syme, Consultant
Ms Ruth Pearce, Senior
Associate, AusAID

Mr Darren Raeburn
Mr Conrad Bulenda
Ms Rhonda Bobbin
Ms Lisa Staruszkiewicz
Ms Ines Tallos
Ms Johanna Wicks

Welcome and Introductory Remarks

Ms Ellen Shipley, Chair, welcomed members to CDC 113 and informed the meeting that Irene Davies had resigned from the CDC due to other commitments and that AusAID was currently seeking another AusAID Representative for the CDC.

ITEM 1 CDC 112 MEETING

1.1 Minutes of 112 CDC Meeting

Information Item:

Minutes of the meeting held at AusAID on 5 April 2006 as circulated and after the inclusion of a discussion on the ramifications of channelled funds on the previous year's RDE and the fact that they would be generously audited from this point in time, were approved and accepted.

ITEM 2 AUSAID ISSUES AND PRIORITIES

2.1 Information and Discussion &

2.2 White Paper Update

Information and discussion items: Ms Jessica Jordan Hoverman stated that following the release of the White Paper there was an increasing need for information on NGOs and other non-government bodies within AusAID. She said CPS had now been structured so that staff also had responsibilities for gathering information on all Australian non-government bodies who were working within a specific geographic area as well as in-country civil society groups. CPS was looking at this as a long term process so that at the end CPS would have the templates and

proformas for working with civil society and the necessary information to support the Agency to move the new policies forward.

Ms Ruth Pearce said she had just been appointed AusAID Senior Associate and particularly from her time with the Department of Foreign Affairs in the Philippines and the Solomon Islands she knew the importance of NGOs within a functioning civil society. She stated her responsibility was to move White Paper initiatives forward and implement policies. She said there was a need to think creatively and laterally in order for expectations to become practice. She went on to say the CDC was vital in ensuring the accreditation system remained best practise. A discussion on the deepening relationship between NGOs and AusAID took place and areas were identified where there could be further cooperation.

2.3. Cooperation Agreements Update

Ms Johanna Wicks detailed the current process of assessing NGOS activities within current Cooperation Agreements (CA) of NGOs who had moved from Full to Base Accreditation status. She said after these assessments AusAID would advise on how this new mechanism had met its goals.

Ms Wicks also informed the CDC of the following

- the Papua New Guinea CA was entering into the design phase
- those administrating the Solomon Islands HIV/STI had sent out the 'Request for Capacity Statements' (RFCSs) with a closing date in September
- the Burma Period Funding Agreement RFCSs would be sent out in the next few weeks,
- those administrating the HES Period Funding Agreement were also preparing a RFCS which would be sent out soon
- the CA policy information for the website was awaiting clearance
- CPS was to undertake a "roadshow" around AusAID to further learning about CAs, and
- CPS was working with Desks to gather information on lessons learnt on CAs to further inform CA Guidelines

ITEM 3 ANCP Review

Ms Shipley welcomed the ANCP Review Team Leader, Mr David Syme to the CDC. She thanked Mr Syme, Mr John Deane and Ms Lisa Staruszkiewicz for a very thoughtful document which was available on the AusAID internet site. Mr Syme said that it was the team's belief that ANCP was a funding mechanism that continued to be unique and also recognised the professional nature of the current relationship between NGOs and AusAID. The Report's Objectives and Recommendations were examined and the attached decisions took place (See Annex 1).

Actions:

- * CPS to approach the AusAID Delegate with the deliberations on the Review recommendations
- * AusAID to distribute computer modelling on Objective D for CDC members' consideration

ITEM 4 Performance Information

3.1 Cluster Evaluation Discussion

Ms Jordan Hoverman informed the CDC that CPS was committed to undertaking two cluster evaluations this financial year. She said that any countries chosen for the next cluster evaluations had to have a minimum of 5 NGOs working in-country (that were not part of the previous cluster evaluation) and that ANCP funded projects had to be operating for three years or more. Additionally any cluster evaluation country site needed to have sufficient security for this exercise to take place.

Due to these preconditions there were 6 country sites to choose from. Also ideally cluster evaluations should be outside the Mekong sub-region where the previous ANCP Cambodian Cluster Evaluation took place. In light of this India had been chosen to occur in November and CPS was now in the process of asking AusAID in-country staff and the relevant organisations to provide the necessary support to the Review Team. It was thought that either Indonesia or the Philippines would be the next site and would occur in early 2007.

3.2. Performance Information Framework

Ms Jordan Hoverman said that CPS was still examining options for a Performance Information Framework which will bring under one framework all evaluations conducted by CPS (Accreditation Reviews, audits, RDE checks, Cluster Evaluations, etc.). This framework would then identify whether there are gaps in AusAID's tracking of NGO performance. Currently there was a Terms of Reference drafted and CPS was sourcing external consultants. She said this Framework would mean that CPS managed risks more effectively and would then be able to reflect this on one document. Ms Shipley added that this Framework would also allow CPS to feed back the information from Cooperation Agreements into activities such as accreditation, thus ensuring consistency.

ITEM 5 NGO Priorities

Ms Karen Hill said that a few NGOs thought that there was extra scrutiny of ADPlans this year. Ms Shipley responded that some organisations had issues to do with the quality of written material provided in the ADPlans.

Mr Jamie Isbister stated that Human Resources sections of NGOs were now meeting twice a year to share lessons learnt which should lead to an improvement in the of standards within Human Resources practice in NGOs. He also said that a tsunami learnings seminar had been held that brought the various tsunami coordinators together from respective agencies. He said it was a very positive meeting with common concerns and challenges relating to shelter and land issues being shared.

Ms Hill added that the recent Program Quality Sessions were a great opportunity to share lessons learnt within the NGO Sector on the issues involved.

ITEM 6 Accreditation

6.1 Accreditation Issues: 'On Balance' principle

Mr Isbister said he had asked for clarification on this due to recent Accreditation Reports in which it had occurred. He noted that the distributed Information Item helped to clarify the issue. All agreed with the suggestion that further information on the 'on-balance' principle should be placed in the NGO Package of Information (NGOPI) on the AusAID website.

Action:

CPS to include further explanation on the 'on-balance' principle on NGOPI.

6.2 Accreditation Report: CARE Australia

Decision Item: CDC discussed the Accreditation Report and made the following recommendation:

Action:

CDC supported the Report's recommendation for Full Accreditation status for Care Australia.

Mr Isbister lead a discussion on Mr Robert Glasser's request that Organisation Reviews Overseas (OROs) be reinstated. The following action was agreed.

Action:

NGO members to gather information from NGOs at the next MIFs regarding beneficial facets of the accreditation process that organisations thought were lost when OROs ceased. This to be discussed at the next CDC.

6.3 Accreditation Report: World Vision Australia

Decision Item: CDC discussed the Accreditation Report and made the following recommendation:

Action:

CDC requested that the Accreditation Report be sent back to the Review Team for clarifications.

6.4 Accreditation Report: Baptist World Aid Australia

Decision Item: CDC discussed the Accreditation Report and made the following recommendation:

Action:

CDC supported the Report's recommendation for Full Accreditation status for Baptist World Aid Australia.

ITEM 7 Other Business

7.1 CDC elections

Ms Ellen Shipley said she was aware that ACFID had approached the current NGO representatives to remain for another year and AusAID was pleased with the continuity provided by this. A discussions on the elections for 2007 then took place. It was agreed that the best arrangement would be if 2 people from NGOs were elected for a two-year term and then the following year one member from the Developmental Practice Advisory Committee (DPAC) was then elected also for a two-year term. Mr Alex Maroya and Ms Cecily Dignan informed the CDC that ACFID's preferred system for CDC elections was now a postal vote. And that ACFID hoped that the next CDC elections would be completed by the end of June 2007.

Action:

CPS to write to ACFID on CDC's behalf

- * Agreeing to not having elections for NGO representatives this year
- * Stating that 2 NGO representatives be elected next year (2007) for a term of 2 years
- * Stating that a DPAC representative be elected the following year (2008)
- * Stating that NGO and DPAC representative elections then be held according to this framework in future

7.2. Accreditation training

Mr Alex Maroya said that the level of interest from NGOs and the level of participation during the recent ACFID Accreditation trainings were high. He said that the course evaluations from course participants were very positive.

Ms Jordan Hoverman agreed and stated that during the training the two consistent questions asked were 1) what was the difference between the Overseas Aid Gift Deduction Scheme (OAGDS) and Accreditation, and 2) what was the difference in the criteria between Base and Full Accreditation. She said AusAID should think about explaining these issues better in the public sphere.

Rev John Deane said that one interesting point for him was that he thought that most of the participants were from organisations not yet accredited instead of participants from organisations coming up for reaccreditation.

7.3. Other Business

Ms Cecily Dignan advised the CDC that the next ACFID Member Information Forums would take place in November 2006.

ITEM 8 Next CDC Meeting

8.1. Next CDC Meeting

In light of the large number of upcoming accreditations, it was decided that the next CDC meeting would be on 30 November 2006.

Ms Shipley thanked all participants for a constructive meeting.

Action:

Next CDC Meeting to be held 30 November 2006

OUT OF SESSION DELIBERATIONS – CDC 113

As agreed in previous CDC Meetings, decision items which are likely to be uncontentious can be circulated out of session. Any CDC member can request that the item be discussed at a formal CDC meeting. The following decisions were reached after CDC 113 Out of Session:

Accreditation Report: Quaker Service Australia (QSA)

Decision Item: CDC considered the Accreditation Report and made the following recommendation:

Action:

- * CDC recommends QSA for Base Accreditation

Accreditation Report: Adventist Development and Relief Agency Australia (ADRA)

Decision Item: CDC considered the Accreditation Report and made the following recommendation:

Action:

- * CDC recommends ADRA for Full Accreditation

Annex A1: Summary of AusAID NGO Cooperation Program (ANCP) Review Recommendations

Objective	Recommendation	AusAID and CDC 114 Response
<p>A) Redefine the ANCP as a funding mechanism for professional development NGOs rather than a mechanism to engage the broader Australian Community in the aid program.</p>	<p>1. That AusAID consider the following redefinition of the ANCP:</p> <p style="padding-left: 40px;">‘The ANCP subsidises Australian NGOs who have met a professional accreditation standard to implement their own international development programs. To be eligible, agencies are required to undergo a rigorous assessment of their organisational structure, systems and philosophies. Accreditation aims to provide AusAID, and the Australian public, with confidence that the Australian Government is funding professional, well managed, community based organisations, capable of delivering quality development outcomes’</p>	<p>1. At CDC 114 it was agreed that the ANCP be defined as follows:</p> <p style="padding-left: 40px;">‘The ANCP subsidises Australian professional development NGOs which have met rigorous accreditation standards to implement their own development and poverty alleviation programs overseas.’</p> <p>On 14 December 2006 Bruce Davis met with Margaret Reid and Paul O’Callaghan and agreed to change the definition to:</p> <p style="padding-left: 40px;">‘‘Under the ANCP, AusAID partners with Australian professional development NGOs which have met rigorous accreditation standards to implement their own development and poverty alleviation programs overseas.’</p>
<p>B) Assess the implications, benefits and risks of multi-year ADPlans to AusAID and Accredited NGOs.</p>	<p>1. That AusAID consider including a simple line item in the ADPlan format which allows the NGO to demonstrate the relation of the program / project in their ADPlan to the broader strategic framework of the agency, if it adds value to AusAID.</p>	<p>1. CPS will include an optional line item in the ADPlan template that allows NGOs to demonstrate how each project fits within a broader development program. Although the line item will be optional, the benefits of demonstrating strategic thinking for some particular activities will be highlighted.</p>

Objective	Recommendation	AusAID and CDC 114 Response
<p>C) Examine the distinction between Base and Full Accreditation and identify the benefits of the two tiered accreditation system.</p>	<ol style="list-style-type: none"> 1. That AusAID maintain a two-tier accreditation system in the ANCP. 2. That the two tiers be renamed as Level One Accreditation (Base) and Level Two Accreditation (Full). 3. That AusAID review the criteria for Level One Accreditation in order to create reasonable and necessary criteria for the level of funding available. 	<ol style="list-style-type: none"> 1. Agree. A two-tier accreditation system (Base and Full) will be maintained. 2. Changing to Level One and Level Two may be confusing as it is not obvious which is the higher level. In addition, the current terms are well-understood within AusAID and among NGOs and it would take time and effort for all stakeholders to become familiar with the new terms. Therefore, the names Base and Full will be retained. When the criteria for Base level has been re-examined, this decision may be revisited. 3. Agree. CPS will contract a consultant on behalf of the CDC to review the criteria. A draft of the revised criteria will be considered by the CDC.
<p>D) Examine the implications, benefits and risks of removing emergency appeal funding from Recognised Development Expenditure (RDE) calculations to AusAID and Accredited NGOs.</p>	<ol style="list-style-type: none"> 1. That emergency expenditure remain allocable to the Recognised Development Expenditure (RDE) calculation. 2. That, as a general principle, AusAID limit the increase or decrease of any agency's allocation at 20% in any given year, unless the agency moves between the accreditation levels. 3. That the percentage of limiting Indicative Planning Figure (IPF) variability be subject to review and adjustment based upon experience and the continuing need for equity in the ANCP. 	<ol style="list-style-type: none"> 1. Agree. Emergency expenditure will continue to be included in the Recognised Development Expenditure (RDE) calculation. 2. CDC agreed not to proceed with this recommendation. Demand from the sector for the change was not strong and implementing a cap on IPF variations would have complicated the IPF formula significantly. It was agreed that the option of a 20% plus or minus capping mechanism would be reconsidered should the need arise. 3. As the cap is not being pursued this recommendation is not applicable.

Objective	Recommendation	AusAID and CDC 114 Response
<p>E) Reassess the minimum level of RDE required to meet Base and Full Accreditation criteria.</p>	<ol style="list-style-type: none"> 1. That RDE entry levels be raised to: <ol style="list-style-type: none"> a. Base (Level One) - \$50,000. b. Full (Level Two) - \$75,000. 2. That RDE level be calculated on an average taken over the preceding 3 years. 3. That the RDE minimum levels be re-assessed in three to five years. 4. That both Base and Full (Levels One and Two) receive an Accreditation Factor amount appropriate to their level, regardless of the level of their RDE. The Program Factor is then redundant and should be dropped from the IPF spreadsheet. 5. That Accreditation Factors for Base and Full be raised to reward the considerable investment required to obtain and maintain accreditation. The Review Team's specific recommendation is based upon two key factors. One, that the Base level needs to have a factor large enough to recognise the standards required of it and that should be \$150,000. Two, that the Full accreditation factor increase to a point that limits the potential negative impact on as many agencies as possible to single digit percentage loss. <ol style="list-style-type: none"> a. Base Accreditation Factor of \$150,000. b. Full Accreditation Factor of \$225,000. 	<ol style="list-style-type: none"> 1. Agree. <ol style="list-style-type: none"> a. Minimum RDE for Base accreditation be raised to \$50,000. b. Minimum RDE for Full accreditation be raised to \$75,000. 2. Agree. Minimum RDE will be calculated on a three-year average to minimise the risk that NGOs will lose accreditation on the basis of one bad year. 3. CPS will re-assess the minimum RDE levels sooner than this. The aim is to reconsider these figures in 2 years, by which time it is hoped that all current Full accredited NGOs will be able to meet a \$100,000 minimum. 4. CDC agreed that Base and Full should receive an Accreditation Factor but decided that this should still be limited by an agency's RDE. It was also agreed that the Program Factor should be dropped from the IPF spreadsheet. 5. CDC agreed that raising the amount Base agencies are eligible to receive from \$100,000 to \$150,000 and the amount Full agencies can receive from \$100,000 to \$225,000 is desirable. Further, CDC endorsed the principle that the Accreditation Factor be equal to three times the minimum RDE figure required to maintain accreditation.

Objective	Recommendation	AusAID and CDC 114 Response
<p>F) Examine the NGO funding streams used to make up RDE. Define ineligible funds, such as those channelled to overseas organisations without sufficient input from the NGO and draft policy and operational guidance.</p>	<ol style="list-style-type: none"> 1. That AusAID publish revised guidelines - 'Funding eligible for RDE inclusion'. 2. That AusAID consider the following guidelines to define funds eligible for inclusion in the RDE calculation. These would be inserted in the current Guidelines for defining the eligibility of expenditures involving third parties included in an NGO's RDE calculation. <ul style="list-style-type: none"> • The ultimate legal and practical authority over the use of these funds must remain with the Australian accredited NGO. They must hold the authority to: <ol style="list-style-type: none"> a. Stop the activity, after consultation with partners, if risk management factors indicate it is necessary to do so. b. Call for an audit if necessary and demand the repayment of funds if required. • The Australian NGO must, with regard to the proposed use of the funds, have: <ol style="list-style-type: none"> a. Documented the proposed use of the funds. b. Assessed the appropriateness of the use of the funds. c. Formally approved the project/program budget and proposal as their project. d. Have documented agreements with the implementing party /parties outlining the requirements and protocols necessary to ensure the correct use of the funds. e. Engaged in a demonstrable level of monitoring of the program / project implementation. f. Received regular financial statements, reports and evaluations and have the right to make course corrections in consultation with their partners as necessary g. Received an audit of the project program. • Be able to document and demonstrate the above engagement in the program if required to do so. 	<ol style="list-style-type: none"> 1. Agree. Revised guidelines on what can and what cannot be counted towards RDE are necessary. 2. Much discussion on this issue took place at the ACFID MIF's on 22-24 November 2006. CDC agreed that the CDC NGO representatives would prepare a report on this issue for AusAID. This may include some proposed wording for revised guidelines. AusAID will consider this report before preparing the final revised RDE Guidelines. It is not expected that these will be ready in time for the next RDE worksheet. Therefore, in the interim, AusAID will write to NGOs to explain the general principles that must be adhered to when preparing the 2007 RDE worksheet.