

# Aid buzz (July 4): Shift to performance-based funding of NGOs | Coalition aid policy | More



by Jonathan Pryke

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## AusAID promises performance-based funding of NGOs

On June 20 Parliamentary Secretary for Foreign Affairs Richard Marles, AusAID DG Peter Baxter and CARE CEO Julia Newton-Howes launched AusAID's new [Civil Society Engagement Framework](#) at Parliament House. This sets out how AusAID will work with civil society organisations (whose importance is highlighted in this [blog](#)) in the future. Some \$500 million of Australian ODA was channelled through NGOs in 2010/11 to both domestic and international NGOs, or CSOs (Civil Society Organizations) as they are called in the document.

So far, core funding to NGOs (through what is known as the [AusAID NGO Cooperation Program](#) or ANCP) has been disbursed on a matching funding basis, whereby how much an NGO gets from AusAID depends on how much it raises from the public. However, the Framework promises a new approach, in which judgements on effectiveness will also play a role in determining AusAID funding. The Framework commits the Government to "develop and implement an assessment methodology to guide decisions on increased funding to and through CSOs, taking into account effectiveness... capacity, and relevance to the Australian aid program."

Another key change relates to accreditation, the process by which AusAID decides whether NGOs should be provided with ANCP funding. According to the Framework, the emphasis of accreditation, which till date has been on governance and financial accountability, will shift to "increase the focus on effectiveness, transparency, accountability, innovation and results."

This second change will be less problematic, and is long overdue. As highlighted in this [post](#) by Dinuk Jayasuria, very few NGOs currently publish independent

evaluations of their work.

Other promises made in the new Framework include:

- Incorporation of civil society engagement strategies into all AusAID country strategies
- Development of an agency-wide CSO monitoring and evaluation framework to track results of AusAID funding through CSOs against objectives
- Launching of a civil society portal on AusAID's website to centralise information on consultation and funding opportunities
- Development of AusAID guidelines for working with CSOs as delivery partners and intermediaries
- Implementation of an approach to providing grants to small and niche Australian community organisations

## **Julie Bishop spells out coalition policy on foreign aid.**

On June 20 Julie Bishop spoke at the ANU on the coalition's Pacific and foreign aid policies.



On aid, the Shadow Foreign Minister covered issues relating to both aid quantity and quality. On the latter, she said that the Coalition was still committed to an aid/GNI target of 0.5%, but that “[w]ith still another Labour budget scheduled to take place in May next year, before the next election the Coalition cannot now responsibly commit to a target date. To do so would be reckless.” So “[w]e commit to the target of 0.5 per cent of GNI but we cannot now commit to the target date.” Ms Bishop indicated that “We will review the nation’s finances after Labour’s budget and commit to what we can as a nation realistically afford and what we can deliver”, suggesting that a more concrete commitment might be made after the budget but before the election. She emphasized how much aid had increased under the Howard government, and closed her discussion about aid increases by “point[ing] to our record in terms of our commitment”.

On quality, the Deputy Opposition Leader called for “an increased focus on

accountability, transparency and a reassessment of priorities within the aid program.” She welcomed the establishment of the Independent Evaluation Committee to oversee the Office of Development Effectiveness, a Howard Government Initiative. Communication of the aid program had to be about “acknowledging failures as well as celebrating successes.” “Improving the quality of independent project completion records,” an area where AusAID had a poor track record, was essential. The Coalition would “ensure that performance benchmarks are developed and implemented,” as recommended by the Independent Review of Aid Effectiveness.

A blog summary of her speech is available [here](#), a transcript [here](#), and a video of the speech is available [here](#).

### **Gillard to co-chair UN group to make final push for MDGs**

United Nations Secretary-General Ban Ki-moon has [appointed](#) Prime Minister Julia Gillard to co-chair a group of global leaders and celebrities making a “final push” for implementation of the millennium development goals by the target date of 2015. This appointment has been welcomed by NGOs within Australia (see [here](#) and [here](#)), but also used by Oxfam to [argue](#) for more rapid increases in aid.

### **Aid visitors, including Tidewater in Australia**

Here we highlight the growing importance of the Australian aid program internationally by taking a look at recent aid visitors to Australia. Here is a list from the past month. Please notify us of any omissions:

- From July 1-3, the heads of many OECD aid agencies met in Brisbane for Tidewater (named after the location of the first such meeting in 1968), the OECD’s annual informal high-level meeting that focuses on the latest issues impacting on global development. The convener of the meeting is chair of the OECD DAC (Development Assistance Committee), Brian Atwood (who [speaks today](#) at the Lowy institute).
- Homi Kharas of the Brookings Institution, which is funded by the Office of Development Effectiveness to research aid effectiveness, visited Canberra for consultations (He also gave a presentation at the Development Policy Centre, with the video available [here](#)).
- Martin Ravallion, the World Bank’s Acting Chief Economist, will visit AusAID this week (and will also be giving a [seminar at ANU](#)).

### **In brief**

Foreign Minister Carr has [announced](#) a doubling of aid to Myanmar by 2015,

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bringing the total at that point to around \$100m per year, with \$80m [going to education](#) alone over the next four years.

Prime Minister Gillard has [announced](#) a further \$97 million in funding for the Civil Society Water, Sanitation and Hygiene (WASH) Fund, welcomed by CARE Australia [here](#) [pdf], and Oxfam [here](#).

Peter Baxter has [announced](#) that Australian aid to Fiji will double by 2014 to \$36m.

After a recent visit to Daru hospital in PNG liberal MP Warren Entsch has [condemned](#) the aid program for failing to improve the conditions there, which he says are “disgusting and shocking.”

Judith Sloan, contributing economics editor at the Australian, argues in [this piece](#) how AusAID needs to work more effectively.

AusAID has [released](#) its response to the Independent Child Protection Policy Review 2011.

ODE has [released](#) a series of interviews that it conducted in March discussing emerging Asian donors (transcripts are also available).

AusAID has [announced](#) the closure of the [Australian Development Gateway \(ADG\) website](#), which has been in operation since 2004, claiming that “the need for the website has declined as social networking and knowledge sharing sites and technologies have grown in functionality and popularity.”

AID/WATCH has released its 2011 annual report, available [here](#).

After 21 years with Oxfam Australia Andrew Hewitt has [stepped down](#) as Executive Director.

The 8<sup>th</sup> [Australasian Development Economic Workshop \(ADEW\)](#) took place at Monash university this month with prominent development economist Abhijit Banerjee providing a keynote address. The ADEW was summarised in a blog post [here](#).

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Link: <https://devpolicy.org/aid-buzz-july-4-2012/>