FCDO Programme Operating Framework

Foreword from PUS

The FCDO delivers many of its strategic objectives through programmes and projects. It does this in some of the most complex and fragile environments in the world, and on some of the most complex international policy issues.

FCDO programming should align resources to the Government's international priorities as set out in the 2021 Integrated Review. On the ODA side, a strategic framework sets out the following priorities: climate and biodiversity; Covid and global health security; girls' education; science and research; defending open societies and resolving conflict; humanitarian assistance; and promoting trade and economic growth. Delivering modern foreign policy and development outcomes demands world class project delivery.

I therefore welcome the publication of the FCDO Programme Operating Framework (PrOF). This provides the structure within which programme teams throughout the network will operate. It ensures we deliver excellent programmes and address the FCDO's priorities through a blend of diplomacy and development programming.

The PrOF draws on best practice from our legacy organisations and from across HMG and beyond to ensure that FCDO maintains high standards, including in the wide range of challenging operating environments where we work.

As well as a new ruleset, this document introduces the programming principles as the embodiment of the FCDO's delivery focused culture and values. I encourage you to use these to shape how you work as well as using the wider rule-set to shape what you do.

The framework sets out the expectations of teams involved in policy programme delivery. In, return they can expect to be supported and enabled at all stages and levels by a capability and learning offer, structured around the Capability Framework for Delivering International Programmes (CF-DIP).

Our principles-based approach reflects the vision for programme delivery in the FCDO; flexible, agile and adaptive, and ready to pioneer methods in places where there is no tried and tested approach. As FCDO Chief Accounting Officer, I expect you and your teams to work within this framework and to continue to embed this approach in the way we deliver all of our work.

1. Introduction to the Programme Operating Framework and how to use it

1.1 What is the programme operating framework – headlines

Excellent programme delivery is crucial for FCDO to deliver its UK government objectives and is expected by Cabinet Office. Whether the work is on National Security Council (NSC) priorities, the UK's foreign policy priorities or eradicating poverty in a complex and fragile world, delivering results and addressing the underlying causes of poverty and conflict requires programmes that are flexible and designed respond to (and influence) the local context.

FCDO needs to maintain high standards of programme delivery and risk management in a wide range of difficult operating environments. We must make risk- and evidence-based decisions, apply professional judgement, act proportionately, learn and share lessons, ensure a clear audit trail of our decisions and be properly accountable to UK taxpayers in everything we do. Our approaches are drawn from best practice, building on established project and programme management approaches and realising our obligations for alignment with The Orange Book: Management of Risk – Principles and Concepts, Managing Public Money and HM Treasury guidance on business case approvals.

FCDO works closely with Infrastructure and Project Authority (IPA) (relationship led by Better Delivery Department/Portfolio Management Office), to ensure that the PrOF sets a high standard for delivery in FCDO and is in strong alignment with central government expectations for international programming. The IPA is the government's centre of expertise for infrastructure and major projects. It leads the government project delivery function and sits at the heart of government, reporting to the Cabinet Office and HM Treasury. The IPA is responsible for system level improvements across the project delivery landscape and will set the framework for government project delivery, project assurance and support arrangements for government projects which departments are required to follow.

1.2 What's in this document, and why?

Principles to guide staff in designing and delivering high-quality programmes and presenting to external implementers how the FCDO is committed to delivering internationally. The programme delivery principles of the POF are designed to complement the FCDO Culture Statement set out in the How we Work Toolkit. Rather than expanding on the statement, the principles work to contextualise the culture of the new department tangibly in the way we deliver programmes.

Roles and responsibilities to inform teams what is expected of different members of FCDO programme teams.

Mandatory rules, clearly explained with an expanded rationale to assist teams in applying proportionality to their programmes, and providing a sense of empowered accountability to teams.

Governance, risk and assurance arrangements to facilitate effective oversight of programme delivery and implementation of the PrOF by programme teams.

Links to good practice guides that draw on experience and expertise from across FCDO and beyond. These documents contain no additional rules or mandatory procedures. They are designed to illustrate what can be done within our operating framework and to deepen learning.

PrOF Capability and Learning Offer based on standards as set out in the Capability Framework for Delivering International Programmes (CF-DIP) across common programme delivery roles with an outline of the types of internal/external learning available to support capability and development of staff in these roles.

1.3 Introducing "the PrOF" in more detail

FCDO's corporate operating framework provides the organisation-wide set of rules that each member of staff must follow. Within this wider corporate framework, the Programme Operating Framework specifies the rules which must be applied in delivering FCDO's policy programmes.

This version of the FCDO Programme Operating Framework, for use from 1st April 2021, represents the first iteration of a merged framework for diplomacy and development programmes and marks the end of the "twin-track" approach to FCDO delivery which began in September 2020. It has been designed as a "minimum viable product", as a collaborative effort by Better Delivery Department, Portfolio Management Office and Joint Funds Unit, bringing together the strengths of the x-FCO Policy Portfolio Framework and the x-DFID Smart Rules, alongside a modest number of substantive changes and additions. The initial minimum viable product (MVP) will continue to evolve beyond 1st April towards the framework which is "better than both".

The **intent** of the PrOF is to:

- Provide a framework which builds on the success and the lessons of programme delivery approaches used in x-FCO and x-DFID, **enabling the transition** to effective delivery of joint diplomacy and development programming across the breadth of FCDO.
- Take a **principles-based approach** to achieving high quality, contextualised programme delivery, embodying and complementing the FCDO Culture and Values Statement.
- Reflect the **cultural importance of a diverse and inclusive FCDO**; diversity of expertise is enshrined in the way we work and constructive challenge of ideas is encouraged.
- Be a "**one-stop framework**" for programme delivery, setting the parameters within which all teams should work, but creating space for teams to adapt their approach across the diverse FCDO portfolio.
- Give **clear accountability lines** and roles and responsibilities for delivery
- Achieve **value for money** in programme delivery, maximising the impact and cost-effectiveness of each pound spent to achieve
- Guide FCDO programme teams in **responsive** programme delivery in complex, volatile and ambiguous environments balancing empowered accountability and strong support from the centre.
- Give **clarity on what is mandatory**, and where SROs and programme teams are empowered to apply their own judgement.
- Empower SROs/Programme Teams to **take risk-based decisions with an understanding of the implications** to inform their choices.

- **Support distributed decision-making**: as far as possible allowing decisions to be taken closest to where the information is and with a clear understanding of local contexts to manage risks.
- Enable programmes and projects in FCDO to **contribute in a coherent way to higher level objectives** at Portfolio and Department level.
- Support a **systematic approach to learning and the use of data and evidence.**
- Enable **meaningful assurance** on the things that matter.
- Provide a **solid foundation for future iterations** of the framework – learning from what works.

At 1st April, we recognise that FCDO's combined portfolio is far more diverse than that of the individual legacy departments, with a focus on programmes in x-DFID and on projects in x-FCO. The following definitions apply (which reflect IPA definitions):

- A **programme** is a thematic set of inter-related projects and activities designed to bring about **outcomes** that support higher level strategic objectives.
- A **project** is a set of discrete, time bound interventions designed to produce a set of Outputs. Projects may be managed in-house but will more often be implemented by external partners under a funding arrangement.
- **Activities** are everything making up a programme that are not projects. This may include FCDO staff salaries and costs funded from the programme, or discrete activities undertaken by others in support of the programme – for example specific pieces of monitoring or operational research, or audits.

Further work is planned to evolve FCDO's portfolio, programme and project structures following 1st April, including how systems support and enable tiers of portfolio, programmes and projects.

The framework is structured around the FCDO project/programme management cycle. It sets out the principles, rules, roles and responsibilities, governance and also guidance and best practice. It sign-posts where you can obtain further advice and support. It provides the rules and standards at the individual project or programme level, linking and integrating the various stages in the cycle. The guidance contained in this framework will empower teams to confidently take risk-based approaches to programme delivery – emphasising that programme teams are the experts in the context of their programme and should therefore lead in creative design and delivery, supported by this clear set of mandatory rules.

1.4 What is the PrOF for?

The PrOF is for everyone in FCDO because programmes are an integral part of policy-making and delivery: that includes senior decision-makers such as HoMs, Directors, Development Directors, Heads of Department - as well as members of programme teams (such as Programme Managers, Advisers, Senior Responsible Owners), corporate teams, our partners and other external stakeholders.

This document consists of the direction, guidance and information required to enable teams to realise the intent of the framework through diligent, effective and proportionate programming - supported by the principles of FCDO programme delivery.

The guidance applies to all programmes delivered using funding through the FCDO's departmental accounting baseline, including the **International Programme Fund** (henceforth referred to as IP) and the **Conflict, Stability and Security Fund** (henceforth CSSF - delivered through the cross-Whitehall funds). The **Prosperity Fund** was baselined to FCDO in SR20 and is now part of the FCDO departmental portfolio (and no longer a separate cross-Whitehall fund). It also applies to **Multilaterals**.

FCDO programme teams are expected to make proportionate judgements on how to apply the rules for their intervention and context informed by a good understanding of the risks they are accepting through their approach. Risks should be managed well, with resources prioritised to reducing risks which exceed our programme risk appetite. This requires regular risk monitoring, effective mitigation/control of risks (including financial and fiduciary and safeguarding risk) and close engagement with commercial suppliers and implementing partners. A risk-based approach helps us think upfront about wider policy options (such as those we identify through the International Policy Framework) and designing programmes for successful implementation (such as being more disciplined when thinking about the resources – financial, human and enabling - that we need to deliver the work). Multidisciplinary teams ensure we design our projects and programmes for success in all regards and help us to think about and take account of stakeholders and actors who will affect our ability to deliver effective results. A multidisciplinary approach helps us assess risks holistically and prepare for the different events that may occur - working together and developing interventions that have been considered from a variety of perspectives and across boundaries.

The PrOF:

- provides a clear framework throughout the programme cycle (design, mobilisation, delivery, and closure), including risk management (set out in the risk framework)
- defines structures – projects, programmes, portfolios
- defines accountabilities, roles and responsibilities for decisions
- sets out processes that are compulsory: anything not covered here is not a rule
- links to the learning and development offer to build capability

FCDO programmes are expected to stop, or change quickly, approaches that are not working as initially planned and to ensure that lessons are identified for wider organisational benefit. The framework provides the basis for open and flexible programming, achieving results innovatively and at pace, and programmes that are focused on outcomes. We want staff to be both **empowered and accountable**:

- **Empowered** to create better policy and programme outcomes through increased innovation, taking well-judged risks and managing them appropriately, responding to assurance findings and having the flexibility to adapt to realities on the ground.
- **Accountable** for effective delivery, through clarity of roles and responsibilities to consider choices and make good decisions, seeking early approval (and re-approval, where appropriate), and utilising good quality information and evidence.

FCDO has set up a Programme Cycle Panel (PCP) of Deputy Directors, representing the breadth of FCDO. This panel is providing oversight and governance of the PrOF as it is introduced. They consider carefully any proposals for new rules or changes to rules, to protect against more rules being added unless absolutely necessary. Anyone in the Department can propose changes to the framework and its ruleset. Proposed changes should be emailed to Better Delivery Department/Portfolio Management Office PrOF Rules email. You may be invited to attend the PCP to talk about the proposal to help the PCP reach a decision about the change.

1.5 Applying the PrOF across the diverse FCDO portfolio?

The FCDO organisational portfolio incorporates all programmes led and delivered through the FCDO (i.e. on the FCDO baseline – so not just those that are funded by the FCDO, but also CSSF) – this includes our multilateral contributions and subscriptions. This ensures the strategic direction and risk parameters of all programmes are considered holistically and within the context of FCDO's broader policy priorities and activity. The PrOF does not cover FCDO operational expenditure (ie. corporate programming) such as the delivery of FCDO's infrastructure, IT systems etc.

Multilaterals. A strong, well-functioning multilateral system is in the UK's interests. The UK is committed to acting as a global force for good and supporting an open and stable international order. Multilateral programmes are a key pillar of that ambition. The UK's investment and engagement in multilateral institutions gives us significant influence in driving reform and improvements to make multilaterals more efficient and transparent, and to shape the broader international system in line with UK values.

Multilaterals are also key delivery partners that mobilise significant resource and expertise to deliver key outcomes in UK priority areas such as climate change, global health, and humanitarian response, and to tackle global challenges that the UK cannot address alone. Working through multilaterals expands our global reach and influence and enables us to work effectively with other international partners and galvanise action on issues important to the UK.

Our multilateral investments must be clearly justified in relation to UK priorities, multilateral performance and value for money, and, like all FCDO programmes, multilateral programmes are annually assessed to ensure they deliver results, remain cost effective and prove good value for money for UK taxpayers. This Programme Operating Framework applies to all multilateral programmes – but there are some rules that don't apply, or are applied differently in a multilateral context. These areas are made clear in the detail of the programme operating framework rules.

CSSF (alignment of operating frameworks)

The CSSF was created in 2015 to "prevent conflicts and tackle threats to UK interests that arise from instability overseas". The CSSF plays a key part in driving the Government's fully integrated response to conflict and instability, guided by UK National Security and UK Aid priorities. Its programmes help uphold the rules based international system and drive forward the UK's ambitions to meet the Sustainable Development Goals (SDG), particularly SDG 16 – to promote just, peaceful and inclusive societies.

When launched the CSSF was unique, no other international donor had a funding instrument that could combine official development assistance (ODA) and non-ODA funding, alongside expertise from multiple government departments, to respond to conflict and instability. In financial year 2019/20 CSSF total spend was £1.24bn, operating in 84 countries and territories through more than 90 programmes.

International Programme
The International Programme was officially launched in 2015 as a fund to help posts and directorates deliver projects, programmes and wider international initiatives in support of FCDO policy priorities. The IP is designed to scope and leverage approaches that can be scaled up elsewhere, either within government or by international organisations and partners. The fund complements traditional diplomatic delivery and campaigns by facilitating typically smaller scale projects worldwide.

The IP facilitates innovation in FCDO programming. It enables us to flex when working in areas with no tried or tested approach, quickly learning what works and what doesn't to deliver better Foreign Policy and Development outcomes.

1.5 FCDO's Portfolio

At 1st April, we will have country and business plans which set out the programme portfolio delivery ambition for that country or HQ department/division/directorate. Understanding our programme portfolios and building management information that enables decision-makers to visualise the existing and future programming within the department will be the initial short-term focus for portfolio management in FCDO. From 1st April, we will build the longer-term operating model for portfolio management.

A **portfolio focus drives better ways of working**. It requires us to make more explicit decisions about our programme portfolios, based on our analysis of the context, and conscious decisions on strategic priorities – as opposed to doing things incrementally, one project, programme or influencing initiative at a time. Successfully managing our programme portfolios will help achieve value for money and should improve our:

- **Impact** – by better matching programme and personnel resources to our strategic priorities; and
- **Coherence –** ensuring that our programming, including non-aid levers, are pulling in a consistent direction, recognising the linkages, cumulative risks across the portfolio and leveraging synergies and interdependencies between programmes and other activities.
- Overall, portfolio management enables choices on **balance** to be made

When done well, a strategic portfolio approach should drive new programmes or policy work, prompt us to stop work that undermines or is contributing little to strategic objectives, and surface tensions among conflicting objectives so they can be managed proactively.
Portfolios include non-project activity in support of strategic objectives, as well as projects and programmes – as the graphic from IPA shows. For FCDO this

will include the range of diplomatic and other non-aid levers the UK can bring to bear in support of UK policy interests, as well as the influencing work that x-DFID technical specialists already do.

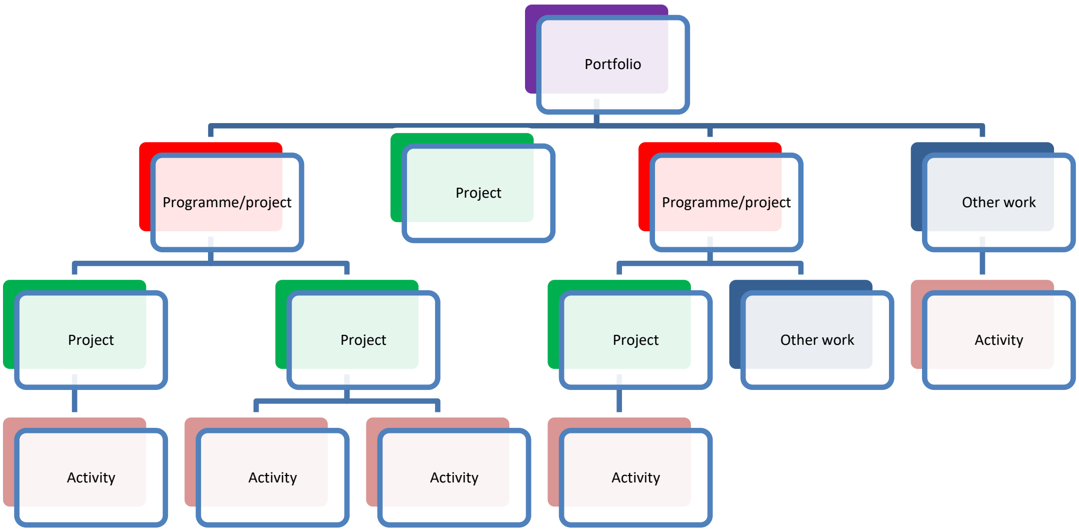

Figure 1 IPA graphic outlining an example portfolio structure

What do portfolios look like in FCDO?
Portfolios in FCDO will be either **geographic** or **thematic**. Some portfolios focus on a country or region, while others focus on global priorities – such as our global work on girls' education – or a particular institution e.g. key multilaterals, or the UK development NGO sector.

These portfolios intersect, and it's at the intersection that coherence can break down. For example a programme addressing drivers of migration may align with global policy priorities, but work in a way that undermines our priorities and ways of working in a particular country, or our influencing objectives with a key UN agency. It's therefore important that our approach to programming throughout the FCDO portfolio is **evidence based** and **context specific**. Understanding the political context within which we're delivering can ensure we maximise the impact of our projects and do not negatively affect work being carried out elsewhere.

1.6 Management Systems and Reporting Processes: Maintaining an Evidence Base

Reliable monitoring and reporting processes allow us to ensure our delivery methods are evidence based, accountable and stand up to scrutiny, in line with the guiding principles of FCDO delivery. A joint PMO/BDD team are working together to articulate and recommend how best to manage and record FCDO programmes. This will involve scoping the breadth of the new portfolio, to ensure reporting requirements are proportionate to the budget and size of the programme. The monitoring and reporting process will flex to this new portfolio, ensuring all programming activity is aligned in support of wider strategic objectives and that programme activities are meeting expectations, following rules, achieving impact and delivering value for money.

While FCDO programmes will be working from a unified framework and budget from the start of FY21/22, **teams should not make any changes to their reporting methods, until they hear otherwise.** Teams previously accessing the Aid Management Platform (AMP) should continue doing so, as should teams reporting through PRISM or more bespoke platforms. Consistent monitoring and reporting in the interim period before a unified process is announced will help to ensure a smooth transfer of information and the maintenance of a strong FCDO programming evidence base. It will also support ministers in accurately visualising the makeup of the programmatic work throughout the new department and how it aligns to ministerial priorities.

1.7 Value For Money

Good programme management will enable FCDO to maximise the impact and cost-effectiveness of each pound spent (economy, efficiency, effectiveness and equity), and value for money is addressed throughout the PrOF. We are spending taxpayers' money and need to be able to explain and defend our decisions.

- **Value for money means aiming for the best feasible programme, not just a good programme.** This means drawing on evidence to carefully appraise possible objectives and delivery options, considering how to use the market and competition and thinking creatively about how to get the best international impact.
- **That doesn't mean that we only do the cheapest things.** We need to understand what drives costs and make sure that we are getting the desired quality at the lowest price. We need to influence partners to do the same.
- **Nor do we just do the easiest things to measure.** We need to explain what we value, be innovative in how we assess and monitor value for money and what results we are trying to achieve with UK taxpayers' money.
- **Value for money is not something that applies only to programme design.** It should drive decision making and management throughout the cycle and in relation to our own running costs and be included in programme and project evaluations.

In delivering value for money programmes, teams must ensure programmes are cost-effective in how they deliver the desired outcome, making economic, efficient and effective use of funds. By economic we mean buying inputs of the appropriate quality at the right price. Whilst teams should understand and seek to minimise input and (where possible) output costs, the right price does not always mean the cheapest price or lead to a cost-effective approach. If paying a bit more means the programme is more efficiently implemented, outcomes more effectively met and/or greater equity is achieved, then that payment is likely to be justified. For interventions to be equitable, for example, greater costs may be incurred to ensure marginalised or hard to reach populations are included.

A further example is in our humanitarian crises work, or similar time-sensitive situations, where speed of response is a key determinant of an intervention's impact. The benefits of intervening rapidly can far outweigh foregone cost savings which might otherwise be secured by slower procurement. The VfM triangle of 'cost, quality and speed' provides an alternative approach with which to assess VfM of a programme in these instances. Ultimately delivering VfM means maximising impact per pound spent; teams must assess and record how their programming choices achieve this for FCDO.

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2. Programme Operating Framework Principles

2.1 The FCDO Culture Statement highlights that culture underpins delivery. The programme principles reflect in more detail what that means for programme delivery, illustrating how values drive programme excellence.

The programme principles should form a common vocabulary, a basis from which all projects and programmes throughout the portfolio can build upon and refer to. They complement and expand upon FCDO-wide principles and embody **empowered accountability**. They provide teams with the language for engagements with partners, stakeholders and assurers about what and why decisions were taken throughout the delivery cycle.

2.2 The principles have been mapped to the rules which follow – so when thinking about what the rule says, also think about how to follow the rule by reflecting on the associated principles.

How we lead and behave towards each other: We put respect and kindness first. We are inclusive, we get to know each other, and value our diversity and the contribution we each bring. We are fair, act with integrity, and tackle inequality and unacceptable behaviour. We work together and take responsibility to solve problems. **Therefore, in our programmes we are:**

Collaborative

- We work and learn together to help and support each other across the organisation and build capability. We build strong working relationships with partners in order to deliver results, including formal collaborations on knowledge sharing as a risk mitigation strategy. Teams evolve in make-up as necessary and collaboration with delivery partners remains a consideration through the project lifecycle. We ensure diversity of expertise in all collaborations so that our ideas are scrutinised from a range of perspectives.

Honest

- We speak truth to power. We foster an open and honest culture, encouraging challenge and the flagging of risks. We escalate risks and issues which exceed programme appetite, and ensure we have a listening culture to hear all concerns. FCDO programme teams are empowered to challenge colleagues and senior leaders at all stages of the programme cycle.

How we make decisions: We draw on the expertise, insight and diverse perspectives of people across the FCDO, HMG, and beyond. We use the best available data and evidence. We are open to challenge and take a long-term approach. We are transparent about the rationale for decisions and smart about taking and managing risks. **Therefore, in our programmes we are:**

Professional

- We aim to deliver maximum impact and value for taxpayers' money, we follow the Civil Service Code and HM Treasury's guidance on Managing Public Money and we get the basics right. We are knowledgeable, experienced and commercially astute - and our delivery teams hold our partners to account. FCDO sets the standards for international diplomacy and development best practice.

Ambitious

- Drawing on our knowledge, skills and experience, we are bold in proposing transformational programmes in challenging and high-risk environments, and we openly discuss the risks with ministers and colleagues.

Transparent

- British taxpayers, beneficiaries, and constituents in the countries where we operate have a right to know what we're doing, why and how we're doing it, how much it will cost and what it will achieve. Where total transparency is not possible due to heightened sensitivity, FCDO will be clear and able to justify our rationale for this decision.

How we get the job done: We are responsive and alert to emerging opportunities. We encourage learning, innovation and use of data and digital. We are all clear on what we are expected to deliver and support each other in doing so. We look to reduce duplication and unnecessary process. We are committed to transforming both the FCDO and the way HMG delivers international policy. **Therefore, in our programmes we are:**

Innovative and Agile

- We deal proactively with uncertainty and complexity, identifying where it exists and building in ways to respond to and manage it. We are ready to adapt existing and pioneer new design and delivery methods where the context allows and there are no tried and tested approaches. We are outcome focused and prepared to flex based on evidence. We encourage and reward innovative, creative, agile and value for money approaches to achieve impact. We are alert and prepared to respond to emerging opportunities and volatile or changing environments.

Responsible and Accountable

- We are responsible for delivering against ministerial and HMG priorities, with a clear understanding of our role and the role of others in pursuing government policy. We are accountable for rigorous programme design, managing programme risk and performance effectively; maximising benefits and **avoiding doing harm.** As the people closest to the detail, beneficiaries, programme constituents, and FCDO programme teams are empowered to take decisions within their projects once all core rules are complied with.

Context-specific

- By drawing on available evidence and listening to the views and experiences of the breadth of our stakeholders (especially beneficiaries and programme constituents), we understand the strategic, social, political, economic and operational environments within which we work, influencing the political context and HMG's international policy priorities. We take a risk-based approach to gaps in our understanding and ensure our programmes are well integrated to the context.

Evidence-based

- We plan rigorously using evidence to create a strong foundation on which to base change. We are constantly reviewing and where evidence gaps exist, we take steps to fill them, testing new approaches and applying our learning as we go. We identify errors and opportunities; we learn from and share lessons readily. We monitor, record and report progress through the appropriate channels including ministers, as necessary. If success no longer seems achievable, we are prepared to flex or initiate closure, taking stock of what we have learnt to inform future endeavours.

Proportionate and Balanced

- We make proposals and take decisions that are proportionate to the situation, the information available and level of urgency and escalate where appropriate. We work in planned, manageable stages, pausing to assess delivery and ensure continuing viability at each stage of the project.

3. Programme Operating Framework Ruleset

3.1 This section sets out the mandatory rules for FCDO programme delivery. Each core rule (listed below) has an associated 1-pager, which provides the information which teams require to understand:

- **Why** FCDO has this rule - the rationale, logic and purpose of this rule for FCDO
- **Who** is responsible and accountable for the actions in implementing the rule. There is more information on implementing this in practice in the Roles & Responsibilities section
- **How** you need to go about implementing the rule

In providing this expanded information for each rule, the intention is that teams will have a better understanding of the mandatory structure within which they need to operate. They will also have a fuller appreciation of their empowerment to use their judgement and a clear understanding of their accountability. Given the diverse nature of the FCDO portfolio, the intent is to ensure that each team can take a proportionate approach that is appropriate for their programme.

3.2 At the point of publication of the PrOF (1st April 2021) FCDO is at an early stage of merging and transforming. Therefore:

- We will be making updates to the ruleset more frequently than previously (6-monthly) in order to reflect changes arising elsewhere through transformation.
- The FCDO portfolio consists of a mixture of projects and programmes, and the terms project and programme are not yet consistently applied across FCDO. Therefore, teams should use their judgement, in line with the principles outlined above, in applying the rules proportionately to their programme or project. This will ensure that unnecessary duplication is avoided while ensuring that the team is effectively accountable, in accordance with the rules, for the delivery of work funded from FCDO baseline.

3.3 Within each rule 1-pager there are associated pop-out boxes. These contain examples of how the principles should be applied in implementing the rule, disaggregation of the rule for application to multilaterals and sign-posting to further guidance (such as ProF Guides).

Principles in practice:
Principles in practice boxes are included throughout the Framework. Each rule is linked to one or more of the core FCDO Delivery principles [LINK]. The *in practice* boxes will allow you to contextualise the principles within each rule. The guiding principles provide teams with a common vocabulary with which to communicate and justify decisions taken throughout the programme cycle.

Working with multilaterals
Where it is useful or necessary to disaggregate the rules for application to **multilateral programmes** this is included as a pop out box.

Further guidance and learning: Sources of further **information and guidance and learning** on implementing the rule. Guidance documents (PrOF Guides) will not be fully updated for 1st April – this will be an ongoing activity.

3.4 Programme Rules and One-pagers

Operating Framework and Strategic Alignment Rules

1. Portfolios, programmes and the projects within them, must be consistent with all relevant UK legislation and regulatory requirements. Risks to human rights, international humanitarian law and reputational risks to HMG must also be considered. (1-pager)

2. All spend reported as Official Development Assistance (ODA) must meet the agreed international definition of aid (1-pager)

3. All programmes and projects must align with FCDO and HMG policy priorities and business objectives (1-pager).

4. All programmes must have a named Senior Responsible Owner (SRO) and Programme Responsible Owner (PRO) (1-pager).

5. All new programmes (and the projects, interventions or events within them) must align with the Paris Agreement – an international treaty on climate change – and assess climate and environmental impact and risks, taking steps to ensure that no environmental harm is done. Any International Climate Finance (ICF) programmes must identify and record ICF spend and results. (1-pager).

6. Programmatic decisions (including payments and commitments) must only be taken within delegated budget and approved levels of individual authority and in line with the agreed risk appetite. Decisions going beyond these limits and risks which exceed appetite must be escalated to the appropriate level (1-pager)

7. All FCDO programmes and projects should be as transparent as possible with taxpayers, our partners, host countries and programme constituents (beneficiaries). Programme documents and decisions must be saved correctly for publication. Sensitive information must be treated appropriately. (1-pager).

Programme Design and Approval Rules

8. At an early stage of design, an outline of the programme's intended outcomes, operating context, activities, budget and high-level risks must be set out and **approved** at the appropriate level, using the Concept Note template. All Concept Notes over £5m must be approved by Junior Minister (and FS, for over £70m). (1-pager).

9. All programmes must be rigorously designed and have an appropriately approved business case in place prior to the start date (and for the full duration), using the Business Case template. Material changes and extensions to this design should be formalised and approved in a BC addendum. (1-pager).

10. All programmes (and policies) must consider and provide evidence on how their interventions will impact on gender equality, disability inclusion and those with protected characteristics. (1-pager).

11. For any programmes which may involve novel and contentious financial arrangements, teams must engage with the Finance Directorate at concept

note stage. And any programmes carrying significant diplomatic, financial or reputational risk must consider whether FS should approve. (1-pager).

12. All programmes must follow FCDO's branding guidance, and appropriately document their approach to external communications. (1-pager).

13. Digital elements of programmes (e.g. text messaging, cash transfers with a digital angle, websites and databases) must be reviewed at the earliest possible stage in the process by FCDO's Digital Service Team, and most also require approval from the internal Digital Spend Panel. (1-pager).

Mobilisation and Procurement Rules

14. FCDO can only pay for costs that are incurred after signature and between the start and end date stated in a funding agreement or contract. The duration and value of all funding arrangements must be fully covered by an approved budget (e.g. business case or project proposal) and must use the latest funding arrangement templates or frameworks. (1-pager).

15. The tender and awarding of new contracts and amendments must comply with the Public Contract Regulations 2015. The contract must be approved by the appropriate governance forum, in line with delegated authority levels and risk profile of the contract. An approved budget must cover the full period of any contract and amendments. (1-pager).

16. FCDO must have a suitable and documented assessment of any partner who is intended to be the direct recipient of FCDO funding, to determine if they have the capacity and capability to manage programme funds and deliver the programme or project objectives. (1-pager).

17. Staff must declare any conflicts of interest, or offers of gifts, advantages or hospitality, as soon as they arise. (1-pager).

Programme Management and Delivery Rules

18. Risk throughout the life of a programme or project must be managed in line with the agreed risk appetite using appropriate controls. (1-pager).

19. Any suspicions and/or allegations of fraud, terrorist financing, money laundering, bribery, corruption, sexual exploitation, harassment or abuse (SEAH), by any person or any partner (including downstream delivery partners) connected to a FCDO programme or project, must be immediately reported to the FCDO Fraud and Safeguarding Investigation Team in Internal Audit Department. (1-pager).

20. All projects, programmes and portfolios must have sufficient monitoring in place to provide performance and financial oversight, manage risks and support decision-making at appropriate levels. (1-pager).

21. All programmes must undergo a formal review of progress and effectiveness at regular intervals (annually, as a minimum, and after completion) using an agreed results framework or logframe and the appropriate tools and templates. (1-pager).

22. Any programme or project that demonstrates sustained underperformance must be subject to formal improvement measures, before a decision is taken at the appropriate level to continue, to restructure or to close it. (1-pager).

Financial Management Rules

23. Budgets must be accurately profiled and forecast, regularly reviewed and updated as necessary. (1-pager).

24. Funds must only be paid to the intended recipient and only be used for the purposes formally agreed. (1-pager).

25. No payment can be made in advance of need, i.e. before the funding is required to enable activities to proceed. (1-pager).

26. Any foreign currency commitments above £50,000 for programmes using Aries must be agreed in advance by the Financial Accounting and Control Team. Foreign currency commitments below £50,000 must be agreed by the Director/Head of Mission. (1-pager).

27. A complete, accurate and up-to-date inventory must be maintained for all programme assets owned by FCDO. These assets must be disposed of in a way that represents best value for money, with a clear record of decision making and appropriate approval of transfer. (1-pager).

28. The write-off of costs related to losses or fruitless payments, including assets lost, stolen or damaged, must be approved at the appropriate level. (1-pager).

Programme Closure Rule

29. All programmes should be closed effectively and responsibly, even when closing early. Outstanding payments must be made, liabilities extinguished, and underspend returned to FCDO within eighteen months of the programme's end date. All required audited accounts and financial statements covering the full duration of the programme must have been received before the programme can then be closed and archived. (1-pager).

Rule 1: Portfolios, programmes and the projects within them, must be consistent with all relevant UK legislation and regulatory requirements. Risks to human rights, international humanitarian law and reputational risks to HMG must also be considered.

Why? HMG is obliged to comply with all relevant UK legislation. All programme interventions must also be consistent with FCDO policy and objectives.
Who? Heads of Mission (post) and Directors (HQ) must provide evidence of their portfolio's compliance with relevant laws in the annual **Statement of Assurance / Annual Consolidated Certificate of Assurance**. Programme Responsible Owners are responsible for identifying security and justice sector interventions requiring specific assessment and approval. Advice must be sought from FCDO legal advisers where the legal implications are unclear or questions of compliance with local law arise.

Principles in Practice
Responsible and Accountable: HMG must comply with applicable UK and international legal obligations. Our programmes must uphold HMG's reputation as a defender and promoter of human rights and democracy. Programmes which do not comply with applicable legal obligations pose a reputational risk to the government, and undermine the the programme's and wider FCDO objectives..

How? The Head of Mission/Director must ensure that their portfolio is consistent with all relevant UK legislation, in particular (but not exhaustive):

- the International Development Act 2002
- the International Development (Reporting and Transparency) Act 2006 for all aid spend (ODA and non-ODA).
- the Equality Act 2010 (which includes the Public Sector Equality Duty – see rule 9)
- Human Rights Act 1998
- General Data Protection Regulation
- the Terrorism Act 2000 (TACT)
- the Human Medicines Regulations 2012
- the Public Contracts Regulations 2015
- The Sanctions and Anti-Money Laundering Act 2018 and the regulations made under it
- The Export Control Order 2008

International Development Act and Official Development Assistance (see Rule 2) are different tests, but both **only apply** to aid spending.

Interventions in the Security and Justice Sector must be assessed and approved in line with Overseas Security and Justice Assistance (OSJA) guidance **before** a programme or project is approved, and before a Grant Agreement, MoU or Contract is signed. OSJA's consider the human rights (HR) and international humanitarian law (IHL) risks of programmatic activity which might support HR or IHL violations in the host country. Any funding to these types of activities, while meeting HMG's national security priorities, must also be consistent with UK values, defending and promoting human rights and democracy. **OSJAs must be updated regularly** and at all stages of the programme cycle, including concept note, business case, annual reviews and extensions, and where a substantial change in circumstances has significantly altered the risk.

Working with multilaterals
International financial institutions and other multilaterals operate in accordance with international law, rather than the laws of each of their shareholders.

Further guidance: PrOF Guide to Legal Advice, PrOF Guide to Medicines License Requirements, GDPR/Data Protection Guidance, Overseas Security and Justice Assistance (OSJA), OSJA Contact Point. PrOF Guide to Counter terrorist financing and anti-money laundering

Rule 2: All spend reported as Official Development Assistance (ODA) must meet the agreed [OECD definition of aid](#).

Principles in practice: Accountability: ODA spend must be compliant with the OECD's definition and meet domestic legislation such as the [International Development Act](#) 2002 (IDA). ODA spend can be challenged by Parliament and ICAI. Any perceived lack of consistency or robustness in our application of the rules risks significant reputational damage.

Why? In 2013 HMG committed to spend 0.7% of UK Gross National Income (GNI) on aid. For 2021 this was reduced to 0.5% because of the economic impact of COVID-19 on the UK but it is expected to return to 0.7% when fiscal conditions allow. 'Official development assistance' or ODA is the internationally agreed definition of what counts as aid. HMG reports to the OECD annually and as part of its national statistics. If FCDO spend is incorrectly or misleadingly classified as ODA, it may be rejected by the OECD impacting on the UK's ability to meet its ODA commitment, forcing a reclassification to non-ODA causing significant difficulties with budgetary planning in HMG's ODA and non-ODA budgets.

Who? Heads of Mission/Directors, and Development Directors where present, are accountable for ensuring their ODA portfolios are compliant with these requirements. Programme Responsible Owners are responsible for carrying out all relevant compliance checks on programmes.

How? ODA can only be spent on activities which have the economic development and welfare of [an eligible country](#) as the **main objective.** Secondary benefits to non-ODA eligible countries, including the UK, are acceptable only if the activity primarily benefits developing countries. There are more specific and detailed rules on ODA such as administrative costs, debt relief, social and cultural programmes, student costs, refugees, research, and peace and security activities, including counterterrorism and countering violent extremism. If you are proposing ODA spend in these areas or are unsure about the rules you should consult with the ODA eligibility team (details below).

In addition to the OECD DAC ODA rules and the [International Development Act](#) 2002 requirements further internal policies require that UK ODA should **not be used** to fund or procure the following:

- Activities which are not aligned with the **Paris Agreement** on climate change (see Rule 4).
- **Exploitation** of adult workers or **employment of children**.
- **Luxury goods (**incl. alcohol, tobacco, fur skins, pearls and precious and semi-precious stones).
- **Drugs not on the World Health Organization Essential Drugs List** (with limited exceptions).
- **Pesticides**, unless agreed by a Climate and Environment Adviser. The UK is a signatory to the Stockholm Convention that seeks to eliminate 12 persistent organic pollutants.
- **Chlorofluorocarbons** (CFCs). The UK is a party to the Montreal Protocol and the substances currently controlled by the Protocol may not be supplied under the aid programme.
- **Tobacco**. For any purpose that identifiably supports the tobacco sector, including the agricultural production and processing. General agricultural inputs, such as fertilisers can still be funded if the tobacco sector is not an identifiable consumer.
- Any relationship, financial, programmatic or bilateral with **Breast Milk Substitute manufacturers that violate the International Code of Marketing of Breast Milk Substitutes**. FCDO may on a case by case basis engage with these companies in multilateral or multi-donor funded programmes or initiatives, if approved by the relevant Director General.

Further guidance: PrOF Guides to Peace and Security and Engaging Business; [OECD DAC website](#).
ODA eligibility team: Samantha Galbraith, Saira Dudhia, Kimberley Gillingham.

Rule 3: All programmes and projects must align with FCDO/HMG policy priorities and business objectives.

Why? Strategic alignment of programmes and clear communication of this allows us to maximise our impact and value for money and recognise the synergies between various programmes in a portfolio. Through this process we reduce the likelihood of duplication, accidental gaps in delivery or outcomes and avoid programmes running at cross-purposes.
Examples of strategic misalignment and failure to communicate effectively can result in centrally managed programmes and bilateral programmes failing to work together; humanitarian and development programmes in the same space undermining each other; lack of co-ordination (or contradictory priorities) across numerous activities with multilateral partners; disjointed or contradictory communications to our stakeholders, etc. This can result in missed opportunities or inconsistent engagement with programme constituents and beneficiaries. It can leave delivery partners unclear on FCDOs aims and core priorities, negatively affecting external engagement, and putting delivery needs at risk.

Who? Directors/Heads of Mission are accountable for **setting** portfolio objectives in a Directorate/Country Business Plan. Heads of Department/Heads of Mission are accountable for **delivery** of the objectives in the Business Plan. **SROs** are accountable for a programme's contribution to portfolio-level outcomes – including outcomes in other parts of FCDO - and should be empowered to make changes to programmes (within their delegated authority) that enhance a programme's contribution to those outcomes.

How? The Director/Head of Mission must set out in a Directorate/ Country Business Plan statements of intent, campaign goals and outcomes for their area of responsibility.
Country Boards, chaired by the HoM, are responsible for alignment of all activity and spend to the Country Plan. The HoM/Director (as Portfolio SRO) may, in addition, convene and chair a Post/ Directorate Programme Implementation Board to oversee management of all programmatic and non-programmatic initiatives and activity through their Post or Department. Experience suggests these Boards are more effective when they focus on portfolio-level coherence and contribution to FCDO and/or HMG policy priorities, rather than taking a role in day to day decision-making on programmes, which are the role of the SRO and PRO.
The Director/HoM does not need to be a programme or project management expert. But they need to understand the key concepts and be able to provide strategic leadership, ensuring programme spend is integrated fully into policy work at Post and helps deliver clearly identified policy objectives in support of wider cross-government country plans/NSC strategies. Directors/HoMs have formal financial delegated accountability for the programmes they manage.

Principles in practice:
Responsible and Accountable: Clear strategic alignment with organisational priorities. Accountable for delivering against ministerial and HMG priorities, with a clear understanding of our role and the role of others in pursuing government policy.

Transparent: being open about what we are doing, why and how

Evidence based: learning from previous experience facilitating organisational learning.

Context-specific: Understanding the political, economic and operational environments that we work in will help programmes deliver effective outcomes and impact.

Working with Multilaterals
Providing core funding to multilaterals should be assessed for high-level strategic alignment with FCDO priorities, rather than at the individual project level.
For programmes that work bilaterally through multilateral organisations, teams should be prepared to provide information and views on our partner's performance allowing UK institutional leads (SROs, HoDs, UK Representatives to successfully manage the UK's relationship exercising scrutiny and challenge). This will help avoid policy incoherence, achieve strategic alignment and synergies.

Principles in practice:
Responsible and Accountable: Programme delivery requires leadership and clear lines of accountability.

Context-specific, Innovative and Agile: In many areas of FCDO programming, evidence shows that we get better outcomes if people close to the programme are able to apply their judgement to operational decisions. The SRO and PRO roles are **empowered** to provide this devolved leadership.

Proportionate. The SRO and PRO roles should be allocated in a way that does not create unnecessary layers of hierarchy or slow down operational decision-making. Where it makes sense for both roles to be played by the same person, this is encouraged.

Rule 4: All programmes must have a named Senior Responsible Owner (SRO) and Programme Responsible Owner (PRO).

Why? Cross-HMG programme delivery standards state that "*Strong leadership with clear accountability are key elements of successful project delivery".* The programme SRO and PRO roles, modelled on role definitions of *SRO and Project Director* used across government, provide clarity on who is accountable for projects and programmes. The programme SRO role is accountable for a programme or project meeting its objectives, delivering the required outcomes and making the expected contribution to the higher-level objectives (in Delivery Frameworks, Country and Thematic Plans, and FCDO as a whole). The PRO role is accountable to the SRO for driving, on a day to day basis, the delivery of programme outcomes within agreed time, cost and quality constraints. This includes effective management of risk, compliance with the Rules, objectivity about performance and design and adaptation of programmes to uncertain or changing contexts. Although they are distinct roles, the programme SRO and PRO roles may be played by the same person, particularly where the programme is less complex and the person has the right experience. A person may be SRO or PRO for more than one programme.

Who? Heads of Mission (post) and Directors (HQ) are accountable for the coherence and delivery of the objectives in a Country/Directorate Business Plan. As part of their role as **Portfolio SRO**, the HoM (for in-country) and the Director (HQ) are responsible for assigning the roles of SRO and PRO for individual programmes, to the individual(s) who are best placed to carry out the responsibilities of that role, based on the complexity of the project or programme, and the personnel available. This responsibility may be delegated – e.g. to Heads of Department – and should be delegated to a Development Director (where present) for teams managing significant amounts of ODA (>£1m p.a.). For other programmes spending ODA in posts where they are present, **Development Directors** should identify (with the HoM) who is best placed to play SRO and PRO roles for programmes using ODA, and should help to define expectations of the role.
The expectations of the role should be set out in a formal **appointment letter**. If one person is playing more than one role for a programme, they are accountable to the next person up the accountability chain.

How? The programme SRO and PRO roles should be assigned to the person or people in the post or department who are best placed to perform the role(s). They are not attached to a particular position or grade. The HoM/Director or Development Director may decide to retain the SRO role for programmes themselves. In small posts where there are no other suitable people available, the HoM or Development Director may also retain the PRO role.
For less complex programmes, the expectation is that the SRO and PRO roles can usually be performed by the same person. For more complex programmes, particularly programmes that are expected to contribute to the objectives of more than one portfolio, it will be more appropriate to assign the two roles to different people, with the SRO role assigned at a more senior level, with enough of an overview of the programme to play a constructive challenge role, and the PRO role closer to day to day implementation.

Where a programme contains large or complex projects within it, the SRO for the programme may also consider designating someone in the programme team as a named Project Lead for that project.
For programmes on the Aid Management Platform, the names of the SRO and PRO should be recorded in the Teams tab.

Further guidance: Section 4 – Roles & Responsibilities; PrOF Guide to SRO and PRO appointment; SRO and PRO Appointment letter template (generic); templates for letters issued by Director, HoM, Development Director or Head of Department.

Rule 5: All new programmes (and the projects, interventions or events within them) must align with the Paris Agreement – an international treaty on climate change – and assess climate and environmental impact and risks, taking steps to ensure that no environmental harm is done. Any International Climate Finance (ICF) programmes must identify and record ICF spend and results.

Why? The UK Government made a public commitment in the 2019 Green Finance Strategy to be 'Paris Aligned', considering our impact on the climate and environment and the impact a changing climate will have on the successful delivery of all our programmes (ODA and non-ODA). The Leaders' Pledge for Nature, which the UK was pivotal in developing, includes a commitment to mainstream considerations of nature into all government policy and investments. The UK is asking Multilateral Development Banks (MDB) to invest more in nature and to have credibility UK needs to demonstrate leadership for its own investments. The UK has committed to spend £11.6bn on ICF over the next five years including on programmes aimed to help developing countries adapt to climate change or to promote low-carbon growth. Living up to these pledges through accurate reporting of ICF spend and results, will show our global leadership and credibility in this vital policy area.

Who? Programme Responsible Owners are responsible for ensuring climate and environment risks and opportunities are considered throughout the programme. **Directors/Heads of Mission** are responsible for minimising the risk that the overall portfolio does harm, and wherever possible, ensuring it provides a net benefit for climate and the environment.

How? Full guidance is available in the Climate and Environment ProF Guide, including:

- **Paris Alignment:** All programme design documents should include climate and environment analysis. The Business Case should include a summary of how the programme will meet the Green Finance Strategy criteria of Paris Alignment including: abiding by the fossil fuel policy; incorporating carbon pricing analysis; and undertaking climate risk assurance.
- **Environmental Protection:** environmental risks and opportunities to land, water and air must also be considered. If environmental impacts are likely mitigating actions should be set out. Environmental impacts to consider include waste efficiency, pollution, land degradation, biodiversity and water resources.
- **International Climate Finance (ICF)** ICF programmes should report against at least one of the ICF Key Performance Indicators through an annual results commission. Programmes should use the Rio Marker for climate change adaptation and/or climate change mitigation on AMP, including a % split. Programmes not on AMP should contact the ICF Analyst in Climate and Environment Division (Evidence, Engagement and Strategy Team) to discuss how they will report.

Principles in practice:
Ambitious: Programmes must consider how climate change and biodiversity loss will be impacted on with delivery, mitigating this risk and supporting the climate and environment. We must be prepared to pioneer new design and delivery methods.
Responsible and Accountable: Failure to implement sufficient safeguards and consider the environmental impact of our work threatens our 'do no harm' principle, putting communities at risk of environmental damage.
Transparent: Accurately identifying ICF spend is important as we are obliged to publish all ICF spend.

Working with Multilaterals: All of these elements should be considered in multilateral contributions. Further guidance on how to work with multilateral organisations is laid out in the PrOF guide.

Exceptions to this rule
Programmes that address rapid onset humanitarian crises. Though this can be an exception, we should seek to meet the rule to the extent that it is possible.

Further guidance: Climate and Environment PrOF Guide; x-DFID only: C&E Share Point, Carbon Pricing & VfM Guidance

Rule 6: Programmatic decisions (including payments and commitments) must only be taken within delegated budget and approved levels of individual authority and in line with the agreed risk appetite. Decisions going beyond these limits and risks which exceed appetite must be escalated to the appropriate level.

Principles in practice:
Professional: delivering maximum impact and value for taxpayers' money, following the Civil Service Code, HM Treasury's guidance on Managing Public Money and The Orange Book.
Proportionate: Using common sense and judgement to present reasoned, value for money, evidence and risk-based proposals at all times. We need to meet minimum standards of compliance, even in a crisis when we need to move fast. Being proportionate and balanced is key.

Why? HMT's Managing Public Money guidance requires Treasury consent for **all** spend and commitments. In practice, HMT has delegated authority to departments to make commitments and disburse funding, up to certain limits, without HMT prior approval. Any planned activity going beyond predefined limits – whether due to its value, risk profile (ie. novel and contentious – see Rule 11) or duration of the commitment (beyond a spending review period) must go to the Foreign Secretary and HMT for full approval.
Who? All staff are responsible for understanding their own personal sphere of delegated authority, decision-making power and risk management and assurance responsibilities. SROs also have a responsibility to be clear about any delegated responsibilities, both financial and risk management.
How? Formal delegated authority levels are set for Junior Ministers and FCDO officials which provides the Foreign Secretary, HMT and Parliament with assurance that our programme decisions are being taken with an appropriate level of oversight (including from technical experts), that balances accountability and scrutiny with the practical demands of day-to-day delivery. Delegated authority in FCDO is set at departmental/organisational, directorate/post and individual level. It is important these that levels of authority are observed.
HMT can impose stricter limits on future spend, slowing delivery and reducing impact if FCDO oversteps its delegated authority. If staff make decisions outside of their delegated authority, senior leaders and Ministers are not appropriately informed of issues or engaged in decisions. Erosion of Ministerial trust in civil servants, leading to further reductions in delegated authority is a likely outcome. If we take decisions which push us substantially beyond the agreed programme risk appetite and risks materialise, Ministers are unprepared for these and cannot take responsibility. If we fail to control and oversee risks adequately in line with risk appetite, programme constituents (beneficiaries) are likely to be impacted. Poor controls management can also lead to qualified accounts, PAC hearings and significant reputational damage. Risk appetite should be dynamic and can be changed, in consultation with the HoM/Director.
Risk appetite is set for each of FCDO's risk categories, which are:

- **Strategy & Context** – risk arising from pursuing diplomatic and development objectives which are undermined by a changing context, a lack of clarity or a weak evidence base. These risks undermine our delivery and impact.
- **Policy & Programme Delivery** – risk arising from implementation of our core business of diplomacy and development, due to weaknesses in influence and engagement, programme delivery, commercial management, resourcing and/or operational support. These risks undermine our impact and influence.
- **Public Service Delivery & Operations** - risk arising from weaknesses in the delivery of consular services or the delivery of internal operations which support our core business and wider HMG, including security, legal, technology and information and property risks, impacting delivery, our people and British citizens.
- **People** - risk arising from weaknesses in leadership and engagement, culture and behaviours and/or workforce capacity and capability, impacting on performance.
- **Safeguarding** - risk arising from failure to establish and maintain strong safeguards to prevent harm to beneficiaries of our programmes, staff and those implementing our programmes, the communities where we work, or the environment, resulting in ethical violations and reputational damage.
- **Financial & Fiduciary** – risk arising from our funds being used for unintended purposes or not managed in accordance with requirements and constraints, or poor management of assets/liabilities, resulting in weak value for money, compliance and delivery failures and reputational damage.

- **Reputational** – risk arising from political or adverse events, including delivery failures and ethical violations, damaging FCDO's and/or the UK's reputation.

Early-stage programme documentation should set out specific approvals processes and risk mitigation/management decision making e.g. Concept Note, Business Case, Business Case Approval.

Further guidance: x-DFID Corporate Guide to Delegated Authority, x-FCO Financial Delegated Authority. FCDO Risk Guidance.

Rule 7: All FCDO programmes and projects should be as transparent as possible with taxpayers, our partners, host countries and programme constituents (beneficiaries). Programme documents and decisions must be saved correctly for publication. Sensitive information must be treated appropriately.

Why? The UK is a global leader in transparency, supporting other countries to be more transparent with their citizens, and we must continue to lead by example. HMT's 'Managing Public Money' highlights transparency as a standard expected of all public services. The UK Government requires transparency from all Government departments. Transparency helps us to be more accountable, efficient and effective by:

- supporting evidence-based decision-making by feeding into FCDO management information
- improving engagement with programme constituents (beneficiaries), enabling empowerment of choice and control in programmes
- providing better oversight and coordination of spend
- reducing duplication by sharing information with others.
- delivers comprehensive, relevant and accessible aid information to the public domain via DevTracker and gov.uk.
- it enables sharing of information with countries where ODA spend supports better outcomes
- it helps us track funds to downstream partners and helps address corruption
- we are measured on transparency in the International Aid Transparency Initiative, and the global Aid Transparency Index, and there is reputational damage for FCDO if transparency commitments are not upheld.

Principles in practice:
Transparency, Honesty: being open and honest with taxpayers, partners and those we are working with about what we are doing, why and how. Where full transparency isn't possible due to security issues, we will be clear and justify this.
Responsible and Accountable: Demonstrates how our programmes deliver against HMG priorities, provide value for money, do no harm (for ODA) and are open to legitimate scrutiny.
Professional: We will deliver our commitments on transparency while considering our rights and obligations under the GDPR, Data Protection and Freedom of Information Acts, handling personal data correctly and considering the implications of data release. Eg. for safety and security of staff and partners.

This must be balanced with consideration of the implications of the release of sensitive data, in particular our legal rights and obligations to protect personal data and to protect our staff and partners.

Who? Programme Responsible Owners should identify where publication of programme information could put staff or partners at risk. The SRO should agree what data in the programme is sensitive and how it will be handled. Aside from excluded data, the SRO is accountable for ensuring transparency commitments are met.
How? All programmes must consider transparency at the early design stage, drafting documents with public release in mind, and considering how to engage partners and programme constituents (beneficiaries).

- Programme documents, data and decisions must be saved correctly for our records, and in a format that allows them to be published to DevTracker or for Freedom of Information purposes
- Where sensitive data is contained in documents staff should follow existing exclusions guidance and legal obligations. For example: in general, do not publish sensitive or personal information that might fall under the Freedom of Information Act or GDPR including email addresses, signatures, bank account details, or individual names instead exclude this information.

For programmes on the Aid Management Platform (AMP):

- Ensure all sections in AMP are up to date so that MI and Devtracker are accurate.
- Save all project documents (annual reviews, business cases, MOU/AG/contracts, logframes, evaluations) correctly to Records Management Systems. You can check it is public on the AMP Transparency tab or on DevTracker.
- Be aware that data on AMP is published automatically, so any exclusion request must be sent promptly, following the process on the How-to Insight Transparency page.

Further guidance: Aid Transparency PrOF Guide; How to Insight transparency page for AMP users; Beneficiary engagement PrOF guide; Evaluation PrOF Guide; Data protection and GDPR guidance

Rule 8: At an early stage of design, an outline of the programme's intended outcomes, operating context, activities, budget and high-level risks must be set out and **approved** at the appropriate level, using the Concept Note (CN) template. All CNs over £5m must be approved by Junior Minister (and FS, for over £70m).

Why? Programmes should be strategically aligned with HMG priorities and FCDO objectives in host countries. The CN is the main point of ministerial approval of programmes, legitimising the design process and ensuring fit with the organisational objectives and business plans. **Ministers will provide this for programmes over £5m** and **HoM (as Country Board chair)/Director for programmes under £5m**. Approval confirms that the programme aligns with the wider portfolio, fits with the strategy in the Country/Business Plan and the recommended way forward for programme design. Engaging Ministers early in design gives them scope to influence shape and direction. Failure to engage them at an early stage of programme design may lead to wasted time and resources by developing a business case that they are not content to approve. It also provides clarity for officials' understanding of ministerial risk appetite.

Who? PROs are responsible for following process correctly, engaging key stakeholders, getting the right people involved in design and documenting approvals. **SROs** are responsible for providing constructive challenge on feasibility and how the programme will contribute to outcomes at the portfolio level (Country/Business Plan). HoMs (as Country Board chair)/Directors are responsible for taking a final decision on whether to escalate CNs below £5m to Ministers/Foreign Secretary. (Please also see Rule 3 Strategic alignment, Rule 6 Delegated Authority and Risk, Rule 9 Business case approval and Rule 11 Novel and Contentious programmes)

Principles in practice:
Ambitious: when proposing transformational programmes in difficult high-risk environments engage Ministers early before investing significant time in design. Early engagement also allows for ministerial buy-in of approaches that haven't been previously tried and tested.
Context-specific: programmes should suit and influence the political context and meet HMG's international policy priorities.
Evidence-based: Programmes should draw on any pre-existing evidence base, including evaluations. Experience sharing should be at the forefront of early stage design. Evidence gaps should be highlighted, with indicative plans for how they will be managed/mitigated through design and implementation.
Collaborative: take a systemic collaborative approach from the earliest stages of programme design to draw in diversity of expertise and a range of perspectives.

How? Country Boards will approve all programmes below £5m at the CN stage. Ministers will approve all programmes between £5m and £70m. The relevant Country Board, or HQ Regional Board or Regional Director, should review and endorse the CN before it goes to the relevant Minister (following the submissions process). Although programme Business Cases between £5m and £20m would not normally be seen again by Ministers, they may ask at this point to review them.

The Foreign Secretary will approve all CNs over £70m and those that are considered very high risk, novel and contentious. Before the Foreign Secretary sees a CN, this should have been reviewed and endorsed by the relevant Minister (through the Foreign Secretary's ODA Adviser and Spads – see escalation guidance on Insight and DiploHub). CNs should be submitted to the Foreign Secretary using the Foreign Secretary Two Page Spend Cover Note template (at same link).

For programmes not designed at post (eg. Centrally managed programmes or multilateral programmes), CNs should be seen by the Development Director or equivalent at Post and cleared by the appropriate thematic or HQ Regional Board. Where there is no Board (eg. Research), CNs should be cleared by the Regional Director to confirm alignment with regional/thematic business plan. CSSF programmes expected to deliver <£5m of activity on the FCDO baseline over their lifetime will be approved using Programme Document by Country Board (HoM)/Director and those >£5m will follow the FCDO CN approvals process.

Teams should articulate the rationale for and intended approach of the programme within the CN template, following the appropriate approvals route and processes detailed in the Governance section.

- Teams with access to AMP should generate their concept note on the system, and use appropriate automated workflows to obtain approval.

- Ministers are likely to focus attention at strategic level of the FCDO portfolio while officials focus on implementation detail – this clarity is the focus of the new approvals process.
- High-level risks should be discussed in full as early as possible (risk appetite and mitigation).

Working with Multilaterals: Multilateral **Core** Spending Teams can decide whether or not to use a Concept Note, beyond the minimal threshold of generating a blank CN when creating a new programme entry on the Aid Management Platform (AMP). Judgement on the appropriate, proportionate level of detail provided in that template is at HoD discretion.
Concept notes can be useful to get approval in principle early on in a replenishment, or for a potential capital increase, and to allow the work needed to flesh this into a firm proposal. However, Ministers will typically be consulted throughout the development of multilateral core contributions, and teams can use their records of these conversations and formal Ministerial approval in place of the CN, by noting the document record number(s) in the CN text field on AMP.

Essential guidance: Programme Approvals ProF Guide; Programme design PrOF Guide, Concept Note PrOF Guide, Concept Note template; Risk appetite / escalation guidance.

Rule 9: All programmes must be rigorously designed and have an **appropriately approved** Business Case (BC) in place prior to the start date (and for the full duration), using the BC template. Material changes and extensions to this design should be formalised and approved in a BC addendum.

Why? HMT Managing Public Money requires a BC to be in place for all spend. BCs should demonstrate how the programme will be delivered within the scope of the Country/Business plan and is consistent with the approved CN. BC approval confirms that the approver is satisfied that the programme meets a strategic need, is convinced the programme has been well designed, will deliver impact, represents good value for money, will reach beneficiaries equitably and has robust management and risk arrangements in place. All BCs above £40M, should be reviewed by the Quality Assurance Unit.

The BC demonstrates how design choices represent best value for money in delivering intended outcomes, drawing on evidence on what, why and how to deliver them. Well-designed programmes ensure FCDO is investing in implementable and cost-effective programmes. When programmes need to evolve, for example in response to changes in context, or emerging lessons, this may challenge the Theory of Change. Therefore, BCs should build in a degree of flexibility commensurate with the strength of evidence, the risks that the programme may need to respond to, and the team's overall confidence that the intervention can be delivered along the lines proposed within the budget and time allocated.

Who? PROs are responsible for following process correctly, convening the right stakeholders to design the programme, and documenting approvals. **SROs** are responsible for providing constructive challenge on feasibility and how the programme will contribute to portfolio-level outcomes. **HoM/Director** is responsible for ensuring the whole portfolio is compliant with this rule, taking a final decision on whether to escalate BCs that fall below the threshold for formal ministerial approval. For new programmes spending ODA, a Development Director (where present) or an equivalent senior development expert (in HQ departments) provides endorsement of BC as part of the scrutiny process. Approval advice is provided to HoM/Director by Country Board/HQ equivalent. Approval advice is provided to Ministers by Country Board/HQ equivalent or Investment Committee, dependent on approval threshold. The **SRO** will prepare and present the BC Covernote 2-pager for Investment Committee review for programmes over £40m.

How? Programmes should be designed robustly, based on well-evidenced understanding of the context, a clearly identified problem, what the intervention is seeking to achieve and option(s) for delivery. The use of theory of change tools and processes help to articulate this understanding, and the assumptions behind it. The design process should include realistic assessment of risks, opportunities and management requirements, including consideration of monitoring and evaluation requirements and programme resourcing. Recognising and exploring options, trade-offs and pros/cons are key to good design and appraisal of options should explore all facets of **value for money**. There should also be early consideration of the **exit strategy** – focusing on sustainable and responsible closure and including early closure scenarios.

Principles in Practice:
Professional: programmes should be designed for implementation, not just approval.
Responsible and Accountable: Robust design is essential to ensure we identify and manage potential risks and unintended consequences of our programmes, to meet our responsibility to **avoid doing harm.** Business case approval is necessary so that funding is available to deliver the programme to the design specified. Upon approval, the SRO is then accountable for the delivery of the programme within that scope of the business case.
Collaborative: designing a programme is a task for a multi-disciplinary team. Wide engagement early on with a range of people will ensure the right inputs and balance of perspectives.
Evidence-based: Design decisions should be guided by evidence. Where evidence is weak, the implications should be acknowledged and actively built into programme design.

Exceptions: In cases of **humanitarian emergency**, Ministerial approval of a submission will allow teams to commit and disburse funds ahead of BC approval (which must be written as soon as possible). Release of funding before BC approval is potentially politically contentious, and so must be approved by the FS or Junior Minister, even if below the usual Ministerial approval threshold.

After Concept Note (CN) approval, HoM/Dir can approve proportionate release of **appraisal and design funds** to support BC development. These funds are drawn from the approved CN budget.

Exceptions: Prior HMT approval is required for any announcements involving spend above £40m in any one year if the related business case has yet to be approved (submit to Management Accounts using HMT 1-pager).

The Quality Assurance Unit (QAU) provides an independent and robust evidence-based review and quality assurance of the value for money of FCDO's major investments, i.e. business cases over £40m. Reviews assess evidence for the cost-effectiveness of proposed spending and are agreed with the Chief or Deputy Chief Economist.

The BC template captures the output of programme design, presenting the culmination of the evidence-based process. On completion of the BC template, the **correct approval thresholds and processes** must be followed – including on scrutiny and re-approvals (see Governance sections 6.7 - 6.10 and Rule 11 Novel & Contentious programming). This ensures that, where necessary, BCs, extensions and announcements are also approved by HM Treasury.

For all programmes:

- Business cases must cover the full duration of all related funding agreements and costs incurred.
- Business cases over the FCDO delegated authority level must be submitted to HM Treasury for approval, via Management Accounts Group, using the HMT 1-pager template.
- All programmes/ managed at Post must consider what role, if any, the Partnership Principles will play in the management, monitoring and evaluation of that programme, with a proportionate statement included in the strategic case.

CSSF programmes to be delivered on the FCDO baseline will be approved using a CSSF Programme Document.

Essential guidance: Programme Approvals PrOF Guide; Business Case PrOF Guide and BC template; Programme Design PrOF Guide; Risk guidance; HMT 1-pager template; Business Case Covernote 2-pager

Additional guidance: Business Case checklist for approvers; Guidance on working within risk appetite and x-DFID Financial Delegated Authority; x-FCO Financial Delegated Authority; . Theory of Change PrOF Guide; Adaptive Programming Guidance; Value for Money PrOF Guide; Evaluation PrOF Guide; Beneficiary Engagement PrOF Guide

Rule 10: All programmes (and policies) must consider and provide evidence, wherever relevant, on how their interventions will impact on gender equality, disability inclusion and those with protected characteristics (see below).

Why? This is essential for compliance with our public commitments, including the SDGs and pledge to *Leave No One Behind*, and (for ODA) the International Development (Gender Equality) Act (2014). The Equality Act (2010) Public Sector Equality Duty (2010) requires evidence of due regard for tackling discrimination, advancing equality of opportunity and fostering good relations between those who share any of nine protected characteristics (sex, age, disability status, sexual orientation, race, religion or belief, pregnancy/maternity, marriage or civil partnership, and gender reassignment) and those who do not. It also requires zero tolerance for bullying, harassment and discrimination on this basis. An approach that integrates equality and inclusion improves the value for money of programmes, through increased equity and effectiveness. It improves programmes' social impact, the focus on poverty reduction, and reduces the risk of unintended consequences. It can help us to better design, deliver and target our interventions and explain who is benefitting from our activities and funding.

Who? The Programme Responsible Owner (PRO) is responsible for demonstrating that their programme has considered the potential impact on gender equality and others with protected characteristics, and has captured relevant information using markers and disaggregated data. Heads of Department/Mission are responsible for ensuring evidence of application of the Public Sector Equality Duty under the Annual Consolidated Certificate of Assurance (ACCA) or Statement of Assurance (SoA). All staff are responsible for considering potential harm caused by discrimination and exclusion towards local communities, partners and individuals with the protected characteristics above.

Principles **in practice**:
Accountable (avoiding harm): without careful consideration of the risks to and impacts on different groups, programmes could exploit or exacerbate existing inequalities and vulnerabilities resulting in harm to communities and individuals.
Responsible and Accountable: we are publicly committed to the OECD DAC gender and disability policy markers. They are used to report on the total UK spend on gender equality and disability inclusion.
Context-specific (and participatory): analysing the potential impact on a broad range of groups and adapting our design accordingly improves programming and the value of our investments. This includes through participation - promoting and listening to diverse voices and ensuring meaningful engagement of women and excluded groups. Programmes are an integrated part of HMG's country strategies, and understanding local views and the wider context supports successful delivery.
Evidence-based: Disaggregation of data and analysis by sex, age, disability, geography and other characteristics builds the evidence base for inclusive programme design and results.

How? The following are required:
- for ODA programmes, legislation requires consideration of how to deliver in a way which reduces gender inequality and/or takes account of gender-related differences;
- for all programmes, a **proportionate statement** summarising the impact on gender equality must be included in the business case or project proposal
- for all programmes, annual **Public Sector Equality Duty (PSED) or Equalities reporting** as part of the SoA (and from next year the merged assurance process). All business units will be required to submit evidence in relation to both their **policy and programme** work on how they have given due regard to the need to tackle discrimination, advance equality of opportunity and foster good relations between those who share and do not share protected characteristics.

FCDO has signed up to the Inclusive Data Charter to improve the quantity and quality of inclusive data. Programmes with defined beneficiaries must disaggregate their data by sex, age, disability, geography and other relevant characteristics where possible (e.g. race, ethnicity, income, migratory status). Teams can take a proportionate approach.
For **ODA programmes:**
All bilateral ODA programme spend must use the gender equality and disability policy markers (on Aid Management Platform (AMP) where relevant) to accurately indicate the degree of focus on these issues. It excludes general budget support, core contribution to multilateral organisations, imputed student costs, debt relief and administrative costs.

Essential guidance: PrOF Guides on: Gender Equality Act; Public Sector Equality Duty, Safeguards PrOF Guide, Beneficiary Engagement; Child safeguarding; Gender Equality Tookit; Disability Inclusion Topic Guide; OECD Guidance on gender policy marker; Logical framework; Partnership Principles, Policy Markers; Risk management

x-DFID only: Equality and inclusion principles; Disability Inclusion How To Guide; Cash Transfer Programme Principles; Data Disaggregation Resource Library;

Rule 11: For any programmes which may involve novel and contentious financial arrangements, teams must engage with the Finance Directorate at concept note stage. And any programmes carrying significant diplomatic, financial or reputational risk must consider whether FS should approve.

Principles in Practice:
Innovative and Agile: doing things differently. Adapting our approach to deliver better Foreign Policy and Development outcomes and learn lessons.
Professional and Ambitious: deliver maximum impact and value for taxpayers' money, following the Civil Service Code and HM Treasury's guidance on Managing Public Money.
Proportion and Balance: Using common sense and judgement to present reasoned evidence and risk-based proposals that are proportionate to the situation, the context and level of urgency.

Why? Novel or contentious programming can expose FCDO to greater risks (diplomatic, financial and reputational) and must be closely monitored, and may require specific expertise to manage. HMT has not delegated authority to FCDO officials or ministers to approve programmes involving novel or contentious financial arrangements, and therefore require formal HMT approval which is co-ordinated and managed through Finance Directorate. Contentious programmes or transactions might give rise to criticism by the public or the media or could be perceived as inconsistent with wider government policy or aims. They could also hold the potential for dispute.

Novel and contentious financial arrangements include those that create a **financial asset** (either owned by FCDO or by a third party through FCDO funding), or include liabilities, guarantees, letters of comfort, indemnities, returnable investments, income-generating projects, or any different from the norm financial arrangements, must be approved in advance of spend by Finance Directorate and by HMT if appropriate (using HMT 1-pager).

All FCDO programmes should be **strategically important**. Programmes making a significant contribution to one of the Foreign Secretary's top priorities, FCDO priority outcomes, a manifesto commitment, or an NSC strategy should be brought to the attention of Foreign Secretary after seeking advice from Private Office/SpAds.

Foreign Secretary wants to approve or have sight of programmes which carry significant diplomatic, financial and reputational risk – this could be because it includes: activity which is notably strategically important or carries significant diplomatic or financial risk; where the organisation has limited experience or evidence of what will work and is outside the range of FCDO's normal business activity and there is no precedent for this type of activity or spend; that might give rise to criticism by the public or the media; that could hold the potential for dispute; that is inconsistent with wider government policy or aims.

Who? The SRO is responsible for identifying elements of a programme design that could be novel or contentious, and ensuring appropriate advice is taken and the appropriate approval route used. The PRO is responsible for consulting Finance Directorate at CN stage on any transactions or instruments that could be novel or contentious, which might require escalation to HMT for approval. SROs and PROs should always err on the side of caution and consult with Finance Directorate where there is any doubt. The Head of Mission (post) or Director (HQ) should satisfy themselves when reviewing Concept Notes and Business Cases that there are no financial or reputational risks that would require approval by FS.

How? Financial arrangements must be approved in advance of spend in accordance with programme governance arrangements and in line with FCDO's Finance Directorate and HMT policy. Finance Directorate must review **all** spend that falls into the novel and contentious category, in order to assess whether it should be escalated to HMT for approval and should be brought to Finance Directorate's attention at the beginning of the design process to allow sufficient time for necessary approvals. This process allows us to take managed risks with programmes. HMT can impose stricter limits on future spend (slowing delivery and reducing impact) should FCDO overstep its delegated authority.
HMT approval of novel and contentious spend should be sought via Financial accounting, by completing the HMT 1-pager template and sending it to financial accounting email
The Foreign Secretary's approval should be sought for novel programmes which are also strategically important and carry a heightened diplomatic, financial or reputational risk, regardless of value. Wider reputational implications to consider include high Parliamentary or scrutiny body interest, or where it relates to issues that are likely to attract significant public or

media attention. High financial risk where there is a significant risk of misappropriation/misuse of funds or value for money case is contested; where a non-standard financial model is being used including expenditure which might set a precedent, or which might have wider cost implications.

Further guidance: PrOF Guides to Special purpose vehicles, Development capital investment and Development capital grants, HMT 1-pager; Programme Approvals

Principles in practice:
Transparent: Clear branding means stakeholders and beneficiaries know where funding has originated from. It allows for appropriate connections to be made and harmonisation of complementary activities.
Accountable: Clear branding also supports accountability making it easier to report complaints or concerns.

Rule 12: All programmes must follow FCDO's branding guidance, and appropriately document their approach to external communications.

For ODA programmes – SRO's must ensure that the programme continues to follow the UK aid brand guidance and ensure the UK aid logo is included on written materials and through use of the UK aid logo on programme assets as well as verbal acknowledgement, as appropriate.
For non-ODA programmes - SRO's must ensure that appropriate branding is used. This means using the UK Government logo or the relevant mission crest for the Embassy or High Commission on written materials and on programme assets, or verbal acknowledgement, where appropriate. You can find more information in the FCDO brand guidance

Why? Effective branding helps build the UK's reputation and recognises the role that the UK plays internationally. Branding and communication can be a key part of a programme's ability to maximise the impact of our investments and build our capability to deliver in future. Insensitive or poorly thought-through communications or use of logos can undermine a programme, derail a critical relationship, or lead to a reputational risk for FCDO. Branding also promotes transparency and accountability by communicating quickly and easily how a programme has been funded, and who is ultimately responsible for the resources, personnel and equipment used. This is particularly important when access to information may be limited. Careful consideration must also be given to any security sensitivities which might affect the information that can be made publicly available about a programme. (Also See Rule 6 Transparency)
Who? PROs are responsible for documenting their approach to external communications, in line with the brand guidance, ensuring that communications consider the security and dignity of beneficiaries and staff.
We know that for both ODA and non-ODA programmes there are circumstances when it is not appropriate to use UK branding including; security concerns, reputational risk or political sensitivities, If you are concerned about branding your programme please contact the branding team and we can provide advice and alternative options.
CorporateCommunications@fcdo.gov.uk
PROs are responsible for identifying any exemptions (including security) and agreeing these with their partners and submitting these to their Head of Mission or Director (or delegate, e.g. the Programme SRO) for approval.
How?

- Be familiar with the FCDO branding guidance.
- For ODA programmes make sure a partner visibility statement is completed as a formal part of all relevant funding arrangements (it will be included in the template). This sets out the mandatory requirements for partners, and the criteria for exemptions. The statement helps ensure that implementing partners are clear on their branding responsibilities from the outset.
- In deciding where and how UK funding is recognised, **priority should always be given to the safety, security and dignity of beneficiaries and staff.** There are many circumstances in which the standard approach to branding would not be appropriate, and partners should be encouraged to flag any risks they perceive. Communication approaches should be kept under review throughout the lifetime of the programme or project, with changes formalised in the visibility statement as necessary.

Share good examples of UK branding in situ with CorporateCommunications@fcdo.gov.uk

Working with multilaterals:
Specific branding arrangements have been agreed with multilateral agencies. SROs should ensure they are familiar with these arrangements and apply this guidance as appropriate. This includes completing a visibility statement wherever possible.
It is rarely practical to apply UK aid branding to **core funding**, because the contribution of UK aid is not identifiable from that of other donors, and to recognise UK aid alone would misrepresent the UK government's involvement. However, core funding teams should actively consider where if opportunities to acknowledge funding are available and appropriate.

Further guidance: FCDO branding guidance, UK aid branding guidance, PrOF Guide to Funding Arrangements, Transparency Guidance

Rule 13: Digital elements of programmes (e.g. text messaging, cash transfers with a digital angle (including mobile-cash transfers), websites and databases) must be reviewed at the earliest possible stage in the process by FCDO's Digital Service Team, and most also require approval from the internal Digital Spend Panel.

Why? The Government Digital Service (GDS), on behalf of Cabinet Office, monitors all digital spend across government. FCDO is required to report all spend and show that what we have approved meets with the GDS Service Standard.
Digital is driving real transformation. It is making a difference to millions of people through new partnerships, better technology, creative design, smarter research and transformative solutions, such as engaging with beneficiaries. However, there is a risk that digital spend proposed by partners may be disproportionate, poor VfM, misaligned with FCDO's digital strategy, or replicating something already being used in FCDO.
Who? The PRO is responsible for identifying all digital spend in their programmes and notifying the Digital Service Team.
The Digital Service Team will provide expert advice on how to achieve desired outcomes using digital tools that are highest impact and value for money. They will work with your supplier or partner to ensure what's being proposed and delivered is necessary, has been designed around user needs and is being developed and monitored in a way that aligns with best-practice and industry standards.
How? For spend above £10,000, teams must submit a digital spend proposition form to the Digital Service Team. For spend below £10,000, please send an email providing a brief overview of what the digital element is, the cost and the partner or supplier.
'Digital' in this context is defined as any external-facing service or software provided to citizens, businesses, civil society or non-government organisations. It can range from **text messaging** to enable mobile cash transfers, satellite **mapping** to identify the spread of deforestation or disease, **databases** of beneficiaries and their feedback, **knowledge** portals to share programme research, **websites** and **mobile** apps.
Key considerations when designing your website or digital presence:

- **Understand and define the problem** that you are trying to solve. Carrying out a discovery phase is recommended and will help you do this. This is part of the GDS (Government Digital Service) Service Standard.
- Carry out **user research** before you start so that you design a solution around user needs. Seek feedback at regular intervals throughout the lifetime of the digital tool or service to keep it relevant and ensure you continue to meet user needs
- **Information management and website security** – it's essential that the web channels you manage and the personal information you capture is protected, managed and always kept secure.
- The FCDO formally endorse the Principles for Digital Development– a globally agreed set of guidelines on the design of digital aspects of development programmes, supported by organisations including USAID, UNICEF, WFP, UNHCR, Gates, SIDA and the World Bank. PROs of development programmes should check that partners planning digital spend are aware of and can explain how they are following these

Principles:
Innovative and ambitious: Most programme teams lack specialist digital knowledge. Technical support and quality assurance from the Digital Service Team allows us to take managed risks in the digital space, investing in innovative new technologies and maximising the impact of our funding.
Proportionate: planned digital spend under £10,000 doesn't require completion of a form – just an email to the Digital Service Team.

Working with multilaterals
Pooled funding, core and non-core funding to multilateral organisations is exempt from this rule.

Advisory Service
If your project does not require official spend approval, you have already received approval, or you just want some help from technical experts we are still able to provide you with advice and help that can be used to manage risk and add an additional layer of assurance for your programme. This includes things such as questions, reviewing TORs (Terms of References) or helping to score bids for technical work.

Exemption: In case of rapid onset humanitarian emergencies, the Digital Service Team can fast-track approval and/or advice for digital developments. Contact the team for more information.

Further guidance: PrOF Guide to Digital, External guidance on digital spend advice and controls for partners and suppliers.

Rule 14: FCDO can only pay for costs that are incurred after signature and between the start and end date stated in a funding arrangement or contract. The duration and value of all funding arrangements must be fully covered by an **approved budget** (e.g. business case or project proposal) and must use the latest funding arrangement templates or frameworks.

Why? Approving funding arrangements before funds are committed to partners is a requirement in HMT's Managing Public Money. Any commitment via funding arrangements in advance of the appropriate approval process critically undermines the role of Ministers, HMT and senior officials in scrutinising BCs, and creates a liability risk that FCDO may not be willing or able to accept **responsibility** for.

Backdating arrangements or allowing spend on activities undertaken outside of the start and end dates of an agreement, is a breach of HMT rules. Any breaches could result in FCDO accounts being qualified by National Audit Office and the Permanent Under Secretary (PUS) being called to Parliament to explain.

Principles in practice

Professional: The Cabinet Office Government Functional Standard for Grants requires that grant funding arrangements should (a) be justified and based on the content of the business case, and (b) contain a minimum set of requirements.

Accountable: appropriately approving spend ensures Ministers, HMT and senior officials can scrutinise proposals and accept responsibility for the activity.

Who? Funding arrangements for all programmes and projects must be signed by an individual within FCDO that has the appropriate level of delegated authority to make such a commitment. The signatory must satisfy themselves that there is an approved business case or project proposal in place prior to signing the arrangement, and that the funding arrangement is the appropriate one for the organisation being funded.

The funding arrangement must be signed at an appropriate level by both parties prior to any commitment being made.

How? FCDO provides funding through various modalities, including contracts, Memoranda of Understanding (MoU) or administrative arrangements, Grants or Delegated Cooperation Agreements. The section on Delivery Options (Section 5.4 in the PrOF) sets out the circumstances in which we use different types of funding arrangement. This funding arrangement decision tree helps identify the most appropriate non-contract funding type.

For all agreements

- the start date marks the first point at which FCDO can pay for any costs. On signature, our partners confirm that they will manage our money in accordance with the terms of the agreement. Before that point, we cannot hold them accountable for money already spent and activities undertaken.
- The end date marks the final moment when no further reimbursable costs can be incurred. Activities should not slip beyond the agreement end date. Payments can only be made after the end of an agreement if the activities took place beforehand.

Upholding the integrity of the agreement duration keeps programmes and projects on track to deliver against their approved timeframe. Formal extensions must be granted for costs incurred beyond the end date, allowing FCDO to keep track of how many programmes are completed on time. If costs *have* been incurred outside of a funding arrangement, approval from Financial Accounting for a special payment must be sought prior to payment.

Further guidance
PrOF Guide on Funding arrangements, Special Payments. Rule 9 Business case approval. Templates for: Accountable grants; MoUs; Delegated co-operation agreements; Multilateral agreements.

Rule 15: The tender and awarding of new contracts and amendments must comply with the [Public Contract Regulations 2015](). The contract must be approved by the appropriate governance forum, in line with delegated authority levels and risk profile of the contract. An approved budget must cover the full period of any contract and amendments.

Why? To ensure all our procurement is in line with the Public Contract Regulations 2015 and provides value for money with increased impact of UK funds. This is achieved through effective tendering processes and robust contractual arrangements that follow best practice, meet legal requirements, and ensure alignment with latest government policy. Commercial considerations are important throughout the life of a programme, from business case design and sourcing strategy development through to programme delivery and supplier performance. The commercial governance processes ensure best practice and compliance at key stages and ensure the FCDO commercial team provide the necessary expertise. Non- compliance increases the potential for a range of risks including unfair competition, legal challenge, poor supplier performance, outcomes not being achieved, reduced VFM and reputational damage.
Who? The PRO is responsible for ensuring that the appropriate commercial processes are followed, and the appropriate approvals are sought, taking advice from commercial specialists.
How? All procurements, contracts and contract amendments must comply with the Public Contract Regulations 2015. All Programme spend £5m and over will be approved through the Procurement Steering Board (PSB) governance requirements. Programme spend below £5m will continue to follow current legacy governance requirements until further notice. These governance processes are outlined in a flowchart available (here). All new FCDO programme spend (with the exception of CSSF and Prosperity Fund spend) and any legacy DFID contract amendments must follow legacy DFID guidance available (here). All new programme spend and contract amendments relating to CSSF and Prosperity Fund must follow legacy FCO guidance which can be found (here).

Principles in practice:
Professional: Conducting commercial activity in line with HMG Procurement Policy ensures FCDO follows best practice, delivering value for money of contracts.
Responsible and Accountable: non-discrimination and equal treatment are key principles of HMG procurement policy.
Transparent: Fair and transparent procurement processes, including the publication of tender documents and contracts, support the engagement of the best suppliers, driving value for money.

Exceptions:
In exceptional circumstances, authorities may need to procure with extreme urgency and without competition. See [Cabinet Office guidance PPN 01/21]() for further information. Use of this option is exceptional and must be agreed with the Commercial Lead. Exceptions may also be available under the Defence and Security Regulations.

PROs must ensure compliance with the following key commercial controls.

1. All Procurements above the delegated threshold £122K require early engagement with the commercial lead (please refer to guidance links for legacy DFID and legacy FCO contact points).
2. Ministerial approval is required for all supplier contracts £10m and over, including contract amendments and call-down contracts from framework agreements with a value of £10m and above, following agreement from the PSB. Cabinet Office approval is also required for contracts and amendments £10m and over. See link to flowchart of governance requirements for PSB and legacy departments.
3. Contract Amendments (CAs) require a robust value for money justification. All CAs for programme funded contracts must have an approved Business Case that covers the full period of the CA. See link to flowchart of governance requirements for PSB and legacy departments.
4. Procurements below the delegated threshold of £122k must be undertaken by the appropriate commercial lead (for legacy FCO) and Delegated Procurement Officers (for Legacy DFID) and must be in line with the Public Contract Regulation principles of non-discrimination, equal treatment and transparency.
5. Increased levels of delegated authority for DPO’s using legacy DFID Frameworks are detailed . Guidance and commercial contact points are available (here) for legacy DFID and for legacy FCO.

Further guidance
x-DFID Policies and Guides: Procurement Strategy and the Procurement Steering Board (PSB), Early Market Engagement, Developing the Commercial Business Case, Commercial Considerations for Multilateral Organisations, Developing Terms of Reference, Procurement Procedures, Timescales and Exceptions, Evaluation and Scoring Methodology, Supply Partner Code of Conduct and Compliance, Frameworks and Call-down Contracts, Contract Amendments, Contract Management, Strategic Relationship Management, Government Commercial Operating Standards, Procurement and Contracts below Delegated Threshold (<£122k),
x-FCO Policies and Guides: Commercial Guidance for Conflict, Stability and Security Fund and Prosperity Fund Programmes

Rule 16: FCDO must have a suitable and documented assessment of any partner who is intended to be the direct recipient of FCDO funding, to determine if they have the capacity and capability to manage programme funds and deliver the programme or project objectives.

Principles in Practice:
Responsible and Accountable: effective risk-based due diligence provides assurance that public funds are being spent to maximise impact and value for money. It can help improve performance by identifying and appropriately responding to risks.
Context-specific: it is important to understand the capacity and capability of the partner to deliver in the context that they are operating in.
Evidence-based: Due diligence critically analyses a range of evidence including policies, processes, controls and financial information to inform decisions on each partner and provides an opportunity to identify and share lessons and good practice internally and externally.
Proportionate and balanced: assessment scope and depth depends on a range of criteria, including risk appetite, programme size and complexity programme, value, inherent risks, availability of evidence, programme objectives, timeline (urgency) and any history with the partner.
Transparent: Due diligence helps us fully understand what we are investing in. This can help in being transparent with the public. Due diligence also helps assess whether partners have the capacity and capability to be transparent too.

Why? To provide assurance that the partner has the technical capability, capacity, and financial stability and control to deliver the programme objectives effectively and efficiently and that outcomes and value for money is likely to be achieved. Due diligence can identify risks to partners' ability to deliver in line with FCDO's expectations, which partners and programme teams should manage over the programme cycle. It can also develop partner's capacity and capability beyond the immediate funding arrangement and provide insights into our partners which inform ongoing engagement and relationship management.

Who? The **SRO** is accountable for ensuring due diligence is completed. The **PRO** is responsible for ensuring appropriate and proportionate assessments are completed to give FCDO sufficient assurance over the partner's capacity and capability to deliver the programme. The PRO is also responsible for ensuring that risks identified are followed through over the programme cycle and progress is documented. The PRO can delegate the task of completing due diligence or fiduciary risk assessments to other members of the programme team, or to experts brought in for the purpose, but should remain closely engaged in the scoping and quality assurance of the assessment, and judgements on the implications of the evidence gathered for the programme.

How? This is a mandatory process for all types of FCDO programme spend and must be completed before an agreement is signed and funding is disbursed. The depth and focus of assessment will vary depending on a range of criteria including; budget, risks faced, risk appetite and pre-existing assessments or information from which we can take assurance. The type of assessment to be used is dependent on the type of implementing partner and funding arrangement used:

Exceptions: For **rapid onset humanitarian emergencies** (a different process applies for other humanitarian work) a formal DDA can be completed *after* an agreement is signed and first funds disbursed, but the PRO for the programme should have satisfied themselves that any risks identified are proportionate in relation to the expected programme outcomes and within the programme risk appetite.

Due Diligence Assessments (DDA) for Accountable Grants and MoUs: DDAs should assess an organisation's ability to receive and utilise UK taxpayer's money in line with agreed costs, activities and timelines for specific projects or programmes, and can supplement other forms of due diligence – such as a Central Assurance Assessment.
Central Assurance Assessment (CAA) for core funding to multilaterals: FCDO Institutional Leads are responsible for periodic CAAs of the capacity and capability of our ongoing multilateral partners and the resulting risks. For programmes and projects bilaterally funded through a multilateral, CAA findings should be considered when conducting due diligence.
Fiduciary Risk Assessment (FRA) for Government to Government financial aid: FRAs are conducted to provide assurance over the partner country/region's public financial management (PFM) arrangements. FRAs focus on reviewing the partner government's core functions and commitment to improving PFM, including; fiscal transparency, good governance, fighting corruption and strengthening domestic financial accountability.
Commercial prequalification for commercial contracts: (to be updated following Commercial Transformation Project) A pre-qualification Supplier Questionnaire (SQ) is used in public procurement, before considering tenders, to gather information about

companies' track records, financial credentials, past involvement in corruption, and whether they meet various selection criteria including their financial standing and technical capacity. The FCDO SQ is aligned with the mandatory elements of the government SQ and incorporates the exclusion grounds listed in the Public Contract Regulations 2015. The SQ is applied to all programmes with a value above the delegated threshold of £122K.

Delivery chain mapping (DCM) is a process that identifies and captures, in visual form, the names of all partners involved in delivering a specific good, service or change, ideally down to the end beneficiary (see also rule 24). A dedicated ProF Guide provides more detailed guidance, and information on exemptions. A DCM should be in place for all funding modalities, with the exception of core funded arrangements with multilateral organisations.

Further guidance: Due Diligence PrOF Guide; Due Diligence Hub, Guide to Fiduciary Risk Assessments, Humanitarian Emergency Funding PrOF Guide, Guide to Delivery Chain Mapping; Working with ICRC PrOF Guide; Working with IFRC and BRCS PrOF Guide

Principles in practice:
Transparent: being open and honest with taxpayers, partners and those we are working with about what we are doing, why and how.
Professional: deliver maximum impact and value for taxpayers' money by following the Civil Service Code and HM Treasury's guidance on Managing Public Money.

Rule 17: Staff must declare any conflicts of interest, or offers of gifts, advantages or hospitality, as soon as they arise.

Why? x-FCO Diplomatic Service and Home Services procedures number 4: Gifts and Hospitality or x-DFID Standard of Conduct and Behaviour require that Conflicts of Interest, Gifts, Advantages and Hospitality are areas where staff integrity or personal judgment can be (or be perceived to be) compromised.
To maintain public confidence and protect the integrity of both FCDO and its staff, it is important that all staff follow central processes and policies to declare conflicts of interest, gifts and hospitality. This will drive transparency within the organisation.
If you fail to declare a Conflict of Interest (actual, potential or perceived) or the offer of a Gift, Advantage or Hospitality (accepted or declined) which exceeds the threshold, appropriate action will be taken in line with FCDO's Disciplinary Policy (for UK based staff) or Local Terms and Conditions (for Country Based staff). This could result in a referral to the Counter-Fraud and Whistleblowing Unit and the potential of dismissal. Any criminal conduct will also be referred to the relevant authorities.
Who? Relevant to all staff. The Director (HQ) or Head of Mission must ensure all staff record hospitality and gifts in a register of interest database:
How? Heads of Mission/Directors (HQ) must ensure their Post/Directorates maintain relevant records:

- x-DFID staff – maintain HAGRID, ensuring 6-monthly updates are completed and confirm compliance in the annual Statement of Assurance. In line with FCDO's conflicts of interest and gifts, advantages and hospitality policy all staff involved in procurement must also complete a conflict of interest declaration form before the release of any tender documentation.
- x-FCO staff - Directorate level centralized reporting registers - the online Gifts, Advantages and Hospitality Register (manual bookkeeping methods are no longer permitted to maintain records). Deputy Heads of Post and Department should perform a quarterly check of the register. All staff should be reminded every six months – by the head of post or department - of the Gifts, Advantages and Hospitality policy, under their obligation to confirm compliance via the Annual Consolidated Certificate of Assurance (ACCA). All gifts, advantages and hospitality policy enquiries should be addressed to HRDirect or by telephone (8355 6677 on Echo/FTN or +44 1908 716677) between 0900 and 1700 GMT.

Rule 18: Risk throughout the life of a programme or project must be managed in line with the agreed risk appetite using appropriate controls.

Why? Risk management, when fully embedded in our decision-making, helps us ensure that programmes and projects achieve their desired outcomes. It helps us to prioritise programme resources effectively to keep delivery on track, prevent failures and establish plans to respond quickly and effectively if things do go wrong. There are clear HMG standards on risk which underpin our approach.
Who? SROs are accountable for ensuring effective management of risks to programme objectives. This includes ensuring there is a clear understanding of the programme risks, an effective process and adequate capability/capacity in the programme team to drive action to manage them in line with an agreed risk appetite, and escalation of risks which exceed appetite or are rated severe to HoM/Director.
PROs are responsible for leading an active risk management process in their programmes which brings risks in line with risk appetite and for ensuring that SROs are aware when risks exceed appetite or are rated severe.
HoMs/Directors are accountable for ensuring effective management of risks to the delivery of country plans/business plans. **Development directors** are accountable for ensuring effective management of risks to the development objectives within country plans. This includes embedding the right values and behaviours; putting risk at the heart of decision-making; and ensuring appropriate resources and systematic implementation of risk policies and practices in their business areas. .
Risks should be escalated to **Ministers** from any level whenever appropriate,particularly reputational risks.

Principles in Practice
Professional: Our risk management framework is based on the principles set out in [The Orange Book: Management of Risk – Principles and Concepts](https://www.gov.uk/) .
Ambitious: managing risk effectively to maximise the impact of our work and value for money, while keeping our staff and assets safe.
Innovative: trying new things in new places, knowing we have systems and processes in place to manage risk.
Responsible and accountable: taking responsibility for programme impact on communities and stakeholders, positive or negative, and carefully managing any risks we are exposing them to. Our risk management tools allow us to record these decisions, holding ourselves accountable for the consequences.

How? For all programmes:
- clear roles are appointed, and responsibilities are delegated for risk management within each directorate/post. Staff have sufficient capacity and capability to fulfil their roles.
- during programme design, a risk assessment is completed and the risk appetite set for FCDO's seven risk categories (Strategy & Context; Policy and Programme Delivery; People; Public Service Delivery & Operations; Financial & Fiduciary; Safeguarding; Reputational – see rule 6 for further detail) which is agreed at programme approval. Risk appetite should be dynamic and can be amended when context or programme focus shifts, with the approval of the HoM/Director.
- risk are documented in a risk register which tracks implementation of mitigations.
- risk management is dynamic and action-oriented, with regular monitoring of risks and progress made in mitigating them (monthly review is good practice for most programmes; weekly review is more appropriate for high-risk, high-pace programmes; and quarterly review is a minimum standard).
- programme SROs are expected to escalate risks which exceed risk appetite to development directors/HoMs/directors, who in turn escalate to directors general. Severe risks must always be escalated even when they fall within appetite. Escalations can be 'for information' or 'for support'. Risks can be escalated to Ministers from any level through written advice; the usual clearances apply. Escalation ensures that senior managers and Ministers have appropriate oversight of significant risks and can support in their management.

For **programmes on the Aid Management Platform (AMP),** a programme specific risk appetite for each of the seven risk categories must be documented and an AMP risk register must be completed on programme approval and updated regularly (monthly updates are good practice for most programmes; quarterly updates are a minimum expectation) throughout the programme's life. Maintaining an accurate online register of programme risks and documented risk appetite supports better programme risk management and decision-making as well as much stronger portfolio-level data, supporting better decision-making by senior leadership.

Further guidance: PrOF Guide on Risk Management.

Rule 19: Any suspicions and/or allegations of fraud, terrorist financing, money laundering, bribery, corruption, sexual exploitation, harassment or abuse (SEAH), by any person or any partner (including downstream delivery partners) connected to a FCDO programme or project, must be reported immediately to the FCDO Fraud and Safeguarding Investigation Team in Internal Audit Department.

Why? FCDO is committed to operating with the highest standards of business integrity and ethics in line with and the Civil Service Code. All staff and officials and persons engaged by FCDO to deliver goods or services must comply with laws and regulations in the jurisdictions within which FCDO operates in respect of the lawful and responsible conduct of activities.

This mechanism for reporting concerns is an integral part of FCDO's ability to manage fiduciary and safeguarding risks, while working in high risk areas of the world. Without this in place, victims of harm or abuse might go unsupported, aid diversion can go undetected, and any unreported incidents impact on FCDO's delivery, finances or reputation.

The scale-up of our work in fragile and conflict-affected regions means we are working in areas where known terrorist organisations or sanctioned entities operate, where formal banking services may be limited, and where financial regulations may be weak. Risks must be appropriately managed (see Rule 18) to mitigate the serious risk of FCDO funds being abused for terrorist purposes. The FCDO follows international standards on counter-terrorist finance and applies a risk-based, proportionate yet robust approach to mitigating these risks.

Who? Everyone. Protection of the people involved in our programmes and projects, including those with protected characteristics, and of our funds is a collective responsibility of all FCDO staff and our partner organisations. Research and any other forms of data collection and analysis conducted on FCDO funded projects should be guided by the ethical principles and standards.

Principles in Practice:
Responsible (avoiding harm): participation in our programmes may inadvertently put staff, partners or members of the public in danger of sexual exploitation, harassment or abuse. Ensuring the prompt reporting of any concerns is one of the main ways we mitigate this risk, by identifying any suspected cases and acting as quickly as possible.
Accountable: Managing Public Money requires all HMG departments to establish "well publicized avenues for staff and members of the public to report suspicions of fraud."
Honest: speaking truthfully and empowering teams to escalate

Working with multilaterals
For core funding arrangements, multilateral agencies will report to Member States in line with the processes agreed with their governing boards. This is likely to be a periodic report summarising investigations handled over the reporting period. On receipt, the FCDO programme team should promptly share that report with the FCDO Fraud and Safeguarding Investigation Team. More frequent reporting is unlikely to be available, but where it is supplied it should be shared promptly as well.

How? Anyone can report a concern linked to misuse of our funds, or sexual exploitation, harassment or abuse by any person connected to our programmes, at any level of the delivery chain. Contact the confidential Hotline (+44 (0)1355843747) or e-mail: reportingconcerns@fcdo.gov.uk.

Engaging with programme constituents (beneficiaries) is important to ensure that a diverse set of voices are heard. Harnessing the power of beneficiary engagement can also improve outcomes and help programmes reach them more efficiently. It helps define and promote value for money, improve transparency and ensure that beneficiaries are safe from harm and empowered to speak out wherever harm does occur.

FCDO has a zero-tolerance approach to inaction or mishandling of aid diversion and SEAH, and we should do everything within our power to prevent, detect and respond robustly to all forms of abuse. FCDO will take the necessary steps to investigate all allegations fully and fairly and will pursue the appropriate sanctions available in each case, including dismissal, prosecution~~,~~ and suspension or cancellation of affected funding in extreme cases of misconduct.

Further guidance: PrOF Guides on Due diligence, Child safeguarding , Delivery chain mapping , Social Safeguards, Counter-fraud and anti-bribery, Counter-terrorist financing and anti-money laundering

Rule 20: All projects, programmes and portfolios must have sufficient monitoring in place to provide performance and financial oversight, manage risks and support decision-making at appropriate levels.

Why? Rigorous monitoring throughout delivery is critical for good programme management, maximising impact and value for money. It supports risk management, informed and timely decision-making and adjustments, and helps ensure funds are being used for their intended purposes. It is also an essential foundation for learning and evaluation.

Who? SROs are responsible for ensuring that the programme has a theory of change linking the programme activities to the intended outcomes and impact, recognising where there is uncertainty and untested assumptions. **PROs** are responsible for implementing an appropriate monitoring strategy for their programme, and ensuring proportionate use is made of available monitoring tools. **SROs** are responsible for ensuring that this monitoring provides sufficient information for portfolio management and to support their own decision-making: for example, to recommend closure of an underperforming programme, or to escalate a risk to their Head of Mission/Director or delegate.

How? Teams should consider what information they will need for adequate assurance and oversight of the programme over its lifetime; when and how that information will be collected; and how it will be used to inform decision-making. For monitoring to be effective, it should be considered in programme design, to ensure the necessary resources and expertise (both internal and external) are factored in. Ethical standards and risks in data collection and use should also be factored in. There are a range of tools that teams can draw on and incorporate into their monitoring strategies, including but not limited to:

- Results frameworks or logframes to track progress against targets (considering expected milestones, outputs, outcomes, time and budget). These should be reviewed and updated as necessary over the life of the programme, and disaggregated by sex, age and disability status, wherever possible.
- Risk registers should be used to document and monitor risks, and the effectiveness of mitigating actions.
- Delivery chain maps should be used **wherever possible** to capture all the actors involved in delivering a specific good, service or change, down to the end recipient.
- Engagement with primary stakeholders (including beneficiaries) to help define, track and make sense of progress towards achievement of goals.
- Partner reporting, including financial and narrative reports on activities, asset registers, fraud, corruption or safeguarding concerns, and audited financial statements. Requirements and expectations of partners should be documented in the formal funding arrangement.
- Independent or third-party monitoring arrangements can provide FCDO with an independent perspective on what is delivered or achieved through its programmes. They provide a snapshot of partner-reported deliverables, which, triangulated with other evidence, can inform partner engagement.

Principles in Practice
Professional: good monitoring is an essential component of professional, high quality programme management
Ambitious: close monitoring allows us to set stretching yet realistic targets of what we will achieve within the time and budget available, and to anticipate when adjustments will be needed.
Context-specific: monitoring needs will vary between programmes, and even during the lifetime of each programme. Programme teams will be best placed to determine the scope of monitoring required to manage their programmes to a high standard.
Evidence-based: monitoring allows us to capture data on the effectiveness of our interventions, informing adaptation and decision-making and providing a strong foundation for evaluation. A reliable evidence base is important for ensuring ministers are able to take informed and justified decisions.
Proportionate: monitoring should be proportionate to the value, risk profile and strategic importance of the investment, balancing team and implementing partner effort against the expected assurances and gains to be made – and keeping this under review. Support to benchmark these judgements can be provided by technical advisors, senior leadership and internal audit.

Working with Multilaterals
Delivery Chain Mapping (DCM) is not required for **core funding**, e.g. to UN agencies.

Essential guidance: PrOF Guides: Results frameworks; Delivery chain maps; fraud, corruption; audited financial statements; funding arrangement; Beneficiary Engagement PrOF Guide; asset registers
Further guidance: Ethical guidance; Monitoring PrOF Guide; Evaluation PrOF Guide; Risk management

Rule 21 All programmes must undergo a formal review of progress and effectiveness at regular intervals (annually, as a minimum, and after completion) using an agreed results framework or logframe and the appropriate tools and templates.

Why? Regular, agreed, formal assessments of whether a programme is on track to deliver is a major control point in the programme cycle. This holds programme teams accountable for delivery against their commitments and should support organisational lesson learning. It provides an opportunity to reflect on whether delivery is proceeding as planned, how we are actioning lessons learned through implementation and what progress has been made towards meeting intended outcomes. It enables us to take stock and make concrete recommendations for improvement, informing decisions about whether a programme should continue or stop *(see Rule 22)*.

Who? PROs are responsible for delivering robust, proportionate, timely reviews, drawing on the available evidence of performance. Directors/Head of Mission or delegates (e.g. Development Director, for teams managing significant amounts of ODA, Heads of Department or SROs) are responsible for quality assuring and approving these formal assessments, using the findings and recommendations to inform direction. This quality assurance and sign-off should be done objectively, by someone who did not conduct the review.

Principles in practice
Transparent: publishing formal programme reviews in full on gov.uk.
Accountable: providing details of our programmes to external stakeholders, media, UK taxpayers, and the communities we work in.
Professional: frank and unbiased reviews, allowing for meaningful lesson learning and continuous improvements.
Evidence-based: review findings should draw on high quality data, and contribute to building the evidence base for future interventions.
Proportionate: based on the assurance demands of the programme and the need to document lessons. Lighter-touch approaches on some programmes will be balanced by in-depth analysis of more significant investments.

How? A wide range of tools and templates are available to support this process based on the needs of the programme. **All programme teams** carrying out reviews should consider how the review fits into the bigger picture monitoring of the programme over its whole lifetime. It is also good practice to have the programme independently reviewed (i.e. by someone outside the programme team) at least once in the programme's lifetime. As well as assessing and scoring against outputs, the review is an opportunity to revisit the programme's theory of change, determine whether or not the programme is on track to meet its longer term objectives/outcome and recommend any changes that need to be made. Formal internal reviews might be supported and informed by independent evaluation.

The frequency and format of **in-programme review** will usually be determined at Business Case stage, providing approvers with assurance of how the programme will be managed. A formal reviews should take place annually. At the end of the project or programme, a final review must be carried out to assess delivery of against Business Case commitments and intended outcomes and to capture key lessons learned.

Formal internal reviews might be supported and informed by independent evaluation. through to a comprehensive independent evaluation of programme outcomes and impact. Programmes **approved on AMP should** have their review deadlines set automatically at 12 months from the date of approval (then annually throughout implementation), and at three months after the programme end date (when interventions finish). They should use the Annual Review template uploading this to AMP for approval by their HoD (or delegate). These reviews may be brought forward, or (with Director approval) deferred by up to 3 months. Programme Completion Review (PCR) template should be uploaded to AMP for approval by their HoD (or delegate). This is due within 3 months of the programme end date and may not be deferred. As per our transparency commitments Annual Reviews and PCRs uploaded to AMP will be published to DevTracker.

Further guidance: PrOF Guides: Programme Design, Theory of Change, Value for Money, Monitoring, reviewing and scoring programmes, Adaptive programming guidance, Aid Transparency PrOF Guide, How to Insight transparency page for AMP users

Rule 22: Any programme or project that demonstrates sustained underperformance must be subject to formal improvement measures, before a decision is taken at the appropriate level to continue, to restructure or to close it.

Why? FCDO aspires to maintain and improve portfolio performance. However, we recognise that some programmes and projects will underperform relative to expectations set out in a business case, project proposal, and/or results framework. This is not necessarily an indication that we should close them, if we can clearly demonstrate what we are doing to manage risks and get them on track (via a performance improvement plan), and are appropriately escalating issues to senior managers/ministers. It may be that an underperforming programme accompanied by robust management and learning is more valuable than an over-performing programme that has low ambition or poor management.
Good programme and project design should be clear on how they will flex in response to anticipated change. This, coupled with regular monitoring and review, will ensure that teams will have the necessary information and opportunities - whether it is due to a change in context, the realisation of major risks, delivery failures or design flaws – to identify that the programme or project is not performing as expected, and to respond quickly.

Who? The PRO is responsible for identifying and responding to underperformance, reporting to their SRO, escalating this if necessary, in accordance with FCDO's risk appetite guidance.

How? Programmes and projects can underperform for a variety of reasons. High quality monitoring and formal reviews of progress are key to identifying underperformance. This could be by a small but persistent margin, with repeated failure to reach output targets (e.g. scoring a B at consecutive annual reviews), or a programme or project going more significantly off-track in a shorter space of time. The improvement measures developed will depend on the drivers of underperformance. A change in context, the realisation of major risks, partner delivery failures or fundamental programme or project design flaws would all need to be addressed differently. Responses could range from renegotiating funding agreements to introducing milestone payments, restructuring the programme or project to focus on high-performing areas, or downgrading ambition, if learning shows the original goals to be unrealistic.

Principles in Practice

Do no harm: Continuing an underperforming programme could have negative consequences. At the same time, early closure or restructure can expose programme constituents (beneficiaries), staff or stakeholders to new or increased safeguarding risks, and threaten the sustainability of results already achieved. Any decision to continue or make changes to the programme should carefully consider the risks.
Honesty and Professionalism: confronting underperformance can be very difficult, particularly when needs are severe, important relationships are at stake, and significant resources have already been sunk into the programme. However, it is important for teams to be honest and objective about a programme's chances of succeeding, and recognise when FCDO funding could be better spent elsewhere.
Innovative and agile: Projects may underperform for a variety of reasons. Teams should be prepared to flex delivery approaches at short notice on the basis of the evidence in front of them. Agility is a crucial response to underperformance, whether it is in the context of programme closure or a responsive change in approach. There is no template for a PIP or early closure plan, teams are empowered to innovate and flex to decide what is most useful in their particular context.

Having determined issues and improvement measures required, teams should develop a performance improvement plan (PIP) setting fixed targets and timeframes for decisions to be made, reducing the risk that these slip sideways (or are not escalated to the appropriate level) while issues continue to worsen. The PIP should be developed in association with the delivery partner and form part of the agreement governing programme or project activity going forward. Early closure will usually be a last resort, when all other routes of discussion, negotiation with partners and performance management have been exhausted. Proposed actions to terminate and close a project must be considered against the terms of the contract or agreement covering it, in consultation with legal advisers, before such action is taken.

Further guidance: Programme Design, Early Programme Closure**,** Risk Appetite and Escalation, Contract Amendments, Payment by Results

Rule 23: Budgets must be accurately profiled and forecast, regularly reviewed and updated as necessary.

Why? HMT Managing Public Money (see 4.5. 'Control of public expenditure') requires all departments to keep spend within agreed budgets and ensure the spending profile is sustainable. Public sector organisations should never go overdrawn. Exchequer costs rise if large payments are not forecast in advance.'

FCDO's overall budget must be allocated and accurately profiled to ensure that it contributes to the delivery of the UK ODA target and other spending commitments are in line with the Spending Review Settlement Letter (and subsequent amendments), via the Resource Allocation Round.

Who? The Programme Responsible Owner is responsible for ensuring that budgets are profiled, forecast as accurately as possible and updated regularly, according to the schedule and processes required for the programme. Forecasts should be updated whenever changes to programmes are made that have implications for the pace and timing of spending.

Principles in Practice

Ambitious: no restrictions on the number of pre and pipeline projects that can be held within a division/directorate who are encouraged to maintain an active pipeline to maximise value for money and deliver against results. Teams should feel confident to make proposals and follow a risk-based approach.

Professional: robust financial management underpins successful programme and project delivery, and we will hold our delivery partners to account for the way they manage UK taxpayer's money.

How? In-year financial management is vital to achieving FCDO's financial targets and to ensuring ongoing scrutiny of allocation of resources and value for money. To manage FCDO's project and programme resources and to ensure that we achieve our strategic key results, it is important that in-year financial slippage is managed effectively. PRO or programme finance teams should make sure:

- Budgets are accurately profiled at the start of each financial year.
- Financial forecasts are realistic, monitored throughout delivery and updated regularly
- Actual spend must be recorded in line with FCDO Resource Accounting rules and processes.
- Underspends can only be used in accordance with any programme-specific policies.
- The PRO must ensure that any relevant taxes (e.g. VAT, customs duties) are included in the budget and all financial forecasts throughout the project.
- Staff must contact the VAT Liaison Officer within Financial Accounting, FCPD, if they require advice about UK VAT. Staff must never provide tax advice to partners.
- Costs for staff managing or delivering programme activity can only be funded within the limits and conditions set for a specific programme.

Further guidance: x-DFID only: Financial management and budget policy

Rule 24: Funds must only be paid to the intended recipient and only be used for the purposes formally agreed.

Why? HM Treasury's Managing Public Money sets out the standard rules and requirements when handling public finances. The nature of FCDO's programme work, often in fragile or conflicted-affected regions where it is difficult to monitor activity, increases the risk that our funds could be diverted from their intended recipient or purposes. Therefore, SROs and programme teams will want to take additional measures (as set out below) to identify downstream partners and gain as complete assurance as possible that our funds are being used correctly. Failure to do so could lead to adverse external scrutiny, impacting the integrity of aid programming.

Who? The **Programme Responsible Owner** (PRO) is responsible for taking all necessary steps to ensure that funds are paid and used as agreed in the specific formal arrangements on their programme. This includes ensuring that delivery chain maps record all organisations using FCDO funding to deliver the programme outputs.

More broadly, the management of fraud and fiduciary risk is a collective responsibility of all FCDO officials and partners. Everyone is responsible for the sound management of public resources, whether working on policy, programme delivery or other resources.

How? The flow of funds from FCDO to partners, and onwards to downstream partners and recipients, should be assured by programme teams through the regular and robust scrutiny of **invoices, payment receipts** and partner **financial reports**. Annual **audited accounts** and **financial statements** can provide valuable independent assurance to supplement this.

A budget will be agreed with the partner as part of formalising the funding arrangement. The level of detail this goes to (i.e. how far the budget lines are broken down) will vary depending on the complexity of the project and how much scrutiny FCDO chooses to exercise over it. Once agreed, the partner will be expected to report their spend against these budget lines, with the frequency and format of financial reporting agreed in the funding arrangement. The PRO should discuss with the partner how any movements between budget lines (for example, to address under or over-spend, or to respond to new opportunities/lessons learned) will be managed.

Delivery chain maps (DCM) identify and capture in visual form the names of all partners involved in delivering a specific good, service or change, ideally down to the end recipient. A DCM should be in place for all funding modalities, with the exception of core funded arrangements with multilaterals, to help identify the organisations receiving and using FCDO funding. Any organisation in receipt of FCDO funding should be included in the DCM before they receive funding from the programme.

Asset checks during field visits can be used to cross-reference asset registers provided by our partners, and deepen our understanding of partner capability to manage fiduciary risks.

An **audit** is a review of information, ideally by an independent body. An audit of financial statements is a review of the set of accounts of an organisation, which expresses an opinion over whether the information appears to be "true and fair". The review will be on a sample basis (i.e. it won't cover all of the partner's activities), and is designed to give stakeholders reasonable assurance that the information is reliable. It is not a 100% guarantee of accuracy.

In addition to the statutory annual audit of the organisation, FCDO may require or commission specific audits of a project – either of the project as a whole or of areas of high risk within the project.

Principles in Practice:
Transparent: British taxpayers and beneficiaries and constituents in the countries where we operate have a right to know what we're doing, why we're doing it, how we're doing it, how much it will cost and what it will achieve.
Responsible and accountable: We are responsible for delivering the results we have committed to, in line with the expectations set out at design and approved by ministers or their delegated officials.
Evidence-based: annual audited accounts/financial statements are *one* way that SROs and teams might gain assurance of the flow of funds. However, teams may decide that, in their context, an alternative approach will be more effective or better VFM – for example, a co-donor providing their own audit of downstream partners

Working with Multilaterals: Multilateral bodies typically provide audited financial statements which cover the entire organisation. These statements are reviewed at a central level by the FCDO team responsible for core funding, rather than at the programme level by individual teams.

Further guidance: PrOF Guide: Delivery Chain Mapping

Principles in Practice
Context-specific: using advance payments or paid in arrears, or on the basis of results. It is possible to have a combination of payment types within one programme or project, or even one funding agreement.
Honest: payments in advance must address a genuine need. They must not be made purely to manage a spending target.
Accountable: the VfM justification and all documentation supporting the SRO's decision should be retained for scrutiny.

Rule 25: No payment can be made in advance of need, i.e. before the funding is required to enable activities to proceed.

Why? HMT's Managing Public Money requires that departments cannot make payments before they need to. This allows HMG to minimise public sector borrowing by making efficient use of cash. The budgets granted to FCDO by HMT are conditional on these requirements, and the consequences of non-compliance are severe.
This does not mean that FCDO cannot make payments in advance of actual costs being incurred by an implementing partner. With the exception of contracts (see below), advance payments may be made where the implementing partner does not have or cannot raise sufficient working capital, where it is **essential** to allow the programme or project to proceed as planned, and/or where the advance payment demonstrates **strong value for money**.

Who? For programmes using Aries, the **Programme Responsible Owner** (PRO) is responsible for ensuring advance payments are not made in advance of need, and that approval of advance payment is given at the correct levels depending on the schedule agreed.
For other programmes – e.g. CSSF and the International Programme, approval for advance payments needs to be given by JFU (CSSF) or the Portfolio Management Office (for IP and other programmes using Prism). Programme teams must complete the advance payment request and submit this together with the completed DDA, project proposal and activity-based budget to the appropriate programme secretariat (JFU or PMO) for consideration/approval.

How? Requirements vary depending on the funding instrument and form of agreement. Where advance payments are likely to be made, this guidance should be considered for every single payment, not only at the business case stage or when agreeing funding arrangements.

The following principles always apply:

- Payments should not be made more than three months in advance, except in exceptional circumstances (see below). This is typically enough to allow partners to proceed with activities, while minimising public sector borrowing.
- Further payments should **not** be made until all previous advances have been accounted for. In practice this means a request for a payment in advance should be adjusted for any unspent funds from previous advances.
- Requests for advance payments should be assessed against any risks identified in the due diligence assessment of the partner, and the plans for managing those risks.
- Advance payments normally create an accounting 'prepayment', and should be discussed with Finance Managers to ensure the correct resource accounting treatment.
- **CSSF and IP programmes** need central management approval for advance payment (PMO for IP and other programmes using Prism and JFU for CSSF).

Grant/MoU payments further than 3 months in advance require additional scrutiny. For programmes using Aries, once discussed with your Finance Manager, a brief explanation should be sent to Group Operations via SAW who will provide a review/challenge function (although the final decision will rest with the PRO).
Contracts: Payments via contracts should be made in arrears, i.e. after the service or goods have been received, except for minor services (training courses, conference bookings or magazine subscriptions, where local discretion is acceptable). For programmes using Aries, **HMT approval** via SAW is required for all advance payments to contractors (both private sector and other), except for contract mobilisation payments that are payable when services commence under a contract. Payments in advance to private sector suppliers should **not** include management or administration fee costs.

Working with Multilaterals: The World Bank and UN agencies will often require payments six months in advance, as will some Red Cross emergency appeals. Programme teams must still ensure that the payment is not in advance of need, and VFM considerations still apply.

Further guidance: PrOF Guide to Advance of Need, PrOF Guide to Prepayments in Trust Funds, PrOF Guide to Liquidity.

Rule 26: Any foreign currency commitments above £50,000 for programmes using Aries must be agreed in advance by the Financial Accounting and Control Team. Foreign currency commitments below £50,000 must be agreed by the Director/Head of Mission.

Why? Most of FCDO's foreign exchange exposure is in relation to programme expenditure spanning multiple years. For many high value programmes, committing funds in GBP sterling avoids the risk of losses due to foreign exchange movements. This, in turn, avoids uncontrollable pressure on budgets, and makes budget management and forecasting more straightforward.
Exchange rates fluctuate over time, and by making commitments in sterling FCDO passes the risk to the partner. Sometimes our partners will benefit from this (as does FCDO through the achievement of increased results) when foreign exchange rates are favourable.

Principles in Practice
Context-specific: If there's a strong case for a foreign currency commitment in your context, assess and document how you will manage the risks of this.
Proportionate: submissions for exemption and associated risk analysis should be proportionate to the proposed spend, in order to manage the risk appropriately, while keeping the programme management burden of this process as low as possible.

Who? The **Programme Responsible Owner** must ensure that any exceptions are approved at the correct level before making the commitment.

In practice: Adverse movements in exchange rates may impact on a programme's ability to deliver results. Teams should monitor this risk throughout the life of a programme, and may need to consider a range of options including reassessment of output/outcome targets, or seeking cost extensions through the normal approvals process.

How? The "commitment" in this Rule is the financial limit in the funding arrangement – i.e. the total amount that FCDO is committing to pay. It is acceptable for an implementing partner to submit its detailed budget in the currency it primarily works in, and report expenditure in that currency, as long as the financial limit in the funding arrangement is defined in Pounds Sterling. This Rule deals with the rarer situation where the financial limit is set in a foreign currency.

For **any** programmes on Aries, commitments proposed in currencies other than sterling exceeding £50k should be approved by the Head of the Financial Accounting and Control Team. Spending teams should contact Financial Accounting with their request and rationale. Decisions on commitments in local foreign currency up to £50,000 can be taken by FCDO spending departments, approved by the Head of Department. (See separate guidance (link above) for arrangements in the I**nternational Programme**)

Payments: FCDO makes foreign currency payments through spot currency transactions (foreign currency deals on the day of payment). Forecast payments to partners should be made in line with the programme agreement, and should not be deferred or brought forward to offset currency fluctuation.

Managing the impact of exchange rate fluctuations: Programme teams should not include, or allow partners to include, buffers in budgets for exchange rate movements. Where budgets are based on sterling commitments, they should be managed in line with the FCDO budget policy. When agreeing a Sterling funding agreement budget, it may be appropriate for the SRO to use an exchange rate averaged over a period of time rather than the spot rate on the day that the programme is agreed.

Further guidance: PrOF Guide to Foreign Exchange Policy, Managing Public Money;

Rule 27: A complete, accurate and up-to-date inventory must be maintained for all programme assets owned by FCDO. These assets must be disposed of in a way that represents best value for money, with a clear record of decision making and appropriate approval of transfer.

Why? HMT's Managing Public Money (4.10) requires departments to set out an appropriate asset management strategy to define how it acquires, maintains, tracks, deploys and disposes of assets. For FCDO, strong asset management is an essential capability requirement for our implementing partners. Partners are required to develop and maintain accurate, up to date asset registers in order to provide FCDO with this assurance.
Weak control of assets, and inaccurate or out of date reporting, means that cases of suspected fraud may go unidentified by the partner or FCDO. This poses operational risks (such as reduction in delivery capability; financial loss) and reputational risks to FCDO, making it more likely fraud cases will be perpetrated against our programmes in future. In cases of significant loss or fraud, the Permanent Secretary will be called to answer before the Public Accounts Committee, risking a loss of public and ministerial confidence in the department.
Who? Programme Responsible Owners are responsible for following all due process. Asset disposal plans and transfer agreements must be approved by **Heads of Department/Development Directors.** Physical asset checks against the register must be carried out at least annually by FCDO staff or partners.

Principles in Practice
Responsible: our programme assets can be highly valued commodities in the fragile and sensitive areas we work in. Conflict or violence can be generated in pursuit of assets perceived to be up for grabs, putting vulnerable people further at risk. For example, a delivery partner's reputation for weak control of portable, high-value assets such as laptops and mobile phones could encourage violent robbery or extortion of local programme staff or beneficiaries.

How? FCDO considers any equipment or supplies purchased from FCDO funds as programme assets if they have a useful life of more than one year **and** the purchase price/development cost of the asset is **in excess of £500.** 'Attractive assets' such as mobile phones or laptops should be grouped where the combined value is in excess of £500. (Note that some historical funding agreements will set this threshold as £1,000.)
For **legacy FCO programmes**, proposed asset purchases must be considered by the Post/Directorate Programme Board before a programme/project is approved, or (if already approved) before purchase.
Any programme-funded assets or goods that have been lost or stolen must be reported to ReportingConcerns@fcdo.gov.uk, regardless of value. A plan will be developed with the partner to replace the asset or reimburse FCDO for the cost. Assets and goods replaced by the partner must still be reported.
Asset disposal: The assumption is that FCDO will get best value for money by selling programme assets via auction, transferring them for use in other FCDO programmes, or retaining them for its own use. However, if this does not represent good value for money, or if the original intention of the project was that assets should be retained by the implementer or by beneficiaries, assets can be transferred to the existing delivery partner, or to a third party. Before agreeing to a transfer of ownership, Heads of Department must be satisfied on the following points:

- the asset will be put to a relevant/appropriate purpose
- the recipient has adequate resources and controls in place to maintain and operate the asset, including purchase of any consumables
- the item will not be sold or disposed of, or diverted for another purpose, within a reasonable time period
- any local requirements or formalities (e.g. duties and taxes) on transfer will be met.
- IT Equipment is disposed of in line with EU Waste Electrical and Electronic Equipment (WEEE) Regulations and all personal data will be removed, in line with GDPR requirements.

Working with multilaterals
Assets purchased via financial aid to governments or core and non-core/multi-bi contributions to multilaterals (including multi donor trust funds) are not owned by FCDO. They will be purchased, managed and disposed of according to the government or multilateral's own rules and procedures. As part of the due diligence process teams should ensure that partners have strong asset management processes in place. In the case of non-core/multi-bi funding, programme teams should also consult the FCDO institutional lead and, where it exists, check the overarching agreement in place between FCDO and the multilateral organisation (e.g. an MOU or Framework agreement) for further detail on asset management arrangements.

These points should be agreed as conditions of the transfer by an exchange in writing with the recipient and must be signed by the HoD or delegate, before the transfer takes place.

Further guidance: PrOF Guides to Programme assets and Fixed assets (x-FCO); Asset register example template

Rule 28: Write-off of costs related to losses or fruitless payments, including assets lost, stolen or damaged, must be approved at the appropriate levels.

Why? Losses must be captured accurately for inclusion in the FCDO's annual report and accounts. Errors or omissions could lead to FCDO accounts being qualified, with severe reputational consequences for the department. Write-offs occur if goods purchased with FCDO funds are lost/stolen/damaged, or where proper accounting documents for expenditure cannot be obtained. It also occurs when FCDO has incurred non-refundable expenditure but has not received the benefit of these payments, such as cancelled flights or training courses. Such items cannot be charged against FCDO's budget as normal expenditure. They must still appear in FCDO's accounts as a loss, to comply with HMT Managing Public Money Guidance (A4.10).
Depending on the scale and nature of the loss, Finance Directorate may decide to inform HMT, who may in turn decide to bring the loss before Parliament in a Public Accounts Committee hearing.

Principles in Practice
Transparent: any loss or misuse of public funds needs to be recorded as part of our license to operate.
Responsible and Accountable: In order to achieve best value for money, we should only consider writing off losses as a **last resort.** All reasonable actions should be taken to recover the losses before the write-off request is submitted.
Proportionality: the submission should be proportionate to the size of the loss. A missed flight might only need a brief submission, whereas a higher value or more complex loss would require a higher level of detail.

Who? The **PRO** must seek approval from their HoM/ Director and Financial Accounting for any write-offs.

How? Internal and external auditors (National Audit Office) review the losses recorded in our Accounts. It is important that all write offs, regardless of size, are submitted to the Financial Accounting team via submission in a timely manner, covering:

- background - a short summary of the case and why the need for a write-off has arisen e.g. equipment damaged, lost or stolen.
- amount to be written off - includes the replacement value of any equipment.
- attempts made at recovery and outcomes (e.g. police reports)
- actions taken or planned to prevent reoccurrence.
- transaction details e.g. the component, budget centre and account code.

Working with Multilaterals: This rule applies to multilateral programmes where FCDO funds can be tracked. It does not apply to **core** funding (partners should report on any loss or misuse of funds through the appropriate channels). If the loss has occurred in a **pooled** programme, spending teams should provide a submission to the Financial Accounting team, who will determine the appropriate reporting requirements.

Timing: Write offs should be processed as soon as exact costs are known. For example, when seeking a refund, the final amount received could be net of processing fees. Fraud cases can take a long time to investigate, and a write-off is only a last resort when it is known that the funds cannot be recovered. Although the incident causing the loss may have happened in a previous year, the fact that there is a loss and the amount of that loss may only be known in a different financial year and so it should be written off at this point (and cannot be backdated).

Estimating loss value: If a relatively new asset is lost, then it can be valued at cost price. Older assets will have wear and tear and will no longer be worth 'cost'. Agreed depreciation policies can calculate the 'net book value' – otherwise, teams (in consultation with partners) should estimate the 'useful life' of the lost asset.

Further guidance: The full process for write offs, including a flowchart, is set out in the PrOF Guide to Write-Offs, Losses and Special Payments.

Rule 29: All programmes should be closed effectively and responsibly, even when closing early. Outstanding payments must be made, liabilities extinguished, and underspend returned to FCDO within **eighteen months** of the programme's end date. All required audited accounts and financial statements covering the full duration of the programme must have been received before the programme can then be closed and archived.

Why? Closure is an important stage of the lifecycle and should be planned for in advance and executed methodically. This includes responsibly closing out funding arrangements with partners and capturing programme lessons and disposing of assets (see rule 27). The 18 months following programme closure is called the **financial closure period**. All outstanding transactions must be completed during this time, so that the programme can be considered fully closed, before being archived.
FCDO relies on audited accounts and financial statements to determine whether our funding has been used as intended. This does not necessarily show whether objectives have been achieved, but it shows how funds have been managed and spent by the entity.
This 18-month deadline reduces the risk that unresolved issues, for example, funds owing to FCDO or to the partner, or missing assets, are forgotten about once delivery is complete. Non-compliance with this rule could lead to fiduciary and reputational risks to FCDO – for example, underspend remaining with the partner rather than being returned to FCDO, or assets going unaccounted for.

Who? The **PRO** must ensure all closure tasks are carried out in a timely manner and to a high standard, including capturing lessons. This responsibility will often extend beyond the operational closure of the programme and the loading of the Programme Completion Review (PCR).

How? Setting the right **programme end date** is an essential part of planning. Teams will want to ensure that the end date provides sufficient time to gather all the information required to conduct the PCR. In some circumstances where partners have fixed reporting cycles, it may make sense to synchronise the end date.
Audit and other partner reporting requirements will be specified in the funding arrangement (e.g. contract, grant letter or MoU).

For x-FCO programmes, where a project is delivered by an implementing partner, that partner must submit a Project Completion Report, a Financial Outcome Report, and where appropriate Audited Accounts no more than 3 months after project completion.

If there are **outstanding invoices** at the point of financial closure, teams will need to extend the life of the programme to ensure that there is sufficient time to make any final payments. If the extension reaches the next review point (i.e. 12 months from the programme completion review), PRO should update the project completion review and reload it on AMP if appropriate.
Once a programme has been formally archived on AMP, it is no longer possible to carry out financial transactions between FCDO and its partners. The FCDO team must be confident that they have gathered all the necessary information from their partners to confirm no funds are owing, and no further transactions will be required.

Principles in Practice

Professional: How we close our programmes affects our relationship with partners/suppliers. It's important that we close programmes responsibly and respectfully and that we plan for closure when we design options for our programmes.
It's important that we are professional in fulfilling our responsibility of managing public money safely and accurately. Ensuring accounts are balanced within the financial closure period is a way of holding ourselves, and our partners to account.

Responsible and Accountable: Whilst teams will want to scrutinise programme spend throughout the implementation cycle, it is particularly important before final closure – as is archiving - to confirm our funds have been used appropriately, and that there are no outstanding issues to resolve.

Working with multilaterals

Audit provisions are set out in all formal exchanges with multilateral organisations. We require either audited statements at the project level, or an audit framework at the organisational level, e.g. the UN's single audit framework, which provides a sufficient level of general assurance.
Contributions to multilateral trust funds in sectors such as infrastructure may involve long gaps between FCDO's money being disbursed, committed, spent and accounted for. Teams should consider how best to manage this when setting end dates, reporting requirements and results frameworks.

Further guidance: Where a programme is closing early, see Early Programme Closure PrOF Guide

4. PrOF Roles and Responsibilities

This section of the Programme Operating Framework **describes** the types of FCDO staff that will typically be involved in programme delivery, and **defines two Roles** that are mandatory for every programme – the **Senior Responsible Owner (SRO)** and the **Programme Responsible Owner (PRO)**. It sets out what these two roles are accountable for, who they are accountable to, and outlines how the Roles might be assigned.

Definitions of the two key programme delivery roles are based on the Government Functional Standard for Project Delivery, adapted for FCDO's programming – and specifically on IPA guidance on *The Role of the Senior Responsible Owner*. The roles are defined in terms of Accountability and Responsibility – drawing on the government functional standard for project delivery, which states that:

- *The **accountable** person is the individual who is ultimately answerable for an activity or decision. This includes 'yes' or 'no' authority and veto power. Only one accountable person can be held to account. An accountable person has to be accountable to someone for something. Accountability cannot be delegated or shared.*
- *The **responsible** person is the individual who actually undertakes the task: in other words, they manage the action / implementation. Responsibility can be shared. The degree of responsibility is determined by the individual with the accountability.*

4.1 The core programme Roles

The Head of Mission (HoM) or Director (HQ) holds the **Portfolio SRO** and **Senior Budget Holder** roles for the post or directorate – i.e. they have overall accountability for the whole portfolio of activity in the post/directorate, including programmes.

In posts where they are present, **the Development Director** should typically lead all FCDO teams at post that manage significant amounts of ODA (£1 million per year or more) and provide oversight of all FCDO ODA spend at post, for effective policy, delivery and assurance of ODA management, including a focus on value for money. This means the Development Director will usually be in the line of accountability for teams managing significant amounts of ODA, accountable to the HoM for that part of the country portfolio. There may be exceptions for some mixed ODA/non-ODA spend.

HoMs must be consulted on all departmental proposals on activity and resource in country, and may propose changes to activity or resource allocation to deliver the Country Plan where necessary. All new programmes spending ODA must be endorsed by a Development Director (where present) or an equivalent senior development expert (in HQ departments) at the approval stage.

However, this does not mean there is an expectation that the HoM, Director or Development Director does everything themselves, or makes all operational decisions on programmes. This would be neither feasible nor effective.

For this reason, the Programme Operating Framework defines two mandatory Roles in a programme – **Senior Responsible Owner** and **Programme Responsible Owner**. These roles are modelled on the IPA definitions of the *SRO* and *Project Director* roles used across government. The SRO and PRO roles are both leadership roles, and have a clear hierarchy of accountability, in which:

- The Programme Responsible Owner (PRO) is accountable to the Senior Responsible Owner; and
- The Programme Senior Responsible Owner (Programme SRO) is accountable to the Head of Mission or Director/Head of Department, either directly or via the Development Director (where present) for teams managing significant amounts of ODA (there may be exceptions for blended ODA/non-ODA);
- The HoM or Director is accountable through the management chain to the PUS, as Accounting Officer.

The Head of Mission (in-country) or Director (HQ) is responsible for assigning the roles of SRO and PRO to the individual(s) who are best placed to carry out the responsibilities of that role, based on the complexity of the project or programme, the personnel available and the time they are able to give to the role. This responsibility may be delegated – e.g. to Heads of Department – and should be delegated to a Development Director (where present) for teams managing significant amounts of ODA (>£1m p.a.). One person may hold the SRO or PRO role for more than one programme.

The HoM or Director, or Development Director, may choose to retain the SRO role for one or more Programmes themselves, or even the PRO role where there are no appropriate people to assign it to (e.g. in a small Post or Department). They may also assign the SRO and PRO role to the same person where it makes sense to do so. Further guidance on assignment of roles is given in Section 3.

Underlying Principles

Programme SRO and PRO roles operate on a foundation of **empowered accountability**. People taking on these roles are accountable for leadership and delivery of the programme. In return, they should be empowered to apply their professional judgement to make decisions on the programme according to the responsibilities of their role. This is based on a principle of **subsidiarity** – which recognises that most of FCDO's projects and programmes will be more effective if operational decisions can be taken close to the project activities.

The expectations of the role, and the local parameters for an SRO or PRO to apply their judgement and make decisions, should be set out in a formal **appointment letter**. Further guidance on these is given in section 3 below.

The SRO and PRO are mandatory roles in a programme, but they are not linked to specific posts in the organisational structure and will not usually form the entirety of an individual's job. The roles should however be reflected in a post-holder's job responsibilities.

The next section identifies the key posts normally found in posts and departments responsible for programme delivery, and outlines their normal responsibilities for delivery.

Programme Senior Responsible Owner

Every FCDO programme **must** have a named **Senior Responsible Owner (SRO)**. A person may be SRO for more than one programme.

The SRO role is **accountable** for a programme meeting its objectives, delivering the required outcomes and making the expected contribution to portfolio-level outcomes in Delivery Frameworks, Country/Business Plans and FCDO as a whole.

The SRO for a programme is **responsible** for strategic oversight of the programme(s) they are accountable for, holding the programme team to account in ensuring effective delivery, and providing overall leadership, decisions and direction.

<table>
<tr><th colspan="2">SRO role **accountabilities**.</th></tr>
<tr><td>The SRO is expected to ensure:
• There is clarity in the post/ department and programme team about the policy objectives and country/business plan outcomes the programme is expected to contribute to, and how;
• ;
• The capability and capacity needed to manage the programme are identified in the Business Case, and the complexity in the programme is managed in a way that reflects the expertise and experience available to manage it;
• There is a clear understanding of the programme risks, and an agreed risk appetite;;
• Any security concerns or sensitivities in the programme are understood by the team, with clear processes for managing them;
• FCDO's expectations of implementing organisations are clearly communicated and reflected in partner funding arrangements;
• All ODA spend is compliant with the Official Development Assistance rules and all spend represents value for money.
• Any significant concerns about feasibility, value for money, or risks that crystallise or exceed the agreed appetite, are escalated through the agreed channels.
• The strategic direction of the programme remains aligned with any changes in country/business plan priorities.</td><td>The SRO is normally[1] **empowered to**:
• Set up programme governance mechanisms (e.g. decision-making or advisory boards) necessary for the effective oversight of the programme;
• Set the risk appetite for the programme, in consultation with the HoM/HoD/Director/ Development Director;
• Approve virement of budgets between components within a programme (within their delegated authority);
• Approve non-material changes to a programme results framework (See Rule 9 for detail on what is a material change).
• Apply evidence (e.g. from stakeholder engagement) to make changes to the programme approach, in support of the approved outcome and agreed contribution to other country/ business plan outcomes; and
• Agree changes to the programme activities and projects that enhance the programme's contribution to country/business plan outcomes.
The SRO *may* also be empowered to
• Sign off Annual Reviews of the programme, where this responsibility is delegated to them.</td></tr>
</table>

Programme Responsible Owner (PRO)

Every programme **must** also have a designated **Programme Responsible Owner (PRO)**[2]**.** A person can be PRO for more than one programme.

[1] Subject to any local variations and processes that may be set out in the SRO's appointment letter, and the individual's financial delegated authority.

The PRO role is **accountable** for driving, on a day to day basis, the delivery of programme outcomes within agreed time, cost and quality constraints.

The PRO is responsible for leadership *within* the programme team. The role combines technical, programme management and relationship management responsibilities, with the balance of skills required likely to look different at different stages of a programme – so the role could be fulfilled by an Adviser, a Programme Manager or another member of the programme team.

PRO role accountabilities	
The PRO is expected to: • Ensure a clear theory of change links the programme activities to the intended outcomes and impact, recognising where there is uncertainty and an adaptive approach might be needed; • Drive delivery of outputs and achievement of the outcomes set out in the programme's approval documents (Concept Note, Business Case), within the agreed time, cost and quality constraints; • Design and adapt programmes to changing contexts, based on learning and feedback, including from engagement; • Ensure the programme is implemented in compliance with the PrOF Rules; • Take stock, at regular intervals, on the continued relevance of the programme, taking action to improve, restructure or close where appropriate; and • Ensure that the main risks associated with the programme are clearly articulated in the Business Case and documented in a risk register, that proportionate mitigating actions are implemented to reduce the risks, that regular monitoring of risks and mitigations is conducted and documented and that risks are promptly escalated where they are rated severe, exceed the agreed risk appetite or cannot be resolved by the team without wider support.	The PRO is normally[3] **empowered to:** • Assign specific roles and responsibilities to other members of the programme team; • Approve virement of budgets between components within a programme (within their delegated authority); • Apply a proportionate approach to controls and actions to manage risk, including removing or waiving non-mandatory processes that do not significantly reduce the likelihood or impact of risks to programme objectives; • Agree changes in the pace of activities and spend, consistent with the agreed budget and the needs of the wider department and portfolio; • Try new approaches in a programme where there is limited evidence or the evidence suggests a different approach may achieve better outcomes; • Propose changes to the programme approach and activities, in the light of evidence and stakeholder engagement, in support of the approved outcome and agreed contribution to portfolio priorities; • Make decisions on how to apply advice from technical, commercial and other specialists (e.g. audit recommendations) in the best interests of the programme, and effective management of risk.

[2] Other working titles (e.g. *Programme Director* or *Project Director*) will sometimes be given to this role where they are likely to be better understood in the local context.
[3] Subject to any local variations and processes that may be set out in the SRO's appointment letter, and the individual's financial delegated authority.

4.2 Key posts in Programme Delivery departments

This section identifies the key posts normally found in posts and departments responsible for programme delivery, and outlines their normal responsibilities for delivery.

Head of Mission

All **Posts** will work to a single set of HMG objectives set out in their **Country Plan**. The **Head of Mission (HoM)** is fully accountable for the delivery of these plans, which encompass all HMG activity and resources at Post, including programme and project activity managed at Post. The Head of Mission is therefore SRO for the country **portfolio**.

As **Chair of the Country Board**, responsible for delivering for the Country Plan, and Implementation/Programme Board (overseeing all Programme activity in-country), the HoM is supported through the following mechanisms:

a) a **consultation mechanism:** the HoM must be consulted on all departmental proposals on activity and resource in country. Additionally, all significant spending or policy submissions to Ministers affecting activity in country should include a comment from the relevant HoM/s reflecting the impact of proposed change on the Country Plan.

b) a **review mechanism**: under which the HoM may propose changes to activity or resource allocation to deliver the Country Plan. The expectation is that these decisions can be made at Post, provided all the following criteria apply:
    - The proposal is a reallocation within a single campaign goal of the country plan;
    - The proposal is a reallocation within a single department's programme spend / activity;
    - Any associated reallocation is within delegated authorities;
    - Any associated reallocation is within year; and
    - The proposal is supported by the Country Board.

    If these criteria are not all met, then decisions should be referred to FCDO Ministers.

As **Senior Budget Holder**, the Head of Mission is also **accountable** for ensuring that programme teams have sufficient personnel to manage and oversee the programmes and projects managed at Post. The level of resourcing should be proportionate to the complexity of the programme (see more detail below in section headed Programme Team).

The HoM is accountable for all risks associated with the Country Portfolio through the Country Plan, including programme risks. The HoM should escalate risks beyond the agreed country appetite.

Director (Regional or Thematic at HQ)

Where programmes are managed at HQ, the Director plays a similar role to the Head of Mission at Post. i.e.:

- The Director is the SRO for the directorate **portfolio**, accountable for the outcomes of projects and programmes managed by the directorate; and
- As **senior budget holder** for the directorate, the Director is accountable for ensuring that programme teams have sufficient personnel, proportionate to the complexity of each programme (see more detail below in section headed Programme Team).

Responsibilities of the Head of Mission or Director

The Head of Mission (HoM) or Director is **responsible** for ensuring the efficient and effective delivery of all approved programme and project activity, outputs and outcomes, including:

- defining policy-based **programme objectives;**
- assigning Programme **SRO and PRO roles**, or ensuring others (Head of Department or Development Director – for ODA Programmes) are assigning these roles; and
- chairing the **Country/Regional Board** and any other implementation board that oversees programme work in the Post/Directorate.

The Head of Mission (in-country) or Director (HQ) is **not** expected to take responsibility for day to day leadership or decision-making function in every programme in his/her portfolio. They **are** expected to ensure that, for every programme, somebody is assigned to the core programme Roles – Senior Responsible Owner and Programme Responsible Owner, and they **may** choose to retain the Programme SRO or PRO role themselves.

The HoM or Director does not need to be a programme or project management expert, but he/she does need to understand the key concepts and be able to provide strategic leadership, ensuring programme spend is integrated fully into policy work at post and helps deliver clearly identified policy objectives in support of wider cross-government country plans/NSC strategies. HoMs/Directors have formal financial delegated responsibility for the programmes they manage and should ensure an enabling, empowered environment for those to whom they assign accountability and delegate responsibilities.

Development Director (Where present)

In Posts with significant ODA spend, a Development Director will have oversight of ODA programme design and delivery. The Development Director will usually also be in the line of accountability for teams managing significant amounts of ODA (over £1 million per year). Development Directors will normally report directly to the Head of Mission, and will be members of the Country Board and the senior leadership team at post.

The Head of Mission should delegate in writing the responsibility for day to day oversight and delivery of the ODA spend to the Development Director. This will include programme quality, effectiveness of related policy engagement and influencing work, compliance with programme rules and adherence to FCDO controls, and effective management and escalation of risk. There may be exceptions for blended ODA/non-ODA.

Development Directors are responsible for ensuring portfolio-level compliance and quality for all FCDO ODA programming at Post, for managing the budget in line with corporate ODA Rules and the principles of Value for Money. Development Directors should also assign SRO and PRO roles for programmes, have ownership of the outcomes of the ODA part of the country portfolio, and be the initial point of risk escalation. There may be exceptions for blended ODA/non-ODA. The Development Director will also lead relationships with the most senior in-country international and host-country development counterparts.

Concept Notes and Business Cases for new programmes involving ODA need to be endorsed by the Development Director before they go to the Country Board. The

Development Director should normally quality assure and sign off Annual Reviews of ODA programmes (although this *may* be delegated to the SRO for the programme if they are sufficiently objective and not directly involved in carrying out the review).

The Head of Mission should also involve the Development Director in selecting SROs and PROs for development programmes in the country portfolio, and defining their responsibilities in formal appointment letters, in consultation with others in the SROs' and PROs' line of accountability. .

Team Leader

Posts or Departments with a substantial portfolio of projects and programmes will usually be organised in thematic teams, each headed by a Team Leader.

As well as line management responsibilities, the Team Leader typically has a role in driving coherence across a set of projects or programmes contributing to a common strategic objective or working in a common sector, and ensuring that programme teams have the resources they need to manage the programme effectively.

Where a Team Leader is not also SRO or PRO for a programme managed by their team, the SRO or PRO appointment letters should clarify what role the Team Leader is expected to play in programme decision-making and oversight.

Programme Team

The Programme Team is made up of people with complementary skills who are responsible for managing the delivery of the programme on a day to day basis.

The skills, expertise and time that a programme team will need will depend on the **complexity** of the programme. The more complex a project or programme is, the greater level of expertise and experience, and staff time, needed to manage it. Part of the role of the SRO is to ensure that the complexity of the programme is aligned to the resources available to deliver it. The Capability Framework for Delivering International Programmes (CF-DIP) sets out the suggested level of Programme Manager for different levels of programme complexity.

Projects with a **LOW** level of complexity generally:	Projects with a **HIGH** level of complexity generally:
• Have a high degree of certainty. • Are smaller in size. • Have clear stakeholders; and • Can be managed using standard procedures and methodologies.	• Have a high degree of uncertainty; • Are larger in size; • Are politically sensitive, or technically complex; • Have a large number of stakeholders; and • Often need procedures and methodologies adapted to suit unique situations.
Source – Infrastructure and Projects Authority – PDCF	

Within a programme team, the following roles will usually be present:

- **Technical Adviser(s)** provide the link between programmes and policy, and external influencing work. They will usually take responsibility for the technical aspects of programme design, monitoring and oversight, and for managing external relationships and influencing external partners.
- **Programme Manager(s)** ensure that best practice and compliance are applied across the management of a programme, and the projects within it. They will usually have prime responsibility for design of the programme

structure, mobilisation of implementing partners, successful delivery of the required outcomes, including the establishment of appropriate governance and assurance, monitoring progress, managing risks and issues.

- **Project Manager(s)** take responsibility for the management of implementing partners, driving and overseeing the delivery of a project to ensure that the project outputs are clearly defined and achieved within the agreed time, cost and quality constraints.
- **Project Support Officer(s)** role covers a range of activities to support the delivery of the project's objectives, enabling the smooth running of the project by supporting the programme management team.

Where programmes contain sub-projects that are themselves large, complex or risky, Heads of Mission/Directors or SROs for the programme may decide to appoint one member of the programme team a **Project Lead,** with agreed responsibility and decision-making authority over a specific project. There should be clear agreement on where the Project Lead is empowered to make decisions, and where decisions should be escalated to the PRO or SRO, who have accountability for the delivery of the programme as a whole.

For programmes implementing through contracts, an individual should be designated as a **Contract Manager**. This role, normally undertaken by a programme manager, is responsible for ensuring the supplier delivers and the FCDO programme receives the right goods and/or services at the right price, at the right time, in the right place, of the right quality, for the right length of time. The Project Lead for a project implemented through a contract may also be the Contract Manager.

A programme team will also draw on inputs from other specialists at key points in the programme – for example Commercial and Finance specialists, Programme Management Leads, or Technical Advisers with expertise in specific issues relevant to the programme (e.g. Gender, OSJAs, Monitoring, Evaluation). The team may also draw on Risk Management specialists in the post or department, or experts in due diligence, safeguarding or fraud investigation in central hubs or departments.

Some posts or departments with large volumes of programming, or regional departments covering smaller posts, may concentrate specialist expertise in areas like programme management, risk management or monitoring in **programme support teams**. Where present, these play an important role in supplementing the full-time resources in individual programme teams.

Further guidance is being developed on the type of programme team resources that would normally be needed to manage different types of complexity in a programme.

4.3 Allocation of the SRO and PRO Functions

The Programme SRO and PRO roles should be assigned in a way that does not create unnecessary layers of hierarchy or slow down operational decision-making.

In determining who is best-placed to undertake these two functions, the Head of Mission/Director, together with the Development Director or Head of Department where present, will need to consider what resource and expertise they have at their disposal, and the capacity of individuals to fulfil all of the responsibilities of the role to the expected standard.

For smaller, less complex programmes, the expectation is that the SRO and PRO roles can usually be performed by the same person. For more complex programmes, particularly those that are expected to contribute to the outcomes of multiple portfolios, it will be more appropriate to assign the two roles to different people, with the SRO role assigned at a more senior level, with enough of an overview of the programme or programmes to play a constructive challenge role, and the PRO role established closer to day-to-day implementation.

Once those individuals are identified, the Head of Mission or Head of Department should set out clearly in an **appointment letter** their expectations of each role, the responsibilities within it, and how it relates to others in the line management chain, including Development Directors or Team Leader, and Post or Departmental Programme Board. These expectations should then be reflected in the individuals' objectives and performance management. Further guidance on assigning the SRO and PRO roles is available, including links to templates for the appointment letter. The detail in the appointment letter should be tailored to the local arrangements in the Department or Post, including the role of a Development Director or Development Counsellor, where they are present, in overseeing ODA programmes.

Typical SRO profile: The SRO for a programme should have demonstrated leadership capabilities, and the ability to take a strategic view of a programme, and the broader set of portfolio objectives that the programme is contributing to. They should ideally be familiar with the organisation and the broader delivery framework. The person undertaking the SRO role may have responsibility for several projects or programmes within a portfolio. However, their accountabilities are specific to the project(s) or programme(s) for which they are performing the SRO function, and each should be considered and managed as a separate SRO appointment.

Typical PRO profile: The PRO should have demonstrated leadership capabilities, and relevant knowledge and experience of the type and complexity of programme to be delivered. They need to be able to devote enough time to the programme to provide day to day leadership, to be able to form a view on whether the programme is delivering the needs of the portfolio, and to manage the relationships that are key to the success of the programme.

However the SRO and PRO roles are assigned, their accountabilities and responsibilities will remain as described in section 4.1. **How** those functions are performed, who they are accountable to, and how the person performing them is expected to interact with the other programme delivery roles described in section 4.2 will vary depending on context.

5. Programme Operating Framework Life Cycle

5.1 What is the lifecycle?

A Programme is made up of Projects and Activities.

- A **Project** is a set of discrete, time bound interventions designed to produce a set of Outputs. Projects may be managed in-house but will more often be implemented by external partners under a funding arrangement.
- **Activities** are everything making up a Programme that are not Projects. This may include FCDO staff salaries and costs funded from the programme, or discrete activities undertaken by others in support of the programme – for example specific pieces of monitoring or operational research, or audits.

The design, delivery and assessment of programmes and projects usually follows a common process or cycle.

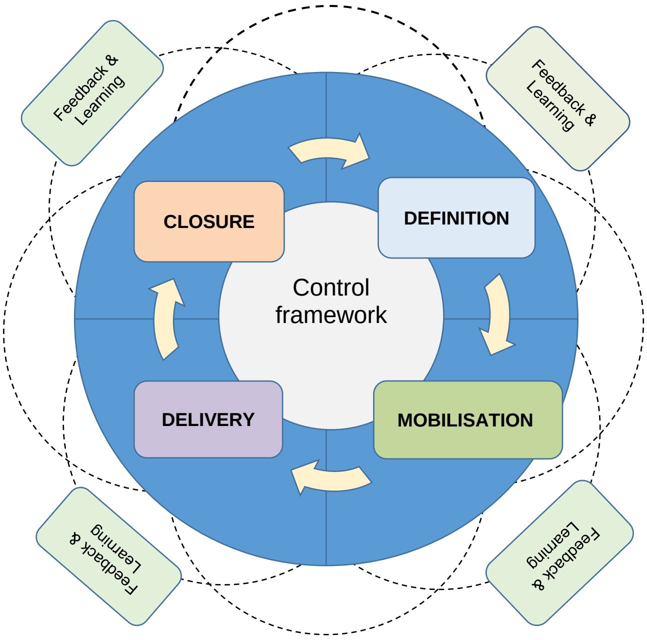


Fig.1

The Life Cycle sets out a progression of actions and events that flow through four distinct stages (Fig.1) – Definition, Mobilisation, Delivery and Closure. Each stage leads to the next in a continuous cycle that rotates around a control framework of assurance gates and controls. It guides design and delivery of programmes and projects from conception to completion, circling back to stage 1, bringing with it any outputs, outcomes, and learning that can inform new programmes and projects.

Regular monitoring and feedback (illustrated by the dashed lines around the cycle) takes place continuously and identifies whether each stage is delivering what is required. These feedback loops provide valuable learning that can be applied to the project itself, to the next stages of current interventions or to other concurrent or future programmes and projects. This includes feedback gained by engaging with programme constituents (beneficiaries) who have valuable insights into the context in which a programme will take place. Tapping into their knowledge and experiences can help teams validate assumptions on which the programme is based, discover unknown unknowns, uncover beneficiary capabilities that can support the programme, inform design choices, strengthen monitoring and evaluation mechanisms, and help bring about positive change to the lives of beneficiaries.

Table 1:

Stage	Description
Stage 1 **DEFINITION**	This stage is about understanding the strategic context, main policy issues and Country/Business Plans that are driving programme objectives. This can include outlining proposed interventions that might help achieve those objectives in a Concept Note, and, once approved, undertaking a robust design process, culminating in an articulation of the detail of interventions in a Business Case (or equivalent). This will cover the strategic context, evidence-based appraisal of intervention and delivery options, and a realistic assessment of risks, opportunities and management requirements. At this stage, it is important to think about delivery plans, monitoring, evaluation and learning needs, and anticipated results.
Stage 2 **MOBILISATION**	This stage is about putting in place delivery mechanisms for the programme and any accompanying monitoring, evaluation and learning interventions. This might be in-house resource, a Grant in response to a proposal from a non-profit organisation, a MoU with a multilateral or government partner, or initiating a competitive bidding process. (See below under Delivery Options for further detail). This is also the stage where we establish the tone of the relationship with a partner. This includes clarity on roles, responsibilities, accountability, key stakeholders and management of finances and risks. Monitoring frameworks are also finalised, ensuring there is sufficient flexibility within interventions to adapt to changes in context and knowledge.
Stage 3 **DELIVERY**	This stage covers the delivery of programmes and projects (activities and outputs), managing implementing partners and adapting interventions during delivery if the context and circumstances affecting the intervention change. Management actions range across monitoring finances, risk, issues, progress and results, engaging with stakeholders, and checking assumptions, ensuring continued relevance, strategic alignment, and value for money. In addition to ongoing monitoring and learning, an annual performance assessment provides an opportunity to take stock and take action to ensure the intervention is on track to achieve its intended outcomes. During this stage it is important to make timely and evidence-based decisions around the continuation, closure or extension of the project or programme.
Stage 4 **CLOSURE**	This stage is about ensuring all agreed outputs have been delivered and outcomes achieved, with any outstanding issues resolved. This includes producing completion reports, reviewing and evaluating performance and results and assessing outcomes, impact and value for money against strategic objectives. This stage is essential for bringing together lessons that can be shared with

	programme teams and applied to other existing and future programmes and projects. All programmes should be closed effectively and responsibly, even when closing early.

The Life Cycle does not exist in isolation. The programmes and projects within the cycle are informed and shaped by higher-level strategic objectives, across a portfolio of programmes and policy priorities. A strategic planning process defines programmatic themes and objectives, which projects and programmes should support (Fig.2.

Fig.2

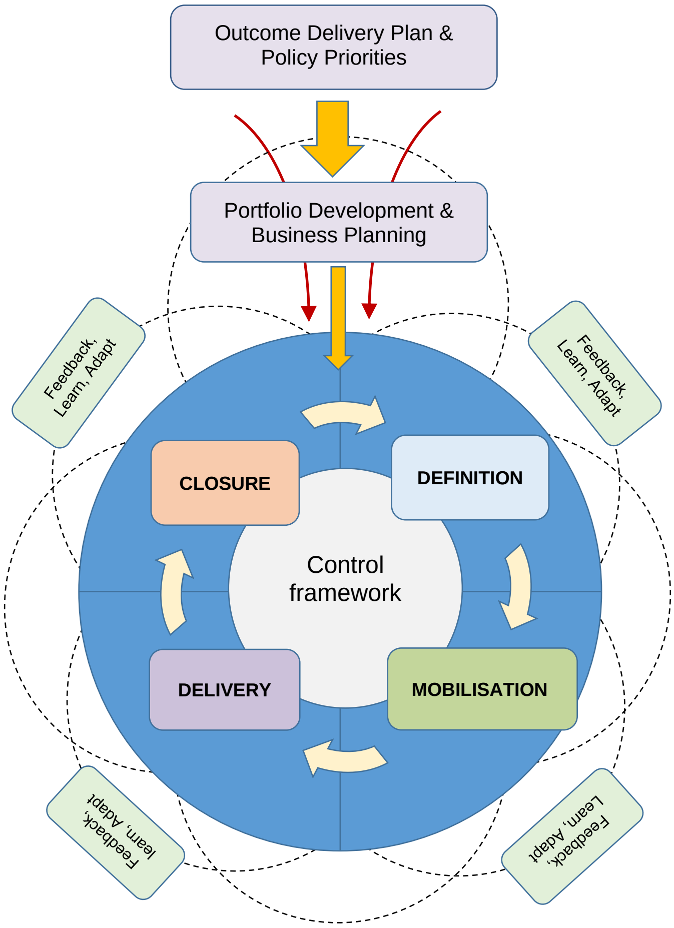
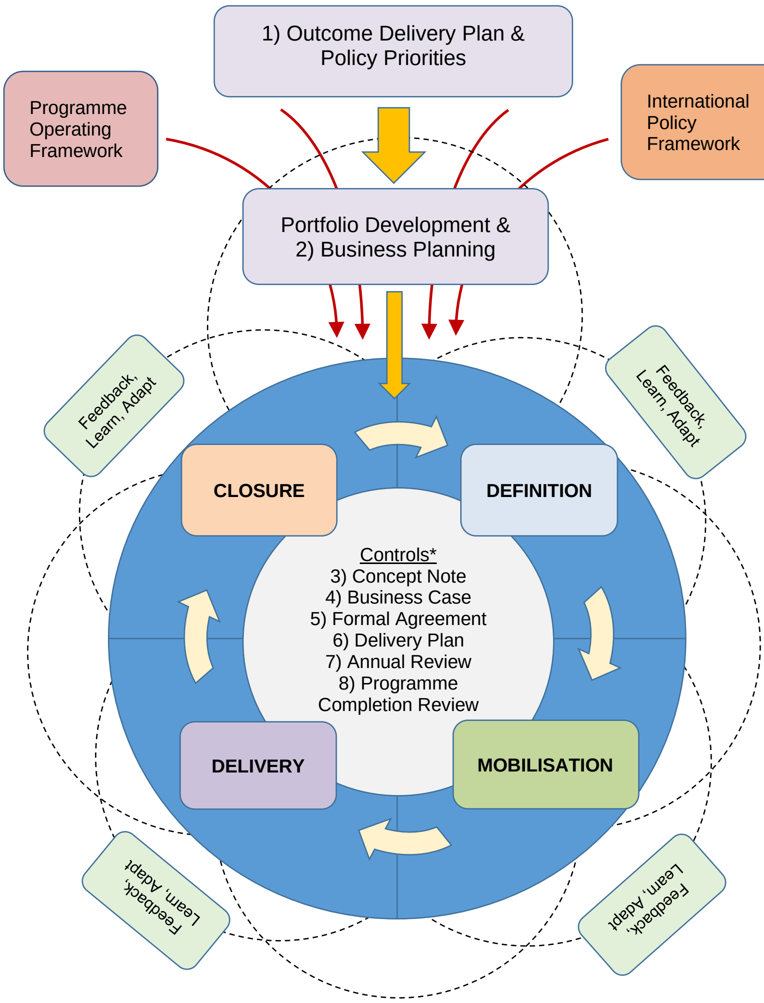


Fig 2 also illustrates that feedback and learning loops extend into those higher-level strategic processes. The outcomes of completed projects and programmes inform strategic thinking that in turn shape future programmes and projects. This process can also identify how a programme or project might need to adapt to changing objectives or circumstances: feedback, learn, adapt.

Programme and project delivery is also informed by principles, standards, rules, frameworks and guidance – set out in the Programme Operating Framework and associated guidance (including the International Policy Framework) - which feeds in to The Cycle from the earliest stages of design and approval, and provide guidance through delivery and on to closure (Fig.3).

Fig.3



5.2 The control framework for programmes

The Controls Framework (numbered 1 to 8 in Fig.3) provides assurance to programme teams, SROs, FCDO committees, Programme Boards and ultimately to the PUS / Ministers that programmes and projects are being developed and delivered to the right standards and qualities. Effective risk management, as set out in the Risk Management Framework, is a component of the Controls Framework.

They are the key points for control and assurance in programme and project delivery which are evidenced and subject to scrutiny and approval. They provide assurance that initiatives have been considered appropriately and approved at the right time. Specific assurance steps may vary between thematic programmes (with specific guidance provided where this happens), but the principle of assurance gates and controls applies to all programmes.

Table 2 sets out the control types and where they fit within the programme life cycle:

Table 2:

No.	Control type	Control description	Accountable
1	Outcome Delivery Plan and results and resource framework	Set the overall policy and resource framework for the Department's work and allocate resources to individual business units to deliver specific results.	PUS and Executive Committee
2	Business Plan (for UK Directorates) Country Plan (for overseas Posts)	Individual departments/Posts develop Business Plans / Country Plans, setting out what and how they will deliver, consistent with the SDP and results and resources framework. The Business Plan/Country Plan is submitted to ministers for approval.	HoM/Director
3	Concept Note	The Concept Note sets out a proposal for an individual programme, explaining how it fits with the strategic objectives in a Business Plan, what the proposed intervention is and why it is recommended for ministerial approval (or approval by officials for lower value proposals).	SRO
4	Business Case	The Business Case (or equivalent) sets out the detail of how an individual programme will achieve its objectives and how it will contribute to delivering the Business Plan strategic objectives and results.	SRO
5	Formal Agreement	The formal agreement establishes roles and responsibilities between FCDO and our implementing partner/ supplier.	PRO
6	Delivery Plan	PROs are responsible for ensuring an up to date, proportionate delivery plan that sets out for each programme: delivery priorities, key milestones, the logframe or results framework, roles and responsibilities, and risk management strategies. Where this information is held on AMP, parallel documents are not required.	PRO
7	Annual Review	All programmes are formally reviewed at least annually, providing an assessment of performance, ongoing relevance, value for money, lessons learned and any remedial action required.	PRO
8	Programme Completion Review	All programmes must have a project completion review within three months of the programme end date on AMP.	PRO

Table 3 brings together the stage descriptions (table 1) and the control framework (table 2), summarising the actions at each stage and the applicable assurance control:

Table 3:

	Actions include…	**Assurance controls include…**
DEFINITION	Drawing on evidence, know the main policy issues that your programmes and projects need to support, and the local / regional conditions that may affect design and delivery. Define objectives and develop ideas for the kind of interventions that might help achieve them. Appraise options and identify the right delivery channel or combination of delivery channels for the programme – including in-house resources. Identify and plan for management and oversight requirements.	Concept Note stage sets out objectives, initial risk identification and outline of interventions. Business Case (or equivalent) draws on a robust design process to set out the strategic context, evidence, options, delivery plans, a more detailed risk identification, monitoring, evaluation, learning plans, results. Include early engagement with project partners and suppliers. Know how the programme might flex to adapt to changes in context, and engage early with beneficiaries.
MOBILISATION	Where necessary, initiate market engagement through competitive processes to generate proposals. Appraise and approve tenders and/or proposals against relevant criteria and that will deliver the required outputs and outcomes. Commission delivery partners. Sign Contracts/Grant Agreements/MoUs as appropriate to the type of partner and how the funding is initiated.	Establish a formal agreement, using standard templates where available, with clarity on roles and responsibilities, accountability, risk management and monitoring frameworks. Ensure funding agreements balance accountability for use of taxpayer's funds with flexibility to adapt to changes in context and knowledge.
DELIVERY	Complete all system admin procedures so that interventions can begin. Monitor activity, outputs, risks, finances and manage relationships with implementing partners, responding to issues to keep interventions focused on policy objective	Manage partners and suppliers in line with the programme or project's Delivery Plan to deliver objectives through effective relationship, financial and risk management, and including monitoring, evaluation and lessons learning. Use monitoring and reviews, engage with beneficiaries, to check progress, assumptions, continued relevance, VFM, manage risks and adapt programme to changes in context and learning.
CLOSURE	Receive completion reports, ensuring all agreed outputs have been delivered, resolving outstanding issues before making final payments. Review or evaluate outcomes and impact against policy objectives and VFM criteria. Identify lessons learned.	Evaluate past performance. Learn and share lessons and adapt future project designs. Ensure responsible exit and closure, conducting a project completion report (PCR) and full financial closure.
CONTROLS*	See also the Governance section of the POF, and specific programme guidance for variations of control points and processes	

5.3 Flexing or adapting delivery

Although the terms ‘flexible’ and ‘adaptive’ are often conflated or used interchangeably, they are not the same. All development or policy programmes need a degree of **flexibility** to adjust resources and activities if needed or **respond** to contextual changes. Being **adaptive** goes further, building in deliberate learning and experimentation in circumstances where there is uncertainty/lack of evidence on how best to achieve the desired programme outcome. Adaptive approaches are designed to overcome that uncertainty over the programme’s lifetime by testing what works and generating evidence and learning to inform timely programming decisions.

Some policy or programme priorities can be addressed by rolling out tried and tested solutions, many others involve more complex challenges, with a limited evidence base on what works. Responding to uncertainty and complexity with interventions that are fully planned out risks costly failure or missed opportunities. Such problems might instead benefit from more ‘adaptive’ approaches.

Figure 1: The Difference Between Flexible, Responsive and Adaptive Programming[4]

	Flexible	**Responsive**	**Adaptive**
Definition	Ability to increase or decrease spend and pace of implementation.	Ability to amend activities, goals or strategic intent in response to client needs or major unexpected events.	Ability to adapt activities, strategies etc based on real-time learning, changes in operating context during implementation.
In practice	Resources can be quickly adjusted, change direction if needed.	Programme has a defined outcome, but we add a new area of work or a set of activities to a programme in response to Covid-19, or a natural disaster.	Programme has a defined outcome, but strategy or approaches are adjusted along the way, drawing on political analysis or emerging evidence.

It is important to make an early and informed choice about working adaptively, to provide a sound basis for subsequent programme design. Being clear from the outset on the requirements of the programme and the extent to which it needs to be flexible, responsive or adaptive is crucial to ensure that feedback loops are effective in driving effectiveness. When thinking about the potential to iterate, it might be helpful to:

- **Understand what evidence you need to inform decisions.** It is only through better use and testing of evidence that you can reliably judge whether to adapt, and in what ways. Identify the key evidence gaps, then consider how to generate data and information to address them, including beneficiary feedback.

- **Build learning to generate and test evidence.** Tailor your learning strategy and monitoring, evaluation and learning (MEL) tools in light of these evidence and learning needs. You need be clear on what you need to test and why, how to complement your overall learning strategy with specific MEL tools and methods, and how to create a supportive learning environment.

[4] Adapted from definitions by Graham Teskey, ABT Associates, [Speed dating for MERL and adaptive management](#).

- **Ensure clear governance and decision-making structures**. Generating good evidence is not sufficient for adaptative programming: it needs be acted on. The relationship between learning, management and decision-making is therefore crucial. Focus on decision-points, appropriate decentralisation, building checks and review systems, and ensuring that your resources match your learning ambitions.

In some instances it will become clear during development of a programme or a Theory of Change that you cannot map with certainty or evidence the likely results chain because you are trying something new, or because the intervention is so context-dependent that evidence from elsewhere is not applicable. In these cases, your approach will need to be iterative, with a strong focus on monitoring, learning and adapting quickly as the programme evolves.

By regularly monitoring project delivery and emerging results, and testing assumptions, you will be able to identify where a project or programme is either failing or succeeding on its path towards your goals, allowing you to adjust the project or programme accordingly.

The adaptive approach puts the onus on learning and adjusting during implementation rather than determining all courses of action in the programme definition phase. It relies on a constant cycle of try, learn, iterate, and adapt with tight feedback loops so that new solutions can be developed or successful ideas scaled up.

A helpful addition to this cycle is to build local capability and consensus as you go. This is particularly important for foreign policy programmes where our ability to use or leverage our influence can be crucial to success. Identifying and involving relevant partners, influencers and agents of change can help to build consensus, momentum and sustainable solutions. This model could work particularly well for small-scale interventions where we may seek to catalyse change

5.4 Delivery options

There is a range of delivery options for FCDO Projects. Some Projects will be implemented by FCDO's own staff, but the majority are likely to be implemented by external organisations, under a formal **funding arrangement**. These include:

- Grants to ***not-for-profit*** organisations for projects proposed by them;

- Procuring a supplier on a ***commercial*** contract basis against a statement of requirements defined by FCDO;

- Working through ***multilateral*** agencies and partners through MoUs or framework agreements, or through delegated cooperation agreements with other bilateral donors or agencies;

- Working through ***partner governments***, including using Direct or Indirect Government to Government Financial aid, or through multilateral financial aid to partner Governments.

- Investments in private sector equity or other forms of **financial instrument**.

A programme may be delivered through different delivery options and funding arrangements. In all cases, the starting point for choosing delivery options should be the outcomes FCDO wants to achieve and value for taxpayers' money. The choice of funding arrangement will also depend on the programme objectives, the expertise in the post or department, the sensitivity of the requirement and the availability of implementing partners who can deliver what the programme needs.

The delivery options chosen will determine the complexity of the programme and the amount of FCDO resource needed to oversee and manage it – so the choice of delivery options need to be balanced against the FCDO resources available to manage them. Delivery options and the FCDO resources to manage the programme should both be set out in the Business Case under the appraisal case and management case respectively.

5.4.1 Direct delivery by FCDO staff:

A department or post may decide that the best delivery option is to implement a project themselves, using FCDO staff, or through a hybrid model where FCDO staff deliver activities alongside external organisations. FCDO staff may also be embedded in other organisations to work in support of programme objectives.

FCDO Ministers will expect to see that new programme design has considered in-house delivery options, and where contracts need to go to Cabinet Office for approval, Cabinet Office will expect to see analysis of what can be done in-house and what needs to be outsourced to others. Further guidance is being developed on how to approach these decisions.

The PrOF Guide on Programme Funded Posts gives guidance on the circumstances in which the salaries and other costs of FCDO staff may be charged to the Programme Budget.

5.4.2 Competition and Transparency

For all delivery options it is important that any selection processes are as open, fair, competitive and transparent as possible, and FCDO can justify final choices and decisions. Otherwise FCDO may be challenged by other organisations who were not included and may feel were denied an opportunity to bid for work they believe they could deliver.

Situations in which a spending team **may** choose a partner without going through a competitive process include:

- Where a partner has unique access, e.g. in fragile states, and/or no other organisation could deliver the required outputs, outcomes and impact;
- Relations with government or other important stakeholders;
- Specialist knowledge which cannot easily be procured commercially and is not available within FCDO;
- Multi-donor arrangements; and
- Responding to an unsolicited proposal from a not-for-profit organisation (subject to the conditions below).

Any decisions to choose a partner without going through a competitive process should be set out in writing, giving justification, and retained with programme records. The Decision Log on the Aid Management Platform may be used to do this.

Whether we are running competitive processes ourselves, or partners are managing them on our behalf, FCDO should ensure transparency of all non-core funding opportunities. Programme Responsible Owners should ensure that funding opportunities, including anything that is regularly open to competition, or challenge funds, are published in Funding Finder. For contracts over the delegated threshold in Rule 15, publication of tenders will be managed by Commercial Directorate.

5.4.3 Forms of funding arrangement

Where Programmes and Projects are implemented by external organisations, the choice of funding arrangement is determined by the type of implementing partner, how the project is initiated, and the purpose of the funding.

- If the funding is intended for the acquisition of works, goods or services **for the benefit of the FCDO**, then the Public Contracting Regulations 2015 (PCR 2015) need to be followed, and a contract should be used. Contracts are legally enforceable.

- If the purpose of the funding is in support of a policy objective, with no direct benefit to FCDO, then PCR 2015 does not apply, and a non-contract funding arrangement (Grant or MOU) may be used. These agreements operate under Public Law, and are more flexible and generally not legally enforceable.

Commercial Procurement using Contracts

Contracts are used where FCDO has a clear idea of what it wants to achieve and how we want to achieve it. For a contract, we in FCDO draw up a project or programme specification or Terms of Reference and own the idea (the Intellectual Property / IP).

Rule 15 sets out how the Public Contracting Regulations are applied in FCDO and the mandatory processes to be followed. There are three commercial routes for turning objectives into activity:

- **Competitive tendering:** This involves designing the activity you plan in detail and advertising the requirements via a one-off competitive process.
- **Supplier frameworks:** This route also involves producing a specification of the activity you require, but the supplier is selected from a framework of pre-approved suppliers. Using a Framework involves a lighter approach and is usually quicker, but may limit the range of potential bidders.
- **Single source procurement:** The circumstances in which we can award a contract without some kind of competitive process are very limited (below £25,000 or where a waiver has been approved, upon strong justification, to single source).

Not-for-profit organisations are eligible to compete alongside for-profit organisations in a commercial process and should be assessed against the same criteria.

When considering any of these options, teams should seek commercial advice at an early stage.

Non-Contract Funding Arrangements

FCDO uses a range of non-contract funding instruments, which are used to further policy. They fund projects, activities and initiatives that deliver specific outputs that support policy-based outcomes and objectives. They cannot be used where the FCDO receives a direct benefit of goods or services.

This **funding arrangement decision tree** and the **PrOF Guide to funding arrangements** can help identify the most appropriate non-contract funding arrangement to use. All non-contract funding arrangement templates can be found on the ProF templates page of DiploHub or Insight. Standard templates should be used where available, and no changes should be made to the core text without first consulting the Finance and Control team in Finance Directorate, and the arrangement checklist found within the PrOF Guide.

Grants to non-profit organisations.

Grants, or Accountable Grants, are used when FCDO is providing project or fund-specific grant support to not-for-profit, civil society and research organisations. The decision as to whether to use a Grant is made by the spending team, but the following two criteria need to be met:

- We are funding a civil society, non-government or not-for-profit organisation or partnership and not a profit-making organisation, partner government or multilateral. We have verified the organisation's not for profit status.
- The organisation (or group of organisations) has approached FCDO with a proposal for funding, either as an unsolicited proposal or in response to a "call for bids/proposals".

There are two ways of engaging a not-for-profit organisation:

- **Competitive bidding:** This model involves publishing a strategy or broad objectives and announcing a "**call for bids**" or **"call for proposals"** in order to award grants. This is not to be confused with issuing detailed specifications or terms of reference, which would result in awarding a commercial contract (see above). The programme team sets the strategic policy-based objectives, but proposals are written by external organisations, setting out how the activities, outputs and outcomes of the initiative will help FCDO achieve those objectives. Competitive proposals should all be appraised against the same criteria, and should include strategic fit to objectives, technical feasibility, risks and value for money. Multilateral and governmental entities may also take part in a call for bids/proposals, but if they are successful, a different funding arrangement would be used.

- **Unsolicited proposal.** These are proposals submitted to the programme team without any instruction by the programme team. FCDO may suggest changes to the proposal to improve alignment and increase value for money, but should avoid amending the proposal to such an extent that it starts to describe a different initiative or specify the work to be done.
  We can fund unsolicited proposals from not-for-profit organisations without going through a competitive process, provided the programme team is able to establish and document that:
  - No other organisation would be able to carry out a project so well aligned with the FCDO objectives;
  - The proposal demonstrates value for money (for example by comparing costs with other organisations or projects operating in similar fields); and

- Running a competitive process would not represent value for the taxpayer.

Where a competitive process is already in place, or planned, any unsolicited proposals related to the same objectives should be diverted to the competitive process. Unsolicited bids from commercial (for-profit) organisations cannot be considered for grant funding.

Multilateral and international organisations

FCDO can make voluntary contributions to international organisations. This could consist of (a) core funding for an organisation's running costs; (b) a contribution towards a specific programme of activity; or (c) a contribution to a trust fund administered by a multilateral agency. In some cases, we can increase the potential returns by pooling UK funding with other donors.

Core support is provided for any purpose under an organisation's mandate without specific conditions on the activities or purposes for which the funds will be used. FCDO can be obliged by statute to make these contributions (assessed contributions) or choose to do so as we recognise they are good value for money (voluntary contributions).

FCDO formalises arrangements using funding arrangements with the implementing organisations. These can take a variety of forms and depend on the partner that we are engaging with. You are encouraged to consult the FCDO team that manages the institutional relationship with a multilateral before entering into a funding arrangement.

- We have agreed **framework arrangements** with a number of UN agencies and some multilateral development banks, to be used when FCDO is entering into a single donor programme with those organisations. In these cases, individual MoUs must **not** be negotiated, regardless of value. You must instead complete the associated 'Contribution Arrangement' template or agreed MoU for each specific activity with the partner. Any renegotiation of framework arrangements should involve the central team holding the institutional relationship with the multilateral bank or agency, and must involve the Finance and Control team in Finance Directorate at the earliest opportunity.
- For other agencies, including the World Bank Group, FCDO has agreed standard MoU formats and templates for Trust Fund agreements. These are based on standard terms and conditions for all activities, with local specific modifications allowed only in agreed sections.

Other international donor governments

FCDO may pool resources with other government donors. As well as an arrangement with the lead partner, there will often be a need to formalise the arrangements between all members of the donor group.

The **Delegated Co-operation Arrangement** (DCA) can be used to agree the arrangement between the donor countries, when only the lead donor has an underlying arrangement with the implementing partner. If FCDO is the lead donor, the appropriate FCDO arrangement templates can be used.

Partner government:

There are two main mechanisms by which FCDO disburses government to government financial aid:

- **budget support** – a form of financial aid which is provided directly to partner governments. This can take the form of general or sector budget support.
- **non-budget support financial aid** – FCDO may choose to provide assistance through partner government systems but not provide budget support; e.g. with targeted interventions to meet the costs of specified projects or expenditure items.

Where FCDO has a one-to-one relationship with the partner government, the partner government MoU templates must be used. There is a separate template for budget support and non-budget support, as the provisions for these arrangements can differ significantly and each mechanism needs a separate arrangement. Technical co-operation interventions may also be formalised through these templates when it is part of the same project or the non-budget support template can be used when it is a stand-alone project.

When delivering aid to partner governments, FCDO may choose to pool resources and work with other donor governments. In these situations, one donor will act as the **lead donor and become a trustee for other donor funds**. In this case the processes, procedures and arrangements of the **lead donor** ought to be largely respected by the other donors.

When another donor government is acting as the **lead donor**, we will normally sign a delegated co-operation arrangement with that donor. Spending teams and staff with delegated authority must compare arrangements with the arrangement checklist found within the Formalising Agreements Smart Guide.

When FCDO is the lead donor or all donors have separate arrangements, FCDO's templates can be used to formalise the arrangement with the partner government.

When FCDO is acting as the **lead donor** and holding the funds on behalf of other donors, Crown Agents Bank is usually used by FCDO. In this scenario, spenders are advised to refer to the Third Party Money Crown Agents Guidance.

6. Programme Operating Framework – Governance

6.1 Context

FCDO delivers the Government's policy as set out in documents such as the Integrated Review, the FCDO's Single Departmental Plan, thematic strategies and business and country business plans.

FCDO is accountable to Parliament through the Permanent Under-Secretary (PUS) as the Accounting Officer, who is personally responsible for the stewardship of the resources within the organisation's control, including propriety, selection and appraisal of programmes, VFM, management of risk, and accurate accounting.

The Foreign Affairs Committee (FAC) and the International Development Committee (IDC) scrutinise the FCDO's spending, administration and policies.

The National Audit Office and the Independent Commission for Aid Impact provide independent scrutiny and assurance to Parliament on our work.

FCDO's internal policies and priorities are set and governed by the Supervisory Board, the Management Board and its subcommittees. Internal Audit Department provides the Accounting Officer with assurance via the Audit and Risk Committee.

Choices about what we do and where we do it are considered and made by ministers through periodic Spending Reviews and Resource Allocation Rounds, through which budgets are set.

These decisions are reflected in Country/Business Plans that translate the outcomes of resource allocation decisions into detailed plans.

Individual programmes are designed and implemented to deliver the priorities and results set out in National Security Council strategies, thematic strategies and country plans, ensuring VFM for UK taxpayers.

The Programme Cycle Panel provides a transparent governance mechanism which ensures FCDO's programme rules, design and delivery systems remain fit for purpose.

6.2 Funding sources

FCDO's budget is determined by periodic Spending Reviews. The Spending Review is an HM Treasury-led process to allocate resources across all Government departments, according to the Government's priorities. Spending Reviews set firm and fixed budgets over a single year or a period of several years. Once the budget has been determined, HM Treasury sets an annual **Departmental Expenditure Limit (DEL)**. In addition to their DEL, departments receive a budget for **Annually Managed Expenditure (AME)**. This is for spending that is considered difficult to control within fixed budgets due to its size or volatility, e.g. public service pensions or interest on national debt. Together DEL and AME make up FCDO's **Total Managed Expenditure (TME)**.

FCDO is required to meet annual targets for the following types of expenditure (known as 'control totals'): **Resource DEL (RDEL)** – a budgetary limit of total revenue expenditure permitted in year. This includes Programme and Administration costs which can be split between ODA and non-ODA. For Administration costs, the ODA and non-ODA split is calculated according to the % of ODA eligible activity for each post and Directorate.

Capital DEL (CDEL) – a budget limit of total capital expenditure permitted in year, e.g. infrastructure spending or spend by multilateral development banks where FCDO is a shareholder. It also includes programme expenditure where our funding creates or acquires an asset and also research and development spend which meets the FCDO research definition as approved by the Chief Scientific Advisor. Research and Evidence Division leads on FCDO's research expenditure and is responsible for reporting to HMG and internationally. Teams should ensure that CDEL spend recorded as research is applied in consultation with Research and Evidence Division and meets this definition. If teams are unsure whether a programme meets the definition of CDEL research, they should contact the Research and Evidence Division.

Non-Fiscal Capital DEL (also known as Development Capital/Financial Transaction spend) – this is a subset of FCDO's Capital DEL. The main difference is that FCDO is creating an asset on its own balance sheet. Creating this asset will mean that FCDO has a legal right to reclaim any returns on its investment (principal, interest and dividends) and/or direct how those returns are to be used.

AME (Annually Managed Expenditure) – FCDO has a separate control total for expenditure on areas that are typically volatile and demand-led. This is not subject to firm multi-year limits in the same way as DEL. Examples of AME spend include debt interest and expenditure on provisions (such as providing for revaluation of FCDO's assets). AME budgets can be capital or resource and are managed by central finance rather than delegated out to individual divisions.

Please get in touch with your Finance business partner if you need further advice on funding.

ODA development funding

Over half of FCDO's Gross Public Expenditure on Development is spent on Bilateral Aid (including debt relief, humanitarian assistance and programme funding). The rest goes to international finance and international relations, most as core funding to multilateral organisations (including support to the EU, World Bank, UN and other related agencies.

Mixed ODA/Non-ODA funding

International Programme - This responsive and agile fund, launched in 2015, supports the UK's National Security Strategy and FCDO's Strategic Objectives, highlighted in its Single Departmental Plan. It helps FCDO to tackle complex global challenges and finances projects which have promoting economic development and welfare of developing countries at their heart. It underpins the FCDO's wider diplomatic effort and foreign policy in support of UK interests overseas.

Prosperity Fund - Established in 2016, the Fund aims to support global growth, trade, stability and reduce poverty in emerging and developing countries, which will also open up new markets and opportunities to the UK. Formerly a cross-Whitehall fund, the Prosperity Fund now sits on the FCDO baseline.

Cross-Government funding settlements

Conflict, Stability and Security Fund (CSSF) - Aims to help prevent conflict and tackle threats to UK interests arising from instability overseas. It came into operation on 1 April 2015. It is under the direct authority of the National Security Council (NSC), and supported by the Joint Funds Unit which is housed in FCDO, reports to the National Security Secretariat in Cabinet Office, and is staffed by officials from across the NSC departments. All NSC departments are able to access resources. Within the RDEL allocation, the CSSF is explicitly ring-fenced within FCDO's settlement.

International Climate Finance (ICF) - A tri-departmental allocation managed by FCDO, Department for Business, Energy and Industrial Strategy (BEIS) and Department for Environment, Food and Rural Affairs (DEFRA). It supports international poverty reduction by helping people manage risk and build resilience to the effects of climate change now and in the future, promotes sustainable economic development, tackles deforestation and builds good governance of natural resources. Resources for the ICF are included in each department's settlement, and each department is responsible for the delivery of its own high quality climate finance portfolios and for specific amounts each year in ways that contribute to the ICF objectives.

6.3 Internal Control Framework and Control Environment

Internal Control Framework
FCDO operates globally in complex and often fragile environments and is responsible for spending a large portion of the UK Aid Budget. We need to ensure that an effective system of internal control is in place and can provide assurance that we are using the funds properly, achieving value for money and delivering our objectives effectively.

The Internal Control Framework covers all of FCDO's activities across 4 pillars of corporate, delivery, protocol and consular. It provides a comprehensive and consistent approach to ensuring the risks to delivering our objectives are properly understood and addressed by effective operational processes; and that our operations comply with the relevant legislative, regulatory and policy requirements.

The Framework articulates our approach to control and assurance through a series of inter-related components: the control environment; FCDO objectives; risk assessment; control activities; and assurance activities. It is risk-based and proportionate; ensuring a high degree of control when needed but a lower level where risks are properly understood and can be accepted.

Control Environment
The control environment provides the clear governance structure and organisational responsibilities to support the system of internal control. The control environment is set through leadership behaviour, attitudes, awareness and actions regarding the internal control system and its importance to the organisation. This is expressed in FCDO's management style, culture, values, philosophy and operating style as well as the organisational structure, human resources policies and procedures and the capacity and capability of staff.

6.4 Governance Structure

FCDO is represented in the Cabinet by the Foreign Secretary. **The Supervisory Board** is chaired by the Foreign Secretary and is responsible for FCDO governance at the overall strategic level. It meets quarterly in formal sessions. Its members are: The Permanent Under-Secretary, all Non-executive Directors, Director General Finance and Corporate and Director General Delivery. Other members of the Executive Committee and other ministers are invited depending on the agenda. The Board provides strategic direction and oversight, providing support and challenge the department with a view to the long-term health, reputation and success of the FCDO.

The Management Board takes strategic choices for long-term departmental management where a cross-departmental view, impact or action is required. It oversees plans, the management of principal risks and performance and stewards the department to maintain its health and reputation. It oversees the Strategy, Delivery, Investment and People Committees, and escalates issues to the Supervisory Board when needed.

The Executive Committee (ExCo) takes decisions on strategic choices or challenges relating to sensitive or time-bound issues, day to day running of the department, emerging issues, risks or crises with departmental wide implications.

The Investment Committee is responsible for assessing whether the FCDO is spending on the right things for the best Value for Money. It focuses on oversight, assurance and decisions about whether major / high risk programmes should proceed, ensuring FCDO spend achieves Value for Money (VfM) and maximises impact.

The Delivery Committee assesses whether FCDO is delivering on its intent: achieving the desired effect as well as undertaking the planned activity, to high standards, across all area of FCDO work.

At the operational level, FCDO has three mutually supportive roles or 'lines of defence':

First line – business operations
The majority of FCDO staff operate within the first line and are working directly to deliver our programmes or oversee our strategic partnerships. The includes our overseas posts, development offices and spending teams, as well as some central departments – e.g., a department monitoring the performance of a multilateral partner, or Commercial Directorate's role in the selection of service providers. Staff in the first line are responsible for:

- Delivery of FCDO objectives
- Direct ownership and management of risk;
- business planning processes to deliver the Government's policy priorities;
- design, delivery monitoring and evaluation, and closure of individual programmes and portfolio;
- monitoring departmental compliance, performance and quality, addressing issues as they arise; and
- learning and sharing lessons at every stage of the programme cycle.

Second line – setting standards and oversight
Many of the functions carried out by the Finance and Corporate Directorate (e.g. Finance and Commercial, and the Delivery Directorate (e.g. BDD, PMO, Economists and the Quality Assurance Unit) and, in some cases, Directors represent our second

line. This is where responsibility for setting the rules and overall governance framework sits, as well as quality assurance and organisational planning and performance management.

The second line helps build operational teams' capacity, capability and incentives to deliver, but has no direct role in operational decisions or approvals. Some areas of policy oversight (such as compliance with security and justice, human rights, and the International Development (Gender Equality) Act 2014 are second-line functions. Staff in the second line are responsible for:

- FCDO's overall operating and resources framework
- Interpreting legislation and central government guidance to set rules, policies and processes (including roles and responsibilities)
- Defining FCDO's risk appetite and monitoring strategic risk
- Monitoring compliance, performance and quality against the established framework; and providing challenge and support in cases of non-compliance or poor performance/quality.
- portfolio-wide performance monitoring and management
- Support senior management and governance
- providing advice, support and training to ensure that the first line has the right levels of skills to deliver policy priorities
- sharing professional best practice, lessons learned and case law

Third line – independent assurance
This role is played by Internal Audit which provides an objective opinion on our governance risk management and control to FCDO's Accounting Officer.
Internal Audit Department (IAD) remit includes possible audits of all of FCDO's activities. The aim is to assess the risks faced by FCDO in how it operates, and how well these are being identified and managed. This provides an important source of assurance for the Permanent Under Secretary (PUS) in their role as FCDO's Accounting Officer, and to the Audit and Risk Assurance Committee (ARAC). It is also an important source of advice and challenge to individual business units in helping them to better understand and manage their risks, and the control systems that address these. Our Annual Audit Plan setting out the Internal Audit Strategy for the financial year and detailing the overseas offices and UK based functions we will audit is endorsed by the ARAC and agreed with the PUS.

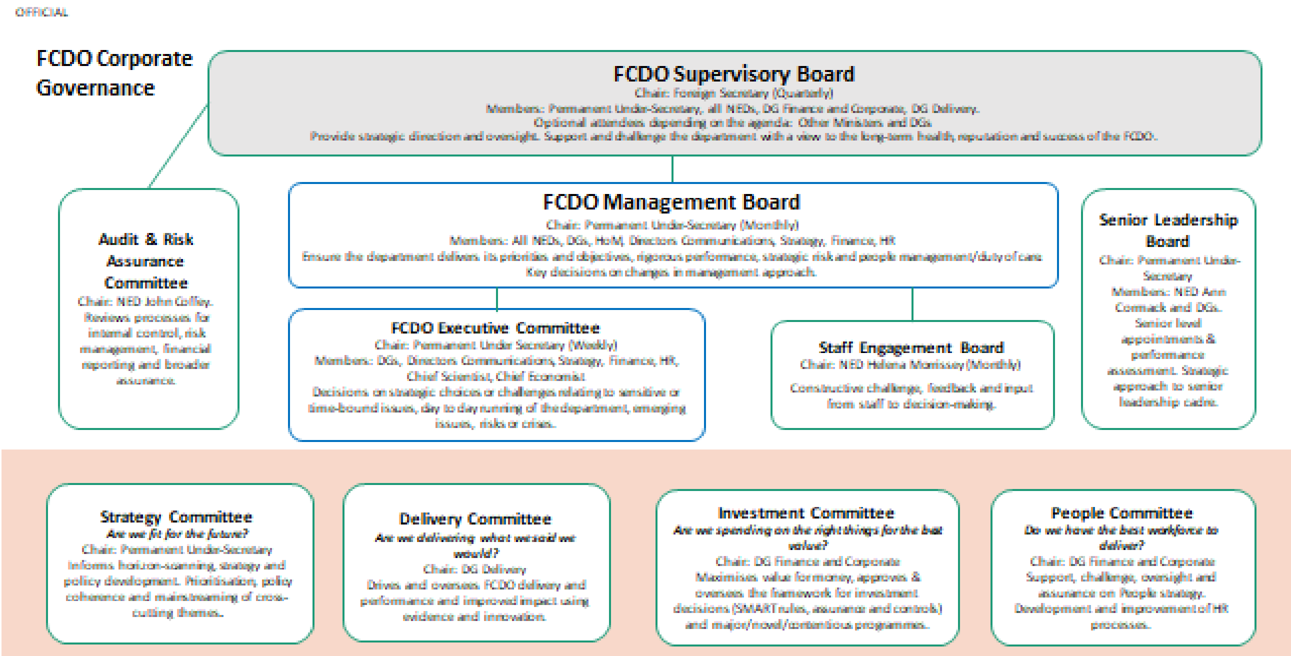
IAD reviews and provides assurance on how well FCDO is managing its resources, people and programmes, and how we might improve. IAD's methodology is designed to assess not only how well controls are operating but also how well they are designed, with particular reference to the operating context, and risk appetite of the organisation. In an ideal world, a business unit should aim to have well-designed and well-managed controls that bring the business unit in line with the FCDO's risk appetite. How IADs reviews and provides assurance, and reports its findings will change and evolve as the new operating model is agreed and embedded for FCDO programmes.

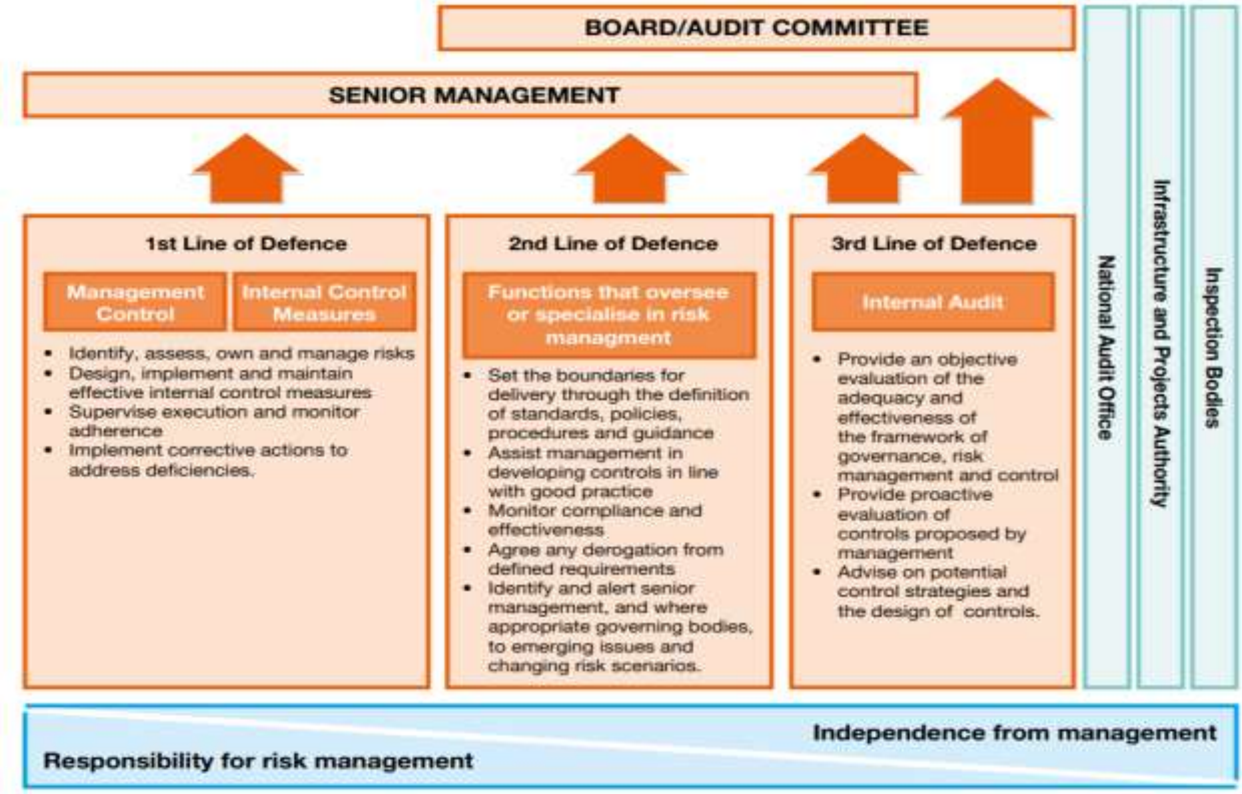
Quality Assurance Unit
The QAU reviews business cases over £40 million. Reviews provide an independent assessment of the value for money of proposed spending based on evidence of cost effectiveness and each review is agreed by the Chief or Deputy Chief Economist. Reviews are an in depth 5-week process and assess each case on its merits analysing how evidence is applied, and providing a holistic assessment of value for money.

The QAU works with relevant professional specialists as well as financial and commercial experts to provide an integrated overall assessment. Each review contains a two-page summary which provides an overall score for value for money, recommendations and core advice. Reviews are founded in evidence and emphasise rigorous evidence on cost-effectiveness to promote value for money and provide constructive challenge for spending teams. Once agreed with the Chief or Deputy Chief Economist each review is sent to the spending team and a meeting is arranged to discuss their proposed response to the recommendations. These provide a shared understanding of the best way forward and have a focus on how proposals might be revised, which the QAU summarises in a minute of the discussion. The QAU's review and minute are provided as attachments to the submission of the business case as an independent assessment to inform the final decision on approval. They will also be considered by the Investment Committee. The aim is that investment decisions about major spending are as well informed and based on rigorous evidence as possible.   Contact QAU for more information: qateam@dfid.gov.uk

Other sources of independent scrutiny include the work of the National Audit Office (NAO) which reports to Parliament through the Public Accounts Committee, the Independent Commission for Aid Impact (ICAI) reporting to the International Development Committee (IDC), the Infrastructure and Projects Authority (IPA) and HM Treasury/Cabinet Office scrutiny processes.

Figure 1: FCDO governance structures and programme control environment





6.5 Accountabilities

Applying this assurance framework to individual roles within FCDO helps clarify the different roles, responsibilities and accountabilities with the organisation with respect to programme delivery. Collaboration and collective leadership between and within these roles are essential to achieve our aims and objectives.

Supervisory Board
Accountable for FCDO's strategic direction and oversight, and for providing support and challenge to the department with a view to its long-term health, reputation and success by:

- Reviewing performance and key performance indicators
- Undertaking deep dives into strategic priority issues which the Foreign Secretary wants to explore in detail
- Assuring itself of the department's risk management framework and organisational risk appetite (advised by Audit and Risk Assurance Committee and the Management Board)

Management Board
Accountable for ensuring performance, strategic risk and people management and duty of care to staff by:

- Taking strategic choices for long-term departmental management where a cross-departmental view, impact or action is required
- Overseeing plans, the management of principal risks and performance and stewardship of the department to maintain its health and reputation.
- Communicating the FCDO's purpose, priorities, vision and values to staff and other stakeholders.

Executive Committee (ExCo)

Accountable for strategic choices or challenges relating to sensitive or time-bound issues, day to day running of the department, emerging issues, risks or crises with departmental wide implications by:

- Taking decisions which enable the robust implementation of Ministerial decisions and steers where immediate cross-departmental action is required
- Escalating issues and advice to Management Board where a longer-term formal decision is required, or to ministers as appropriate
- Undertaking periodic horizon scanning and business engagement to identify emerging sources of uncertainty, threats and trends, referring principal risks that require ongoing monitoring to Management Board (supported by the Audit and Risk Assurance Committee (ARAC) which reviews decisions and processes designed to ensure sound systems of internal control and related assurance mechanisms, risk management and financial reporting)

Directors General
Accountable for the coherence and impact of their overall portfolio and read across with others. Line Accountability for portfolios down the chain.

Directors
Accountable for the strategic coherence and impact of their own thematic, multilateral or regional portfolios, and for ensuring read across with other relevant portfolios by:

- Identifying which XHMG Ministerial priorities are relevant for their Posts, making choices over prioritisation, and drawing this into a strategic steer for Posts.
- (For thematic directors) Feeding their priorities into the appropriate geographic directors/multi-lateral leads to ensure objectives are cascaded to the relevant posts for delivery.

Geographic HQ boards
Flowing from central NSC architecture, these are accountable for drawing together XHMG thematic, multilateral and regional priorities, and agreeing strategic trade-offs by:

- reflecting new international priorities and the FCDO's structures, and incorporating cross cutting themes
- driving their directorate business planning process, out of which country plan priorities will flow.

Heads of Mission
Accountable for the coherence and impact of their own country portfolios by:

- standing up XHMG Country Boards at Post to oversee delivery
- developing, with their Country Board, their country plan

Development Directors
Where posts manage significant quantities of ODA (£1m/year), Development Directors will be accountable for the quality assurance and oversight of all FCDO ODA spend at post by:

- membership of the Country Board
- leading relationships with the most senior in-country international and host-country development counterparts
- leading all FCDO programme teams managing significant quantities of ODA.

6.6 HM Treasury levels of Delegated authority

Delegated authorities give the FCDO standing authorisation to commit resources or incur expenditure from money voted by Parliament without specific prior approval from the Treasury. The FCDO's delegated limit for general programme spend is £70m (the whole life cost of a proposal). The Treasury has committed to consider the case for an increase in the FCDO's delegated authorities following a review of our controls, governance and management systems. Notwithstanding this delegation, certain categories of spending proposal override any delegated authority and must be submitted to the Treasury. These are proposals which:

- could create pressures leading to a breach in Departmental Expenditure Limits, administration costs limits, or Estimates provision;
- would entail contractual commitments to significant levels of spending in future years for which plans have not been set;
- could set a potentially expensive precedent;
- could cause significant repercussions for others;
- require primary legislation;
- are novel and contentious; or
- where Treasury consent is a statutory requirement

'Novel' may be anything that is original and of a kind not seen before, perhaps including a non-standard transaction. This includes all non-fiscal programmes (and extensions) and programmes where FCDO enters into a guarantee. **'Contentious'** might cover a proposal that could hold the potential for dispute as well as cause controversy. While it is not possible to cover in detail what could be seen as novel/contentious, an example may be a programme that recommends an unusual financing transaction with lasting commitments.

Approvals process for programmes requiring HM Treasury approval

Ministerial approval must first be obtained before a Business Case is submitted to HMT for scrutiny. Once ministerial approval is given, HMT approval should be sought via Financial accounting, by completing the HMT 1-pager template and sending it to financialaccounting@fcdo.gov.uk

Treasury levels of delegated authority

FCDO's levels of delegated authority from HM Treasury to commit expenditure are set out in Table 1 below.

Table 1: HM Treasury delegations

Nature of delegation		Delegated limit
All programmes and projects; and announcements and policy proposals with a defined lifetime	Resources and capital	£70m (whole-life cost in today's prices)
Announcements and policy proposals creating on-going expenditure if Business Case yet to be approved by HMT	Resources and capital	£40m value of spend on a single proposal in any given year

- FCDO must obtain Treasury approval for **internal funding allocations** before any public announcement or commitment of resources, when these allocations fall outside the delegated limits set out in Table 1.
- x-DFID staff Financial Delegated Authority is set out in a corporate guide
- x-FCO staff Financial Delegated Authority is set out on DiploHub

6.7 FCDO's Internal levels of delegated authority

The Foreign Secretary has agreed new internal levels of delegated authority for approval of FCDO programming (see Table 2). Programme teams should use the scrutiny provided by the approval process to ensure their programme is well designed and demonstrate the evidence base and value for money case. Once fully approved the SRO and PRO are empowered to deliver the programme within the parameters of the Business Case. Please note the following:

- The new approval levels come into effect on 1 April. Programmes that have gone through x-DFID and x-FCO approval processes prior to this, will not need re-approve their programmes. Only new programmes requiring approval after this date, or programmes that did not complete the earlier x-DFID or x-FCO approvals process, will need to follow the new process.
- Further developments in the approvals process will be announced after 1 April.

Table 2: Approval and Sign-Off levels for concept notes, business cases and contracts

Programme Value	Concept Note (SOBC) Approval	Business Case Agreement/ Advice	Business Case (FBC) Sign-off	Contract Approval
<£5m	Country Board	Country Board	Head of Mission	Procurement Steering Board
>£5m	Junior Minister	Country Board	Head of Mission	Procurement Steering Board
>£10m	-	-	-	Junior Minister
>£20m	Junior Minister	Country Board	Junior Minister	Junior Minister
>£40m	Junior Minister	Investment Committee	Junior Minister	Junior Minister
>£50m	Junior Minister	Investment Committee	Junior Minister	Junior Minister
>£70m Novel, contentious and very high risk are treated as high value	Foreign Secretary	Investment Committee	Foreign Secretary	Foreign Secretary

- For programmes developed at post Business Cases should be routed through Country Boards for agreement before sign-off by the Head of Mission. Higher value Business Cases need agreement of the Investment Committee.

- For programmes not developed in a post, regional or thematic scrutiny groups should be used in place of a Country Board before sign-off by the Regional or Thematic Director (HQ) responsible. A Regional Board would be an example of an appropriate scrutiny group. Centrally designed programme will need to achieve country buy in as part of the agreement process.
- For ODA programmes Development Director endorsement should form part of the Country Board or regional/thematic scrutiny process.
- If a Concept Note or Business Case >£70m is in the portfolio of a Junior Minister, they will review the intervention before it is sent to the Foreign Secretary for final approval.
- Centrally designed programmes need country buy-in as part of their agreement process
- CSSF programmes are approved for funding through cross-HMG CSSF Portfolio Boards. In order for a new CSSF programme expected to deliver > £5m of programming on the FCDO baseline over its lifetime to be added to the FCDO portfolio, a Concept Note should be generated – to be approved in line with FCDO approvals. For CSSF programmes expected to deliver <£5m of programming on the FCDO baseline over its lifetime, the cross-HMG CSSF Portfolio Board (chaired by HoM) will approve the Programme Document in lieu of a Concept Note. The CSSF Programme Document is a 5-case business case, approved by HM Treasury and should provide sufficient information, in lieu of the FCDO business case. See the Concept Note PrOF Guide for more information.
- Certain types of spending always require Treasury approval – see the section 6.6 on HM Treasury delegated authority.

Business Cases above £20m should be submitted for agreement and approval with a covering template. This will be used to collect the comments of the scrutiny reviews. Where programmes are being submitted through the Quality Assurance Unit and the Investment Committee they will only pass through these assurance ‘gates’ once. The SRO and PRO must demonstrate that they have responded to feedback in their final submission.

Each step in the approval process will be time-bounded. No extra levels of approval are needed. This process should improve predictability and allow teams to plan approval timelines. Only approvals contained within the guidance are needed and business units should not establish parallel or additional layers of sign-off. Full guidance, including timelines, is available.

6.8 Cost extension approvals

Table 3 sets out the levels for cost extension approvals. These are based on the new total cumulative programme value and not on the size of the extension itself.

Table 3: Cost extension approvals

Original Approval Value	**Final Business Case Sign-Off**	**Cost extension approval levels: based on new total (cumulative) programme value - NOT on size of extension**	
		Value	**Approver**

>£70m Novel, contentious & very high risk	Foreign Secretary	New total over £70m	Foreign Secretary (via Jnr Minister) & HMT approval
£20m-70m	Jnr Minister	New total over £20m	Jnr Minister
		New total over £70m	Foreign Secretary (via Jnr Minister) & HMT approval
<£20m	Head of Mission	New total up to £20m	Head of Mission (via Country Board) or Director (via HQ Regional Board
		New total over £20m for the first time	Jnr Minister
		New total over £70m for the first time	Foreign Secretary (via Jnr Minister) & HMT approval

- Cost extensions require an addendum to the business case. This should be signed by the Head of Mission or Director. Cost extensions where the new cumulative value is over £20m should be escalated to ministers for approval according to thresholds in table 3. Extensions where the cumulative value is over £70m should go to the Foreign Secretary for approval and additionally to HM Treasury for scrutiny. Consult Management Accounts Section in Finance for advice on the HMT process.
- Re-approvals are covered in section 6.10 below.

6.9 FS Approval of novel and contentious programmes

Approval of Concept Note and Business Case by the Foreign Secretary is required for all politically sensitive, novel or contentious cases. Programme approvals that meet these definitions would need to be submitted to the FS in the same way that high value programmes are.

Novel or contentious:
A novel situation or transaction is where the organisation has limited experience or evidence of what will work and is outside the range of FCDOs normal business activity. There will normally not be a precedent for this type of activity or spend.
A contentious transaction is one that might give rise to criticism by the public or the media, a proposal that could hold the potential for dispute or one that is inconsistent with wider government policy or aims. A contentious programme does not have to be novel. It could be a standard programme but in an unusual environment, or a standard programme delivered by a supplier with which we have had difficulties.

High Political or Financial Risk:

A high political risk is where there are wider political implications to consider, there is high Parliamentary or scrutiny body interest or where it relates to issues that are likely to attract significant public attention. A high financial risk includes where the risk of misappropriation or mis-use of funds is significant, where the value for money case is contested or where a non-standard financial model is being used. This includes expenditure which might set a precedent, or which might have wider cost implications.

Strategically Important:
Programmes are defined as strategically important when they are delivering in full, or making a critical contribution to, one of the Foreign Secretary's top priorities, FCDO priority outcomes, a manifesto commitment, or an NSC strategy (including on a bilateral basis).

Programme SROs and Heads of Mission should apply this criterion judiciously. All FCDO programmes can be described as strategically important (we wouldn't be delivering them otherwise); the question should be whether this is something that requires a decision from the Foreign Secretary.

6.10 Re-approvals

Where a team intend to change an FCDO programme such that it deviates from the original approved business case, a business case addendum should be completed and submitted with a request for re-approval. Modest changes can normally be signed off by the Head of Mission or the Director. However, where there is a material change to the programme, re-approval requests should be escalated to ministers for approval. Examples of a material change include:

- Significant change or increase in the assessed risks to delivery of an individual strand or the overall programme.
- Need to significantly adapt a programme based on new VfM calculations/scope of activities/Theory of Change.
- Significant deterioration in the external operating environment (e.g. a move into conflict).
- Changes to the intent or the outcome objective of a programme where this materially different from what was agreed in the business case.
- Adding a new sector or country outside those already described in the existing business case.

6.11 Commercial Approvals

Commercial Department monitors the progress of live procurements and uses this information to forecast planned contract awards.

Following SRO approval, contracts:

- Below £10m are approved by the Procurement Steering Board
- Above £10m are approved by the relevant Minister following FCDO Procurement Steering Board and Cabinet Office agreement.

All submissions for contract approval above the threshold of £122K (x-DFID) or £100K (x-FCO) – be it to the Head of Department/Delegate, Procurement Steering Board, Cabinet Office or Ministers – are drafted and submitted by the SRO with input/agreement from Commercial.

As per above, all planned contracts over £10m, contract amendments over £10m will need to go via Cabinet Office for consideration and if approved will then be submitted by SRO to the appropriate minister.

6.12 Government Functional Standards and Cabinet Office Spend Controls

Government Functional Standards

Functional standards exist to create a coherent, effective and mutually understood way of doing business within government organisations and across organisational boundaries, and to provide a stable basis for assurance, risk management, and capability improvement. They support value for money for the taxpayer, and continuity of implementation. The functional standards set out minimum requirements and recommended practice for a range of themes including:

- Project delivery
- Digital, Data and Technology
- Finance
- Commercial
- Counter Fraud
- Grants

Cabinet Office conduct periodic assessments of maturity to ensure the rules, policies and processes government organisations develop meet the minimum requirements and are being implemented consistently.

Cabinet Office Spend Controls

Central government organisations, including departments and the bodies they sponsor, must follow the Cabinet Office spend controls process when they want approval to spend money on specific activities. The Cabinet Office controls are part of the wider government approvals process set out in the managing public money guidance, and cover a range of themes including:

- Advertising, marketing and communications
- Commercial control
- Digital and technology
- Consultancy
- Recruitment

Commercial control

Before final approval by ministers, all commercial contracts over £10m must first be agreed by the FCDO Procurement Steering Board and then reviewed by the Cabinet Office as part of their commercial control process. See 6.11 above.

6.13 Programme accountability chain

Accounting Officer
The Accounting Officer is the person accountable to Parliament for the stewardship of the Department's resources. FCDO's Accounting Office is the Permanent Under-Secretary (PUS), who acts on ministers' instructions and is supported by the Executive Committee and its subcommittees. The Accounting Officer is personally responsible to Parliament and the Public Accounts Committee (PAC) for the

Department's compliance with the principles set out in Managing Public Money. The PAC may seek assurance on propriety, regularity, value for money and feasibility of the use of the public money provided by Parliament to their departments.

Budget holders and delegated budget holders
Budget holders and delegated budget holders include Directors General, Directors, Heads of Mission, Deputy Directors, Development Directors and Deputy Heads of Mission. These individuals are personally accountable for delivering agreed outputs and targets as effectively, efficiently and economically as possible. Budget holders are encouraged to sub-delegate to ensure that business is managed efficiently and at the right level. Budget holders are accountable at the portfolio level. For instance:

- A Director or Head of Mission is accountable for the portfolio of programmes within their Business Plan and delegated budget.
- Budget holders are accountable for ensuring that they have sufficiently qualified and capable SROs and PROs for programmes in their portfolio, and that programme teams are appropriately resourced. A budget holder may also be an SRO.

Senior Responsible Owners
SROs are accountable for the implementation and delivery of the individual programmes for which they have oversight as an SRO. They are expected to account for the programme meeting its objectives, delivering the required outcomes and making the expected contribution to portfolio-level outcomes. A programme may only have one SRO. There should be a nominated FCDO SRO even if FCDO funds are being mingled with, managed by or transferred to another UK Government Department.

Programme Responsible Owners
PROs are accountable for day-to-day leadership of a programme team, and driving the delivery of programme outcomes within agreed time, cost and quality constraints. They are expected to account for and explain the decisions and actions that have been taken to deliver the projects for which they are accountable. A programme may only have one PRO, who may be the same person as the SRO.

<u>Separation of duties</u>
At each point in the programme cycle, it is important to ensure separation of duties so that the person responsible for identifying or proposing a project or payment is different from the person approving it.

7. Capability and Learning

Programme money is spent in approximately 180 countries, delivering programmes in dynamic and fluid situations, and this requires our network, from Heads of Mission and Directors to the teams delivering international programming directly, having the skills and experience they need to do so effectively. The FCDO's Portfolio Management Office (PMO) and Better Delivery Department (BDD) are here to support the network through providing consistent delivery standards, alongside training, guidance, and support.

Project/Programme Management is core to what we do in FCDO – we need to promote and embed delivery skills with leadership and aspiring leaders as well as through our Project/Programme teams across the global network. A Capability Framework for Delivering International Programmes (CF-DIP) has been developed to support FCDO in this endeavour alongside the Project and Programme Delivery section of the International Academy's Skills Framework.

The CF-DIP is intended to support all those working on programme delivery and provides benefits both for the FCDO and individuals. It provides:

a) Delivery Standards – common delivery competencies and programme team role profiles with suggested performance standards by role.
b) Advice on programme team resourcing – suggested delivery roles by competency and level of authority to help teams identify their needs and then design delivery roles and recruit the right staff.
c) The basis for related Learning and Development – a package of blended delivery Learning and Development (L&D) from the centre. External qualifications/learning will be sign-posted across the network through our communications channels.
d) *[Planned]* A gateway to formal accreditation to the Government Project Delivery Profession led by the Government Projects Academy and to be implemented from mid/late 2021.

Learning and development opportunities are specifically tailored to FCDO programmes through blended learning opportunities (that is mixing formal training with self-study and on the job learning).

Internal capability products and offers are set out below:

- **Online training is available on the Global Learning Opportunities (GLO) platform**. This includes x-DFID **Programme Delivery e-learning** modules which will be repurposed by subject matter experts over the course of 2021 to suit the FCDO and the PrOF providing a suite of e-learning modules in support of all stages of the programme cycle for all in international programming roles. Programme delivery teams can find out what's available by accessing the Programme Delivery tile on the GLO landing page, then clicking on "Start Here". We will keep teams appraised of updates through our regular communications to the delivery network.

- **The "Lifecycle and the PrOF" learning course** will take a blended learning approach so that participants know better how to navigate around the PrOF and how to find and apply the essential rules and guidance relevant to each stage of the programme and project Lifecycle. 4 separate study modules lasting about 2 weeks each will take cohorts of around 50 participants through the 4 stages of the Lifecycle, spending approx 3-4 hours a week working through assigned reading, activities, group work and tests over a 10 week period. The course is scheduled to start summer of 2021. Please register at the programme enquiries mailbox.

- **Scenario Based Learning (SBL)** will be repurposed with plans to make these available during 2021/22 (noting that SBL is a face-to-face offer and currently constrained by Covid travel restrictions). This offer is provided by a Supplier with participant funding required to meet the course fee and travel expenses. SBL is an immersive learning experience which allows a balance of knowledge and soft skills through facilitated role play. Learners apply prior experience, subject knowledge and critical thinking skills to work through and solve problems close to real life situations faced in day-to-day work. Further details will be communicated when this offer becomes available.

- **Programme Leadership Induction** this was formerly x-DFID 'SRO Induction'. Targeting Programme SROs and PROs, and those involved in day to day leadership of programmes. Previously run as a three-day conference, a virtual offer is under development, with three modules available initially.

- **Senior Programme Leadership** this was formerly x-FCO 'Leading as an SRO'. Targeting Portfolio SROs and SROs of large/complex programmes. This two-day virtual learning looks at the role through transformational leadership lens; with an insight into the unique characteristics of programme and project delivery. It helps Portfolio SROs determine the appropriate levels of involvement in programme delivery. To register your interest, please contact Lizzy O'Connor.

External project delivery learning and qualification opportunities currently available include:

- The Civil Service Contract Management Capability Programme (CMCP), offered at Foundation, Practitioner and Expert levels. The Foundation level training is free and available online and will be promoted by commercial staff at handover of contracts to programme teams.

- Association for Project Management (APM) – the Chartered Body for the Project Profession: offering four distinct levels, Projects Fundamentals Qualification (PFQ); Project Management Qualification (PMQ); Project Professional Qualification (PPQ); Chartered Project Professional (ChPP). Find out more here.

- The Project Leadership Programme: commissioned by the IPA and delivered by Cranfield University for SROs and staff in senior delivery roles. Find out more here.

- The Major Projects Leadership Academy: commissioned by the IPA and delivered by Oxford University/Said Business School for Senior Civil Servants delivering or aspiring to deliver major projects. Find out more here.

The APM and Open University have joined-up to offer a free online course called Project Management: Beyond the Basic. It is available here and is for "people working on and leading projects in their work but who may not see themselves as professional project managers".

In addition to the PMO and BDD being here to support you on your learning journey, we also provide a variety of ways for the network to proactively engage. We will expand and support the Programme Manager Leads[5] network to help programme delivery staff across the full network build their capability; we will encourage online learning; peer-to-peer learning, including at the project/programme management and leadership offers noted above. We continue to build on and systematise our existing programme capability to enable better delivery, and to build our reputation as leaders in International Capability across Whitehall. This includes a focus on the skills we need to deliver adaptive and expeditionary programmes.

For anything not covered via information and links provided above, get in touch via the PM Profession.

[5] Further information can be found in the Capability Framework for Delivering International Programmes - Chapter headed Programme Delivery Roles and Responsibilities