



# **Consolidated Annual Report Guidelines For Governance and Transparency Fund Grant Holders**

**Version 5.0**

**Updated: 27 February 2013**

## Introduction

These Annual Report Guidelines are intended to assist GTF grant holders in complying with annual reporting obligations under the DFID Governance and Transparency Fund. This document replaces the previous guidelines issued on 31 March 2012.

In June 2010, the UK Government introduced a new 'Aid Transparency Guarantee' to make aid fully transparent to citizens in both the UK and recipient countries. Aid transparency is critical to improving the effectiveness and value for money of aid. Making information about aid spending easier to access, use and understand means that UK taxpayers and citizens in poor countries can more easily hold DFID and recipients to account for using aid money wisely. Transparency also creates better feedback from beneficiaries to donors and taxpayers, and helps us better understand what works and what doesn't. In support of these objectives, DFID is now requesting all GTF grant holders to:

- Post your 2012/13 GTF Annual Report on your own organisation's external website.
- Provide KPMG with a corresponding web link that will be displayed on the DFID GTF web pages.

GTF grant holders may choose to withhold commercial or other sensitive information from their Annual Report posted on their own website. Any commercial or sensitive information should be included in a separate annex to the annual report submitted to DFID. (See instructions under Annex B).

Finally, please ensure that your annual report addresses any outstanding issues that were raised in the feedback letters from KPMG in relation to previous annual reports. Any outstanding issues should be addressed in a separate annex. (See instructions under Annex C)

## Key Points for the submission of GTF Annual Reports

*When is the deadline for submitting my annual report?*

- Annual Reports are due **no later than 30<sup>th</sup> June each year**. If you anticipate that your organisation will not meet this deadline, please inform KPMG (gtf@kpmg.com) as soon as possible. KPMG is required to suspend payments to any programmes that are unable to provide adequate justification for missing this deadline.

*What is the reporting period for my Annual Report?*

- Your annual report should correspond to the UK Government's financial year and cover the period from **1 April to 31 March each year**.

*How do I submit my annual report?*

- Your annual report should be submitted in electronic format only and sent to gtf@kpmg.com. Your GTF number must be stated within the subject box of your email. Please check that you have attached the final version of your report and ensure that proper quality assurance has been completed (editorial comments and track changes have been found within previous annual reports).

*What is the expected format for electronic files?*

- Please use Arial 12 font and present the main body of your annual report in Microsoft Word. PDF files will be returned. If your annexes are in other formats (e.g. MS Excel tables), they should be included as separate attachments. Please do not include these within the MS-Word document. If your Annual Report contains several electronic files in attachment, please include them all within in a single ZIP file.

*Are there any restrictions on the size of the report submitted to KPMG?*

- Please ensure that the attachments to any one email do not exceed 5MB. If your email exceeds 5MB, please split your annual report submission into separate smaller emails. You may include photographs and other audio-visual materials in annexes to your annual report. Very large audio-visual annexes may be submitted on CD-ROM via regular post to KPMG.

*Is there a standard format for the Annual Report?*

- The Main Narrative Section of your annual report should be between 10 and 12 pages in length. The required structure for your Annual Report is:
  1. Programme Identification Details
  2. List of Acronyms
  3. Activities and Achievements (max. 3 pages)
  4. Programme Management
  5. Working with implementing partners
  6. Risk Assessment
  7. M&E Arrangements
  8. Logframe changes
  9. Summary of Most Significant Results Analyses
  10. Progress towards sustainability
  11. Value for Money

Required annexes include:

Annex A1 – Achievement Rating Scale

Annex A2 – Most up-to-date Approved Programme Logframe

Annex A3 – Annual Financial Report

Annex A4 – Material produced during reporting period

**Annex A5 – Most Significant Results Analyses** (Note: Annex A5: Web Update is no longer required as in previous Annual Reports. Annex A5 now corresponds with the Most Significant Results Analysis Guidance (process?) launched in March 2013.)

Annex A6 – Annual Work Plan for following year

Annex A7 – Local Partners List

Annex A8 – Contacts List

Annex B1 – Detailed Programme Budget for all project years

Annex B2 – Politically Sensitive Information

Annex C1 – Any Outstanding Issues

Annual Reports that do not comply with the standard format described above will be returned and recorded as late. The remainder of this document sets out what is expected in each section. If you have any questions relating to the expected content or procedures for your annual report, please contact KPMG.

## Guidelines for Main Narrative Section

### 1. Programme Identification Details:

GTF Number	(as per your Project Funding Arrangement (PFA))
Short Title of Programme	(as per your PFA)
Name of Lead Institution	(as per your PFA)
Start date	(dd/mm/yyyy) (the date your original PFA was signed)
End date	(dd/mm/yyyy)
Brief Summary of Programme:	This can remain the same as in previous reports but please make modifications as necessary to reflect programme changes.  This section should not contain more than 150 words.
List all countries where activities have taken or will take place	If you have activities in more than 10 countries, please list them all in a separate annex.
Target groups and wider beneficiaries	Please describe and estimate the number of people who are expected to benefit from your activities.
Person who prepared this report	Name, address, telephone, email

### 2. List of Acronyms

Please insert the list of all acronyms used in your report.

### 3. Activities and Achievements (max. 3 pages)

This section should provide a brief summary of your **main activities and achievements during the reporting period**. Please draw attention to positive or negative external events or unintended consequences of your interventions. Please also state the extent to which you expect to achieve the purpose of your programme within the overall funding period. If significant aspects of your programme may not be achieved please identify the key reasons and suggest ways to overcome these challenges.

### 4. Programme Management

This section should indicate if there have been any significant changes within your organisation that may have a direct bearing on the management of your GTF grant during the reporting period. This could include changes in key personnel responsible for day-to-day operations, financial management, or M&E functions. If there have not been any significant changes since your last annual report, simply state "No change since last report." in this section.

### 5. Working with implementing partners

This section should identify any significant changes in your programme implementation arrangements with partners during the period. It should focus on the sub-contracted implementing partners who have received funding through the GTF. Please provide a short justification for any new partners and/or the reason for ending arrangements with previous partners. Where new partners have been

added, please include a brief description of the management arrangements and roles and responsibilities during implementation. The capacity and experience of new partners in relation to the proposed roles should also be summarised. (This section should be completed in conjunction with Annex A7 – Local Partners List). If there have not been any significant changes since your last annual report, simply state “No change since last report” in this section.

## 6. Risk Assessment

If there have been any changes to your risk assessment since your last report to DFID, please highlight the changes and your corresponding comments. The risk assessment for your programme needs to clearly differentiate the internal risks and those that are part of the external environment and over which you will have less control. In order to avoid lengthy narratives, please tabulate risks showing their potential impact and probability and how you intend to mitigate these.

Your risk table could be compiled as follows:

<b><i>Risk</i></b>	<b><i>Potential impact</i></b>	<b><i>Probability</i></b>	<b><i>Mitigation measures</i></b>
Risk 1	High / medium / low	High / medium / low	Show how you are tackling the risk in question.
Risk 2			
Risk N			

## 7. M & E Arrangements

This section should indicate if there have been any significant changes to the M&E arrangements for your programme during the period of the report. If there have not been any significant changes, this section should include confirmation that M&E personnel, resources and activities continued to be assigned during the period according to the specifications of your Inception Report. If there have been significant changes in your M&E arrangements, please provide a brief justification for the changes. Where appropriate, you may include your most up-to-date M&E operational plan in a separate annex to this report.

## 8. Logframe Changes

If there have been any approved changes to your logframe since your last report to DFID please highlight what the changes were and why they occurred. Please do not submit requests for changes to your logframe as part of your annual report. Logframe changes must be agreed through a separate process with KPMG. Please also attach the latest version of your logframe in Annex 2. If there have not been any approved changes to your logframe since your last annual report, please state clearly “No changes have been made to our logframe” in this section.

## 9. Summary of Most Significant Results Analyses (max. 2 pages)

As the GTF enters its final phase, each programme will be working with a KPMG Learning Advisor on a process of identifying and interrogating the most significant results from its programme as a whole using the Most Significant Result Analysis Guidance distributed in March 2013.<sup>1</sup> The approach is to articulate the most significant results achieved by the Grant-holders and to synthesise lessons learned. In this section, provide a brief summary of your organisation’s progress analysing results as it relates to your programme, identifying key areas of impact,

<sup>1</sup> See separate guidance note on “Most Significant Results Analysis” to be issued March 2013

evidence, and learning that have emerged from the results analyses so far. This information will feed directly into a more comprehensive assessment of your programme's achievements and can be used to further assess its overall impact in your Project Completion Report (PCR). Please attach the analyses you have completed in full as Annex A5.

## 10. Progress towards sustainability

This section must provide a brief assessment of the sustainability of your programme. The following points may assist your assessment:

- Provide a brief assessment of the change in your partners' capacity in terms of skills, resources and political space to sustain the impact of your programme interventions. Will the services provided by the project continue after GTF funding comes to an end?
- Comment on any external events during the reporting period that may have either a positive or negative effect on the sustainability of the outputs from your programme.
- Comment on how your programme has collaborated, networked, and influenced public opinion and how these activities may relate to the sustainability of the outputs from your programme.
- Assess the capacity of relevant national institutions in terms of skills, resources and political space to sustain the impact of your programme.
- Indicate if the success of your programme is dependent on a sequence of reforms or actions by others that are beyond your immediate control.

## 11. Value for Money

Good value for money is the optimal use of resources to achieve the intended outcome.<sup>2</sup> This involves achieving a balance between Economy, Efficiency, Effectiveness, and Equity, measured through an analysis of the costs and benefits of the programme. Suggested guidance questions for this analysis are included below:

**Economy:** Has economy been achieved in the implementation of programme activities

- Could the same inputs have been purchased for less money?
- Are expenditures appropriate to the context?

**Efficiency:** How far funding, personnel, regulatory, administrative, time, other resources and procedures contributed to or hindered the achievement of outputs.

- Are there obvious links between significant expenditures and key programme outputs?
- How were local partners involved in programme management and how effective was this and what have been the benefits of or difficulties with this involvement?

**Effectiveness:** Assessment of how far the intended outcomes were achieved in relation to targets set in the original logical framework.

- Have interventions achieved or are likely to achieve objectives?
- How effective and appropriate was the programme approach?

**Equity:** Discussion of social differentiation (e.g. by gender, ethnicity, socio-economic group, disability, etc) and the extent to which the programme had a

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<sup>2</sup> For advice on measuring value for money in governance programmes see DFID's Briefing Note (July 2011) *Indicators and VFM in Governance Programming*, available at: [www.dfid.gov.uk](http://www.dfid.gov.uk)

positive impact on the more disadvantaged groups (e.g. women, children, elderly, ethnic minorities, people with disabilities, people living with HIV/AIDS, etc.)

## **Guidelines for Annexes to your Annual Report**

The following sections describe the content required in each of the annexes to your Annual Report. Where necessary, annexes may use MS-Excel or MS-Word Format. If your annexes are comprised of separate electronic files, please ensure that they are collated within a single ZIP file. As stated on page 3 in the outset to this document, the required Annexes for your Annual Report include:

- Annex A1 – Achievement Rating Scale
- Annex A2 – Most up-to-date Approved Programme Logframe
- Annex A3 – Annual Financial Report
- Annex A4 – Material produced during reporting period
- Annex A5 – Most Significant Results Analyses
- Annex A6 – Annual Work Plan for following year
- Annex A7 – Local Partners List
- Annex A8 – Contacts List

- Annex B1 – Detailed Programme Budget for all project years
- Annex B2 – Politically Sensitive Information

- Annex C1 – Any Outstanding Issues

## **Annex A**

In accordance with the Aid Transparency Guarantee, the information provided in Annex A of your Annual Report should be made available to the public through your website.

### **Annex A1 - Achievement Rating Scale (ARS)**

Your Achievement Rating Scale should correspond to the format of your most recently approved logframe. This ARS is a summary of your progress made against your logframe in the reporting year. The scoring used in column 2 relates to **cumulative progress to date**. The assessment of progress in column 2 should be consistent with the narrative text given in columns 5 and 6. Please remember to use the correct numbering in the ARS (1 is the highest score and 5 is the lowest score). In column 5 you should state the **accumulated evidence of progress and impact achieved since the beginning of the programme** (last year included). Column 6 refers only to last year and you should state and comment on the progress and impact achieved over the year.

Where your logframe indicators and baselines are not fully compatible, perhaps because of modifications since inception, you will need to comment on the validity of the progress that has been made against a defined starting point.

The required format for your ARS is provided on the next page.

## Annex A1 - Achievement Rating Scale

- 1 = fully achieved, very few or no shortcomings
- 2 = largely achieved, despite a few short-comings
- 3 = only partially achieved, benefits and shortcomings finely balanced
- 4 = very limited achievement, extensive shortcomings
- 5 = not achieved

Please complete this template in summary form to provide a uniform assessment of progress against your stated objectives.

Objective Statement	Achievement Rating for year being assessed	Logframe Indicators	Baseline for Indicators	Progress against the Indicators <sup>1</sup>	Comments on changes over the last year, including unintended impacts
<b>Purpose</b> (state below, then rate and comment)	1 to 5	As stated in <b>your most up to date</b> logframe.	As stated in inception report table.	<i>A judgement statement on progress so far with evidence to support this.</i>	<i>Comments to explain the extent of progress, including recommendations for key changes to ensure better achievement of objectives.</i>
<b>Outputs</b> (List and number all outputs and provide a rating for each)	1 to 5	As stated in your logframe	As stated in inception report table.	<i>A judgement statement on progress so far with evidence to support this.</i>	<i>Comments to explain the extent of progress, including recommendations for key changes to ensure better achievement of objectives.</i>
<b>Activities</b> (State the main activities in relation to each budget heading and ensure that you have shown which outputs they relate to.)				<i>A judgement statement on progress so far with evidence to support this.</i>	<i>Comments to explain the extent of progress, including recommendations for key changes to ensure better achievement of objectives.</i>

<sup>1</sup> For all quantitative indicators please also state progress in quantitative terms.



## Annex A2 – Programme Logframe

Please submit your most recently approved logframe as a separate document. Your logframe may be presented using either MS-Word or MS-Excel. (If your programme spans multiple countries, you may wish to show the overall programme logframe and country level logframes in different worksheets of a single MS-Excel spreadsheet. Please mark clearly any changes made to the logframe since the previous Annual Report.

## Annex A3 – Annual Financial Report

Your Annual Financial Report must present actual expenditure against your agreed **budget**. Expenditure variances in excess of 10% of the agreed budget must be explained as separate notes to your financial report. Your report must include actual expenditure for the first 5 years of your programme and must show units and cost per unit information.

Your Annual Financial Report must include the following:

### A3.1 Programme Identification

1. GTF Reference No.	GTF-999
2. Organisation Name	(Short Name of your Organisation)

### A3.2 – Reporting Period

1. Start of Period	01 April 2011
2. End of Period	31 March 2012

### A3.3 – Funds received from DFID during Reporting Period

Payment No.	Date Received	Amount
Payment 1	dd/mm/yyyy	£££,£££
Payment 2	dd/mm/yyyy	£££,£££
Payment 3	dd/mm/yyyy	£££,£££
Payment 4	dd/mm/yyyy	£££,£££
Total received during Period		£££,£££

### A3.4 – Expenditure during Period from 01 April 2011 to 31 March 2012

Agreed Budget Lines	Agreed Budget for Period	Actual Expenditure for Period	Variance	Variance %
Summary Budget Line 1	£££,£££	£££,£££	£££,£££	99.99%
Summary Budget Line 2	£££,£££	£££,£££	£££,£££	99.99%
Summary Budget Line 3	£££,£££	£££,£££	£££,£££	99.99%
--- etc ---	£££,£££	£££,£££	£££,£££	99.99%
Summary Budget Line n	£££,£££	£££,£££	£££,£££	99.99%
Total for Period	£££,£££	£££,£££	£££,£££	99.99%

**A3.5 – Expenditure to Date (31 March 2012) since start of Programme**

<b>Agreed Budget Lines</b>	<b>Total Agreed Programme Budget to date</b>	<b>Total Expenditure to date</b>	<b>Variance</b>	<b>Variance %</b>
Summary Budget Line 1	£££,£££	£££,£££	£££,£££	99.99%
Summary Budget Line 2	£££,£££	£££,£££	£££,£££	99.99%
Summary Budget Line 3	£££,£££	£££,£££	£££,£££	99.99%
--- etc ---	£££,£££	£££,£££	£££,£££	99.99%
Summary Budget Line n	£££,£££	£££,£££	£££,£££	99.99%
<b>Total to Date</b>	<b>£££,£££</b>	<b>£££,£££</b>	<b>£££,£££</b>	<b>99.99%</b>

**Annex A4.1 – Material produced during the reporting period**

Please provide a detailed list of the materials produced by your programme during the reporting period. Materials may include print or other media communications. We are particularly interested in workshop or training reports, project manuals, promotional brochures, studies, evaluation reports, radio, television, and video or web productions. Where applicable, please indicate the weblink to where the information is available.

<b>Item</b>	<b>Date</b>	<b>Title of material</b>	<b>Description of material</b>	<b>Web link (if applicable)</b>
1.				
2.				
3.				
4.				
5.				
6.				
7.				

**Annex A4.2 – Documents uploaded to your website**

In keeping with the UKAid Transparency Guarantee, you are required to post your Annual Report on your website. As with previous annual reports, DFID have requested that all Annual Reports (and your Mid-Term Review where carried out) should be uploaded to your website. Late last year, we requested confirmation of this information. In order to ensure that valid links from the DFID website to your website, please re-confirm:

1. The web address for your GTF-funded programme on your organisation's website (where relevant)
2. Web addresses for your:
  - a. First Annual Report
  - b. Second Annual Report
  - c. Third Annual Reports, and
  - d. Mid-Term Review
3. The date your Fourth Annual Report will be uploaded to your website (within one month of submission, and no later than 31<sup>st</sup> July 2012)

**Annex A5 – Most Significant Results Analyses**

Please attach completed analyses deriving from the results analysis process. Any studies which remain in progress as of 30 June 2013 should be submitted with the Project Completion Report.

**Annex A6 - Annual Workplan**

Please submit a summary work plan including the main activities and results you expect to achieve during the next reporting period. If there are country level workplans, it may be appropriate to submit these together with an overall summary plan.

**Annex A7 – Local Partners List**

KPMG has sent you a copy of the Main Contacts List that we have on file for your programme. Please review and update this list as necessary. If the list is correct and up-to-date, please clearly state that “No changes in local partners have occurred since our last report”.

**Annex A8 – Main Contacts List**

KPMG has sent you a copy of the Main Contacts List that we have on file for your programme. Please review and update this list as necessary. If the list is correct and up-to-date, please clearly state that “No changes in main contacts for our programme have occurred since our last report”.

## Annex B

The information that you provide under Annex B will be treated as confidential. This includes detailed financial information about your programme which may be commercially sensitive (e.g. salary levels for specific individuals). It may also include information about your local partners or sensitive information about any of the countries you are working in.

### Annex B1 – Detailed budget for all project years

The detailed budget and expenditure information that you must include in this section is required for a value for money assessment of your programme. This annex should be presented in an MS-Excel spreadsheet. The individual columns should correspond to DFID fiscal years (2008/09; 2009/10; etc.). The amounts displayed in *previous years* (i.e. years 1 to 4) should be equal to your actual expenditures. The amounts displayed in *future years* (i.e. years 5+) should show anticipated or budgeted expenditure.

1	2	3	4	5	6	7	8
Agreed Budget Lines	Actual Expenditure 2008/09	Actual Expenditure 2009/10	Actual Expenditure 2010/11	Actual Expenditure 2011/12	Budget 2011/12	Budget 2012/13	Totals
Detail 1	£££,£££	£££,£££	£££,£££	£££,£££	£££,£££	£££,£££	£££,£££
Detail 2	£££,£££	£££,£££	£££,£££	£££,£££	£££,£££	£££,£££	£££,£££
Detail 3	£££,£££	£££,£££	£££,£££	£££,£££	£££,£££	£££,£££	£££,£££
-- etc --	£££,£££	£££,£££	£££,£££	£££,£££	£££,£££	£££,£££	£££,£££
Detail n	£££,£££	£££,£££	£££,£££	£££,£££	£££,£££	£££,£££	£££,£££
<b>Totals</b>	<b>£££,£££</b>	<b>£££,£££</b>	<b>£££,£££</b>	<b>£££,£££</b>	<b>£££,£££</b>	<b>£££,£££</b>	<b>£££,£££</b>

For your fourth Annual Report, the actual expenditures in 2008/09, 2009/10 and 2010/11 represented in columns 2-4 above, should be the same as indicated in your previous Annual Reports. Also for your fourth Annual Report, the total actual expenditures represented in column 5 should equal the total amount shown in Annex A3 above.

### --- Important Note ---

If your submitted budget differs from your latest approved budget, KPMG will need to request an amendment to your programme funding arrangement from DFID. Please be aware that DFID is not obligated to approve any requests for re-profiling unspent funds to future years of your programme. Each request will be reviewed on a case-by-case basis. Past performance and an assessment of capability to complete scheduled activities within the remaining duration of your programme will be considered in relation to each request. To assist this process, please submit a **detailed justification** for any changes.

**Annex B2 – Sensitive Information**

There may be personal security reasons for not wanting to disclose important information about your programme to the public. We are also aware that some GTF programmes are operating in complex political environments or post-conflict settings where disclosure of specific information critical of various stakeholders could jeopardise your ability to achieve results. Please use this annex to make DFID aware of these issues and clearly state your reasons why this information should not be shared.

**Annex C1 – Any Outstanding Issues from previous reports**

Please review the feedback letters provided by KPMG in relation to previous annual reports and, if completed, your MTR Report. Any outstanding issues contained in the feedback letters should be identified. Please state clearly how you have addressed each issue. For any issues that remain outstanding, please indicate how these will be addressed and estimate the date they will be resolved.