



Foreign, Commonwealth
& Development Office

FCDO Programme Operating Framework

Foreword from PUS

1. Introduction
2. PrOF Principles
3. PrOF Ruleset
4. PrOF Roles and Responsibilities
5. PrOF Life Cycle
6. PrOF Governance

Foreword from 2PUS

The FCDO delivers many of its strategic objectives through programmes and projects. It does this on some of the most complex international policy issues in the world, in some of the most complex and fragile environments. It implements first-class project delivery management to deliver on commitments in the [Integrated Review Refresh](#) and the [International Development Strategy](#), and to help those in most need around the world. Our aim is to ensure that there is policy coherence, and that themes and geographies are joined up.

The FCDO Programme Operating Framework (PrOF) was first published in 2021 as the structure which programme teams throughout the network operate withing for Official Development Assistance (ODA) and non-ODA. The Independent Commission for Aid Impact (ICAI) carried out a review of the PrOF in 2022, within which it was endorsed, and recommendations were made for its improvement. The ICAI's findings have been integrated in this version, updated for 2023. The PrOF continues to ensure the FCDO delivers excellent programmes and addresses our priorities through a blend of diplomacy and development programming, spending Official Development Assistance (ODA) and non-ODA funds, and ensuring that we comply with cross-HMG standards on project delivery.

Alongside the updated mandatory PrOF rules, the programming principles set out ways of working. You are encouraged to refer to these to shape how you work, ensuring the FCDO reflects values of respect, expertise, resilience, and kindness. Following these values empowers all of us to deliver effectively and ensures the FCDO is the best department it can be.

The PrOF sets out the expectations of teams involved in the FCDO's policy programme delivery. In return, teams will be supported and enabled at all stages and levels by their senior managers in utilising the FCDO capability and profession offer. This is structured around the associated competence framework, which includes the opportunity to become accredited professionals in programme management.

This 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 Accounting Officer for the FCDO's ODA spending, I take our responsibilities of overseeing the PrOF's operation seriously. In view of this, we work to ensure appropriate controls are in place, and monitor performance and compliance in programmes through Management Information (MI) reported to the Management Board. I expect you and your teams to work within this framework and to continue to embed this approach in the way the FCDO delivers our work.

1. Introduction

This chapter introduces the PrOF and where it applies. This section is most useful to those who have never used the PrOF before or who are unfamiliar with the FCDO approach to programme delivery i.e., new Portfolio SROs or new programme managers.

1.1 What is the programme operating framework

Excellent programme delivery is crucial for the FCDO to deliver the UK government's missions and fulfil its objectives. The PrOF provides the framework for excellence in programme delivery, defining what is mandatory, while allowing space for judgement and the ability to be flexible, and that respond to and influence the local context in the places where we work.

The FCDO needs to maintain high standards of programme delivery and risk management in a range of difficult operating environments. At all times, we must:

- Make risk based and evidence-based decisions
- Apply professional judgement, and act proportionately
- Learn and share lessons
- Ensure a clear audit trail of our decisions
- 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](#).

The FCDO works closely with the [Infrastructure and Project Authority](#) (IPA) to ensure that the PrOF sets a high standard for delivery 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 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. It sets the framework for government project delivery, project assurance and support arrangements which departments are required to follow.

The PrOF specifies the rules which must be applied in delivering the FCDO's policy programmes. It is nested within the FCDO's corporate operating framework, which provides the overall organisation-wide set of rules that each member of staff must follow.

The PrOF applies to the breadth of project and programme delivery in pursuing the FCDO's policy objectives – this includes development, diplomacy, and our financial transactions (such as guarantees). The PrOF does not cover the FCDO operational expenditure (overseen by the Operations Committee), such as the delivery of the FCDO's infrastructure, IT systems etc.

The PrOF is a “**one-stop framework**” for programme delivery, **giving clarity on what is mandatory**, setting the parameters which all teams must work within.

The PrOF includes:

Principles to guide staff in designing and delivering high-quality, contextualised programmes and presenting to external implementers how the FCDO is committed to delivering internationally. The programme delivery principles of the PrOF are designed to complement the FCDO How we Work Statement.

Roles and responsibilities to inform what is expected of different members of the FCDO programme teams, giving clarity around accountabilities – enabling empowered accountability with support from the centre.

Mandatory rules, clearly explained with an expanded rationale to assist teams in taking a proportional approach to their programmes and providing a sense of empowered accountability. The rules enable programmes and projects in the FCDO to contribute in a coherent way to higher level objectives at Portfolio and Department level.

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

Links to good practice guides that draw on experience and expertise from across the FCDO and beyond. These documents contain no additional rules or mandatory procedures. The guides help programme teams in responsive programme delivery in complex, volatile and ambiguous situations. They are designed to illustrate what can be done within our operating framework and to deepen learning.

The PrOF is governed by the Programme Cycle Panel (PCP), consisting of Deputy Directors representing the breadth of the FCDO, and chaired by the Centre for Delivery. This panel is providing oversight and governance of the PrOF, carefully considering any proposals for new rules or changes to rules and protecting 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 the Centre for Delivery. You may be invited to attend the PCP to talk about the proposal, in order to help the panel reach a decision about the change.

DEFINITIONS

- A **Portfolio** - part or all of an organisation’s investment required to achieve its objectives. Governed through its portfolio (or business) plan, a portfolio comprises of programmes, projects, and other related work.
- A **Programme** - a thematic set of inter-related projects and activities designed to bring about **outcomes** that support higher level strategic objectives.
- A **Project** - a set of discrete, time bound interventions usually 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** – elements 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 i.e., pieces of monitoring or operational research, or audits.

- **Programme lifecycle** – the process of which design, delivery and assessment of programmes and projects follows. Consisting of definition, mobilisation, delivery, and closure.

1.2 Who is the PrOF for?

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

The FCDO programme teams are expected to make proportionate judgements on how to apply the rules for their intervention, informed by a good understanding of the risks they are accepting through their approach. Risks must be managed well, with resources prioritised to reducing risks which exceed our programme appetite. The FCDO teams are:

- **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.

1.3 Applying the PrOF across the diverse FCDO portfolio

The PrOF applies to 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 UK Integrated Security Fund (UK ISF)). This includes the full spectrum from smaller projects through to the large value multilateral contributions and subscriptions but excludes corporate programmes. This ensures the strategic direction and risk parameters of all programmes are considered holistically and within the context of the FCDO's broader policy priorities and activity.

We recognise that programmes are not all the same. The PrOF Rules apply to all projects and programmes although the rules may apply in different ways, depending on the type (and size), such as:

- Smaller projects (under £250K) may have streamlined approvals and reviews, including when grouped into a programme under £2m.
- UK ISF projects/programmes that are managed on the FCDO baseline. These are subject to the PrOF (the PrOF takes precedence over the UK ISF Operating Framework, managed by the Integrated Security Funds Unit).
- Where we are making core contributions to multilateral organisations, where a Concept Note is not typically required in the approval process.

1.4 FCDO Portfolio Management

The IPA defines a portfolio as the programmes, projects, and related work (i.e., policy development) required to meet common objectives. There are choices to be made about the activities undertaken in pursuit of the objectives in a portfolio, whereas in a programme, all the activities need to be delivered to achieve the outcome. In the FCDO, business and country plans describe some of our portfolios. A portfolio focus drives better ways of working, integrating project and non-project activities to more effectively manage and deliver our objectives.

1.5 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 the FCDO delivery. The Centre for Delivery is generating management information and reporting on programme performance, drawing on data in the programme management platform. This reporting is made available to the organisation and formally reported to the Investment and Delivery Committee and the Management Board to ensure that programme activities are meeting expectations, following rules, achieving impact, and delivering value for money. Aggregating programme data also supports strengthened portfolio management, allowing us to understand the make-up of individual programmes and portfolios to ensure they remain aligned with overall strategic objectives.

2. Programme Operating Framework Principles

2.1 The FCDO How we Work Statement highlights that culture underpins delivery. The programme principles reflect what that means for programme delivery, illustrating how values drive 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 the 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, valuing 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 to deliver results, including formal collaborations on knowledge-sharing as a risk mitigation strategy. Teams evolve 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 listen to all concerns. The 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

- We trust our knowledge, skills and experience. We draw on these to boldly propose transformational programmes in challenging and high-risk environments. We openly discuss the risks with ministers and colleagues.

Transparent

- We honour the rights of the British taxpayers, beneficiaries, and constituents in the countries where we operate. Their 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, the FCDO will be clear and 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 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 ways to respond to and manage it. We are ready to adapt existing design and delivery methods, as well as pioneer new ones. We are outcome-focused and prepared to flex based on evidence. We encourage and reward innovative, creative, agile and cost-effective 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, whilst maximising benefits and **avoiding doing harm**. Teams will ensure the information used in our programmes is from trusted sources and consider the risks of dis- and- misinformation. As the people closest to the detail, beneficiaries, programme constituents, and the FCDO programme teams are empowered to take decisions within their projects once all core rules are complied with.

Context-specific

- We draw on available evidence and listen to the views and experiences of the breadth of our stakeholders (especially beneficiaries and programme constituents). This enables us to 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. 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.

Value for Money

Value for money (VfM) is a key consideration throughout the PrOF and the supporting relevant principles. This is important as we are spending taxpayers' money and need to be able to explain and defend our decisions. VfM enables the FCDO to maximise the impact and cost-effectiveness of each pound spent through consideration given to the following:

- economy - buying of inputs of appropriate quality at the right price
- efficiency - how well inputs convert to outputs
- effectiveness - how well outputs produced by an intervention have the intended effect e.g., children less susceptible to childhood diseases, and
- equity - interventions that reach marginalised or hard to reach populations.

VfM means that we should aim for the best feasible programme to achieve maximum impact. For example, this would mean a speedy response in the case of humanitarian crises work, where time is of the essence. A speedy response in cases like this is essential where the interventions impact outweighs cost savings which may have been secured with slower paced procurement. VfM should be assessed

through drawing on evidence to appraise delivery options at the design stage of a programme. It is not about simply opting for the cheapest option or easiest things to measure, but more about understanding the drivers of costs to ensure we get the desired quality at the lowest feasible price. VfM should be considered throughout the life of a programme to ensure it drives decisions and is considered in programme and project evaluations.

3. Programme Operating Framework Ruleset

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

- **Why** the FCDO has this rule - the rationale, logic and purpose of this rule for the 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. Although not all teams have the need (or resources) to fill all the programme positions noted individually (i.e., SRO, PRO, PM) – to ensure compliance with the rules all the activities listed under “Who” must be completed by an individual with appropriate delegated authority. It is mandatory to identify the SRO and PRO for each programme, and they can be the same person. Where a task requires a separation of duties (e.g., AR approval) – approval must be given by a more senior position in the management chain.
- **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 they need to operate within. They will also have a fuller appreciation of their empowerment to use their judgement and a clear understanding of their accountability.

3.2 Teams should use their judgement, in line with the principles outlined above, in applying the rules proportionately to their programme or project. This will help to ensure that unnecessary duplication is avoided whilst ensuring the team is effectively accountable, in accordance with the rules, for the delivery of work managed on the FCDO baseline.

3.3 Within each rule one-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 signposting 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. 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 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, 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 comply with all relevant UK laws, legislation and guidance. The UK's obligations under international law, including human rights and humanitarian law, should be fulfilled, and reputational risks must also be considered. ([one-pager](#))
2. All transactions reported as Official Development Assistance (ODA) must meet the agreed [OECD definition of aid](#), principally that the main objective must be to promote the economic development and welfare of an ODA eligible country. ([one-pager](#))
3. All programmes and projects must align with FCDO and HMG policy priorities and business objectives. ([one-pager](#))
4. All programmes must have a named Senior Responsible Owner (SRO) and Programme Responsible Owner (PRO). ([one-pager](#)).
5. All programmes must align with the [Paris Agreement](#) and assess climate and environmental impacts 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. ([one-pager](#))
6. All FCDO programmes and projects must 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. ([one-pager](#))

Programme Design and Approval Rules

7. 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 a Minister (Minister for Development if over £100m and FS if over £200m or very high risk, novel and contentious). ([one-pager](#))
8. All programmes must be appropriately designed and have a **suitably 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 must be formalised and approved in a BC addendum. Prior HMT approval (via a concept note) is required for any announcements involving spend if related to a business case or a package of business cases, yet to be developed, totalling £100m or over across the lifetime of the spend period. Only crisis programming should include Internal Risk Facilities/contingency funds, and these should be limited to a maximum value of 10% of a programme's proposed lifetime value. ([one-pager](#))

9. All programmes (and policies) must provide evidence on how their interventions will impact on gender equality, disability inclusion, LGBT+ and other equality considerations. ([one-pager](#))
10. For any programmes which may involve novel and contentious financial arrangements, teams must engage with the HMT Engagement Team and Financial Accounting at concept note stage. And any programmes carrying significant diplomatic, financial, or reputational risk must be approved by the Foreign Secretary. ([one-pager](#))
11. All programmes must follow FCDO's branding guidance, and appropriately document their approach to external communications. ([one-pager](#)).
12. Programme digital, data and technology spend which is within scope of Chief Digital and Data Office spend control and exceeds thresholds, must be assured and approved by IDD's Spend Control Assurance Team before committing to spend. ([one-pager](#))

Mobilisation and Procurement Rules

13. 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. ([one-pager](#))
14. The tender and awarding of new contracts and amendments must comply with the [Public Contract Regulations 2015](#) or [Defence and Security Public Contract Regulations 2011](#) - if tendered prior to The Procurement Act 2023 go live date – or the Procurement Act 2023 and Procurement Regulations 2024 if tendered on or after the Procurement Act 2023 go live date (24 February 2025). An approved budget which must cover the full period of the contract and any amendments or extensions. Relevant approvals must be in place as detailed in associated guidance. All contracts must have a designated, appropriately accredited Contract Manager and comply with Cabinet Office transparency requirements. Contracts must be effectively managed proportionate to their complexity, risk, value, and opportunity throughout the life of the programme. ([one-pager](#))
15. FCDO must have a suitable, proportionate and documented assessment of any partner who is intended to be the direct recipient of FCDO funding. This is to determine if they have the capacity and capability to manage programme funds and deliver the programme or project objectives in a way that provides value for money. ([one-pager](#))
16. Staff must declare any conflicts of interest, or offers of gifts, advantages or hospitality, as soon as they arise. ([one-pager](#))

Programme Management and Delivery Rules

17. Risk throughout the life of a programme or project must be managed in line with the agreed risk appetite using appropriate controls. ([one-pager](#))

18. Any suspicions and/or credible allegations of fraud, terrorist financing, sanctions violations, money laundering, bribery, corruption, sexual exploitation, abuse and sexual harassment (SEAH), by any person or any partner (including downstream delivery partners) connected to a FCDO programme or project, must be promptly reported to the FCDO Fraud and Safeguarding Investigation Team in Internal Audit and Investigations Directorate. ([one-pager](#))
19. 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. ([one-pager](#))
20. 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. ([one-pager](#))
21. Any programme or project that demonstrates sustained underperformance must be subject to formal improvement measures. Following that, a decision will be taken at the appropriate level to either continue, restructure or close it. ([one-pager](#))

Financial Management Rules

22. Budgets must be accurately profiled and forecast, regularly reviewed, and updated as necessary. ([one-pager](#))
23. Funds must be paid only to the intended recipient and be used exclusively for the purposes formally agreed. ([one-pager](#))
24. No payment can be made in advance of need, i.e., before the funding is required, to enable activities to proceed. ([one-pager](#))
25. Any ODA programme foreign currency commitments above £50,000 must be agreed in advance by the Head of Financial Accounting & Policy. Below £50,000 must be agreed by the Director or Head of Mission. ([one-pager](#))
26. FCDO staff roles charged to a programme or project budget (except for UK ISF) must be essential for the delivery of a programme, approved in line with PrOF Rule 8, and offer better value for money than an outsourced alternative. Details must be notified to Centre for Delivery and Strategic Finance as soon as a project-funded role is being considered. ([one-paper](#))
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 at the end of the programme in a way that represents best value for money, with a clear record of decision-making and appropriate approval of transfer. ([one-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. ([one-pager](#))

Programme Closure Rule

29. All programmes and projects must be closed effectively and responsibly, even when closing early. Outstanding project payments must be made, liabilities extinguished, and underspend returned to FCDO within 18 months of the programme's end date. All required audited accounts and financial statements covering the full duration of every project within the programme must have been received before the programme can be closed and archived. ([one-pager](#))

GLOSSARY

Smaller Projects/Programmes

The definition of a smaller project is a single funding arrangement with a single implementer (where implemented by an external organisation), with a defined output or set of outputs, and not exceeding £250,000 in value. Smaller projects are usually clustered in a "programme" for approval, performance reporting and accountability purposes (these are not strictly programmes as defined by the PrOF because they may contribute to multiple outcomes, but can be treated as a programme provided the total budget does not exceed £2 million).

The PrOF applies lighter touch processes for approval and performance measurement of portfolios of smaller projects. This means a single stage of programme approval, through a light touch business case (there is no need to do a separate concept note), and a lighter touch process and template for annual reviews of progress and performance. All other PrOF rules apply to these projects and programmes, but should be applied in a proportionate way.

Core Multilateral / International Subscriptions

Multilateral institutions are delivery partners that mobilise significant resource and expertise to deliver key outcomes in UK priority areas. Working through multilaterals expands our global reach and influence and enables us to work effectively with other international partners. Our multilateral investments must be clearly justified and are annually assessed to ensure they deliver results and, remain cost-effective.

International subscriptions are legally binding payments to organisations which we are a member of. The FCDO pays subscriptions to the Commonwealth, Council of Europe, United Nations Office of the High Commission for Human Rights (OHCHR), Organisation for Economic Cooperation and Development, North Atlantic Treaty Organisation (NATO), Organisation for Security and Co-operation in Europe (OSCE) and United Nations.

The PrOF applies to all multilateral programmes and international subscriptions. However, there are some rules that don't apply or are applied differently, i.e., where FCDO is making core contributions to multilaterals, or paying international subscriptions. These areas are made clear in the detail of the programme operating framework rules.

UK Integrated Security Fund (UK ISF)

The UK ISF replaced the Conflict, Stability and Security Fund (CSSF) on 01 April 2024. The ISF is the sole cross-Government fund tackling the highest priority threats to the UK national security, both at home and overseas. It takes an integrated, agile,

catalytic, and high-risk approach to find solutions to the most complex national security challenges as agreed by the National Security Council.

UK ISF projects/programmes which are managed on the FCDO baseline are subject to the PrOF, but also to the Integrated Security Funds Unit's UK ISF operating framework. The requirements of these two frameworks have been harmonised as far as possible. Some PrOF rules are applied in a different way to UK ISF Programmes - specified in the relevant Rule one-pagers. Concept Notes are not required for UK ISF Programmes under £5 million in value. As a cross-government fund, UK ISF also has different rules governing when the cost of FCDO staff can be charged to a project or programme, so PrOF Rule 26 is applied differently.

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, research and development spend which meets the FCDO research definition, as approved by the Chief Scientific Adviser. Research and Evidence Directorate 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 Directorate and meets this definition. If teams are unsure whether a programme meets the definition of CDEL research, they should contact the Research and Evidence Directorate.

Non-Fiscal Capital DEL (also known as Development Capital/Financial Transaction spend)

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.

Centres of Expertise (CoEs) are designed to channel technical expertise and policy advice across specific themes from the FCDO and across HMG to the country and regional network, their partner governments and local stakeholders. As well as a brand and pooling of expertise, CoEs are expected to work towards a delivery model that:

- **Is problem-driven rather than supply-driven**, with interventions designed to fit into, and be responsive to, evolving local country needs. This includes ability to shift the composition of support provided across the CoE, without being bound by programmatic silos.
- Offers a **single, joined-up offer** to country partners and Posts, with the ability to provide tailored packages of expertise (HMG and external) and related support to countries; and
- Is driven by the latest evidence, within a **hub of operational and technical knowledge** and proactive learning.

Rule 1: Portfolios, programmes, and the projects within them, must comply with all relevant UK laws, regulations, and guidance. The UK obligations under international law including human rights and humanitarian law, should be fulfilled, and reputational risks must also be considered.

Why? HMG must comply with all relevant UK law and guidance. All programme interventions must also be consistent with the FCDO policy and objectives.

Who?

- Heads of Mission (post) and Directors (HQ) must provide evidence of their portfolio's compliance with relevant UK law in the annual **Management Assurance Process**.
- **Programme Responsible Owners** are accountable for ensuring security and justice sector interventions in their programme(s) requiring specific assessment and approval are identified at an early stage.
- Legal Directorate are available for advice. Questions of local law should ordinarily be directed to Honorary Legal Advisors or local lawyers at post.

How? The Head of Mission/Director must ensure that their portfolio complies with all relevant UK law and guidance, in particular (but not exhaustive):

- [International Development Act 2002](#) which, following amendment by the [International Development \(Gender Equality\) Act 2014](#), which requires public bodies to consider the desirability of reducing gender inequality before providing development assistance to countries outside the United Kingdom with a similar duty in respect of humanitarian assistance.
- [Human Rights Act 1998](#)
- [Terrorist Act 2000](#) (TACT)
- [International Development \(Reporting and Transparency\) Act 2006](#) for all aid spend (ODA and non-ODA).
- [Export Control Order 2008](#)
- [Equality Act 2010](#) (which includes the [Public Sector Equality Duty](#) – see rule 9 and the PSED ProF Guide)
- [Human Medicines Regulations 2012](#)
- [Public Contracts Regulations 2015](#) and [Defence and Security Public Contracts Regulations 2011](#) and relevant [Procurement Policy Notes \(PPNs\)](#), for example, [PPN 02/23 - Tackling Modern Slavery in Government Supply Chains - Guidance](#)
- [Sanctions and Anti-Money Laundering Act 2018](#) and regulations made under it, such as the [Russia \(Sanctions\) \(EU Exit\) Regulations 2019](#) and the [Sanctions \(Humanitarian Exception\) \(Amendment\) Regulations 2023](#)
- [Data Protection Act 2018](#) (and the [UK General Data Protection Regulations](#))
- [Environment Act 2021](#), including the [Environmental Principles Policy Statement Duty](#), which came into force on 1 November 2023 and applies to policy making including Business and Country Plans and portfolio strategies
- [Subsidy Control Act 2022](#) (and the UK subsidy control [statutory guidance](#))
- British Sign Language Act 2022 (A BSL Advisory Board will issue guidance to departments on the promotion and facilitation of BSL)
- The Procurement Act 2023: the go-live date for the new regime has been delayed from October 2024 to 24 February 2025.

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 programme's and wider FCDO objectives.

Development and humanitarian assistance under the International Development Act and Official Development Assistance (see Rule 2) are subject to different tests, Aid spending should meet both tests.

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. An OSJA assessment should consider the human rights (HR) and international humanitarian law (IHL) risks of programme 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.

Rule 2: All transactions reported as Official Development Assistance (ODA) must meet the agreed [OECD definition of aid](#), principally that the main objective must be to promote the economic development and welfare of an ODA eligible country.

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 Organisation for Economic Co-operation and Development (OECD) annually and as part of its national statistics. If the FCDO spend is incorrectly or misleadingly classified as ODA, it may be rejected by the OECD. This will impact on the UK's ability to meet its ODA commitment, forcing a reclassification to non-ODA and subsequently causing significant difficulties with budgetary planning in HMG's ODA and non-ODA budgets.

Principles in practice:

Accountability: ODA spend must be compliant with the OECD's definition and the statutory power in the [International Development Act 2002 \(IDA\)](#). ODA spend can be challenged by Parliament and ICAL. Any perceived lack of consistency or robustness in our application of the rules risks significant reputational damage.

The FCDO non-ODA programme spend is typically either for activity to deliver the FCDO objectives in non-ODA countries or for activities in ODA countries which falls outside the OECD definition and domestic legislation on ODA (all non-ODA spend should be based on separate spending powers – if in doubt check with legal and/or finance business partner). Some programmes may combine ODA and non-ODA spend e.g. co-efficients for multilateral activity. This means non-ODA programmes support a broad range of activities: key requirements are that the work is programmed in accordance with the ProF rules/principles and that it will contribute to the specific policy goal for which the money was allocated. Non-ODA cannot be used to fund ODA eligible activities (See also Rule 3).

Who?

- Heads of Mission/Directors, and Development Directors where present, are accountable for ensuring their ODA portfolios are compliant with these requirements.
- **Senior Responsible Owners** are accountable for ensuring that ODA is only used for ODA eligible activity and that non-ODA is not used to support ODA eligible activity.
- **Programme Managers** are responsible for carrying out all relevant checks to ensure programmes are in line with the OECE definition of what ODA can be spent on (if in doubt consult the ODA eligibility team).

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](#), and taking into account internal policies, UK ODA must **not be used** to fund or procure the following:

- Activities which are not aligned with the **Paris Agreement** on climate change (see Rule 5).
- **Exploitation** of adult workers or **employment of children**.
- **Luxury goods** (including alcohol, tobacco, fur skins, pearls, 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. 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**. The 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.

- Settlement or Confidentiality Agreements (also known as non-disclosure agreements or NDAs) which could be used to prevent staff or downstream partners from raising allegations of wrong-doing, including SEAH, bullying, general harassment or discrimination.

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

Why? Programmes and projects do not operate in isolation. Understanding and communicating where, and how, they are expected to contribute to strategic priorities helps 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 or giving mixed messages to our external partners and stakeholders.

Who?

- Directors/Heads of Mission (as portfolio SROs) are accountable for **setting** portfolio objectives in a Directorate/Country Business Plan. Directors/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 its contribution to those outcomes.
- **PROs** are accountable for the programme delivering its outcome(s).

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. Thematic Directorates have similar Boards providing oversight of their Business Plans. The Portfolio SRO may, in addition, convene a low level programme board to oversee programmatic and non-programmatic initiatives and activity through their Post or Department/Directorate. 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. However, 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 solid understanding of our role and the role of others in pursuing government policy.

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

Evidence based: Learn from previous experience facilitating organisational learning.

Context-specific: Understand 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 the 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, and achieve strategic alignment and synergies.

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 is a key element 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 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 the 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** must identify (with the HoM) who is best placed to play SRO and PRO roles for programmes using ODA, and must 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 fulfilling 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 those in the post or department who are best placed to perform the role(s). They are not attached to a particular position or grade.

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. The SRO role must be fulfilled by a member of the FCDO staff.

When a programme contains large or complex projects, its SRO may also consider designating someone in the team as a named Project Lead. For programmes on AMP, the names of the SRO and PRO must be recorded in the Teams tab.

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

Context-specific, Innovative and Agile: In many areas of the FCDO programming, evidence shows that we get better outcomes if people close to the programme can 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 5: All programmes must align with the [Paris Agreement](#) and assess climate and environmental impacts 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 is committed to ensuring that UK Official Development Assistance (ODA) aligns with the Paris Agreement, and to ensuring UK ODA becomes 'nature positive', and aligned with Kunming Montreal Global Biodiversity Framework.

The UK committed to spending £11.6bn ICF on programmes supporting developing countries to reduce poverty and respond to the causes and impacts of climate change and environmental degradation by the end of financial year 2025/26. In order to meet our commitments and demonstrate the impact that our ICF is having, we require accurate reporting of ICF spend and results.

Who?

- **Directors/Heads of Mission** are responsible for minimising the risk that the overall portfolio does harm, and wherever possible, ensuring it provides an overall benefit for climate and the environment.
- **Programme Responsible Owners** are accountable for ensuring climate and environment risks and opportunities are considered in a proportionate way, throughout the programme and the correct markers are applied.
- **Programme Managers** are responsible for ensuring implementing partner reports against climate and environmental issues (i.e., risk, results etc) where appropriate, and to updated on climate and environment risk through the annual review process.

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

- **Paris alignment:** All programme design documents must include a summary of how the programme will meet the [Green Finance Strategy](#) criteria of Paris alignment: 1) ensuring the programme does not go against a partner country's climate and nature plans; 2) abiding by HMG's fossil fuel policy by providing no direct financial or promotional support for fossil fuel energy overseas; 3) taking a proportional approach to shadow carbon pricing analysis; and 4) assessing climate and environment risks, impacts, opportunities and steps taken to mitigate any harm.
- **Environmental Protection and Nature-proofing:** All programmes should 1) consider opportunities to enhance the environment and use nature-based solutions to deliver programme objectives; and 2) consider whether your programme is operating in or near critical habitats and mitigate any potential risks.
- **International Climate Finance (ICF)** ODA programmes across all development sectors can score as ICF if, in part or as a whole, they seek to address the impacts or causes of climate change. ICF programmes should report against all relevant [ICF Key Performance Indicators](#) through the annual results commission. Programme log-frames should include indicators that align with relevant ICF KPIs. Programmes must use the Rio Marker for climate change adaptation and/or climate change mitigation on AMP, including a % split, and, if relevant, Rio Markers for biodiversity and/or desertification. Programmes not on

Principles in practice:

Ambitious: Programmes must consider how climate change and biodiversity loss could be impacted by delivery, mitigating these risks 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 new or sudden spikes in protracted humanitarian crises. In these cases, ICF reporting remains a requirement, but can be done retrospectively.

AMP must contact the ICF Analyst in the Energy, Climate and Environment Division to discuss how they will report.

- **Gender Equality and Disability:** ICF programmes should apply the [OECD DAC gender equality](#) and the [OECD DAC disability marker](#) into ICF programming where applicable. See guidance on how to apply the OECD-DAC gender equality policy markers. New ICF programmes should be designed, if possible, to score at least a 1 against the GE Marker.

Rule 6: All FCDO programmes and projects must 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 the 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.
- delivering comprehensive, relevant and accessible aid information to the public domain via [DevTracker](#) and gov.uk.
- enabling sharing of information with countries where ODA spend supports better outcomes
- helping track funds to downstream partners and helps address corruption
- avoiding reputational damage if transparency commitments are not upheld, as measured in the International Aid Transparency Initiative, and the global Aid Transparency Index.

Principles in practice:
Transparency, Honesty: Be 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: Demonstrate how our programmes deliver against HMG priorities, provide value for money, do no harm (for ODA) and are open to legitimate scrutiny.
Professional: 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. E.g. for safety and security of staff and partners.

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

Who?

- **SROs** must agree what data in the programme is sensitive and how it will be handled.
- **PROs** must identify where publication of programme information could put staff or partners at risk.
- Aside from excluded data, the **PRO** is accountable for ensuring **programme managers** take the necessary action to ensure 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, in a format that allows them to be published to [DevTracker](#) or for Freedom of Information purposes
- All Gold and Silver classified contracts must select 3 KPIs to publish quarterly through the Commercial Department.
- Where sensitive data is contained in documents staff must follow existing exclusions guidance and legal obligations. 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 Programme Management Platform :

- Ensure all sections in Programme Management Platform 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 Programme Management Platform Transparency tab or on DevTracker.
- Be aware that data on Programme Management Platform is published automatically, so any exclusion request must be sent promptly, following the process set out in the Transparency PrOF Guide.

Rule 7: 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 a Minister (Minister for Development if over £100m and FS if over £200m or very high risk, novel and contentious).

Why? Programmes must be strategically aligned with HMG priorities and the FCDO objectives in host countries. The CN is the main point of ministerial approval of programmes ensuring fit with the organisational objectives and business plans, and legitimising the design process. **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 this stage of programme design may lead to wasted time and resources by developing a business case that they are not content to approve.

Who?

- **HoMs or Directors** should approve all programmes below £5m and are accountable for taking a final decision on whether to escalate CNs below £5m to Ministers. Ministers approve all programmes above £5m at the CN stage. The relevant Country Board, or HQ Regional board (where present) should advise the HoM or Director, retrospectively. The Geographic Director (where present) should endorse the CN before it is submitted to the relevant Minister via the submissions process.
- **SROs** are accountable for providing constructive challenge on feasibility and how the programme will contribute to outcomes at the portfolio level (Country/Business Plan). SROs record the approval of a CN (or the fact that the programme is exempt from the CN requirement) on the programme management platform.
- **PROs** are accountable for the design process, working with the programme manager to ensure key stakeholders are engaged and, the right people are involved in design and documenting approvals.
- **Programme Managers** are responsible for leading the process to develop the concept note and inputting to the narrative as appropriate.

How? The FS will approve CNs over £200m and those that are considered very high risk, novel and contentious. The Minister for Development will approve CNs over £100m. The Geographical Ministers will endorse any CN in the first instance and then, where applicable, forward to the Minister for Development, or through MfD to the FS.

For programmes not designed at Post (e.g. centrally, regionally managed or multilateral programmes) where the beneficiary countries are known at design stage, SROs must have early conversations with the Development Director or equivalent at each Post. All CNs not designed at Post must be cleared by the appropriate thematic or HQ Regional Board. Where there is no Board (e.g. Research), CNs should be cleared by the Geographic Director to confirm alignment with regional/thematic business plan.

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 must draw on any pre-existing evidence base, including evaluations. Experience sharing should be at the forefront of early stage design. Evidence gaps must 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.

Exceptions: Any smaller projects or programme with a value of less than £2m do not require a concept note.

UK ISF 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 must articulate the rationale for and intended approach of the programme within the CN template, following the appropriate approvals route and processes in the Governance section.

- 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 must be discussed in full as early as possible (risk appetite and mitigation).

Note: where you are considering delivering elements of your programme inhouse through project funded roles then please refer to rule 26 for further information.

Working with Multilaterals: Multilateral **Core** Spending Teams can decide whether to use a Concept Note, beyond the minimal threshold of generating a blank CN when creating a new programme entry on the Programme Management Platform . 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 the Programme Management Platform.

International Subscriptions: International Subscription teams managing non voluntary payments to the Commonwealth, Council of Europe, United Nations Office of the High Commission for Human Rights (OHCHR), Organisation for Economic Cooperation and Development, North Atlantic Treaty Organisation (NATO), Organisation for Security and Co-operation in Europe (OSCE), United Nations where we have a legal obligation as a member, are exempt from this rule. This exemption does not apply to other subscriptions which we pay on a voluntary basis, including where we provide additional funding to the organisation noted here on a voluntary basis which is over and above our legally binding obligation.

Rule 8: All programmes must be appropriately designed and have a **suitably 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 must be formalised and approved in a BC addendum. Prior HMT approval (via a concept note) is required for any announcements involving spend if related to a business case or a package of business cases, yet to be developed, totalling £100m or over across the lifetime of the spend period. Only crisis programming should include Internal Risk Facilities/contingency funds, and these should be limited to a maximum value of 10% of a programme's proposed lifetime value.

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 satisfaction that the programme meets a strategic need, has been well designed, will deliver impact, represents good value for money (VfM), will reach beneficiaries equitably and has robust management and risk arrangements in place. All BCs £40M and above, must be reviewed by the Quality Assurance Unit.

The BC demonstrates how design choices, and the choice of delivery options represent best VfM in delivering intended outcomes, drawing on evidence on what, why and how to deliver them. Well-designed programmes ensure the FCDO is investing in implementable and cost-effective programmes. When programmes need to evolve, for example, due to changes in context, or emerging lessons, this may challenge the Theory of Change. BCs should build in a degree of flexibility that reflects 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?

- **HoM/Director** is accountable 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 involving ODA spend, 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 the Investment and Delivery Committee, dependent on approval threshold. The **SRO** will prepare and present the BC Covernote 2-pager for Investment and Delivery Committee review for programmes £40m and above.
- **SROs** are accountable for providing constructive challenge on feasibility and how the programme will contribute to portfolio-level outcomes, ensuring there is a credible theory of change, and that the capability and capacity needed to manage the programme are identified in the business case.

Principles in practice:

Professional: Programmes must 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 **do no harm**.

Collaborative: Programme design 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 must be acknowledged and actively built into programme design.

Proportionate: Business Cases, particularly for smaller projects programmes, do not need to be lengthy documents.

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 Minister, even if below the usual Ministerial approval threshold. This does not apply to amendments to existing programmes, where the routine approval process should be followed through a BC addendum.

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

- **SROs** are accountable for quality assuring and signing off Initial Fraud Impact Assessments where they are required.
- **PROs** are accountable for convening the right stakeholders to design the programme, ensuring the right people are involved in design, including **Programme Managers**.
- **PROs** are responsible for drafting Initial Fraud Impact Assessments for programmes over £200m.
- **Programme Managers** are responsible for managing the process of design and the development of the business case, and consulting with relevant stakeholders.

How? Programmes should be designed robustly, but proportionately, based on an understanding of the context, a clearly identified problem, what the intervention is seeking to achieve and option(s) for delivery. Setting out a theory of change can help to articulate this understanding, and the assumptions behind it. Where the evidence base for the theory of change is weak, this may point to adaptive approaches that test and iterate. The design process must include realistic assessment of risks, opportunities and management requirements, including consideration of monitoring and programme resourcing. All programmes must include adequate resourcing for effective safeguarding against SEAH.

Recognising and exploring options, trade-offs and pros/cons are key to good design. Appraisal of options should explore all facets of **value for money**, including the value for money of different delivery options. There should also be early consideration of the **exit strategy** – focusing on sustainable and responsible closure and including early closure scenarios. Delivery by project-funded FCDO staff (in-house delivery) is an option to consider where this offers better VfM than an outsourced alternative. Programmes proposing programme-funded roles should take account of the likely demand for expertise after the programme ends in the VfM case.

Smaller Projects:

Business cases for smaller projects/programmes, can be short, and need not specify and appraise interventions or delivery options in detail; but may simply set out processes and criteria for selecting and approving individual projects and delivery options – in a way that ensures VFM.

Smaller projects may also be approved Project level through a Project Proposal Form, instead of a Business Case at programme level.

Regardless of whether it is designed at Post or HQ, programmes should take account of whole portfolio approaches, both at the country and thematic level. BCs must set out how the programme fits with both the current organisational and sectoral priorities that the programme addresses, as well as the strategic fit with Country Plans for all the countries where the programme will operate.

SROs for centrally managed or regional programmes that will work in multiple countries must ensure, for the countries specified in the BC, that the Development Director, or equivalent, at each post has agreed the programme, and that:

1. The relevant country teams are able to find out what the programme is doing in their country;
2. Red lines on UK engagement in country are not crossed, and
3. Any resourcing required at Post for local engagement with the programme is agreed in advance.

If the programme has discretion over the countries where it will work, the SRO should also confirm, for each country where it is known the programme will work, that:

1. There are named points of contact at Post and in the CMP/RMP.
2. The programme and Post have agreed shared expectations of ways of working; and
3. The Post/country team is able to say no to project activity if the risks are outside appetite.

Single country programmes designed at Post must demonstrate alignment with central sectoral policy approaches and have been agreed by the appropriate thematic department.

The Quality Assurance Unit (QAU) provides an independent and robust evidence-based review and quality assurance of the VfM of the FCDO's major investments, i.e. business

cases over £40m and those that are novel or contentious (with exception of financial transaction business cases which will be reviewed by Financial Transactions Steering Board). 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 10 Novel & Contentious programming). This ensures that, where necessary, BCs, extensions and announcements are also approved by HM Treasury. Approval is only confirmed once the final confirmation is given by someone with appropriate delegated authority e.g. £200m and above HM Treasury approval will mark the final approval point.

Once full approval is given, the programmes on the Programme Management Platform must be put through the workflow as soon as possible to avoid unnecessary gaps between final programme approval and the formal start date of the programme shown on the system.

For all programmes:

- Business cases must cover the full duration of all related funding agreements and postings for staff in insourced roles, and costs incurred.
- 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.

FCDO approvals:

The Minister for Development will approve all programme BCs over £100m and her Private Office must be copied into all submissions on programmes over £40m. The FS will sign off all BCs requiring HM Treasury approval i.e., those over £200m and / or those that are very high risk, novel and contentious.

For any activity or spending which needs HMT approval (BCs which are above the financial delegated authority threshold for HMT approval, currently £200m), an Initial Fraud Impact Assessment (IFIA) will be needed. Failure to complete the assessment to an appropriate standard could leave the FCDO unacceptably exposed to fraud and reputational damage, particularly if the assessment under-represents the risk and impact of fraud.

HM Treasury approvals:

HM Treasury approval (via [HMT Engagement Team](#), using the [HMT 1-pager template](#)) is required in the following instances:

- Business cases (and cost extensions) where the value exceeds the FCDO delegated authority limit (£200m).
- Announcements involving spend related to a business case or a package of business cases, yet to be developed, £100m or more across the lifetime of the spend period. A concept note, Ministerial approval of the concept note and the HMT one page cover note will be required when seeking approval for an announcement. It is best practice to ensure the business case is in place within 3 months of the announcement being made.
- Where a business case, with a value of £100m or more, has been approved, the FCDO must inform HMT of the announcement but does not require HMT approval in order to proceed.
- Internal Risk Facilities (IRF)/Contingency funds (see Business Case ProOF Guide) which would take a programme over the FCDO's £200m delegated authority limit (IRF should be included in the aggregate figure), including within existing programmes.
- The current DAL letter states that HMT should be notified of all multilateral replenishments but does not specifically state they need to approve them. Therefore, it is important that teams engage HMT (via HMT Engagement Team) at the earliest possible

point, and factor this into planning any multilateral replenishments, so HMT can advise whether they will need to do a full approval.

Note: HMT turnaround target is 28 working days. It is a target, and they cannot always meet this, but will endeavour to do their best. Whilst HMT is awaiting responses to queries, the countdown period is suspended.

For further guidance on where HMT approval is needed see the [HMT one pager](#).

Note: if reapproval is needed for a budget increasing above £5m for the first time then Ministers should approve as they would have not been sighted on the original concept note.

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

Rule 9: All programmes (and policies) must provide evidence on how their interventions will impact on gender equality, disability inclusion, LGBT+ and other equality considerations.

Why? This will enable us to demonstrate compliance with our public law obligations, policy and commitments, including the SDGs and pledge to *Leave No One Behind*, and the International Development Act 2002 (as amended by the [International Development Gender Equality Act 2014](#)).

- Our vision for gender equality, sets out that the whole of the FCDO will use its political, policy and programmatic levers to advance progress. This is also true for our broader equalities' objectives, such as protecting the rights of LGBT+ people and people with disabilities, and tackling income inequality and vulnerability to crisis, especially for those most at risk of being left behind. Ministers have committed to ensure that at least 80% of the FCDO's bilateral aid programmes have a focus on gender equality by 2030. This reflects how we are prioritising gender equality in our work and investment moving forward.
- Ministers have committed to ensure that at least 80% of FCDO's bilateral aid programmes have a focus on gender equality by 2030. This reflects how we are prioritising gender equality in our work and investment moving forward.
- The FCDO [Disability Inclusion and Rights Strategy 2022 to 2030](#) reaffirms the UK's commitment to act as a global leader on disability inclusion.
- The FCDO has signed up to the [Inclusive Data Charter](#) to improve quality of inclusive data.
- The FCDO has a zero-tolerance policy on bullying, harassment and discrimination, including Sexual Exploitation, Abuse and Sexual Harassment (SEAH).

The Public Sector Equality Duty (PSED) in the Equality Act 2010 requires public authorities to have (and show evidence of) due regard to equality considerations when exercising their functions namely, the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010;
- Advance equality of opportunity between people who share relevant protected characteristic and people who do not; and
- Foster good relations between those who share a relevant protected characteristic and those who do not.

FCDO's policy is to consider the PSED across all our work. This includes during programme design, implementation, and closure phases. The relevant protected characteristics are: sex, age, disability, sexual orientation, race, religion/belief, pregnancy/maternity, and gender reassignment.

An approach that integrates equality and inclusion improves the value for money of programmes, through increased equity and cost-effectiveness. It improves programmes' social impact, the focus on poverty reduction, and reduces the risk of unintended

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): Analyse the potential

impact on a broad range of groups and adapting our design accordingly to improve programming and the value of our investments. This includes through participation - promote and listen to diverse voices and ensure 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.

consequences. It can help us to better design, deliver and target our interventions and explain who is benefitting from our activities and funding.

Who?

- **Directors / Heads of Mission** are responsible for ensuring evidence of application of the PSED under the Management Assurance Process (MAP). They should also review whether the PSED has been considered in business cases they are signing off, particularly for large spend programmes where Equality Impact Assessments are mandatory.
- The **Programme Responsible Owner (PRO)** is accountable for demonstrating that their programme has considered the potential impact on gender equality and the other equality considerations throughout the programme cycle and has captured relevant information using markers and disaggregated data.
- **Programme Managers** are responsible for ensuring partners regularly report on issues related to gender, disability, LGBT+ etc and take appropriate action such as on result reporting or risk management etc.
- All staff are responsible for considering the risk of harm caused by discrimination and exclusion towards local communities, partners and individuals and work towards reducing it.

How?

- Directorates and Posts (ODA and non-ODA), to provide annual **reporting on PSED** as part of the Management Assurance Process (MAP).
- consider how to deliver in a way which reduces gender inequality (in the case of development assistance) and/or takes account of gender-related differences (in the case of humanitarian assistance).
- consider how to take into account the needs of LGBT+ people and people with disabilities so they are able to access services and exercise rights on an equal basis with others to ensure programmes and policies do no harm, for example work with local representative groups such as LGBT+ activists to ensure policies and activity supports and does not increase risk to them.

The following are required within programmes:

- all bilateral ODA programme spend must use the gender equality and disability policy markers (on Programme Management Platform 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.
- a **proportionate statement** summarising the equalities impact assessment undertaken on gender equality, and equality considerations under the PSED must be included in all business cases (or equivalent)
- for large spend business cases (£40m and above), a full **Equality Impact Assessment** that documents the consideration of the PSED and suggests any mitigating actions that may be carried out and included as an annex. For more information, see the FCDO guidance page and standard template on EIAs.
- for all annual reviews, where relevant, provide updates on areas requiring particular assurance, including gender equality and the Public Sector Equality Duty and review the EIA if applicable.
- For all VfM analysis to include assessment and measurement of the 4th E Equity.
- 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) in line with the [Inclusive Data Charter](#) teams can take a proportionate approach.

- Consideration to whether it is helpful to carry out social impact assessments to understand what inequalities look like in their specific context and what impacts programme interventions may have on poverty, gender and social inequality whether social safeguards are needed to mitigate risks identified.

The Equalities Gateway contains guidance to help FCDO colleagues to think and work inclusively to be able to reach and support people in all their diversity and, importantly, to do no harm.

Rule 10: For any programmes which may involve novel and contentious financial arrangements, teams must engage with the HMT Engagement Team and Financial Accounting at concept note stage. Any programmes carrying significant diplomatic, financial or reputational risk must be approved by the Foreign Secretary.

Why? Novel or contentious programming can expose the FCDO to greater risks (diplomatic, financial and reputational), 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 the 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. These must be approved in advance of spend by Finance Directorate and by HMT if appropriate (using HMT 1-pager). Development capital grants or third-party financial assets must be approved in advance of spend by the Head of Financial Accounting & Policy and reviewed by Financial Accounting.

The relevant Minister will be responsible for ensuring any programme that carries significant diplomatic, financial and reputational risk is escalated to the Foreign Secretary.

- The SRO must consider if the programme is very high risk, novel or contentious and clearly flag using the options on the Concept Note to ensure the Foreign Secretary's ODA Adviser (where relevant), Special Advisers (SpAds) and Policy Advisers (PADs) are aware.
- 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 the 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 Head of Department (@HQ) or Development Director (post)** must satisfy themselves when reviewing concept notes and business cases that there are no financial or reputational risks that may require approval by FS (to be escalated through the relevant Minister).
- The **PRO** is accountable 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 **Programme Manager** is responsible for consulting HMT Engagement Team and Financial Accounting at CN stage on any transactions or instruments that could be novel or contentious, which might require escalation to HMT for approval.

Principles in practice:
Innovative and Agile: Do 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: Use common sense and judgement to present reasoned evidence and risk-based proposals that are proportionate to the situation, the context and level of urgency.

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.

- The **Programme Manager** is responsible for consulting with Financial Accounting at the business case stage for all development capital grants or third-party financial assets.
- **SROs and PROs** should act with caution and consult with Finance Directorate where there is any doubt.

How? Financial arrangements must be approved in advance of spend in accordance with programme governance arrangements and in line with the 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. This should be brought to Finance Directorate's attention at the beginning of the design process to allow sufficient time for necessary approvals. This process ensure managed risks with programmes. HMT can impose stricter limits on future spend (slowing delivery and reducing impact) should the FCDO overstep its delegated authority.

All centrally managed programmes (CMPs) need explicit Ministerial approval to work in the Occupied Palestinian Territories (OPTs) to help manage the reputational and terrorism risks of working there. Further guidance can be found in the Business Case ProOF Guide or contact the OPTs team to discuss if relevant. In addition, Programme Teams must consult geographical desks if in doubt when spending in countries where there may be sensitive political considerations e.g. China.

HMT approval of novel and contentious spend must be sought via Financial Accounting, by completing the HMT 1-pager template and sending it to HMT Engagement Team.

The Foreign Secretary's approval may be required for novel programmes which are also strategically important and carry a heightened diplomatic, financial or reputational risk, regardless of value. The relevant Minister will decide whether such cases should be escalated to the Foreign Secretary for approval. SROs must consider if the programme falls into any of these categories and ensure SpAds and PADs are made aware. 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 or misuse of funds, where the value for money case is contested; where a non-standard financial model is being used including expenditure which might set a precedent, or where there might be wider cost implications.

Head of Financial Accounting approval of development capital grant and third-party financial asset spend must be sought via Financial Accounting, by completing the template and sending to Financial Accounting.

Rule 11: All programmes must follow the FCDO's branding guidance, and appropriately document their approach to external communications.

For ODA programmes – SRO's should ensure that the programme continues to follow the Branding guidance for ODA funded programmes and that the use of the UK International Development logo is included on written materials and through use of the UK aid logo on programme assets is appropriate. The UK aid logo is now purely for use on humanitarian programmes and responses to rapid onset disasters as outlined in the brand guidance.

For non-ODA programmes - SRO's should 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. For external communication activities, non-development programmes must be familiar with the Professional Communications Assurance guidance and approval process.

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.

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 executed communications or use of logos can undermine a programme, derail a critical relationship, or lead to a reputational risk for the FCDO.

Branding also promotes transparency and accountability demonstrating 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 publicly available information about a programme. (Also See Rule 6 Transparency).

Who?

- **Programme Managers** 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.

- PROs are accountable for identifying any exemptions (including security) 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.
- Be familiar with the Branding guidance for ODA funded programmes.
- All non-ODA funded programmes/projects containing advertising, communication and marketing costs must go through the Professional Communications Assurance prior to issuing the contracts/agreements to the implementers.
- 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 must 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.

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 International Development branding to **core funding**. This is because the UK's contribution is not identifiable from that of other donors, and to recognise UK development assistance alone would misrepresent the UK government's involvement. However, core funding teams should actively consider if opportunities to acknowledge funding are available and appropriate.

International subscriptions: For those international subscriptions where we have a legal obligation and FCDO funding is impossible to disaggregate then branding should not be pursued. However, where membership subscriptions are voluntary then teams are advised to pursue branding opportunities where possible.

Rule 12: Programme digital, data and technology spend which is within scope of Chief Digital and Data Office spend control and exceeds thresholds, must be assured and approved by IDD's by Spend Control Assurance Team before committing to spend.

Why?

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 including engaging with beneficiaries. However, there is a risk that without controls, digital spend proposed by suppliers and partners, may be disproportionate, offer poor VfM, may be misaligned with government strategy and standards, or replicates something already in place.

The Central Digital and Data Office (CDDO) within the Department for Science, Innovation and Technology is responsible for government digital, data and technology (DDaT) performance, assurance and spend controls.

FCDO is required to assure, gain approval for and report on DDaT spend that is in scope of these spend controls and exceeds set thresholds. We must show that assured spend adheres to government good practice and standards including the [Technology Code of Practice and Service Standard](#), wherever they are relevant. These standards are designed to support the achievement of successful outcomes. Therefore, it will be beneficial to ask your supplier/partner to follow them whether your digital and technology spend is in scope for spend control assurance or not.

Who?

- **PROs** are accountable for ensuring compliance with this rule.
- **Programme Managers** are responsible for seeking advice, engaging with the spend assurance process and obtaining timely spend assurance.
- The Spend Control Assurance Team within the Information and Digital Directorate are responsible for FCDO's digital and technology spend control assurance and securing spend control approval.

How?

Projects or Programmes that have digital, data and technology spend that is in scope of the digital and technology spend control and spend exceeds the below thresholds, must engage with IDD's Spend Control Assurance Team to complete the process.

Category	Threshold:
Spend on a public facing service*	£100,000
Spend on all other digital, data and technology products and services	£1,000,000

***A 'public facing service' is a service where a member of the public interacts with a digital solution via a laptop, mobile phone etc**

Completing the Digital and Technology Spend Control Assurance Process

Principles in practice:

Innovative and ambitious:

Most programme teams lack specialist digital knowledge. Advice on best practice standards that apply to government digital and technology solutions from IDD's Spend, Control and Assurance Team allows us to take managed risks in the digital space, investing in innovative new technologies and maximising the impact of our funding.

Exemptions:

Pooled funding, core and non-core funding to multilateral organisations (via MOU or contribution arrangement) is exempt from this rule as it is difficult (or impossible) to attribute the extent of FCDO funding allocated to specific digital projects. Spend via an accountable grant is also exempt.

Advisory Service

The Digital and Technology Spend Control Assurance Team can answer questions and provide advice on how to adhere to technical standards and good practice. Where spend is not in scope of the spend control, this will be on a best endeavours basis. This may help you manage risk and add an additional layer of assurance for your programme.

Programme Managers must:

- Identify early in the programme life cycle, if your programme involves digital or technology spend that is likely to exceed the above thresholds and is not subject to exemption
- Engage IDD's Spend Control Assurance Team at the outset to share high level plans, get advice and confirm if spend is in scope for assurance
-
- Capture digital assurance activities and approval milestone in your delivery plan
- Make supplier/partner aware of government standards for the design and delivery of digital and technology from the outset ([Technology Code of Practice](#) and [Service Standard](#))
- Complete the GOV.UK [Get Approval to Spend](#) Tool when advised to do so
- Progress any actions or conditions required for spend to be assured before committing to spend

Timescale

On average, it will take about 4-6 weeks to complete assurance and gain board approval. It may be more or less, depending on the value, risk and complexity of your digital or technology spend, Programme Managers are encouraged to engage early for advice and must build adequate time into plans.

In the case of rapid onset emergencies, the Spend Control Assurance team will expedite requests for advice or assurance.

Further Information

These are examples of digital and technology elements within programmes (not exhaustive):

- costs relating to user research, design, build of your digital and technology solution
- hosting, licences, maintenance and support of your digital and technology solution
- websites* and knowledge hubs, for example knowledge portals to share programme research
- transactional services (including online application interfaces for services such as grants)
- open data platforms, collection tools, monitoring, analytics
- mapping tools (mapping, geocoding) for example satellite **mapping** to identify the spread of deforestation or disease
- mobile delivery systems (SMS, mobile money, cash transfers) for example **text messaging** to enable mobile cash transfers
- mobile applications
- online databases and management information systems, if they are external facing
- external facing e-learning tools or resources
- **databases** of beneficiaries and their feedback

***Website guidance**

UK Government rules mean website content should be placed on GOV.UK or existing web provisions wherever possible, unless there's a good reason not to. Bespoke websites for overseas development programmes are permissible if a clear user need and value for money is demonstrated, but they require internal FCDO approval that a site is required before any work starts. If you think you will need a new domain/website for the digital element of your programme, you should highlight this to IDD.

Key practices:

Digital and technology spend within scope of this spend control must follow government good practice and standards (as relevant) including the [Technology Code of Practice](#) and [Service Standard](#). Programme Managers should highlight the [Digital and technology spend control](#)

[information for FCDO suppliers and partners](#) to ensure they are aware of and can provide evidence on how they adhere to these standards. Whilst not exhaustive, some examples of actions they should take are:

- **Understand and define the problem** being solved. Carrying out a [discovery phase](#) is recommended and will help you do this. This is part of the CDDO (Central Digital and Data Office) [Service Standard](#).
- Carry out **user research** before starting, to ensure the solution is designed around user needs. Seek feedback at regular intervals throughout the lifetime of the solution to keep it relevant continuing to meet user needs
- **Address information management and website security** – it's essential that the solutions and data managed and the personal information captured is protected, managed, always kept secure and deleted when no longer serves a purpose.

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 must](#) check that partners planning digital spend are aware of, and can explain, how they follow these.

Rule 13: The 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 the 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 the FCDO accounts being qualified by National Audit Office and the Permanent Under Secretary (PUS) being called to Parliament to explain.

Who?

- The **Programme Manager** is responsible for ensuring that all funding arrangements for all programmes and projects are signed by an individual within the FCDO that has the appropriate level of delegated authority to make such a commitment. They are also responsible for ensuring the funding arrangement is signed by the implementing partner by someone with appropriate authority.
- The signatory is accountable and 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.

An appropriate person in the FCDO with appropriate delegated authority can sign on behalf of the FCDO (see second table within link titled Programme Business Spend Unit).

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 the 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 the 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.

Note: The programme manager is responsible for ensuring any underspend is returned to the FCDO central contingency funds unless other elements of the programme are on-going in

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.

which case the underspend can be used to help meet the programmes outcome(s) as set out in the business case.

Rule 14: The tender and awarding of new contracts and amendments must comply with the [Public Contract Regulations 2015](#) or [Defence and Security Public Contract Regulations 2011](#) – if tendered prior to The Procurement Act 2023 go live date – or the Procurement Act 2023 and Procurement Regulations 2024 if tendered on or after the Procurement Act 2023 go live date (24 February 2025). An approved budget which must cover the full period of any contract and any amendments or extensions. Relevant approvals must be in place as detailed in associated guides.

All contracts must have a designated, appropriately accredited Contract Manager and comply with Cabinet Office transparency requirements. Contracts must be effectively managed proportionate to their complexity, risk, value and opportunity throughout the life of the programme.

Why? To comply with international and national obligations, develop a more competitive supply market, achieve best value for money, maximise programme outcomes and manage risks.

Who?

- The **PRO** is accountable for ensuring appropriate commercial processes are followed, and necessary appropriate approvals are obtained, taking advice from commercial leads.
- The PRO is also accountable for ensuring an individual is designated as a Contract Manager (typically a Programme Manager).
- The Contract Manager will be responsible for adhering to contract management processes and reporting on key performance indicators.

How? All programme spend must follow the governance requirements as outlined the [procurement governance slides](#). All new FCDO programme spend, contract amendments and contract management must comply with the relevant guidance.

PROs are accountable for ensuring compliance with the following key commercial controls.

1. All Procurements above £115K require early engagement with the Commercial Lead. Engagement with the Commercial Lead should be initiated as soon as the requirement is identified.
2. Ministerial approval is required for all supplier contracts £100m and over, including contract amendments and call-down contracts from framework agreements with a value of £100m and above. Cabinet Office approval is also required for contracts and amendments £40m and over.
3. All contracts and contract amendments for programme funded contracts must have an approved Business Case that covers the full period of the contract.
4. Procurements below the delegated threshold of £115k must be undertaken by a trained Delegated Procurement Officer and must be in line with the principles of non-discrimination, equal treatment and transparency. See Procurement Contracts below £115k. Increased levels of delegated authority for DPO's using FCDO Frameworks are detailed along with information on requirements and commercial contact points in Procurement Frameworks.

Principles in practice:

Professional: Conduct commercial activity in line with HMG Procurement Policy to ensure 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 and contract management processes (including the publication of tender documents and contracts), report on key-performance indicators, support the engagement and performance of the best suppliers, drive 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 to transparency may be utilised under the Freedom of Information Act or the public contract regulations, in consultation with Commercial.

Rule 15: The FCDO must have a suitable, proportionate and documented assessment of any partner who is intended to be the direct recipient of FCDO funding. This is to determine whether they have the capacity and capability to manage programme funds and deliver the programme or project objectives in a way that provides value for money.

Why? To ensure that:

- The FCDO knows who it is engaging with and respond to any fiduciary, safeguarding or reputational risks from funding the partner.
- The partner has the financial stability to deliver the arrangement.
- The partner has adequate processes for managing fiduciary risks or risk that the intervention may result in harm.

It can also be used as a basis to develop a partner's capacity and capability beyond the immediate funding arrangement and provide insights into our partners.

Who?

- The **SRO** is accountable for ensuring due diligence is completed and for signing off due diligence reports conducted for Accountable Grants and MOUs .
- The **PRO** is responsible for ensuring the programme manager conducts a proportionate assessment to give the FCDO sufficient assurance over the partner's capacity and capability to deliver the programme.
- The **PRO** (working closely with the programme manager) is also responsible for ensuring that risks, actions and recommendations 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 experts brought in for the purpose. However, they should remain closely engaged in the scoping and quality assurance of the assessment, and judgements on the implications of the evidence gathered.

For commercial contracts established by the central Commercial team as per Rule 14 thresholds, due diligence is carried out by central Commercial team. For commercial contracts where the contract is established by the Delegated Procurement Officer (DPO) as per Rule 14 thresholds, the DPO and programme team carry out the due diligence.

How? A programme specific DDA 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. The type of assessment used is dependent on the type of implementing partner and funding arrangement in place. At its core, it should:

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, value, inherent risks, availability of evidence, programme objectives, timeline (urgency) and any history with the partner.

Transparent and collaborative: 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 can be transparent too. Due diligence should be done collaboratively working closely with the partner, which will assist in helping to foster positive ongoing relationships.

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. However, the PRO for the programme must be satisfied that any risks identified are proportionate in relation to the expected programme outcomes and within the risk appetite.

There are other exceptions to the due diligence process which can be found at section 5 of the Due Diligence Guide.

- Verify the identity of the partner entering into the funding arrangement and those with significant association to it.
- Understand whether the partner is subject to either investigation or litigation to adverse funding from proceedings, which may challenge the ethical integrity of the organisation or its ability to deliver the project satisfactorily.
- Assess fiduciary and safeguarding risk management practices.
- Assess the financial stability of the organisation.
- Assess the partner's ability to deliver the project (including managing other partners where applicable).

FCDO Programme Spend Modality and Due Diligence Assessment process					
MOU		Grants		Commercial	
Modality	Assessment Type	Modality	Assessment Type	Modality	Assessment Type
Government to Government Financial Aid	Fiduciary Risk Assessment by Prog Team	Accountable Grant	Due Diligence Assessment by Prog Team.	Commercial contract established by DPO as per Rule 15 thresholds	Low value contract due diligence by DPO / Prog Team.
Donor to Donor Delegated Cooperation Agreements	No formal assessment on donor.	Accountable Grant	Headquarter Assessments exist for some partners by DD Hub.		
Core Contributions or Subscriptions to Multilateral	Central Assurance Assessment (CAA) by Inst Lead	Grant-in-Aid to ALB	ALB Process – Documented understanding by ALB Sponsor.	Commercial contract established by central team as per Rule 15 thresholds	Qualification Questionnaire, financial assessment and Supplier Code Checks by Commercial.
Bilateral funding (project funding) to Multilateral	Due Diligence Assessment by Prog Team	Accountable grant to ALB	ALB Process – Project Risk Assessment by Prog Team.		
Other Government Departments (OGDs) are exempt from the due diligence process					

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 23). A dedicated ProF Guide provides more detailed guidance, and information on exemptions. A DCM should be in place for all funding modalities, reviewed as part of the due diligence process and updated throughout the programme cycle with the exception of core funded arrangements with multilateral organisations (which are subject to Central Assurance Assessments).

Rule 16: Staff must declare any conflicts of interest, or offers of gifts, advantages or hospitality, as soon as they arise.

Why? The Civil Service Code, and the Diplomatic Service Regulations, highlight 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 the 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), appropriate action will be taken in line with the FCDO's Disciplinary Policy. This could result in dismissal. Any criminal conduct will also be referred to the relevant authorities.

Who? Relevant to all staff. Directors/ Heads of Mission must ensure all staff record conflict of interest, gifts and hospitality in line with central HR guidance.

How? Under this obligation to confirm compliance via the Management Assurance Process, Directors/Heads of Mission must remind staff every six months of the requirement to register any conflicts of interest, gifts and hospitality. Directors/Heads of Mission should perform a quarterly check of the registers to ensure relevant records are maintained. All staff should be reminded every six months.

Principles in practice:
Transparent: Be 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: 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 applied proportionately and fully embedded in our decision-making, helps us ensure that programmes and projects achieve their desired objectives. It supports making judgements about acceptable risk-taking, prioritising programme resources effectively to keep delivery on track, preventing failures and establishing plans to respond quickly and effectively if things do go wrong. Our risk-based approach is underpinned by clear HMG standards on risk which underpin our overall approach to programme management and delivery, and is intended to support risk-based decisions proportionate to the level of risk exposure, which balance both risks and opportunities to achieve objectives.

Who?

- **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.
- **SROs** are accountable for ensuring effective management of risks to programme objectives. They are expected to escalate risks which exceed risk appetite even after best efforts to mitigate them, to Development Directors / HoMs / Directors, who in turn escalate to Directors General if and where necessary.
- **PROs** are responsible for leading an active risk management process in their programmes which brings risks in line with risk appetite. They must ensure that SROs are aware when risks exceed appetite or need to be escalated for information or further support.
- **Programme Managers** are responsible to ensuring risks are monitored, updated as appropriate and escalated to the PRO as appropriate.

How?

All programme teams need to appoint clear roles with defined responsibilities for risk management. Staff should have sufficient capacity and capability to fulfil their roles. Those accountable for risk management are empowered to make judgements on how to apply the risk process proportionately and effectively in their areas.

- During programme design, a risk assessment is completed and as a minimum standard, every programme sets up:
 - A risk appetite for the FCDO's seven risk categories– 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. If a category doesn't apply to a particular portfolio or programme (e.g., re. consular activities), teams need to make this decision explicit and document the rationale on why it doesn't apply. In this case, it is recommended using the FCDO appetite for that specific category in the programme risk register. For UK ISF (Integrated Security Fund) programmes, please refer to the UK ISF Programme Operating Framework on risk language, risk appetites and requirements.

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](#).

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.

- **A risk register** documenting and assessing risks, tracking implementation of mitigations and, when appropriate, escalations. Risk registers need to be **reviewed quarterly at a minimum** (monthly review is good practice for most programmes; weekly review is more appropriate for high-risk, high-pace programmes). This means also to ensure all the risks are reviewed and can be held either online in AMP (when teams have access or offline, using this [Excel template](#)). Actively using and maintaining an accurate register of programme risks and documented risk appetite supports better programme risk management and decision-making. When kept online, it also supports much stronger portfolio-level data, enabling better oversight and decision-making, including by senior leadership.
- Risk management is dynamic and action-oriented, with regular monitoring of risks and progress made in mitigating them within risk appetite. Making decisions using a risk-based approach can help to counter unnecessary risk aversion which can disrupt or delay programme decision-making and delivery (and in some cases can lead to new or even higher-level risks).
- Escalations can be 'for information' or 'for support' (e.g. for decision or comment at higher level) and need to be documented (e.g. by email or in a submission or information note) and noted in the risk register. Where appropriate, especially when risks may have a severe impact on delivery, 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 Programme Management Platform** , see above on requirements on setting risk appetites and keeping a risk register.

Rule 18: Any suspicions and/or allegations of fraud, terrorist financing, sanction violations, money laundering, bribery, corruption, sexual exploitation and abuse and sexual harassment (SEAH), by any person or any partner (including downstream delivery partners) connected to a FCDO programme or project, must be reported promptly to the FCDO Fraud and Safeguarding Investigation Team in Internal Audit and Investigations Directorate.

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

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

The scale-up of our work in fragile and conflict-affected regions means the FCDO and its partners support activities in areas where terrorist organisations or sanctioned entities may be active, where formal banking services may be limited, and where financial regulations may be weak. Risks must be appropriately managed (see Rule 17) to mitigate the risk of FCDO funds being abused for terrorist purposes. The FCDO adopts international standards on counter-terrorist finance, complies with relevant UK legislation on sanctions and counter-terrorist finance (Rule 1) and applies a risk-based, proportionate yet robust approach to mitigating these risks.

The FCDO has a 'zero tolerance to inaction' approach to SEAH. This means: zero tolerance for acts of SEAH; zero tolerance for inaction to prevent, report or respond to SEAH; and zero tolerance for retaliation against victim-survivors or whistleblowers. It does not mean having zero cases of SEAH being reported. Reporting is strongly encouraged and should not be penalised.

The FCDO has endorsed the 2024 [Common Approach to Protection from SEAH \(CAPSEAH\)](#) that has synthesised existing international standards into common principles and minimum actions for PSEAH that policy and programme teams can use to help partners manage the risk of SEAH.

Who? Everyone, but specifically the **PRO** who is accountable for programme spend and ensuring due process is followed. 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.

How? The FCDO has a zero-tolerance approach to inaction or mishandling of aid diversion and SEAH, and we must do everything within our power to prevent, detect and respond robustly to all forms of abuse.

Engaging with programme constituents (beneficiaries) is important to ensure a diverse set of voices are heard. Harnessing the power of beneficiary engagement can also improve

**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 and abuse and sexual harassment. 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: The management of Public Money requires all HMG departments to establish "well publicised avenues for staff and members of the public to report suspicions of fraud and harm including SEAH."

Honest: Speak truthfully and empower teams to escalate concerns at any time. CAPSEAH also sets out [common principles](#) to protect from SEAH, which clearly set out prohibited behaviours which should be reported, as well as positive behaviours which should underpin all aid delivery, including the duty to report concerns.

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, as well as being empowered to understand what standards of conduct to expect, and how to speak out if harm does occur.

Anyone can report a concern linked to misuse of our funds, or sexual exploitation and abuse and sexual harassment (SEAH) by any person within FCDO and/ or 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

The FCDO will take the necessary steps to investigate all allegations fully and fairly. It will pursue the appropriate sanctions available in each case, including dismissal, prosecution, and suspension or cancellation of affected funding in extreme cases of misconduct.

Working with multilaterals

FCDO MOU and grant templates contain a standard clause on SEAH which references the international standards we expect partners to meet. We and other donors have agreed with the UN Office of Legal Affairs language on PSEAH for use in funding agreements with United Nations agencies, funds and programmes. This includes prompt reporting of credible SEAH allegations, particularly where those may damage the reputation of the partner and/or our relationship with them.

For core funding arrangements, multilateral agencies will also 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 Internal Audit and Investigations Directorate. More frequent reporting should also be shared promptly.

Rule 19: 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 accountable 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.
- **SROs** are accountable for ensuring that this monitoring provides sufficient information for portfolio management and to support their own decision-making: i.e., to identify changes that will improve the programme's contribution to the agreed outcomes, to escalate a risk to their Head of Mission/Director or delegate, or to recommend closure of an underperforming programme.
- **PROs** are accountable ensuring an appropriate monitoring strategy for the programme is implemented by the Programme Manager, which also includes the proportionate use of monitoring tools.

How? Teams should consider what information they will need for assurance and oversight of their programme; 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 must be reviewed and updated as necessary throughout the programme, and disaggregated by geography, sex, age and disability status, wherever possible.
- Risk registers to document and monitor risks, and the effectiveness of mitigating actions.
- Delivery chain maps 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 to provide the FCDO with an independent perspective on what is delivered or achieved through its programmes. They

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 can 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.

provide a snapshot of partner-reported deliverables, which, triangulated with other evidence, can inform partner engagement.

Rule 20: 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, and what progress has been made towards meeting intended outcomes.

Who?

- **Director / Head of Mission** or delegates (e.g., Development Director, for teams managing significant amounts of ODA, Heads of Department or SROs) are accountable for quality assuring and approving these formal assessments. Subsequent sign-off must be done objectively, by someone who did not conduct the review, therefore ensuring a separation of duties.
- The **SRO** will approve the review workflow on the programme management platform, recording that the review has been approved at the appropriate level. However, the same person cannot send for approval and then approve. It remains the case that the actual approval is given at senior level and a clear offline audit trail of the approval must be retained.
- **PROs** are accountable for delivering robust, proportionate, timely reviews, drawing on the available evidence of performance.
- **Programme Managers** are typically responsible for managing the reviews, ensuring that stakeholders are brought into the drafting and contributing to the drafting of the review, and where appropriate uploading the review to the programme management platform.

Principles in practice

Transparent: Publish formal programme reviews in full on gov.uk.

Accountable: Provide details of our programmes to external stakeholders, media, UK taxpayers, and the communities we work in.

Professional: Give 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: Base 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? 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. The Annual Review template should be used as the main tool for reviews during the life of a multi-year programme, with the Programme Completion Review template used at the end of a programme to assess delivery of Business Case commitments and intended outcomes and to capture key lessons learned.

All programme teams carrying out reviews should consider how the review fits into overall monitoring through the programme 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.

Programmes **approved on AMP will** 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). These reviews may be brought forward, or (with Director / Head of Mission approval) deferred by up to 3 months. However, a deferral can only be requested once in a programmes lifecycle. Programme Completion Reviews are 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](#).

In certain scenarios, teams may wish to exempt a programme from the annual review process. The criteria for an exemption (which then needs to be agreed by the Head of Department/Development Director) is if the programme's next annual review date is within three months of the programme's end date (or if the programme has a duration of less than 15 months).

Lighter touch Annual Review and Programme Completion Review templates are available for programmes that meet the definition of 'Small Projects in Programmes'.

Teams without access to AMP may continue to use the End of Year Review, which serves the same purpose as the Annual Review. These should be submitted centrally using MS Forms to demonstrate compliance with this Rule. Further details are available in the International Programme PrOF Guide.

UK ISF Programmes/Projects: The annual review process as set out in the UK ISF Operating Framework should be used. For those programmes on AMP, a scoring conversion table is in place to support teams in uploading the annual review details to the system.

Rule 21: 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? The 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 **SRO** is accountable for escalating the issue if necessary, in accordance with the FCDO's risk appetite guidance.
- The **PRO** is responsible for identifying and responding to underperformance, reporting to their SRO.

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.

Having determined issues and improvement measures required, teams must develop a performance improvement plan (PIP) (where appropriate – e.g., where beyond control of implementing partner it may not be reasonable to put in place a performance improvement plan for the implementing partner – e.g., FCDO budget cuts or poor maintenance of results framework in which case where a clear timebound recommendation should be made in the annual review and followed up). Targets and timeframes should be set for decisions to be made, to reduce the risk that these slip sideways while issues continue to worsen. Where underperformance is a result of partner performance then the PIP should be developed alongside 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

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, relationships are at stake, and 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 success, 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.

the contract or agreement covering it, in consultation with legal advisers, before such action is taken.

Rule 22: 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.'

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

Who?

- The **PRO** is accountable for ensuring that budgets are profiled, forecast accurately and updated regularly, according to the schedule and processes required for the programme.
- **Programme Managers** are responsible for updating forecasts whenever changes to programmes are made that have implications for the pace and timing of spending.

How? In-year financial management is vital to achieving the FCDO's financial targets and to ensure ongoing scrutiny of resource allocation 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 must make sure:

- Budgets are accurately profiled at the start of each financial year and updated in year to reflect any changes.
- Financial forecasts are realistic, monitored throughout delivery and updated regularly.
- Actual spend is recorded in line with the FCDO Resource Accounting rules and processes and does not exceed the approved budget within the business case.
- Underspend is only used in accordance with any programme-specific policies where the programme is still open. If closed, then underspend needs to be returned to the FCDO central contingency budget using the manual invoice request process.
- Any relevant taxes (e.g. VAT, customs duties) are included in the budget and all financial forecasts throughout the project.
- Staff 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 is only funded within the limits and conditions set for a specific programme.

Principles in Practice

Ambitious: No restrictions on the number of pre and pipeline projects that can be held within a division/directorate, 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.

Rule 23: 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 the 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?

- **PROs** are accountable for taking all necessary steps to ensure that funds are paid and used as agreed in the specific formal arrangements on their programme.
- **Programme Managers** are responsible for monitoring payments and ensuring that delivery chain maps record all organisations using FCDO funding to deliver the programme outputs.

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, must 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 the 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) 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, except for 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

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 rather

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.

basis (i.e., it won't cover all the partner's activities), and is designed to give stakeholders assurance that the information is reliable. It is not a 100% guarantee of accuracy. In addition to the statutory annual audit of the organisation, the FCDO may require or commission specific audits of a project – either in its entirety, or high-risk areas within the project.

Rule 24: 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 the FCDO by HMT are conditional on these requirements, and the consequences of non-compliance are severe.

This does not mean that the 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 (VfM)**.

Who?

- **PROs** are accountable for ensuring advance payments are not made before they are required.
- **Programme Managers** are responsible for ensuring that payments are only made in advance where there is a genuine need, and that approval of advance payment is given at the correct levels.

In programmes funded from the UK ISF, approval for advance payments needs to be given by the Integrated Security Funds Unit. Programme teams must complete the advance payment request and submit this together with the completed due diligence report, project proposal and activity-based budget to the appropriate programme secretariat (ISFU) 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 must be considered for every payment, not only at the business case stage or when agreeing funding arrangements.

The following principles always apply:

- Payments usually should not be made more than three months in advance, except for very small projects or international or multi-donor mechanisms where the normal payment terms are six months in advance, and 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. This means a request for a payment in advance should be adjusted for any unspent funds from previous advances.
- Requests for advance payments must 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 Business Partners or Finance Managers to ensure the correct resource accounting treatment.
- **UK ISF** need central management approval for advance payments, which must be given by the Integrated Security Funds Unit.

Grant/MoU payments further than 3 months in advance require additional scrutiny. PROs must discuss these payments with their finance business partner or finance manager to

Principles in Practice

Context-specific: Use 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.

Responsible: The need to pay for goods or services may occur before they are actually used. For example, if the FCDO decides that paying a partner to pre-position humanitarian supplies ahead of a potential crisis is a good use of public money, payment for supplies will occur before the supplies are actually used. This is not in advance of need, because we are paying for preparedness.

ensure they are affordable and are accounted for correctly. There should be sufficient rationale for these payments and the rationale be evidenced appropriately in case of audit. For any queries, contact Financial Accounting.

Contracts/non contractual funding arrangements: Payments should be made in arrears, i.e. after the service or goods have been received, except for:

- Where a price discount commensurate with the time value of the funds in question can provide a good value for money case.
- Contracts which require payment when the contract commences, provided that the service is available and can be called on from the date of payment.
- Grants to small voluntary or community bodies where the recipient needs working capital to carry out the commitment for which the grant is paid, and private sector finance would reduce value for money.
- Minor services (such as training courses, conference bookings or magazine subscriptions), where local discretion is acceptable.

If in doubt, exemptions should be tested with your Finance Business Partner and escalated to Financial Accounting if still unsure. Where payments fall outside of these exemptions, should be sought via the **HMT Engagement Team**.

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.

Rule 25: Any ODA programme foreign currency commitments above £50,000 must be agreed in advance by the Head of Financial Accounting & Policy. Below £50,000 must be agreed by the Director or Head of Mission.

Why? Most of the FCDO's ODA foreign exchange exposure is in relation to programme expenditure spanning multiple years and no ODA spend is covered by the Foreign Currency Mechanism. ODA targets are in GBP sterling so for 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 and ODA management and forecasting more straightforward.

Exchange rates fluctuate over time, and by making ODA commitments in sterling the FCDO passes the risk to the partner. Sometimes our partners will benefit from this (as does the FCDO through the achievement of increased results) when foreign exchange rates are favourable.

Who?

- The **PRO** is accountable for ensuring this is done.
- The **Programme Manager** must ensure that any commitments in foreign currency are approved at the correct level before making the commitment.

How? The "commitment" in this Rule is the financial limit in the funding arrangement – i.e. the **total amount that the 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 GBP sterling. This Rule deals with the rarer situation where the financial limit is set in a foreign currency.

Commitments proposed in currencies other than sterling that exceed £50,000 must be approved by the Head of the Financial Accounting and Policy Team. Spending teams must 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 Director or Head of Mission.

Payments: The FCDO makes foreign currency payments through spot currency transactions (foreign currency deals on the day of payment). Forecast payments to partners must be made in line with the programme agreement, and must not be deferred or brought forward to offset currency fluctuation. Once the commitment has been agreed, the Head of Financial Accounting & Policy does not need to agree the payment.

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

Principles in Practice

Context-specific: If there is 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, to manage the risk appropriately, while keeping the programme management burden of this process as low as possible.

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.

Exceptions: Rule 25 does not apply to programmes and projects where teams receive allocations in foreign currency based on the budgeting exchange rate (i.e. where spend is covered by the Foreign Currency Mechanism)

CSSF funding is exempt from this rule. Any questions around foreign exchange should be directed to the Integrated Security Funds Unit.

Rule 26: FCDO staff roles charged to a programme or project budget (except for UK ISF) must be essential for the delivery of a programme, approved in line with PrOF Rule 8 and offer better value for money than an outsourced alternative. Details must be notified to Centre for Delivery and Strategic Finance as soon as a project-funded role is being considered.

Why? The FCDO operates within a Workforce Spending Target, agreed with HM Treasury, which puts a ceiling on the amount the FCDO can spend on its staff. A separate element of the Workforce Spending Target puts a limit on what the FCDO spend on project-funded staff. The Workforce Spending Target does not apply to UK ISF funded staff.

The criteria for insourced roles are below. Apart from UK ISF, these criteria also define which staff costs may be charged to a project budget (previously known as “programme-funded staff”).

1. Staff must be doing work that is essential for delivery and could be sourced externally if not delivered in-house.
2. Project-funded staff need to be approved as part of a Business Case or equivalent, and be affordable within the available budget. (i.e. they must be approved in line with PrOF Rule 8).
3. The Business Case or equivalent should give evidence that performing the work in-house is better value for money than a feasible outsourced alternative.

The criteria allow the FCDO to deliver elements of programmes using FCDO staff rather than external implementers, where it offers better VfM to do so. Creation of project-funded staff roles is a delivery choice for a project within a programme, not a way to circumvent operating cost constraints. They also have implications for the FCDO’s workforce.

The FCDO needs central, aggregated data on all programmes that are planning to create new project-funded staff roles, in order to confirm these roles will not go over what’s been agreed with HM Treasury. HMT may approve uplifts to the Workforce Spending Target where we can make a value for money case to do so, but this needs to be agreed before the FCDO commits to new staff roles that will take us over the ceiling.

Who?

- The **SRO** is accountable for ensuring that all project-funded staff roles in their programme meets the criteria above (the Solutions Hub can provide advice if needed) and that plans for in-house delivery are notified to Centre for Delivery and Strategic Finance.

Strategic Finance needs to report to HMT on new project-funded roles that the FCDO has created, or plans to create, with a short summary of the VfM case for them.

How? Teams should use this Form to notify us of new project-funded roles that are being considered. This will normally be in the design stage of a programme when decisions are being made on delivery options.

Project-funded posts can be added during the implementation of a programme, if evidence showed this would offer better VfM. This can be approved through a business case addendum.

Principles in practice:

Professional: This Rule enables us to use FCDO staff in the delivery of programmes where it offers better value for money to do so.

Collaborative. Involving FCDO staff in the delivery of a project can improve information flows and collaboration between FCDO and the implementing partner, particularly where co-design or adaptive approaches are appropriate.

UK ISF funded staff

UK ISF operates under a different settlement with HMT, with different rules on project funding of staff. Departments/posts creating CSSF-funded roles should be aware that **if** projects and programmes move onto the FCDO baseline in future, it may not be possible to fund those staff from the project budget. They should consider how these roles will be funded in the longer term.

It is also possible to use design funds to pay for project-funded staff: this is approved in the same way as other design funds (see Rule 8).

Rule 27: A complete, accurate and up-to-date inventory must be maintained for all programme assets owned by the FCDO. These assets must be disposed of at the end of the programme 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 the 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 the 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 the FCDO. This poses operational risks (such as reduction in delivery capability; financial loss) and reputational risks to the 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?

- Asset disposal plans and transfer agreements must be approved by **Head of Department / Development Director**.
- **PROs** are responsible for following all due process.
- Physical asset checks against the register must be carried out at least annually by FCDO staff or partners.

How? The 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 **more than £500**. 'Attractive assets' such as mobile phones or laptops should be grouped where the combined value is above £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 the FCDO for the cost. Assets and goods replaced by the partner must still be reported.

Asset disposal: The assumption is that the 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:

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, 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.

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 due diligence, 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.

- 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.

These points must 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.

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 the 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 the FCDO has incurred non-refundable expenditure but has not received the benefit of these payments, such as cancelled flights or training courses.

Depending on the scale and nature of the loss, Finance Directorate may decide to inform HMT, who in turn might decide to bring the loss before Parliament in a Public Accounts Committee hearing.

Who?

- The **PRO** is accountable for ensuring all such write-offs are approved at an appropriate level.
- The **Programme Manager** is responsible for seeking approval from someone at Grade 6 or above in their line management chain as well as the PRO before submitting the write off to Financial Accounting through a Service Now request to ensure that the loss is recorded for disclosure in the Annual Report and Accounts.

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 a Service Now request 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. Account Code, Cost Centre, Objective Code, Analysis 1, Analysis 2 and Intercompany
- project details – only provide details of the Project Number, Task Number, Expenditure Type and Expenditure Org if the original transaction on HERA is programme or capital project expenditure.

Timing: Write offs must 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 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, means 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, so 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.

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: 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.

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.

Rule 29: All programmes and projects must be closed effectively and responsibly, even when closing early. Outstanding project 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 every project within 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 including consideration of the equality impacts of making such decisions (see rule 9) 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, e.g., 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 the FCDO – i.e., underspend remaining with the partner rather than being returned to the FCDO, or assets going unaccounted for.

Unspent funds must be returned to central contingency budget unless a programme is still on-going in which case any unspent funds from the partner can be returned and used on other components of the programme in a bid to achieve the programme outcome(s).

Who?

- The **SRO** will approve the PCR on the programme management platform, recording the PCR has been approved at the appropriate level. The same person cannot send for approval and then approve. It remains the case that the actual approval is given at senior level and a clear offline audit trail of approval must be retained.
- The **PRO** is accountable for ensuring the necessary processes are completed and that a proportionate PCR is approved at the appropriate level.
- The **Programme Manager** is responsible for ensuring all closure tasks are carried out in a timely manner and to a high standard, before archiving the programme, including capturing lessons. This responsibility will often extend beyond the operational closure of the programme and the loading of the Programme Completion Review (PCR) which will be due three months after the programme end date (to note PCRs cannot be deferred).

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.

How? Setting the right **programme end date** is an essential part of planning. Teams should 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). Reporting requirements often require submission of a Project Completion Report, an Expenditure Report, and Audited Accounts.

If there are **outstanding payments** (for costs that have been agreed and incurred before the expiry of the related funding arrangement) at the point of financial closure (18 months after the programme end date), 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 onto the Programme Management Platform if appropriate. Consider the likelihood of reputational damage and potential for legal challenge, as well as any mitigating actions when closing a programme early. [Engagement](#) with partners and recipients, and carrying out an Equality Impact Assessment can inform and support closure communications (see Early Programme Closure Prof guide for more information).

Once a programme has been closed then it cannot be reopened as formal closure activities will have taken place. Once a programme has been formally archived on the Programme Management Platform (to note that archiving should only be done once outstanding fraud and safeguarding cases have been resolved), it is no longer possible to carry out financial transactions between the FCDO and its partners and HERA project postings cannot be processed. 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.

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. This section will be useful to programme managers, or those with programme leadership roles or jobs, such as Portfolio SRO, Development Director, SRO or PRO. Although the section describes a number of programme roles, not all of which will be present in every programme team. The only mandatory roles for each programme are the SRO and the PRO, and these roles can be performed by the same person. Other programme delivery tasks must be completed by an individual with appropriate delegated authority, and where a task requires a separation of duties (e.g., AR approval), approval must be given by a more senior position in the management chain.

The roles are defined in terms of Accountability and Responsibility, which the PrOF defines as follows:

- *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 must be accountable to someone for something.*
- *The **responsible** person is the individual who 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 Head of Mission/Director

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

The Head of Mission must delegate in writing the responsibility for day-to-day oversight and delivery of the ODA spend to the Development Director or Head of Department (HQ), where one is present. 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.

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

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 reflecting the impact of proposed change on the Country Plan.

b) a **review mechanism**: under which the HoM may propose significant changes to activity or resource allocation (people and budget) 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 Post's programme spend / activity
- Any associated reallocation is within delegated authorities;
- Any associated reallocation is within financial year or spending review/country planning period
- The proposal is supported by the Country Board

If these criteria are not all met, decisions must 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 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 must escalate risks beyond the agreed country appetite.

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

- The Director is the SRO for the directorate **portfolio**, as set out in the Directorate Business Plan, accountable for the outcomes of projects and programmes managed by the directorate (in some cases, the thematic Director is accountable for a cross-cutting portfolio)
- 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).

The Head of Mission (HoM) or Director is **accountable** for 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
- 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 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 can 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 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 their 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 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. 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.

4.2 Development Director

In Posts where they are present, **the Development Director** will normally report directly to the Head of Mission, and should typically lead all FCDO teams at Post that manage significant amounts of ODA (£1 million per year or more). The Development Director provides oversight and is in the line of accountability for all FCDO ODA spend at Post; for effective policy, delivery and assurance of ODA management, including a focus on value for money. They will be accountable to the HoM for that part of the Country Portfolio.

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. They are 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, and will be members of the Country Board and the senior leadership team at Post. Development Directors must also assign SRO and PRO roles for programmes, or be fully involved in that process.

HoMs / their Development Director delegates must be consulted on all departmental proposals on programme 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.

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).

4.3 PRO and SRO

The Programme Operating Framework defines two mandatory roles in a programme – **Senior Responsible Owner** and **Programme Responsible Owner**. 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
- The Programme Senior Responsible Owner (Programme SRO) is accountable to the Head of Mission or Director/Head of Department, either directly or via a Development Director (where present)
- The HoM or Director is accountable through the management chain to the PUS, as Accounting Officer, or the 2PUS, as Accounting Officer for ODA

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 the 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. Appointment letters are not an end in themselves – their purpose is to ensure that people in SRO or PRO roles know what is expected of them and in return know what level of support they will get from the person assigning the role to them.

The SRO and PRO 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.

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. A programme can only have one SRO.

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

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.

The ProOF Guide on the SRO and PRO roles gives more detail on what is expected of the SRO, what they are accountable for, and what they should normally be empowered to do.

Programme Responsible Owner (PRO)

Every programme **must** also have a designated **Programme Responsible Owner (PRO)**¹. A person can be PRO for more than one programme. The same person may be SRO and PRO for the same programme. In some circumstances, such as large or complex programmes, it may be appropriate to have more than one PRO, provided the accountability of each is clearly defined.

¹ 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.

The PRO role is **accountable** for driving 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. The balance of skills required is likely to look different at various stages of a programme – so the role could be fulfilled by an Adviser, a Programme Manager or another member of the programme team.

Whoever fulfils the PRO role should be empowered to take operational decisions on a programme, within parameters agreed with the SRO and the Portfolio SRO. It is not efficient for the PRO to have to escalate all operational decisions up to the SRO, and this is not the way the PRO role is meant to work.

The ProF Guide on the SRO and PRO roles gives more detail on what is expected of the PRO, what they are accountable for, and what they should normally be empowered to do.

4.4 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.

4.5 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, 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. Further guidance on programme complexity is available in the ProF Guide to the SRO and PRO roles.

Within a programme team, the following roles will usually be present (unless it is a smaller team with limited resources):

- **Technical Adviser(s)** provide the link between programmes and policy, and external influencing work. A Lead Adviser on a programme 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.

This includes design of the programme structure, mobilisation of implementing partners, successful delivery of the required outcomes, establishing 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 its outputs are clearly defined and achieved within the agreed time, cost and quality constraints.
- **Project Support Officer(s)** supports 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 large, complex or risky, Heads of Mission/Directors or SROs 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 must be designated as a **Contract Manager**. This role, normally undertaken by a programme manager, is responsible for the day-to-day management of commercial contracts, ensuring that suppliers deliver the right goods and services as agreed. The Project Lead may also be the Contract Manager. The designated contract manager must have the appropriate level of accreditation according to contract value, complexity and risk.

A programme team will also draw on inputs from other specialists at key points in the programme – i.e., commercial and finance specialists, Programme Management Leads, or Technical Advisers with expertise in 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**. These play an important role in supplementing the full-time resources in individual programme teams.

Additional guidance is available to inform decisions on the type of programme team resources that would normally be needed to manage different types of complexity.

4.6 Assignment of the SRO and PRO Roles

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. The PrOF Guide on the SRO and PRO roles provides guidance on things to consider in assigning these roles, and who should be involved.

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. In this case, the SRO role should be assigned at a more senior level, with enough of an overview of the programme(s) to play a constructive challenge role, and the PRO role should have closer to day-to-day implementation.

The SRO role must be filled by a member of FCDO staff, and the SRO for a programme cannot be in an in-house delivery (project-funded) role i.e., a role created as an alternative to outsourcing. The PRO role should not normally be assigned to a member of staff in a project funding role, but there may be circumstances where this is appropriate, (if the SRO can provide the necessary oversight).

5. Programme Operating Framework Life Cycle

This section sets out the life-cycle of a programme, as it proceeds from definition through to closure. This section will be useful to programme managers, and those with roles or jobs leading programmes, such as Development Directors, SROs and PROs.

5.1 What is programme and project management in the FCDO?

Programme and project management includes overseeing the activities required from the starting point of the initial real-world problem that is being tackled to the closure of a programme once activity is complete. It involves the design of the programme intervention, engaging with potential stakeholders and partners, monitoring that delivery is taking place as planned and reporting on the progress of the programme.

There are a range of learning resources available through Hera Learn to help FCDO staff gain the knowledge required to work throughout all stages of a programme lifecycle.

5.2 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 by the FCDO directly (through direct purchase of goods and services), but will more often be managed 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. The life cycle has four stages (Fig.1) – Definition, Mobilisation, Delivery and Closure. Each stage consists in a continuous cycle that rotates around a control framework. It guides design and delivery of programmes and projects from conception to completion, circling back to the Definition, bringing with it any outputs, outcomes, and learning that can inform new programmes and projects.

There are several inputs that should be considered before the Definition begins, such as business plans and UK government policies and strategies that a programme will be contributing towards. There are also control points which contain key documents for accountability within the programme lifecycle.

Monitoring and feedback (illustrated by the dashed lines around the cycle) takes place regularly 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 can help teams validate assumptions on which the programme is based, as well as holding implementing partners accountable for the real-world change resulting from the programme.

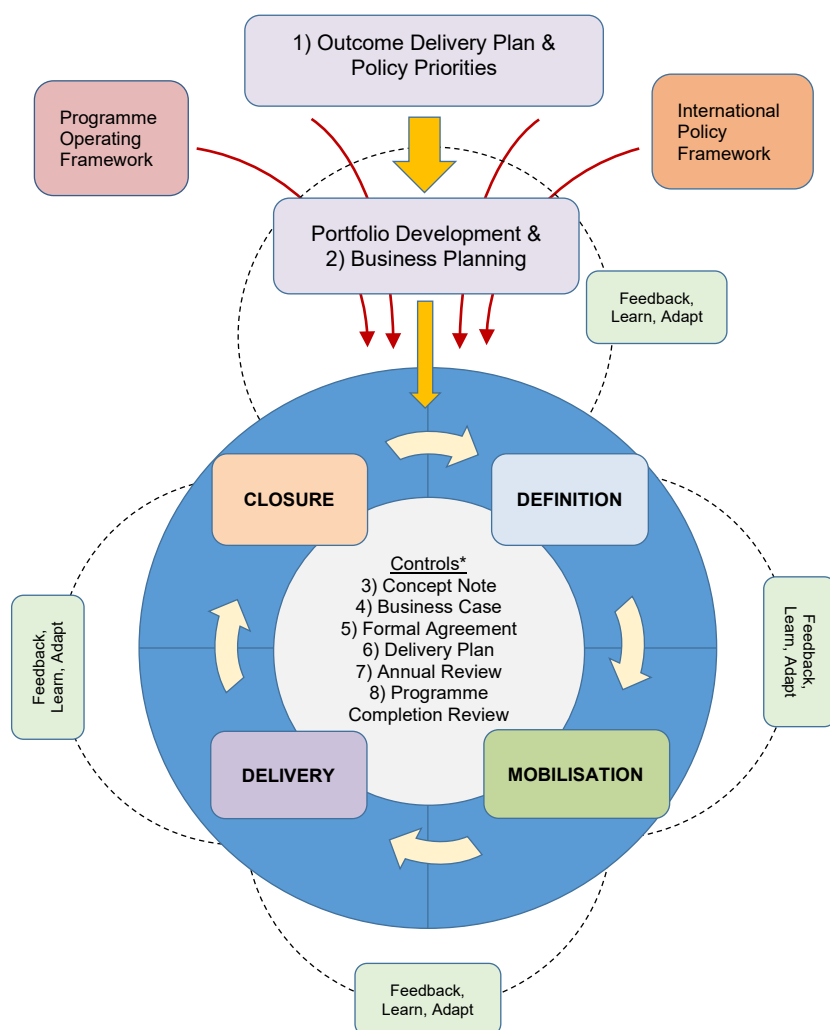


Fig. 1

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.

5.2.1 Portfolio Management

The IPA defines a portfolio as the programmes, projects and related work (which may be in the form of policy development) required to meet common objectives. In a portfolio, there can be choices over the activities undertaken - unlike a programme, where all activities need to be delivered to achieve the end goal. In the FCDO, business and country plans describe some of our portfolios.

The FCDO commissions the production of business and country plans (BCP) from Posts and Directorates. BCP is a tool for diplomatic, development and corporate teams to develop, articulate and approve their plans for delivering the FCDO and HMG objectives overseas. Posts develop one-HMG country plans that support all UK government departments' Ministerial priorities. The BCP commissioning cycle follows the Spending Review cycle, with a regular 6-monthly check-in on progress.

The FCDO portfolios will typically be either **geographic** or **thematic** where the country or business plan sets out the portfolio plan. 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.

A portfolio focus drives better ways of working. Portfolios include non-project activity in support of strategic objectives, as well as projects and programmes. For the 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 the FCDO technical specialists already do. Additionally, the finance and corporate functions play an enabling role in delivering all FCDO's portfolios.

A portfolio approach requires decisions to be made at a higher level – such as about strategic alignment, trade-offs, resourcing, priorities and capability etc - as opposed to doing things incrementally, one project, programme or influencing initiative at a time. Successfully managing portfolios will help us achieve value for money and should improve impact and coherence. A strategic portfolio approach should drive new programmes or policy work, prompt work to stop if it undermines or contributes little to objectives, and surface tensions among conflicting objectives so they can be managed.

5.3 The control framework for programmes

Programme Controls (numbered 1 to 8 in Fig.1) provides assurance that programmes and projects are being developed and delivered to the right standards.

They are the key points for control and assurance in programme and project delivery which are evidenced and subject to scrutiny and approval. Specific assurance steps may vary between different types of programmes (with specific guidance provided where this happens), but the principle of assurance gates and controls applies to all programmes. For example, some programme typologies do not require a concept note as well as a business case, but the principle of a proportionate approval document applies to all programmes.

Table 1 sets out the stages of the programme lifecycle, control types, where they fit within the life cycle and the actions needed. It is also a high-level step-by-step approach to programme activities that are needed to manage an FCDO programme.

Table 1:

Control	Control description	Accountable (higher level)	Accountable (SRO)	Accountable (PRO)	Actions include
DEFINITION STAGE 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.					
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.	PUS and Executive Committee			<ul style="list-style-type: none"> • 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 project funded roles.
2. Business Plan (for UK Directorates) Country Plan (for Posts)	Departments/Posts develop business plans / country plans, setting out what and how they will deliver, consistent with the ODP and available resources.	HoM/Director owns the BCP. Development Director (where present) provides oversight of ODA spend at Post.			
3. 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).	Approval at the appropriate level for the value/type of programme (officials/Minister). Head of Mission/ Director or delegate assigns	Set out how the programme will support the strategic objectives in a BCP or other portfolios. <i>Record approval/ exemption on AMP.</i>	Ensure key stakeholders are engaged, and that the right people are involved in design.	

		SRO and PRO roles.			<ul style="list-style-type: none"> Identify the initial risk exposure for the programme to achieve its objectives and the risk appetite and plan for management and oversight requirements.
4. Business Case	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.	<p>Approval at the appropriate level (PrOF Rule 8 – officials, ministers, HMT).</p> <p>Head of Mission/Director ensure the programme team is adequately resourced to deliver the programme.</p>	<p>Ensure there is a credible theory of change, and that the capability and capacity needed to manage the programme are identified in the Business Case. Ensure the level of ambition and complexity is consistent with the available resources.</p> <p><i>Record approval on AMP.</i></p>	<p>Ensure key stakeholders are engaged, and that the right people are involved in design, including Programme Managers.</p> <p>Set out how a programme will achieve its objectives, through a clear theory of change.</p> <p>Appraise options and make recommendations.</p> <p>Ensure programme budget is within available resource budgets.</p>	
5. Initial Fraud Impact Assessment	Enables a conversation to happen early in the planning and scoping phases of a business case that considers how fraud could happen as a result of different factors. The IFIA can also help to identify where there are gaps in the counter fraud approach so that these can be considered early in the project life cycle.		Responsible for quality assuring and signing off an IFIA.	Responsible for completing an IFIA.	<ul style="list-style-type: none"> For any activity or spending which needs HMT approval (Business Cases which are above the financial delegated authority threshold for HMT approval, currently £200m) an Initial Fraud Impact Assessment (IFIA) will be needed.
MOBILISATION STAGE					

<p>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 delivery by project-funded FCDO staff, or a funding arrangement with an external delivery partner. (See below under Delivery Options for further detail).</p> <p>This is also the stage where we establish the tone of the relationship with an external partner, and/or the expectations of project-funded FCDO staff. 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.</p>					
<p>5. Formal Funding Arrangement (external partners).</p> <p>OR</p>	<p>The formal agreement establishes roles and responsibilities between the FCDO and our implementing partner/ supplier, for delivery that is outsourced to external implementers.</p>		<p>Ensure the FCDO's expectations of implementing partners are communicated and reflected in funding arrangements.</p> <p>Ensure proportionate due diligence is undertaken before signing a funding arrangement.</p>	<p>Ensure any competition processes are managed in a way that is transparent and clearly signals the needs and expectations of the programme.</p> <p>Ensure that any risks identified in due diligence assessment are followed up appropriately.</p>	<p>Where necessary, initiate early market engagement, and/or competition processes to generate proposals. Appraise and approve tenders and/or proposals against relevant criteria that will deliver the required outputs and achieve the expected outcomes. Carry out proportionate due diligence on implementing partners. Sign Contracts/ Accountable Grant Agreements/MoUs as appropriate to the type of partner and how the funding is initiated.</p>
<p>Recruitment and appointment of project-funded FCDO staff in in-house delivery roles.</p>	<p>Recruitment of in-house delivery roles works in the same way as any other staff role. The job profile and performance objectives for the role set out expectations of what each role will contribute to the programme.</p>		<p>Ensure the VFM case and details of in-house roles are agreed with relevant stakeholders, and consistent with FCDO's workforce needs.</p>	<p>Ensure there is a VFM case for in-house delivery roles.</p> <p>Ensure staff on secondment have appropriate FCDO oversight and contact points.</p>	
<p>DELIVERY STAGE</p> <p>This stage covers the delivery of programmes and projects (activities and outputs), managing implementing partners and adapting interventions during delivery if the context, evidence 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 reflect and take action to ensure the intervention is on track to achieve</p>					

its intended outcomes. During this stage it is important to make timely and evidence-based decisions around the continuation, adaptation, closure or extension of the project or programme.					
6. Delivery Plan	The delivery plan includes delivery priorities, key milestones, the logframe or results framework, roles and responsibilities, and risk management strategies for the programme. Where this information is held on AMP, parallel documents are not required.		<p>Ensure any security concerns or sensitivities in the programme are understood by the team, with processes to manage them.</p> <p>Ensure significant concerns about feasibility or value for money are escalated.</p> <p>Ensure the programme remains aligned with any changes in country/ business plan priorities.</p> <p>Ensure changes are made to the programme where necessary, with approval for changes secured at the appropriate level.</p> <p>Ensure relevant risks are identified and set an appropriate risk appetite for the programme.</p>	<p>Drive delivery of outputs & achievement of outcomes in the Business Case within the agreed time, cost and quality constraints.</p> <p>Adapt programmes to changing evidence or context. Take stock of the continued relevance of the programme, taking action to improve, restructure or close where appropriate.</p> <p>Ensure compliance with the PrOF Rules.</p> <p>Ensure the key decisions, deadlines and monitoring frameworks are included in a Delivery Plan, on AMP or offline.</p> <p>Ensure that risks are managed within risk appetite, and promptly escalated where they are rated severe, exceed the agreed risk appetite or cannot be resolved by the team without wider support.</p>	<p>Monitor activity, outputs, risks, finances and manage relationships with implementing partners, responding to issues to keep interventions focused on policy objective.</p> <p>Ensure the results framework is kept up to date, with any changes being approved at the appropriate level.</p> <p>Manage risks within the agreed appetite.</p>
7. Annual Review (AR)	All programmes are formally reviewed at least annually, providing an assessment of performance, ongoing relevance, value for money,	Head of Mission/ Director or Development Director/ Head of	<p>Ensure AR is approved at an appropriate level.</p> <p>Approve the AR workflow on AMP.</p>	<p>Ensure a proportionate AR is done, including Outcome Confidence Rating (OCR).</p>	<p>Ensure ARs draw on sufficient, relevant evidence. Challenge evidence and assessment</p>

	lessons learned and any remedial action required.	Department (as agreed by Portfolio SRO) approves AR.		Quality assure AR and OCR. Submit AR for approval on AMP.	of performance. Review overall risk exposure. Ensure that AR recommendations are followed up.
CLOSURE STAGE 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 must be closed effectively and responsibly, even when closing early.					
8. Programme Completion Review (PCR)	All programmes must have a project completion review (PCR) within three months of the programme end date on AMP.	Head of Mission/ Director or Development Director/ Head of Department (as agreed by Portfolio SRO) approves the Programme Completion Review (PCR).	If closure is early, ensure reasons are clearly justified and risks fully considered – and exit will be responsible. Approve the PCR workflow on AMP.	Ensure that closure tasks are completed, and asset disposal is appropriate. If closure is early, ensure a responsible exit. Ensure a proportionate PCR completed and quality assured and submit for approval.	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. Include key trends of risk exposure over the life of the programme and how they have been managed. Identify lessons learned.

5.4 Flexing or adapting delivery

Some policy or programme priorities can be addressed by rolling out tried and tested solutions at scale. More commonly, FCDO programmes are catalytic in nature, looking to more complex challenges, with a limited evidence base on what works. Responding to uncertainty and complexity with interventions that are not fully planned out risks costly failure or missed opportunities. Such problems might instead benefit from more 'responsive or adaptive' approaches.

Although the terms 'flexible', 'responsive' and 'adaptive' are often conflated or used interchangeably, they are not the same. All FCDO programmes need **flexibility** to adjust resources and activities if needed. Many also need to be **responsive** to changes in the context and to local stakeholders. Being **adaptive** goes further, acknowledging that the end goal may be clear, but the pathways to achieving this are not. Adaptive programmes either test different options (from which the most promising is expanded and the others are dropped), or start with a set of interventions with the expectation that these will be adjusted in response to real-time evidence of what happens.

Figure 2: The Difference Between Flexible, Responsive and Adaptive Programming²

	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.
Context	Known	Known then shocked	Unknown / Unstable / Complex
Intervention pathways	Tried and tested, maintained throughout intervention	Tried and tested >> Pivoted	Untested / Emerging, adjusted, dropped, or scaled throughout intervention.

Where adaptive working is likely to be the best approach, it is important to make an early and informed choice, to provide a sound basis for subsequent programme design, mobilisation and implementation. 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 in the theory of change, then consider how to generate data and information to address them, including through beneficiary feedback.

- **Build learning to generate and test evidence.** Tailor your learning strategy and monitoring, evaluation and learning (MEL) tools considering 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.
- **Ensure clear governance and decision-making structures.** Generating good evidence is not sufficient for adaptive programming: it needs to be acted on. The relationship between learning, management and decision-making is crucial. Focus on decision-points, appropriate decentralisation, building checks and review systems, and ensure that your resources match your learning ambitions.
- **Ensure funding arrangements support a responsive and adaptive approach.** The selection of implementing partners (including criteria for any competition) and payment terms for implementers need to reinforce, not undermine, an adaptive approach.
- For more information on Adaptive Programming please see the Top Tips for Adaptive programming Prof Guide.

5.5 Delivery options

There is a range of delivery options for FCDO Projects. Some Programmes and Projects will be implemented by FCDO's own staff, either in-house delivery by FCDO staff through project funded roles, or by direct purchase of goods and services. Most projects and programmes are implemented by external organisations, under a formal **funding arrangement**. These include:

- Procuring a supplier on a **commercial** contract basis against a terms of reference defined by the FCDO;
- Accountable Grants to **not-for-profit** organisations for projects proposed by them;
- Working through another UK government department, or an agency or arm's length body of another UK government department;
- Working through one of the **FCDO's arms-length bodies**;
- 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; or
- 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 the 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.

5.5.1 In-house Delivery by FCDO Staff: Project Funded Posts

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. This approach was previously known as ‘Insourced Roles’.

PrOF Rule 26 sets out the criteria for FCDO staff to be funded through a programme or project, and the mandatory processes that need to be followed.

Please see the Prof Guide on Project-funded Posts and In-house delivery for more information on what to consider when designing and creating in-house delivery roles.

5.5.2 Direct Purchase of Goods and Services

Smaller projects will sometimes be implemented by FCDO posts and departments themselves, paying for goods and services directly.

5.6 Funding arrangements with external implementing partners

Most Programmes and Projects are implemented by external organisations. Where this is the case, there must be a signed funding arrangement with the external implementing partner, covering the whole period in which activities will be undertaken (PrOF Rule 13). The choice of funding arrangement is determined by the type of implementing partner, how the project is initiated, and the purpose of the funding with the key distinction being between contracts and non-contract funding arrangements.

- Contracts are used where the FCDO specifies the work to be done by the implementing partner. If the funding is intended for the acquisition of works, goods or services **by the FCDO**, then the procurement regulations (Public Contract Regulations 2015 (PCR 2015) or Defence and Security Public Contracts Regulations 2011) need to be followed. Contracts are legally enforceable. This is the case even if the purchasing relates to development spend and the ultimate beneficiaries are the recipients of ODA.
- Where the funding is given at arm’s length to a body, in support of a policy objective, and does not involve the purchase by the FCDO of works, goods or services, a non-contract funding arrangement (Accountable Grant or MOU) may be used. These agreements are more flexible. They are governed by public law and are not contractually enforceable.

Commercial Procurement using Supplier Contracts

Contracts are used where the FCDO has a clear idea of what it wants to achieve, how we want to achieve it and the price we are prepared to pay in exchange for the goods or services delivered. The Programme Team develop Terms of Reference and own the idea (the Intellectual Property / IP). These contracts normally invite competition from an open market including private sector suppliers and not-for-profit organisations. All bids must be assessed against the same criteria and contracted using the same supplier terms and conditions.

Rule 14 and the associated procurement guides sets out how the procurement regulations (Public Contracts Regulations 2015 or Defence and Security Public Contracts Regulations 2011) are applied in the FCDO and the mandatory processes to be followed, including details of the transparency requirements.

5.6.1 Non-Contract Funding Arrangements

The FCDO uses a range of non-contract funding arrangements, 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 for goods or services in exchange for payment.

The table below summarises the mandatory requirements that apply to non-contract funding arrangements. Further guidance is provided in the funding arrangement decision tree, and the **PrOF Guide to funding arrangements** identify the most appropriate non-contract funding arrangement to use. All non-contract funding arrangement templates can be found on the

Non-contract Funding Arrangement	Details
Accountable Grants to non-profit organisations	<p>Accountable Grants are used when the 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 an Accountable Grant is made by the spending team, but the following two criteria need to be met:</p> <ul style="list-style-type: none"> • 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 the FCDO with a proposal for funding, either as an unsolicited proposal or in response to a "call for bids/proposals". <p>Accountable Grants may be awarded following a competitive bidding process, or in response to an unsolicited proposal.</p> <p>A competitive bidding process for an Accountable Grant is different to a tendering process for a contract, because the FCDO does not specify the work to be done. Instead, it sets out strategic policy-based objectives for bidders to prepare a proposal setting out how the activities, outputs and outcomes of the initiative will help the FCDO achieve those objectives.</p> <p>An unsolicited proposal is one that submitted to the FCDO without any instruction by the FCDO programme team. The FCDO may suggest</p>

	<p>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.</p> <p>We can fund unsolicited proposals from <u>not-for-profit</u> organisations without going through a competitive process, provided the programme team is able to establish and document that:</p> <ul style="list-style-type: none"> • No other organisation would be able to carry out a project so well aligned with the FCDO objectives • The proposal demonstrates value for money (i.e., by comparing costs with other organisations or projects operating in similar fields) • Running a competitive process would not represent value for the taxpayer <p>Unsolicited bids from commercial (for-profit) organisations cannot be considered for grant funding.</p>
Multilateral and international organisations	<p>The 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. The FCDO team that manages the institutional relationship with a multilateral should be consulted before entering into a funding arrangement, of it.</p> <p>We have agreed framework arrangements with several UN agencies and some multilateral development banks, to be used when the 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.</p> <p>For other agencies, including the World Bank Group, the 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.</p>
Funding the FCDO arms-length bodies (ALBs)	<p>The FCDO sponsors several ALBs (executive agencies and executive non-departmental public bodies), which are public bodies, established and publicly funded, at least in part, to deliver a public or government service in accordance with their own mandates.</p> <p>The FCDO may provide project or programme-specific grant support to fund specialised delivery activities aligned with their respective mandates. The FCDO may also fund unsolicited proposals from the ALBs, or the programme team may work collaboratively with the ALBs to develop a new project and programme. Such arrangements should usually take the form of a MoU. You should contact the ALB Sponsor before entering into any funding arrangement with them.</p>

	<p>Programme teams should consult the ProF Guide on “Working with the FCDO’s ALBs” for further guidance.</p>
Other international donor governments	<p>The 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.</p> <p>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 the FCDO is the lead donor, the appropriate FCDO arrangement templates can be used.</p>
Partner government	<p>There are two main mechanisms by which the FCDO disburses government to government financial aid:</p> <ul style="list-style-type: none"> • budget support – a form of financial aid which is provided directly to partner governments. • non-budget support financial aid – the 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. <p>Where the FCDO has a one-to-one relationship with the partner government, the partner government MoU templates must be used.</p> <p>When another donor government is acting as the lead donor, we will normally sign a delegated co-operation arrangement with that donor.</p> <p>When the 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.</p> <p>When the 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.</p>

6. Programme Operating Framework – Governance

This section sets out the governance framework for our programmes. This section is relevant to those with accountability for programme delivery (such as Portfolio SRO and Development Directors), those with leadership roles (SRO and PRO) and programme managers.

6.1 Context

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

The FCDO is accountable to Parliament through the Permanent Under-Secretary (PUS) as the Principal 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. As the additional Accounting Officer, the Second Permanent Under-Secretary manages the FCDO's development programme portfolio, including all programme expenditure related to Official Development Assistance.

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.

The FCDO's internal policies and priorities are set and governed by the Supervisory Board, the Management Board and its subcommittees. Internal Audit and Investigations Directorate provides the Accounting Officers 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 business/country 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 business/country plans, ensuring VfM for UK taxpayers.

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

6.2 Funding sources

The 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. Guidance

explaining the breakdown of funding received from HM Treasury can be found in the FCDO Financial Management Policy and Guidance document.

6.3 Types of Budget

There are two different types of budget that expenditure is monitored against:

- Resource allocation budget – which is delegated from PUS to DGs at the beginning of each financial year, covering both programme and operating budgets
- Programme planning budget, which is the lifetime budget for projects or programmes (often covering more than one financial year)

To spend FCDO programme funds, it is necessary but not sufficient to have a programme resource allocation budget. Programmes and projects also require a programme planning budget, approved in accordance with PrOF Rules 7 and 8 and the governance process for programme approvals set out below.

Programme budgets are either ODA or non-ODA.

ODA development funding

Promoting economic development and welfare of ODA-eligible developing countries is the primary purpose of ODA projects and programmes. In a typical year, over half of the FCDO's Gross Public Expenditure tends to be 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).

Non-ODA funding

The much smaller non-ODA programme budget (known as the **International Programme**) supports the UK foreign policy priorities and the FCDO's strategic Objectives, highlighted in its Outcome Delivery Plan, either on activities which cannot be counted as ODA, or in countries which are not ODA eligible. It helps the 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.

Cross-Government funding settlements

UK Integrated Security Fund (UK ISF) – From -1 April 2024, the UK Integrated Security Fund (UK ISF) replaced and brought into one fund the Conflict, Stability and Security Fund (CSSF), the Economic Deterrence Initiative (EDI) and National Cyber Programme (NCP). With an international and domestic remit, the UK ISF puts programmatic interventions at the heart of delivery of the Integrated Review Refresh (IRR), bolstering the UK's security and resilience. The fund retains the CSSF's unique cross-government approach, flexibility, catalytic effect, and high-risk approach whilst focussing activity to better align with the core priorities of the IRR. The fund under the direct authority of the National Security Council (NSC), and supported by the Integrated Security Funds Unit, which is housed in the FCDO, reports to the National Security Secretariat in Cabinet Office, and is staffed by officials from across

HMG. Within RDEL allocation, the UK ISF is explicitly ring-fenced within the FCDO's settlement.

International Climate Finance (ICF) - A multi-departmental allocation managed by the FCDO, Department for Business and Trade, Department for Energy Security and Net Zero and Department for Science Innovation and Technology, 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 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 ICF objectives.

6.4 Internal Control Framework and Control Environment

Internal Control Framework

The Internal Control Framework covers all 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 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.

6.5 Governance Structure

The FCDO is represented in the Cabinet by the Foreign Secretary and the Minister of State (Development and Africa).

The Supervisory Board is chaired by the Foreign Secretary and provides strategic direction, oversight, support and challenge, to encourage the long-term health, reputation and success of the FCDO. The Board offers a challenge and support function on how the department is performing against clear objectives, key performance indicators, and management of principal risks. It meets quarterly in formal sessions. Its members are the Permanent Under-Secretaries, full Ministerial team, the Non-executive Directors and Director General Finance and Corporate.

The Management Board takes strategic choices for long-term 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, Development, Investment & Delivery, People and Ops, and Health & Safety Committees. The Management Board 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 Audit and Risk Assurance Committee (ARAC) supports the Supervisory Board and the Accounting Officer to review decisions and processes designed to ensure sound systems of internal control, including the overarching control framework and related assurance mechanisms, risk management, financial accounting and reporting including internal and external audit, arms-length bodies, counter-fraud and safeguarding.

The Strategy Committee is responsible for making sure the department is fit for the future. It focuses on challenge and strategic oversight, recommending changes to the FCDO's strategic direction, building strategic capability, and assessing coherence and links into HMG strategy.

The Development Committee provides strategic leadership and systematic oversight and accountability for the FCDO's development agenda. The Committee drives coherence across the development portfolio, ensuring ODA is well managed.

The People and Operations Committee is the main decision-making and consultative body on policy development and risk relating to key cross-departmental corporate issues. It supports the Director General Finance and Corporate in running the FCDO's corporate functions.

The Investment & Delivery 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 VfM and maximises impact.

The FCDO Corporate Investment Committee (previously the FCDO Operations Committee) is responsible for oversight and assurance of all corporate spend decisions, including IT, Estates and other investments, in support of the PUS as Accounting Officer. It ensures that decisions deliver value for money and meet business needs for the FCDO and all of HMG overseas.

At the operational level, the FCDO has three mutually supportive roles or 'lines of defence'. More information on the lines of defence can be found in the Internal Control Framework

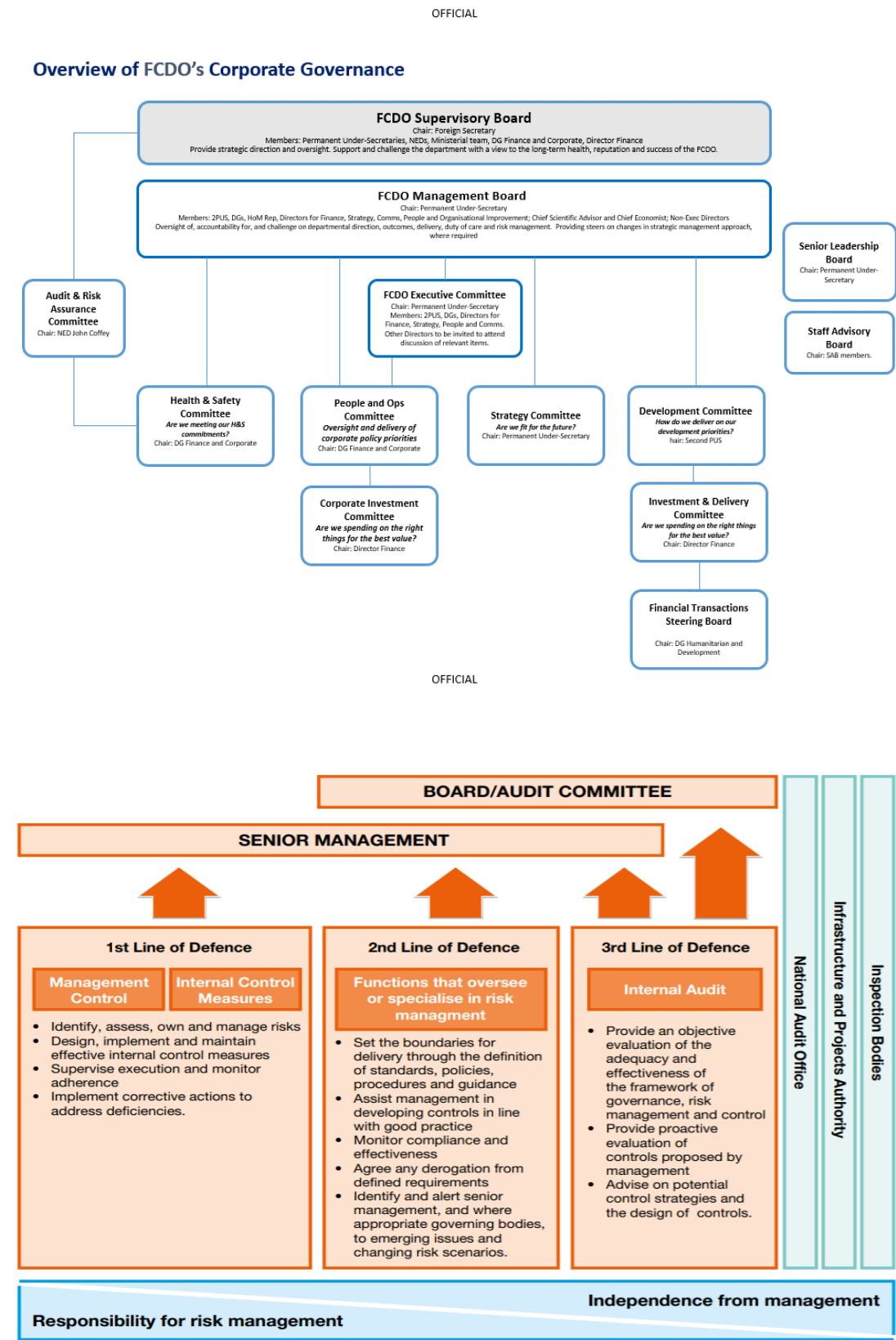
Quality Assurance Unit (QAU)

The QAU reviews business cases over £40 million and those classified as novel and contentious. 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 (plus 2 weeks follow up) 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. See the Quality Assurance Process Guide for more information or contact: qateam@fcdo.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



6.6 Accountabilities

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

6.7 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 £200m (the whole life cost of a proposal). 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 cost 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
- where Treasury consent is a statutory requirement

‘Novel’ may be anything that is original and not seen before, perhaps including a non-standard transaction. This includes all non-fiscal programmes (and extensions) and programmes where the FCDO enters into a guarantee. **‘Contentious’** might cover a proposal that could hold the potential for dispute as well as cause controversy. Novel and contentious would include spend on public–private partnerships, spend with organisations/countries subject to sanctions, spend on a complex or non-standard commercial model (e.g. joint financing) and any negotiations or legal disputes with Government’s strategic suppliers. Spend on public-private partnerships which generally creates commitments beyond the current Spending Review period and requires complex contracting, would also be considered as novel or contentious.

Process for programmes requiring HM Treasury approval

Ministerial approval must first be obtained before a Business Case is submitted to HMT for scrutiny. Once given, HMT approval must be sought via HMT Engagement Team, by completing the HMT 1-pager template and sending it to the HMT Engagement Team.

The SR21 and HMT allocation of budgets from 2023/24 to 2024/25, require that Business Cases (and no cost and cost extensions) over £200m for programmes before or after March 2025 must be sent to HMT Engagement Team, as must any programmes under £200m that will go beyond March 2025. Formal HMT approval is also needed for any activities, including new geographies, which are novel and contentious. In addition, HMT (via HMT Engagement Team) must be informed of all replenishments to multilateral organisations.

Treasury levels of delegated authority

The 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	<ul style="list-style-type: none"> • £200m (whole-life cost in today’s prices) for business case approval • £100m (whole-life cost in today’s prices) for announcement where a business case has been approved
Announcements and policy proposals creating on-going expenditure if Business Case yet to be approved by HMT	Resources and capital	Prior HMT approval is required for any announcements involving spend if related to a business case or a package of business cases, yet to be developed, totalling £100m or above across the lifetime spend of the period

- The 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.
- The FCDO Financial Delegated Authority is set out on the intranet.

6.8 FCDO's Internal levels of delegated authority

New internal levels of delegated authority for approval of FCDO programming, as agreed by the Foreign Secretary and Minister for Development (see Table 2), came into effect in November 2024. Teams should use 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.

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

Programme Value	Concept Note Approval	Business Case Assurance	Business Case Approval Advice	Business Case Sign-off	Contract Approval
<£2m	Not required	Deputy Director	Country/ Regional Board	Head of Mission/HQ Director	Commercial staff with appropriate DLA
£2m < £5m	Head of Mission/HQ Director	Deputy Director	Country/ Regional Board	Head of Mission/HQ Director	Commercial staff with appropriate DLA
£5m <£10m	Minister	Deputy Director	Country/ Regional Board	Head of Mission/HQ Director	Commercial staff with appropriate DLA
£10m <£20m	Minister	Deputy Director	Country/ Regional Board	Head of Mission/HQ Director	Procurement Steering Board
£20m <£40m	Minister	Deputy Director	Country/ Regional Board	Director General	Procurement Steering Board
£40m <£100m	Minister (cc MfD)	QAU	Investment and Delivery Committee	Minister (cc MfD)	Procurement Steering Board /Minister
£100m < £200m	Minister for Development	QAU	Investment and Delivery Committee	Minister for Development	Procurement Steering Board/Minister
£200m and above, novel, contentious and very high risk are treated as high value	MfD/Foreign Secretary	QAU	Investment and Delivery Committee	MfD/Foreign Secretary	Procurement Steering Board / Minister (possible Foreign Secretary if escalated by Minister)

- 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 and Delivery 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 programmes will need to achieve country buy-in as part of the agreement process, including for any insourced roles that are part of the business case.
- For ODA programmes Development Director endorsement must form part of the Country Board or regional/thematic scrutiny process.
- UK ISF programmes are approved for funding through cross-HMG UK ISF Portfolio Boards. In order for a new UK ISF programme delivering £5m or more 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 UK ISF programmes delivering <£5m of programming on the FCDO baseline over its lifetime, the cross-HMG UK ISF Portfolio Board (chaired by a HoM) will approve the Programme Document in lieu of a Concept Note. The UK ISF 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 section 6.6 on HM Treasury delegated authority.

Business Cases above £40m will not generally be seen by Ministers unless they have specifically asked. Instead, they will be reviewed at official level with only the 2-page business case cover note, with the Investment and Delivery Committee advice included submitted to Ministers for agreement and approval. A cover note will be used to collect the comments of the scrutiny reviews. Where programmes are being submitted through the Quality Assurance Unit and the Investment and Delivery 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 bound. 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 included here.

6.9 Business Case 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
£200m or above	Foreign Secretary	New total £200m and above	Foreign Secretary & HMT approval
£100m <£200m	Minister for Development	New total £100m but below £200m	Minister for Development
		New total £200m and above	Foreign Secretary & HMT approval

£40m < £100m	Minister	New total a£40m but below £100m	Minister
		New total £100m but below £200m	Minister for Development
		New total £200m and above	Foreign Secretary & HMT approval
£20m <£40m	Director General	New total a£20m but below £40m	Director General
		New total £40m or over for the first time	Minister
		New total £100m or over for the first time	Minister for Development
		New total £200m or over for the first time	Foreign Secretary & 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 £20m or over but less than £40m for the first time	Director General
		New total £40m or over for the first time	Minister
		New total £100m or over for the first time	Minister for Development
		New total £200m or over for the first time	Foreign Secretary & HMT approval

- Cost extensions require an addendum to the business case. This should be signed by the Head of Mission, Director or Director General for below £40m (see above table). Cost extensions where the new cumulative value is over £40m must be escalated to the relevant minister for approval, according to thresholds in table 3. Extensions where the cumulative value is over £200m must be approved by the Foreign Secretary and additionally be sent to HM Treasury for scrutiny. Consult HMT Engagement Team in Finance for advice on the HMT process.
- Re-approvals are covered in section 6.10 below.

6.10 Business Case No Cost (Time) Extensions Approvals

Unlike a cost extension there is no requirement to use a business case addendum if simply extending the end date of a programme unless there are material changes to the intent of the programme resulting in a decrease in the overall VfM. The PRO, in consultation with the programme SRO must formally request approval to extend the end date of the programme in writing to HoM/ Director or Development Director or Head of Department where they have been given the delegated authority to approve such requests. Teams must also consult HMT Engagement Team on whether HMT approval will be needed if the extension takes the programme into the next spending review period.

6.11 FS Approval of novel and contentious programmes

Approval of Concept Note and Business Cases may be required by the Foreign Secretary for any programmes that are politically sensitive, novel or contentious cases. Decisions on whether to escalate a Concept Note or Business Case to the Foreign Secretary will be made by the relevant Minister. SROs must consider if the programme is novel or contentious and ensure the Foreign Secretary's ODA Adviser (where relevant), and SpAdS and PAdS are made aware.

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 the 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 misuse 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, the 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 may require a decision from the Foreign Secretary through escalation by the relevant Minister.

6.12 Re-approvals

Where a team intend to change an FCDO programme so it deviates from the original approved business case, a business case addendum must be completed and submitted with a request for re-approval. Modest changes can normally be signed off by the Head of Mission or Director (unless delegated to the programme SRO). However, where there is a material change to the programme, re-approval requests must be escalated to whoever has delegated authority to approve the change (including ensuring material changes for programmes above £200m are approved by HM Treasury) in line with the delegated authority levels set out in table 3 above (to note if reapproval is needed for a budget increasing above £5m for the first time then Ministers should approve). Examples of a material change include:

- Significant deterioration (e.g., due to war, new crisis or spike in existing crisis etc) in the operating context affecting the ability to effectively achieve an essential strand of work or the overall programme objectives, as designed and approved in the business case.
- 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 it is 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.

6.13 Commercial Approvals

Commercial Department builds a Commercial Pipeline and uses this information to forecast planned contract awards.

Following SRO approval, contracts and contract amendments:

- Below £10m are approved by the commercial staff member who has the appropriate delegated level of Authority, in line with Commercial Governance Processes, (including Procurement Steering Board (PSB) where required).
- Between £10m and £40m are approved by the Procurement Steering Board (PSB) and Cabinet Office.
- Over £40M are approved by the Procurement Steering Board (PSB) and Cabinet Office, before being submitted to the relevant FCDO Minister for approval. All FCDO Ministerial submissions for contract approval are drafted and submitted by the SRO with input/agreement from Commercial.

6.14 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 that 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 and Professional Services
- Facilities Management
- National Property Control
- Contingent Labour – Recruitment
- Redundancy and Compensation
- Learning and Development

6.15 Programme accountability chain

Accounting Officers

The Principal Accounting Officer is the person accountable to Parliament for the stewardship of the Department's resources. The FCDO's Principal 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 additional Accounting Officer, the Second Permanent Under-Secretary manages the FCDO's development programme portfolio, including all programme expenditure related to Official Development Assistance. The parliamentary committees may seek assurance on propriety, regularity, value for money and feasibility of the use of public money provided by Parliament to their departments.

Budget holders and delegated budget holders

These 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.

Separation of duties

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.