Foreign, Commonwealth & Development Office

FCDO Programme Operating Framework

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 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 within 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

1.1 What is the programme operating framework

The PrOF brings together everything that is mandatory for spending programme funds in the FCDO. Defining what is mandatory in one place makes it easier to apply judgement and flexibility to delivering projects and programmes effectively in different contexts.

The PrOF is organised around **Rules** and **Principles**:

Principles describe what good quality programmes and projects look like. They provide a guide to FCDO staff to apply their judgement in designing and delivering programmes, and for external implementers to see how the FCDO is committed to delivering internationally.

Rules set out everything that is mandatory – whether legal and cross-government requirements that apply to FCDO programmes, or policy decisions that the FCDO has taken. Rules are organised around the Programme Life Cycle.

The PrOF also defines **Roles and responsibilities** of the people who are accountable for project and programme delivery; **Delivery options** for projects and programmes; **Approval thresholds** and risk and assurance arrangements to facilitate effective oversight of programme delivery.

Linked to the PrOF is a set of good practice PrOF Guides that draw on experience and expertise across the FCDO and beyond. The guides support programme teams in applying the Rules and Principles, illustrating what can be done within the operating framework. They do not contain any additional Rules or mandatory procedures.

The PrOF is governed by the Programme Cycle Panel (PCP), chaired by the Centre for Delivery. This panel provides oversight of the PrOF, carefully considering any proposals for new rules or changes to rules and testing any changes for necessity and feasibility. Anyone in the Department can propose changes to the framework and its ruleset. You may be invited to attend the PCP to talk about the proposal, to help the panel reach a decision about the change.

1.2 One framework, a diverse portfolio

The PrOF applies to all programmes led and delivered through on the FCDO baseline – including those funded from cross-HMG funds. This includes the full spectrum from smaller projects to the large multilateral contributions and subscriptions. The PrOF does not cover the FCDO's operational expenditure such as the maintenance of the FCDO's infrastructure or IT systems.

The Rules are applied in different ways to different types and size of projects and programmes. For example:

- Smaller projects (under £250K) have streamlined approvals and reviews, including when grouped into a programme under £2m.

- Some Rules only apply to Official Development Assistance (ODA) and not to non-ODA.
- Projects/programmes funded from the UK Integrated Security Fund (UKISF) and managed on the FCDO baseline are subject to the PrOF but some Rules apply differently.
- Core contributions to multilateral organisations do not require a Concept Note as part of the approval process.

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.

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 local leaders and partners to deliver results, including formal collaborations on knowledge-sharing as a risk mitigation strategy. Teams evolve as necessary, and collaboration with local leadership 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. 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, local leadership, partners, and constituents in the countries where we operate. Their right is 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.

Devolved Leadership
As the people closest to the detail, FCDO programme teams are empowered to take decisions within their projects and programmes, create better policy and programme outcomes through innovation, take well-judged risks and manage them appropriately, responding to evidence and with the flexibility to adapt to realities on the ground.

How we get the job done: We are agile 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. Innovation is encouraged, and failures are treated as learning opportunities rather than causes for blame, so long as they lead to insights to improve future delivery.

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 effective delivery and 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.

Context-specific
We draw on available evidence and listen to the views and experiences of local leadership including the breadth of our stakeholders (especially programme constituents, local communities and leaders). 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.

Locally led
As part of our commitment to resilient, long-term, whole country partnerships, we support local leadership based on principles of mutual respect, mutual interest, mutual accountability and mutual learning. We do not assume that local partners are more risky but support locally led delivery by ensuring local partners have the agency and quality funding to meet local needs and deliver shared goals.

Evidence-based
We plan rigorously using evidence to create a strong foundation on which to base change. We check with local leadership to test assumptions and ensure it is contextual. 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.

2.2 Additional PrOF Principles – what good programming looks like.

Three other guiding principles underpin the PrOF and the way we manage programmes in the FCDO:

Risk management
FCDO programme teams are expected to apply their judgement and experience informed by a good understanding of the risk exposure and being explicit about which risks they are managing and accepting through their approach. No programme is risk-free, but uncertainties, including both opportunities and risks must be understood and managed well, with resources prioritised to reducing risks which exceed our programme appetite.

Value for Money
Part of accountability is demonstrating value for money (VfM) in the way we spend taxpayers' money. This means showing how we have maximised the impact of each pound spent on our interventions. The FCDO uses the 5Es criterion to assess value for money. We consider:

- **Economy** – Are we buying of inputs of appropriate quality at the right price? ("spending sensibly");
- **Efficiency** – Are we converting inputs into the desired outputs, or applying we learning and evidence to adapt what our programmes deliver? ("spending well");
- **Effectiveness** - How well are the outputs delivered by an intervention leading to the intended outcomes? ("spending wisely");
- **Equity** - Are the benefits distributed fairly, and designed to reach people according to their needs? ("spending fairly");
- **Cost effectiveness -** What is the overall impact on our outcomes compared to our costs? ("the overall assessment of value for money").

VfM means that we should aim for the best feasible programme to achieve maximum impact. Value is not measured only by what our programmes deliver – it may also be measured by how they deliver. Speed of response may be most important in response to a humanitarian crisis. Building local capacity in local partners and communities may be as valuable an output as delivering defined services.

VfM should be considered throughout the life of a programme to ensure it drives decisions and is considered in programme and project evaluations.

Benefits Management
All FCDO programmes should lead to benefits being realised. At the approval stage we set out the expected benefits as the outputs and outcomes of a programme. These are measured through the life cycle of the programme in the results framework, and may take a quantitative or qualitative approach to best meet the needs of the programme. Annual Reviews are used to check on the performance of the programme and whether the benefits are on track to be delivered. We consider the sustainability of the benefits achieved throughout the delivery of the programme and reflect on them in the Programme Completion Review.

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. More detail of specific roles is given in the Roles & Responsibilities section.
- **How** you need to go about implementing the rule

3.2 Teams should use their judgement, in line with the principles outlined above, in applying the rules proportionately to their programme or project.

Within each rule one-pager there are pop-out boxes giving 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. PrOF Guides are updated throughout the year.

3.3 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 ODA FCDO programmes and projects must be as transparent as possible with taxpayers, our partners. 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. This is either through a portfolio strategy for the portfolio, or a concept note for the programme. (one-pager)

8. All programmes must be appropriately designed, with the design articulated in a **suitably approved** business case (BC), which must be in place prior to the start date (and for the full duration), using the appropriate 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 or portfolio strategy) 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. (one-pager)

9. All programmes (and policies) should 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. The FCDO must have a suitable, proportionate and documented assessment of any partner who is intended to be the direct recipient of FCDO funding. The assessment must be completed before an arrangement is signed and funding is disbursed. (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 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 UKISF) 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 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
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; - these are 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.[1]

Who?

- Heads of Mission (post) and Directors (HQ) must confirm 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.

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.

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
- 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 and Procurement Regulations 2024

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.. **OSJAs must be updated regularly** and at all stages of the programme cycle, including concept note,

[1] Legal Directorate are available for advice. Questions of local law should ordinarily be directed to Honorary Legal Advisors or local lawyers at post.

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 classified as ODA, it may be rejected by the OECD. This will impact 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 ICAI. 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 activities.
- Programme Managers are responsible for carrying out all relevant checks to ensure programmes are in line with the OECD 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.

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.

[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.

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.

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.

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.

> **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.

Who?

- Heads of Mission (post) and Directors (HQ), in their role as **Portfolio SRO**, 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 Deputy Directors.
- 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.

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 aligning its UK Official Development Assistance (ODA) with the Paris Agreement, and to take steps for ensuring UK ODA becomes 'nature positive', and aligned with the Kunming Montreal Global Biodiversity Framework.

The UK has pledged £11.6bn ICF to support developing countries in reducing poverty and addressing climate change and environmental degradation by the end of 2025/26 financial year. Accurate reporting of ICF spending and results is essential to meet these commitments and demonstrate their impact.

Who?

- **Directors/Heads of Mission** are accountable for minimising harm and maximising benefits, for climate and the environment in the overall portfolio.
- **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 partners report on climate and environmental issues and update 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 summarise how the programme will meet the Green Finance Strategy criteria of Paris alignment: 1) aligning with partner country's climate and nature plans; 2) adhering to 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 achieve objectives; and 2) assess and mitigate risks if operating in or near critical habitats.
- **International Climate Finance (ICF)** ODA programmes can qualify as ICF if, they address climate change impacts of causes. ICF programmes should report on relevant ICF Key Performance Indicators through the annual results commission. Programme log-frames should include indicators aligning with ICF KPIs. Programmes must use the Rio Marker for climate change adaptation/mitigation on AMP, including a % split, and, if relevant, Rio Markers for biodiversity and/or desertification. Programmes not on AMP must contact the ICF Analyst in the Energy, Climate and Environment Division for reporting guidance.
- **Gender Equality and Disability**: ICF programmes should apply the OECD DAC gender equality and the OECD DAC disability marker where applicable. Refer to the guidance on applying the OECD-DAC gender equality policy markers. New ICF programmes should aim, if possible, to score at least a 1 against the GE Marker.

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.

Rule 6: All ODA FCDO programmes and projects must be as transparent as possible. Programme documents and decisions must be saved correctly for publication. Sensitive information must be treated appropriately.

Why? The UK is a global leader in ODA 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 mandates transparency from all 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

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

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.

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.
- The **PRO** is also accountable for ensuring programme managers take the necessary action to ensure transparency commitments are met.

How? All programme teams must consider transparency at the beginning of the 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
- 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. Exclude this information instead.

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. This will either be through an approved Portfolio Strategy or through a Concept Note (CN) for the programme.

Why? Early stage approval through a Portfolio Strategy or CN confirms that a programme is strategically aligned with HMG priorities, FCDO objectives and country partnerships, before time and effort is invested in detailed programme design.

For programmes over £5 million, engaging Ministers early in design gives them scope to influence shape and direction, and reduced risk of wasting time.

Who?

- For programmes not covered by an agreed Portfolio Strategy, **HoMs (at Post) or Deputy Directors** should approve Concept Notes for programmes below £5m and are accountable for taking a final decision on whether to escalate CNs below £5m to Ministers.
- Ministers approve Concept Notes for programmes above £5m that are not covered by a Portfolio Strategy. The relevant Country Board, or HQ Regional Board (where present) should advise the HoM or Director, respectively.
- **SROs** are accountable for providing constructive challenge on how the programme will contribute to outcomes at the portfolio level (Country/Business Plan or Portfolio Strategy). SROs record the approval of a CN (or the fact that the programme is exempt from the CN requirement) on AMP.

How?
CNs should be approved in line with the agreed delegated authority thresholds.

For 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, CNs should be cleared by the Geographic Director to confirm alignment with regional/thematic business plan.

Teams must articulate the rationale for the programme within the CN template, following the appropriate approvals route and processes.

- 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).

Principles in practice:
Context-specific: Programmes should suit and influence the political context. Portfolio Strategies will show Ministers the broader context in which programme will be designed.
Evidence-based: Programmes must draw on any pre-existing evidence base. Experience sharing should be at the forefront of early-stage design. Where there are gaps in evidence, CNs and portfolio strategies should set out how these will be addressed in 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: Smaller Projects programmes with a value of less than £2m do not require a concept note.

A concept note is not required for programmes covered by an agreed Portfolio Strategy.

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.

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 AMP. Judgement on the appropriate, proportionate level of detail provided in that template is at Deputy Director discretion.

Concept notes can be useful to get approval in principle early on in a replenishment or for a potential capital increase, and to allow the work needed to flesh this into a firm proposal. However, Ministers will typically be consulted throughout the development of multilateral core contributions, and teams can use their records of these conversations and formal Ministerial approval in place of the CN, by noting the document record number(s) in the CN text field on AMP.

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.

A business case is still needed for both multilateral core funding and international subscriptions where we have a legal obligation to pay (see rule 8).

Rule 8: All programmes must be appropriately designed, with the design articulated in a **suitably approved** Business Case (BC), which must be in place prior to the start date (and for the full duration), using the appropriate 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 or portfolio strategy) 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.

Why? HMT Managing Public Money requires a BC to be in place for all spend. BCs should be the end result of an appropriate design process that consults key internal and external stakeholders, building on an approved CN or portfolio strategy. 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. Once fully approved, the SRO and PRO are empowered to deliver the programme within the parameters of the Business Case.

Well-designed programmes ensure the FCDO is investing in implementable and cost-effective programmes. 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. 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.

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 spending, 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 Programme Committee, dependent on approval threshold.
- **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. The **SRO** will prepare and present the BC Covernote two-pager for Programme Investment Committee review for programmes £40m and above.

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.

- **PROs** are accountable for convening the right stakeholders to design the programme, ensuring the right people are involved in design, including Programme Managers.
- **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.

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.

BCs must set out how the programme fits with the organisational and sectoral priorities it addresses, as well as the relevant portfolio strategies and 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 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 also 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.

The BC must be approved at the appropriate level in line with agreed delegated authority thresholds. Once full approval is given, the programmes on the Aid 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.

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.

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.
- 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).

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 adapt 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.

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 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 for them.

The following are required within programmes:

- all bilateral ODA programme spend must use the gender equality and disability policy markers (on Aid Management Platform (AMP) where relevant) to accurately indicate the degree of focus on these issues. It excludes general budget support, core contribution to multilateral organisations, imputed student costs, debt relief and administrative costs
- 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 of 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. See guidance in box below too.

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.

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.

Why? 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.

Novel or contentious programming can expose the FCDO to greater risks (diplomatic, financial and reputational), so must be closely monitored and may require specific expertise to manage. Contentious programmes or transactions might give rise to criticism by the public or the media, could be perceived as inconsistent with wider government policy or aims or hold potential for dispute. Financial risks include the misappropriation or misuse of funds, value for money being contested and the use of non-standard financial models with associated cost implications.

Who?

- 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.
- The **Head of Department or Development Director** must be satisfied when reviewing CNs and BCs that there are no financial or reputational risks that may require approval by the FS.
- 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 also 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.
- 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.

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.

How? 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 and income-generating projects.

HMT approval of novel and contentious spend must be sought by completing the NCR Business Case approval template and sending it to the HMT Engagement Team.

Prior to any spend on development capital grants or third-party financial assets, the Programme Manager should send a completed template to Financial Accounting and gain approval from the Head of Financial Accounting & Policy.

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 PrOF 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.

Further guidance: PrOF Guides to Special purpose vehicles, Development capital investment and Development capital grants, Novel, Contentious and Repercussive Compensation Payments Business Case HMT Approval Template, Programme Approvals, Concept Note PrOF Guide

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

Rule 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.

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 by 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 the 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.

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.

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

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
- Complete and submit the Digital and Technology Spend Proposition Form at the outset to 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.

Principles in practice

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

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

Who?

- 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.

Exceptions:
In the case of one-off transactional programme spend (up to £10k) on costs related to for example the hire of a venue, catering, travel etc then a simple letter can be issued to the provider to set out details of the purchase. The letter is not intended for costs related to projects implemented by delivery partners but rather to make one-off payments in support of overall project activity.

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 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 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 must be in place covering 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.

Principles in practice:
Professional: Conduct commercial activity in line with HMG Procurement Policy, and sourcing playbooks.
Responsible and Accountable: Conduct sourcing activity after a high-level assessment of funding affordability has been undertaken.
Transparent: Fair and transparent procurement and good contract management processes (including the publication of tender documents and contracts where required), reporting on key-performance indicators, and drives value for money.

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 **SRO** is accountable to ensure that the capability and capacity needed to manage the programme are identified
- 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, ensuring the contract delivers value for money and reporting on key performance indicators.

Exceptions:
In exceptional circumstances the FCDO can procure with extreme urgency and without competition. Use MUST be agreed with the Commercial Lead. Exceptions to transparency are detailed in the Procurement Act 2023 and public contract regulations and need to be recorded and discussed with Commercial.

How? All programme spend must follow the governance requirements as outlined in the Procurement Governance. All new FCDO programme spend, contract amendments and contract management must comply with the further guidance section below.

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 valued at £20m 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. 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.

Rule 15: The FCDO must have a current, proportionate and documented assessment of any partner who is intended to be the direct recipient of FCDO funding. The assessment must be completed before an arrangement is signed and funding is disbursed.

Why? To ensure that:

- The FCDO knows who it is engaging and is able to manage or mitigate any risks from funding the partner within risk appetite.
- The partner has the financial stability to deliver the arrangement, throughout the project.
- The partner has adequate processes for managing fiduciary and fraud risks or risk that the intervention may result in harm.
- The partner has capacity and capability to deliver the programme or project objectives in a way that provides value for money and manage risks within the delivery chain.

Who?

Contracts
Due diligence is carried out by central Commercial team **for commercial contracts** entered into by the central Commercial team as per Rule 14 thresholds. 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.

Accountable Grants and MoUs

- The **SRO** is accountable for:
  - ensuring proportionate due diligence is completed, agreeing what evidence is needed to support the assessment, and signing off due diligence assessments (DDAs) prior to signing any funding arrangements.
  - ensuring assessments are updated throughout the project cycle should any material changes to the delivery partner or the operating context occur.
- The **PRO** is responsible for:
  - ensuring a proportionate risk assessment is conducted that assesses the partner's capacity and capability to achieve programme objectives.
  - Monitoring risks and following through the initial assessment and any subsequent updates throughout the project cycle.
  - Documenting progress against agreed actions to ensure effective risk management.

Principles in Practice:
Responsible and Accountable: Effective, risk-based due diligence is a key tool for managing partner risk. It can protect public funds by identifying potential risks early in the project cycle and can enable informed, proportionate responses to maximise impact and value for money.
Locally Led: It is important to understand the capacity and capability of the partner to deliver in the context that they are operating in. Nothing in this Rule is intended to be a barrier to funding local partners in country.
Evidence-based: Due diligence critically analyses a range of evidence including policies, processes, controls and financial information to inform decisions and understand the risk of working with the partner.
Proportionate and balanced: The scope and depth of evidence gathered should be proportionate to the scale of funding and the complexity and duration of the project, the timeline (urgency) and any history with the partner.
Transparent and collaborative: Due diligence should be a collaborative process working with the partner to foster positive, ongoing relationships throughout the programme cycle.

Exceptions: For **rapid onset humanitarian emergencies** 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.

How? A programme-specific assessment must be completed before **signing any arrangement or disbursement of funds**. It must be updated whenever significant changes to the delivery partner or operating context could impact the programme's risk profile or delivery of objectives.

The **type of assessment** required should be proportionate and tailored to the **implementing partner and funding arrangement** in place. Assessments for grant funding should incorporate all **mandatory checks**, including:

- Verification of **partner identity and legal status.**
- **Screening for sanctioned individuals and organisations** using official sanctions lists.
- **Assessment of partner financial health.**
- Completion of an **Assessment of Partner Fraud Risk.**

The **PRO** can rely on independent evidence from trusted sources – for example HQAI assessments - or delegate the task of gathering the necessary evidence to support 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.

Along with the due diligence process a **Delivery Chain Mapping (DCM)** should be completed. The DCM visually captures all partners involved in delivering a specific good, service or change - ideally down to the end beneficiary (see also rule 23). A DCM is required for **all funding modalities**, reviewed during the due diligence process and updated throughout the programme cycle - except for **core funded arrangements with multilateral organisations** which are subject to Central Assurance Assessments.

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

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.

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.

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.

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? Effective risk management, when applied proportionately and embedded in decision-making, helps ensure programmes and projects meet their objectives. It enables informed decisions about acceptable risks, supports resource prioritisation to keep delivery on track, helps prevent failures, and ensures rapid and effective responses when issues arise. Our approach is guided by clear HMG risk standards and is designed to support decisions that reflect the level of risk exposure—balancing risks and opportunities to achieve outcomes.

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.
- **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 for 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 once the applicable FCDO Risk Policy Minimum standards are met. These include setting and agreeing risk appetites, actively reviewing and updating the programme risks, escalating and documenting those out of appetite and actively using the risk register to track and document implementation of mitigations and escalations. Doing this will help those accountable to understand the risk exposure and threats to objectives, as well as opportunities, and make informed decisions regarding actions and resources. See the PrOF rule 17 guide for more details.

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 maximises 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 understand and to manage risk exposure.

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 inform and document these decisions, holding ourselves accountable for the consequences.

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.
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Why?

Reporting concerns is an integral part of the FCDO's ability to manage fiduciary and SEAH safeguarding risks, while working in high-risk contexts around the world. This includes reporting on both internal and external cases where FCDO funds, assets or interests, including the FCDO's reputation, are involved.

Risks must be appropriately managed (see Rule 17) to prevent FCDO funds being lost to fraud and other forms of misuse, including SEAH, or being abused for terrorist purposes. The FCDO adopts a risk-based yet robust approach to mitigating these risks in compliance with UK legislation, and in fulfilment of the international standards of the Financial Action Task Force (FATF) and the UK's obligations under international law, including international humanitarian and human rights law (see Rule 1).

The FCDO has a 'zero tolerance approach to inaction' on SEAH and the mishandling of funds. As per the Common Approach to Protection from SEAH (CAPSEAH), 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. CAPSEAH 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. The zero-tolerance approach does not mean having zero cases of SEAH or the misuse of funds being reported. Reporting by programme partners is strongly encouraged and should not be penalised.

Working with multilaterals
FCDO MOU and grant templates contain standard clauses on fraud, other misuse of funds and SEAH which sets out the international standards and reporting we expect from partners. The SEAH clause has been agreed with other major international donors.
Multilateral organisations usually provide aggregate reports on SEAH and other forms of misconduct to Member States in line with the processes agreed with their governing boards (usually annually). On receipt, the FCDO programme team should promptly share that report with the FCDO Internal Audit and Investigations Directorate Reporting Concerns Team and (on PSEAH) Safeguarding Unit Confidential information regarding specific cases should be handled with utmost care and shared with IAID only.

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

How?

Engagement with programme partners and beneficiaries is key to ensuring they understand what standards of conduct to expect and how to speak out when allegations are made. FCDO due diligence assessments (rule 15) help ensure that partners have processes in place for managing risk and reporting concerns, and protective clauses on fraud, misuse of funds, and SEAH are included in all FCDO funding arrangements, supported by regular monitoring and reporting on risks, controls and other mitigating actions.

Concerns should be reported via the confidential Hotline (+44 (0)1355843747) or by e-mail: reportingconcerns@fcdo.gov.uk

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.

Principles in Practice
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.

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 for ensuring an appropriate monitoring strategy for the programme is implemented by the Programme Manager, which also includes the proportionate use of available 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 data 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 provide a snapshot of partner-reported deliverables, which, triangulated with other evidence, can inform partner engagement.

Rule 20: All programmes must undergo a 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.

Principles in practice
Proportionate: Based on the assurance demands of the programme and the need to document lessons. Lighter-touch approaches on some programmes will be balanced by in-depth analysis of more significant investments.
Locally led. Measures of performance and the review process should take account of the views of local partners.

Who?

- **Directors/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 AMP, 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 AMP.

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 (PCR) 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 should consider how the annual review fits into overall monitoring through the programme lifetime. As well as assessing and scoring against outputs, the annual 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. Annual Reviews and PCRs might be supported and informed by independent evaluation.

The frequency and format of **in-programme review** will usually be determined at Business Case stage, providing approvers with assurance of how the programme will be managed and may include monthly or quarterly check-ins as well as the annual review point. At the end of the project or programme, a final review must be carried out to assess delivery of Business Case commitments and intended outcomes and to capture key lessons learned.

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. A deferral can only be requested once in a programmes lifecycle. PCRs 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 PCR templates are available for programmes that meet the definition of 'Small Projects in Programmes'.

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 aims to enhance portfolio performance, acknowledging that some programmes may underperform. This does not necessarily mean they should be closed if risks are managed, issues are escalated, and performance improvement plans are in place. An underperforming programme with strong management and learning can be more valuable than an over-performing one with low ambition or poor management. Effective programme design should adapt to changes, and regular monitoring ensures teams can quickly address performance issues.

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 are essential to identify underperformance, whether it's 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.

Improvement measures will depend on the causes of underperformance. Different approaches are needed for changes in context, major risks, partner delivery failures, or l programme or project design flaws. Responses may include renegotiating funding agreements, introducing milestone payments, restructuring the programme to focus on high-performing areas, or downgrading ambition if goals are unrealistic.

Once issues and improvement measures are identified, 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 to prevent delays in improvements expected. If underperformance is due to partner performance, the PIP should be developed with the delivery partner and included in the agreement. Early closure is a resort after all other options are exhausted. Any termination actions must be considered against the contract or funding arrangement terms and in consultation with legal advisers.

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.

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. Where payments are not forecast, this can result in the FCDO being overdrawn in its Government Banking accounts which is not allowed under Managing Public Money. Exchequer costs rise if large payments are not forecast in advance and therefore HMT charges penalty interest to departments on overdrawn positions.

The FCDO's overall budget must be allocated and accurately profiled to ensure that strategic financial decisions can be made, the UK ODA spend can be accurately tracked, 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.

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.

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 are 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. Management Accounts can advise on specific underspend queries.
- Any relevant taxes (e.g. VAT, customs duties) are included in the budget and all financial forecasts throughout the project.
- Staff should contact the FCDO tax specialist, within Financial Accounting and Reporting, 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.

Rule 23 Funds must only be paid to the intended recipient and only be used for the purposes formally agreed.

Why? HMT Managing Public Money sets out the rules and requirements for 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 funds could be diverted from their intended recipients, or subject to fraud. Therefore, programme teams must gain as complete assurance as possible that HMG funds are being used for the intended purposes.

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.

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

Partners must be made aware and regularly reminded of FCDO's expectations. A budget will be agreed as part of formalising the funding arrangement. The level of detail (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. The partner will be expected to report their spend against these budget lines, with the frequency and format of reporting agreed in the funding arrangement. The PRO should discuss with the partner how any movements between budget lines will be managed to ensure that funds are being spent on their intended purposes.

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 than contracting this out.

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.

Delivery Chain Mapping (DCM) is a process to identify all partners involved in delivering a good, service or change, ideally down to the end beneficiary (see also rule 15). 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). 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. Financial statements are required to be "true and fair" (meaning that the information presented is factual and free from falsehoods and that they are presented without bias and accurately portray the financial condition they aim to represent). Audited financial statements can be used to provide assurance as to whether financial statements are true and fair. Such audits are typically based on proportionality assumptions and are not a total guarantee of accuracy.

In addition to the statutory annual audit of partner organisation, the FCDO may commission specific audits of a project or high-risk areas within a 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)**.

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.

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 (IFSU) for 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 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? ODA spend is not covered by the Foreign Currency Mechanism, which limits the FCDO's exposure to currency fluctuations, and ODA targets are in GBP sterling. For high value programmes, committing funds in GBP sterling avoids the risk of unbudgeted commitments due to foreign exchange movements.

By making ODA commitments in sterling the FCDO passes the risk of exchange rate fluctuations to the partner. Sometimes our partners will benefit from this 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 the FCDO budget policy. When agreeing a sterling funding agreement budget, it may be appropriate for the SRO to use an exchange rate averaged over a 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.

Locally Led: When funding a smaller local partner, FCDO *may* choose to increase the financial limit to compensate adverse exchange rate movements, where resource budgets allow, but setting the financial limit in GBP protects the FCDO against open-ended commitments.

Adverse movements in exchange rates may impact on a programme's ability to deliver outputs. 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)

ISF 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 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.

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 ISF-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.

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 the Centre for Delivery.

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. 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) mandates departments to establish an asset management strategy for acquiring, maintaining, tracking, deploying, and disposing of assets. Demonstrating, effective asset management is crucial for FCDO implementing partners, who must maintain accurate and up-to- date asset. Weak programme asset control and outdated reporting can lead to undetected fraud, posing operational and reputational risks to the FCDO. Significant losses or fraud may require the Permanent Secretary to address the Public Accounts Committee, risking public and ministerial confidence in the department.

Who?

- Asset disposal plans and transfer agreements must be approved by **Heads of Department/Development Directors.**
- **PROs** are accountable for ensuring good asset management is conducted.
- **Programme Managers** 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.

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 contributions to multilaterals are not owned by the FCDO and are managed and disposed of according to the recipients own rules and procedures. Teams must ensure partners have strong asset management processes through due diligence checks. For non-core/multi-bi funding, consult the FCDO institutional lead and check any existing agreements asset management arrangements.

How? The FCDO classifies any equipment or supplies bought with 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 £1,000.** The value of 'attractive assets' like mobile phones or laptops should be grouped where the combined value exceeds£1,000. Any lost or stolen programme assets must be reported to ReportingConcerns@fcdo.gov.uk, regardless of value. A plan will be made with the partner to replace the asset or reimburse the FCDO. Replaced assets and goods must also be reported.

For **Asset disposals,** the FCDO aims to obtain best value for money by selling them via auction, transferring them to other FCDO programmes, or retaining them for its own use. If this isn't cost effective or if the project intended assets to be retained by the implementer or beneficiaries, assets can be transferred to the delivery partner, or a third party.

The following points must be agreed as conditions of the transfer by an exchange in writing with the recipient and must be signed by the HoD/Development Director before the transfer takes place:

- 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 the 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.

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

Why? Losses must be recorded accurately in the FCDO's annual accounts to avoid reputational risk and the FCDO accounts being qualified. Write-offs apply when FCDO-funded goods are lost, stolen, damaged, or when valid accounting documents are missing, as well as non-refundable payments with no benefit received (e.g., cancelled flights or training).

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 write-offs are approved appropriately.
  The **Programme Manager** is responsible for seeking approval from someone at Grade 6 or above, the PRO, then submits the request via Service Now to Financial Accounting.

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.

How? Submit a Service Now request with the following details:

- Background: brief summary of the loss (e.g., item lost, stolen or damaged).
- Amount: value to be written off, including replacement cost.
- Recovery efforts: actions taken (e.g., police reports).
- Prevention: steps taken to avoid.
- Transaction details: Account Code, Cost Centre, Objective Code, Analysis 1, Analysis 2 and Intercompany.
- Project details: Project Number, Task Number, Expenditure Type and Expenditure Org (for Hera programme or capital spend)

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.

The above is subject to review by both internal and external auditors (National Audit Office) and should be submitted regardless of value of write-off.

Timing: Write-offs must be processed as soon as the final cost is known. Refunds may be reduced by fees. Fraud investigations may delay confirmation. Losses should be written off in the year they are confirmed—not backdated.

Valuing the loss of assets: New assets: Use cost price. Older assets: Use net book value (based on depreciation) or estimate based on remaining useful life.

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 the 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.

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.

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 workflow on AMP, recording that 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 the 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 due three months after the programme end date.

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.

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 the 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.

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 on AMP 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 AMP (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 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:

- <u>defining</u> policy-based **programme objectives**
- <u>assigning</u> programme **SRO and PRO roles**, or ensuring others (Head of Department or Development Director – for ODA Programmes) are assigning these roles
- <u>chairing</u> 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. Guidance for FCDO staff on assigning the SRO and PRO roles is available, including links to templates for the appointment letter.

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 PrOF 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)**[2]**.** 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.

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.

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[2] Other working titles (e.g. *Programme Director* or *Project Director*) will sometimes be given to this role where they are likely to be better understood in the local context.

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 lifecycle of a programme, as it proceeds from definition through to closure.

5.1 Definitions

- A **Programme** is a thematic set of projects and/or activities designed to bring about **outcomes** that support higher level strategic objectives.
- Most (but not all) Programmes are made up of **Projects**, a set of discrete, time-bound interventions usually designed to produce certain outputs. Projects may be managed in-house, but more often will be implemented by external partners under a **funding arrangement**.
- A Programme budget may also pay **core contributions** or **subscriptions**, supporting the whole work of an organisation instead of paying for specific outputs or activities. It may also support other non-project **Activities**, such as the cost of FCDO staff funded from the programme, or specific pieces of monitoring, operational research or audits.
- Programmes, Projects and Activities are all part of one or more **Portfolios**. A **Portfolio** is part or all of an organisation's investment required to achieve its objectives.

5.2 Portfolio Management

Programmes do not exist in isolation. They are informed and shaped by higher-level strategic objectives.

A portfolio is the programmes, projects and related work (which mab be in the form of policy development) required to meet common objectives.

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

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 focus drives better ways of working. 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 to 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.

5.2.1 Portfolio level controls

Several of the controls over the FCDO's use of programme funds apply at portfolio level. The **outcome delivery plan** sets the overall policy and resource framework for the FCDO as a whole, including the departments total resource budget. From the total department allocation, programme and staffing budgets are allocated to individual business units.

In the FCDO, **business and country plans** (CBP) describe some of our portfolios. CBP 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 FCDO commissions the production of business and country plans (CBP) from Posts and Directorates. The CBP commissioning cycle follows the Spending Review cycle, with a regular 6-monthly check-in on progress.

From 2025, the focus of programme approval by Ministers will shift to the portfolio level. For geographic and thematic portfolios with significant programme resource budgets, Ministers will review and approve **Portfolio Strategies**, linked to CBPs, setting out priorities, trade-offs and ways of working for a country or thematic programme portfolio. These portfolio strategies, once signed off, provide the approval to start detailed design of individual programmes (replacing concept note approval), and any material changes to existing programmes to align with the approved strategy.

Portfolios will be managed in a cycle, similar to programmes. **Annual stocktakes** against a portfolio strategy provide an opportunity to take stock of strategic priorities in the light of changes in the context, new evidence and learning. Changes to the portfolio agreed through annual stocktakes provide the approval and accountability for new programme design and material changes to approved programmes.

5.3 The programme life cycle

The design, delivery and assessment of programmes and projects usually follows a common process or cycle. The typical 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 circling back to the Definition, bringing with it any learning that can inform new programmes and projects.

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.

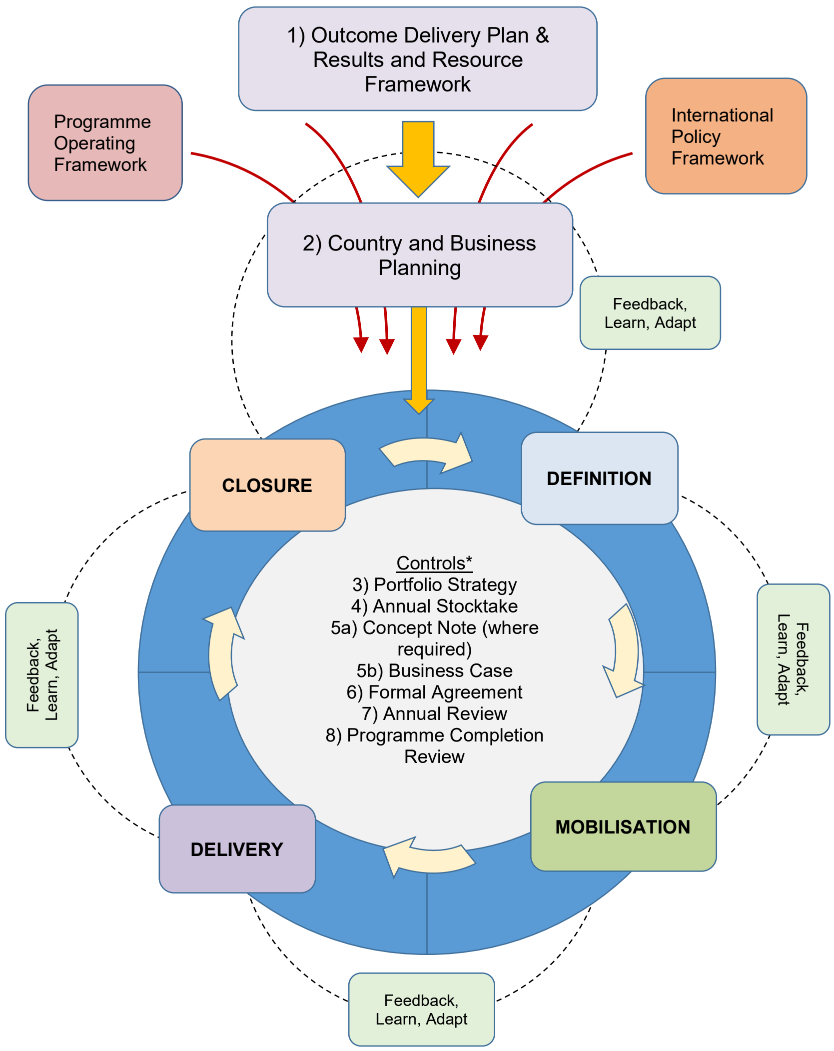

Fig. 1

5.4 The control framework for programmes
Within the Programme life cycle there are control points which ensure accountability and provide assurance. Programme Controls provides assurance that programmes and projects are being developed and delivered to the right standards, and in line with portfolio priorities.

They are the key points for control and assurance in programme and project delivery which are evidenced and subject to scrutiny and approval. Some controls apply at the portfolio level (1-4), others at the programme level (5-8).

The portfolio-level controls define the resource budget available for programming (1), the priorities of a business unit (2), and the strategy for the use of programme funds in support of those priorities (3 and 4).

Portfolio Strategies, and Annual Stocktakes against them, are also the initial stage of **programme approval**. 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.

Along with a programme resource budget and programme approval for a programme planning budget, the third thing that needs to be in place to spend programme funds is a **funding arrangement** with any external partner managing a project. Where FCDO staff are involved in delivering a programme, the equivalent control is the creation of a project-funded staff role.

Specific assurance steps may vary between different types of programmes (with specific guidance provided where this happens). For example, all programmes require programme approval through a proportionate document, but some programme typologies do not require a concept note as well as a business case.

Table 1 sets out the key controls that apply at the portfolio level. Table 2 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. The next section describes how the controls apply differently to different types of programme.

Table 1 - Portfolio-level controls

Portfolio prioritisation

These controls operate at portfolio level – either FCDO as a whole, or at country/thematic portfolio level. This stage is about understanding the strategic context, main policy issues and country/business plans that are driving programme objectives.

Control	Control description	Accountable (higher level)	Accountable (Programme SRO)	Actions include
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	-	-
2. Country/ Business Plan (CBP)	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 CBP.	-	-
3. Portfolio Strategy	Business units (Posts or Directorates) with a significant programme resource budget set out priorities, domains of engagement, trade-offs, risk appetite and ways of working for ministerial approval, including	HoM/Director owns the Portfolio Strategy. Development Director (where present) provides oversight of ODA spend at Post.	-	• Drawing on evidence, identify the main policy issues or local changes that your programmes can support, and the political economy and other contextual issues

	proposed new programmes and material changes to existing programmes.			that indicate where our partnership is likely to have the most impact. • Identify the risk appetite for the portfolio.
4. Annual Stocktake	Significant portfolios are reviewed on an annual basis, or where changes to the context necessitate a rethink of our strategy. The focus is on the priorities and measures in the portfolio strategy and whether they are still the right ones.	Head of Mission/ Director or Development Director/ Head of Department (as agreed by Portfolio SRO) convenes the Stocktake and makes recommendations to senior officials and Ministers (where applicable).	Identify where material changes are needed to approved programmes and propose for approval as part of the annual stocktake (earlier if necessary).	-

DEFINITION STAGE

This can include outlining proposed interventions that might help achieve CBP objectives in a concept note (where a Portfolio Strategy is not in place), 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.

Control	Control description	Accountable (higher level)	Accountable (SRO)	Accountable (PRO)
5a. Concept Note (where no agreed Portfolio Strategy is in place)	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 SRO and PRO roles.	Set out how the programme will support the strategic objectives in a BCP or other portfolios. *Record approval/ exemption on AMP.*	Ensure key stakeholders are engaged, and that the right people are involved in design.
5b 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. The content and level of detail will depend on the type of programme	**Approval** at the appropriate level (PrOF Rule 8 – officials, ministers, HMT). **Head of Mission/Director** ensure the programme team is	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	Ensure key stakeholders are engaged, and that the right people are involved in design, including Programme Managers. Set out **how** a programme will

	and degree of specificity required by the portfolio strategy.	adequately resourced to deliver the programme.	ambition and complexity is consistent with the available resources. *Record approval on AMP.*	achieve its objectives, through a clear theory of change. Appraise options and make recommendations. Ensure programme budget is within available resource budgets.

Actions include

- Drawing on the portfolio strategy, or evidence on local/regional conditions, know the priorities that your programmes and projects need to support.
- 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.
- Identify the initial risk exposure for the programme to achieve its objectives and the risk appetite and plan for management and oversight requirements.

MOBILISATION STAGE

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).

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.

Control	Control description	Accountable (higher level)	Accountable (SRO)	Accountable (PRO)
6. Formal Funding Arrangement (external partners).	The formal agreement establishes roles and responsibilities between the FCDO and our implementing partner/ supplier, for delivery that is outsourced to external implementers.	-	Ensure the FCDO's expectations of implementing partners are communicated and reflected in funding arrangements. Ensure proportionate due diligence is undertaken before signing a funding arrangement.	Ensure any competition processes are managed in a way that is transparent and clearly signals the needs and expectations of the programme. Ensure that any risks identified in due diligence assessment are followed up appropriately.

OR Recruitment and appointment of project-funded FCDO staff in in-house delivery roles.	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.	-	Ensure the VFM case and details of in-house roles are agreed with relevant stakeholders, and consistent with FCDO's workforce needs.	Ensure there is a VFM case for in-house delivery roles. Ensure staff on secondment have appropriate FCDO oversight and contact points.

Actions include
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.

DELIVERY STAGE

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 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.

Control	Control description	Accountable (higher level)	Accountable (SRO)	Accountable (PRO)	Actions include
Delivery Plan	The delivery plan is not a document or a formal control point but includes a proportionate results framework (which may be a logframe), recording of key programme management information on AMP, and risk management strategies for the programme.	-	Ensure any security concerns or sensitivities in the programme are understood by the team, with processes to manage them. Ensure significant concerns about feasibility or value for money are escalated. Ensure the programme remains aligned with any	Drive delivery of outputs & achievement of outcomes in the Business Case within the agreed time, cost and quality constraints. 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.	Monitor activity, outputs, risks, finances and manage relationships with implementing partners, responding to issues to keep interventions focused on policy objective. Ensure the results framework is kept up to date, with any changes being approved at the appropriate level.

			changes in country/ business plan priorities. Ensure changes are made to the programme where necessary, with approval for changes secured at the appropriate level. Ensure relevant risks are identified and set an appropriate risk appetite for the programme.	Ensure compliance with the PrOF Rules. Ensure the key decisions, deadlines and monitoring frameworks are included in a Delivery Plan, on AMP or offline. 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.	Manage risks within the agreed appetite.
7. Annual Review (AR)	All programmes are formally reviewed at least annually, providing an assessment of performance, ongoing relevance, value for money, lessons learned	**Head of Mission/ Director or Development Director/ Head of Department** (as agreed by	Ensure AR is approved at an appropriate level. Approve the AR workflow on AMP.	Ensure a proportionate AR is done, including Outcome Confidence Rating (OCR).	Ensure ARs draw on sufficient, relevant evidence. Challenge evidence and assessment of performance. Review overall risk exposure.

	and any remedial action required. This is the formal control at the Delivery stage at programme level.	Portfolio SRO) approves AR.		Quality assure AR and OCR. Submit AR for approval on AMP.	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.

Control	Control description	Accountable (higher level)	Accountable (SRO)	Accountable (PRO)	Actions include
8. Programme Completion Review (PCR)	All programmes must have a programme 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.

5.5.2 Flexible and adaptive programmes

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 Programming[3]

	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. The Top Tips for Adaptive programming PrOF Guide offers guidance and information on how to do this.

For programmes where a flexible and adaptive approach is appropriate:

- A portfolio strategy will identify areas of engagement where a more flexible and adaptive approach is necessary.
- The business case will be less specific about outputs, and say more about how the programme will generate evidence to address gaps in the theory of change, and manage adaptation.

- Funding arrangements (particularly contracts) will build in the necessary flexibility, with payment terms that reinforce (not disincentivise) honesty about what the evidence is telling us, and adaptation in the light of the evidence.

5.5.3 Smaller Projects Programmes

Smaller Projects Programmes are a way to cluster multiple smaller projects (usually under £250k) in a single package for approval and reporting purposes. Projects may contribute to multiple outcomes, and projects will often not be defined at the point where programme approval takes place. These programmes:

- Have a single point approval through a light touch business case (provided the total programme value is less than £2m). No concept note approval is required, even where no portfolio strategy exists.
- Have their own template and guidance on scoring for Annual Reviews.

6 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.

6.1 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.

6.2 Direct Purchase of Goods and Services

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

6.3 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.

6.3.1 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 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 PrOF templates page of the intranet.

Non-contract Funding Arrangement	**Details**
Accountable Grants to non-profit organisations	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: • 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". Accountable Grants may be awarded following a competitive bidding process, or in response to an unsolicited proposal. 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. An unsolicited proposal is one that submitted to the FCDO without any instruction by the FCDO programme team. The FCDO may suggest changes to the proposal to improve alignment and increase value for money but should avoid amending the proposal to such an extent that it starts to describe a different initiative or specify the work to be done. We can fund unsolicited proposals from not-for-profit organisations without going through a competitive process, provided the programme team is able to establish and document that: • No other organisation would be able to carry out a project so well aligned with the FCDO objectives • The proposal demonstrates value for money (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 Unsolicited bids from commercial (for-profit) organisations cannot be considered for grant funding.

Multilateral and international organisations	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, to ensure they are aware. 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. 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.
Funding the FCDO arms-length bodies (ALBs)	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. 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. Programme teams should consult the PrOF Guide on "Working with the FCDO's ALBs" for further guidance.
Other international donor governments	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. 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.

Partner government	There are two main mechanisms by which the FCDO disburses government to government financial aid: • **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. Where the FCDO has a one-to-one relationship with the partner government, the partner government MoU templates must be used. When another donor government is acting as the **lead donor**, we will normally sign a delegated co-operation arrangement with that donor. 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. 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 the FCDO. In this scenario, spenders are advised to refer to the Third-Party Money Crown Agents Guidance.