Guidelines for monitoring and reporting

Guidelines for cooperation partners' monitoring and reporting of Sida financed contributions

Introduction

At Sida, we believe that development cooperation and partnerships should be based on shared objectives, trust, mutual accountability and dialogue. We believe that this interaction helps us build an honest and open dialogue with our partners- where learnings are drawn from both success and failures, and adaptation are made based on these lessons. Openness is also an important factor for Sweden and all Swedish public authorities, including Sida and the foreign missions, must have archives that are open to the general public. In accordance with the principle of public access to official documents, Sida publishes data and statistics, as well as certain official documents such as Decisions and Agreements from all contributions, on openaid.se. From July 2025 onwards, all new agreements that Sida signs with partners must include a requirement for the partner to make information about their activities openly available on openaid.se according to the IATI standard. The International Aid Transparency Initiative (IATI) is a global initiative aimed at improving transparency in development cooperation and humanitarian work. You can read more about IATI here.

To understand how the program or project (hereinafter referred to as 'contribution') progresses, the context in which it is being implemented and why amendments may be needed, Sida will actively follow-up on the contribution throughout its lifetime. The follow-up is based on information provided through for example dialogue, field visits, meetings with the implementing partner, rights-holders and other stakeholders, as well as narrative, financial and audit reports.

While you as a cooperation partner to Sida are responsible for implementation, monitoring and reporting, Sida also has certain responsibilities as noted in the cooperation Agreement. A summary of these responsibilities can be found below inTable 1. **Please review carefully your specific Agreement and its conditions for further details about requirements, timelines and frequencies etc.**

Table 1 Overview of Responsibilities

Cooperation partner (owns the contribution and is responsible for its implementation)	Implement the contribution under its own responsibility and in accordance with the Agreement(s), and the programme/project documents
	During implementation of the contribution, exercise necessary due diligence, efficiency and transparency in line with sound financial management, cost-efficiency and best practise principles such as results based monitoring (RBM), i.e. monitoring, evaluation, learning and adaptation
	Identify, assess and mitigate any relevant risks associated with the implementation of the contribution, including the risk of corruption and other irregularities, and any other potential negative effects. Inform Sida of any indication of corruption or other irregularities in or related to the contribution, partner organisation or implementing partner
	Inform, without delay, Sida of any circumstances likely to hamper or delay the implementation of the contribution
	Ensure that all commitments towards Sida are fulfilled when forwarding all or part of the grant to an implementing partner, including through follow-up of funds (assessments of organisational capacity, internal management, control and risk, as well as monitoring and evaluation of activities)
Sida/the Embassy (responsible for managing the Swedish contribution)	Follow-up during implementation of the contribution, including: - participate in dialogue and consultations, and when applicable support risk mitigation - review all written reports, plans and budgets and document assessments - participate in annual reviews - visit partners/carry out field visits - carry out extra audits, if deemed necessary
	Monitor and follow-up on specific dialogue issues during implementation
	Follow-up with partners to determine whether they are complying with the conditions of their Agreements and to support capacity development and risk mitigation
Cooperation partner and Sida/the Embassy	Arrange regular reviews and consultations to monitor the development of the contribution and prepare for necessary changes
	Undertake evaluations and other learning exercises
	Ensure that results of studies (from for example evaluations) are communicated to all relevant stakeholders
	Publish information on the contribution on openaid.se according to the IATI standard

Sida requires that all cooperation partners have methods, routines and tools in place to monitor their contributions. We wish to see how you as partners manage your contribution(s) to ensure that achievements are maximized through continuous learning from successes as well as failures, and that adaptions are made based on lessons learned. Monitoring and adaptations should be a central part of the contribution management, not only carried out to meet reporting requirements. See Figure 1.

This document introduces the general parts and requirements of partners' monitoring and Sida's follow-up processes. To be transparent, the last part of the document outlines Sida's internal process for documentation of the follow-up.

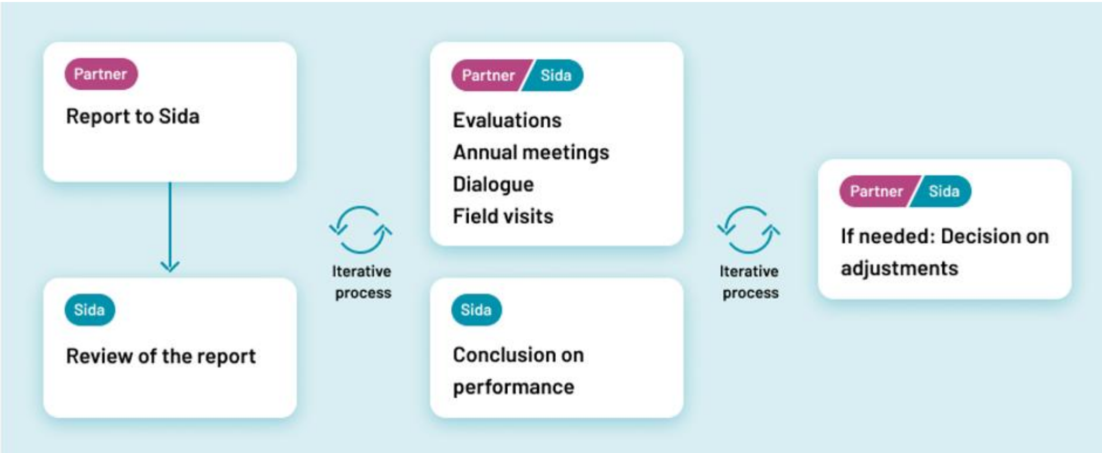

Figure 1 Overview of the general process for monitoring and evaluation

At the start of the contribution

Once the Agreement has been signed (or right before) we recommend you to organize a '**start-up meeting**' during which we together can go through and discuss:

- **The Agreement and its general conditions, requirements, deadlines** etc. **It is important that you carefully review the Agreement before it is signed, as well as throughout the implementation of the contribution**.
- **Reports**: It can be useful to discuss and agree on the content and structure of the narrative and financial reports already at this start-up meeting, to avoid potential future misunderstandings.
- **Dialogue questions**: issues that Sida have identified during the appraisal that need to be addressed and followed-up on during implementations. This often entails changes that Sida would like to see related to the management of the contribution.
- **Risks and risk mitigation**: identified by partners as well as by Sida. Risk response should be clear and specific so that they can easily be monitored and reported on.

We encourage you to also consider these points during annual review meetings or more frequently if you feel that further support/dialogue is needed.

Annual meetings, field visits and evaluation

Annual meetings

Partners should on an annual/biannual basis organize meetings with Sida to discuss results achieved, lessons-learned and adaptations made to the contribution during the activity period. If some lessons are considered too sensitive to be included in the report, then you may use the annual meeting to inform us of what you have learned and how you have adapted. As partners you shall provide all relevant discussion material in advance of the meeting. In order to ensure good and valuable discussions, we recommend you to submit the narrative and financial reports well ahead of time of the annual meeting so that the latest reports, as well as the work plan and budget for the upcoming period, can be discussed. Evaluations that have been conducted are also important to discuss. If relevant, we encourage you to combine the annual meeting with other co-donors, in line with the development effectiveness agenda.

Field visits

Sida carries out field visits to build strong relationships with our partners and to get a better understanding of the contribution and the context in which it is being implemented. Field visits give us insight and knowledge that complement the information you have provided through reports and annual meetings. During the field visit, we would like to meet with implementing partners, third parties, field offices and rights-holders when possible. Field trips also provide you with an opportunity to go through the Agreement conditions, discuss opportunities, risks or challenges that you are facing etc. If there are security concerns then safety measures need to be taken prior to the field visit. If the situation, despite these measures, is not considered safe enough for a visit then Sida will try to draw on other forms of follow-up tools instead. We encourage you to invite other co-donors to join the trip, if relevant.

Evaluations

Evaluations help contribute to well-informed decision making, learning and accountability by providing an external assessment of what works well/less well and why, as well as recommendations for how to improve programming. Evaluations can also help capture to what extent results at different levels have been achieved. Depending on the intended use and users, you may for example carry out a mid-term evaluation to assess the effectiveness of the contribution while it is in progress, or a final evaluation to capture results when an contribution has been, or is close to be finalised. **Please revisit your Agreement regarding the evaluation requirements for your specific contribution**.

Once an evaluation has been carried out, we will together assess the quality of the evaluation. Usually Sida requires the partner to respond to the conclusions and recommendations through a management response, and where relevant, elaborate an action plan for issues pertaining to each party. Such an action plan will thereafter be monitored and discussed at the regular annual/biannual meetings.

Reporting requirements for cooperation partners

The following text aims to provide guidance on what Sida requires and is interested in with regard to the different reports that are to be submitted. Please review the Agreement for details about exact requirements, deadlines etc. for your specific contribution. All work plans, budgets and reports shall be drafted in English or Swedish and are subject to Sida's written approval unless otherwise agreed upon.

Work plan and Budget

The annual work plan is an important instrument for you as partners to describe the plans you have for implementation during the upcoming year, and if relevant to (briefly) mention how you plan to manage changes, opportunities and risks during the implementation. The Agreement states how often you should submit a revised work plan and budget to Sida. When revising the plan and budget, it is important that you reflect on the conclusions from previous year's annual meeting and reporting (and evaluations when applicable). You may propose changes to the approved plan and budget. The proposed changes require Sida's written approval, and will need to be clearly explained and motivated. Once these have been approved by Sida, then they should be included in an amendment to the Agreement.

Reporting

The following text aims to provide guidance on what we, at Sida, reflect on when we review partners' reports and what we recommend you to consider and/or include. Sida does not provide any templates for reporting, but let partners use the format, tools and methods they find most appropriate.

Narrative report

The narrative report should be presented according to the formats and requirements in the Agreement and its annexes. It shall be set up in a way that allows for comparison with the latest approved project document/application, work plan and budget. The report should describe results achieved, describe and comment the financial outcome in particular for mayor budget deviations, and contain an analysis of the main lessons learned and a description of adaptations made. It should also include a brief account of materialized risks and how these have and will be handled in the future. If you propose to make amendments to the contribution and redistributions in the budget/changes of the programme/project, then these should be explained as well. If relevant, it might be interesting to briefly raise a few key messages about the context, cross-cutting issues, collaboration with other actors, stories shared by rights holders and other stakeholders or similar. The report shall be signed by an authorized representative of the cooperation partner. According to the Agreement, partners also need to submit a final report.

Sida encourages its partners to write short and concise reports that focus on achieved results rather than activity based reporting. The following questions may be used to support the report writing process:

Enables Sida to assess the achievement of results

- What are the most important changes that your contribution has led to so far?
- Who has changed what attitude, behavior or relations in what way?
- What is the target group capable of doing now that they were not able to do at the beginning of the contribution? (also with regard to implementing partners)
- Were there any unexpected results? (positive or negative)
- Did something not go according to the plan, why not?
- Were you able to achieve the expected results at estimated prices levels?

For larger contributions it might not be feasible to report on all results, thus reporting on the most important ones suffice. Where there are many components and sub-projects then you may consider making a brief assessment of the results per component, sub-project, thematic area and/or target group, combined with a few examples of concrete results. Please reach out to your Sida contact person for further discussion on what to include in the report.

Shows that the cooperation partner monitors the contribution, learns and adapts

Monitoring, learning and adaptation are central to the management of contributions. We wish to know which lessons you have learned and what actions and adaptations these have triggered. We are also interested in learning more about the potential risks and challenges that you have identified.

- What were some of the main lessons you have learned?
- What has been particularly challenging/successful?
- What will you do as a consequence of this?
- What do you believe are the reasons behind the results or lack of results?
- What can be done to increase the chances of achieving results?
- Did the risk mitigation work and what has changed? (risks and risk management, including mitigation measures, should be reviewed regularly to allow for new decisions and effective response)

Financial report

The financial report should be presented according to the formats and requirements in the Agreement and its annexes. It shall comprise of actual incomes and costs, and provide a comparison to the approved Budget for the reporting period, as well as an identification of any deviations from the Budget as per article 10.1 of the General Conditions.

The financial report shall be set up in a way that allows for direct comparison with the latest approved budget, using the same currency and budget line items. The financial report shall also include columns for cumulated information for all budget lines (both incomes and costs) regarding earlier periods. The financial report shall be signed by the financial manager (or equivalent) as well as an authorised representative of the cooperation partner.

Programmes/projects

The financial report shall, as a minimum, include:

- the accounting principles: accrual based, cash based or modified, that have been applied;
- income from all sources, including bank interest and exchange rate gains. Sida's contribution shall be specified both in the currency of transfer and the amount in the local currency;
- a disclosure of exchange rate gains and/or losses. The disclosure shall include the entire chain of currency exchange effects from Sida's disbursement to the implementation of the project/programme to the local currency/ies within the organisation. The applied principle for handling exchange gains and/or losses shall be disclosed in a note to the financial report.
- expenses charged/capitalised in the relevant reporting period;
- unused funds as per the reporting date, the balance shall include a specification of any surplus or deficit from exchange gains/losses during the reporting period;
- balance sheet, when required in accordance with the accounting principles applied;
- explanatory notes including a description of the accounting policies

used and any other explanatory material necessary for transparent financial reporting of the Project.

- the amount of funds that has been forwarded to Implementing Partners, if applicable. The amount of funds should be specified in a note with the following information: the amount of funds that has been accounted for and reported by the Implementing Partner; the amount of funds that is not yet due for reporting; and the amount of funds which is due for reporting but has not been reported yet. The annual reports shall include an appendix with information on the Implementing Partners which have received funds during the year.

The financial needs shall be documented through an updated cash balance statement for the contribution, together with a reference to the latest approved work plan and budget. A cash balance statement shall show the opening balance, the total amount spent for the period and any unspent balance.

Core support

The statutory annual financial statements are the main source for financial follow-up. The financial statements should align with national requirements and normally consist of a balance sheet, cash flow for the year and income statement including notes and the director's report/statutory administration report. In addition to the statutory annual financial statements, Sida asks for an unaudited financial report with a comparison between outcome and agreed budget.

For more detailed guidelines, see *Sida's checklist for Sida partners: Budget and financial reporting*, which can be obtained from your Sida contact person.

Audit report, management letter, agreed-upon procedures report and management response

The reporting format of the audit report will depend on whether it is core or project/programme support, as well as on what is stipulated as audit requirements in the Agreement. Audits should be carried out by external, independent and qualified auditors, in accordance with International Standards on Auditing (ISA). The signing auditor shall not be contracted for more than a seven-year period. The Agreement shall include a requirement for the auditor to present an independent audit report (including an audit opinion), a management letter (includes the auditors findings and recommendations), and an agreed upon procedures report (report of the ISRS 4400 assignment). Responses to the findings (audit report, management letter and agreed-upon procedures report) should be provided through a management response, including a timed action plan. Please note that if the audit report reveal ineligible expenditures or expenditures that lack sufficient supporting documentation, then this needs to be investigated. Sida might recover funds in accordance with the agreement. For more information, please see Sida's two-pager on audit *Sida's requirements for annual audit*, which may be obtained from your Sida contact person.

Sida's internal documentation of the follow-up process

Statement on reports

The agreed-upon reports sent in by partners are assessed by Sida and conclusions are documented in a **Statement on report**. The statement on reports is Sida's formal way of documenting receipt of and key observations from agreed upon reports.

Statement on partner’s annual work plan and budget

The **Statement on partner’s annual work plan and budget** enables Sida to document receipt and to assess the plan and budget for the upcoming year. We are particularly interested in seeing how the plan and budget correspond with the agreed-upon contribution document and budget, and how proposed changes are motivated.

Conclusion on Performance

Once a year Sida makes a broad analysis of how the contribution it is financially supporting, is progressing, what the material and relevant risks are and what the follow-up should focus on during the upcoming year. This is called the **Conclusion on Performance**. This analysis is based on information provided through continuous follow-up of the contribution through field visits, meetings and dialogue, as well as narrative, financial and audit reports. Based on this, Sida might recommend to include additional resources (Sida personnel) or carry out field visits with a specific focus.