Sida's Instructions for Grants from the Appropriation Item *Support via Swedish Civil Society Organisations*

Adopted March 2010 (with corrections as of July 2010)

Contents

1. INTRODUCTION

In ”Policy for Sweden's support for civil society in developing countries within Swedish development co-operation”[1] the Government establishes a coherent approach to all Swedish direct and indirect support to civil society organisations (hereinafter referred to as ’CSOs’) in developing countries.

With a point of departure in the policy, the Government has decided upon the strategy ”Support via Swedish civil society organisations 2010–2014” (hereinafter referred to as the ’CSO strategy’), which governs the specific activities that are conducted within the appropriation item ”Support via Swedish civil society organisations” as well as, where applicable, for ”Reform Cooperation in Eastern Europe.”[2]. The appropriation item is also governed by the Government's letter of instruction to Sida[3], the Government's annual appropriation directions to Sida, as well as other subject-specific development co-operation policies determined by the government.

On the basis of the CSO strategy, beginning on March 15, 2010 these instructions govern the provision of grants to the Swedish CSOs with which Sida has entered into an agreement concerning a framework grant within the appropriation item.[4] The instructions consist of two parts. The first part describes the objectives and priorities within the appropriation item as well as Sida's assessment criteria. In Part II, the special requirements and rules that apply for the appropriation item, including guidelines for applications and reporting by framework organisations are presented[5].

1.1 Definitions

Civil society: An arena, distinct from the state, the market and the individual household, created by individuals, groups and organisations acting together to promote common interests. [6]

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[1] Government Decision UF2009/233647/UP.

[2] These two appropriation items will henceforth be referred to collectively as the ’appropriation item’.

[3] Ordinance with instructions for the Swedish International Development Cooperation Agency (SFS 2007:1371).

[4] This document is a translated version of the original document in Swedish, which has been approved through formal decision by Sida. Hence, in any case of interpretation doubts, the original version in Swedish is of primary validity.

[5] These requirements and rules comprise a part of the agreement for a framework grant that Sida and the Swedish CSO enter into.

[6] See “Pluralism- Policy for Sweden's support to civil society in developing countries within Swedish development co-operation” (UF2009/233647/UP), p. 9.

Civil society organisation (CSO): Self-governing organisation characterised by voluntary efforts and which to some degree is independent of any state, municipality and market, as well as conducting its activities without a profit motive, often on the basis of common shared values.[7]

Framework organisation: Swedish CSO which through decision by Sida has qualified for entering into an agreement on a framework grant within this appropriation item.

Sub-granting framework organisation: Framework organisation that transfers Sida's grants to Swedish CSOs (usually member organisations) which in turn conduct the development co-operation with a local co-operation partner in developing countries, in certain cases via an international organisation.

Programme-based approach (PBA): An approach to development co-operation where all support and dialogue takes a point of departure in existing policy, organisation, work cycle and capacity of the local co-operation partner. This also involves that development interventions take into consideration, adapt themselves to and contribute to the greater context within, for example, a thematic and/or geographical area. This concept is thus both broader and deeper than a ’programme’ (see below).

Programme: Concerns, within the appropriation item, a coherent part of a Swedish CSO's activities, which may have different degrees of homogeneity, but which is governed through specific objectives and whose outcomes are followed up on against those objectives. A programme's delineation is determined by the internal logic of the specific activities with a point of departure in the capacity and priorities of the local co-operation partner. A programme usually also involves there being evident preconditions for synergies between the contributions or the actors who are included in the programme. Delineation is usually done according to geographical (country, region) or thematic (for example democracy, climate change adaptation) criteria.

Contribution: Within the appropriation item, a separate intervention[8] that is designed to achieve certain objectives with stipulated resources (including financial support) and implementation plans. Within a programme, contributions thus comprise a clearly delineated sub-level.

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[7] Ibid.

[8] For example, a local co-operation partner's programme or project, support for the implementation of the local partner's plan of operations or the equivalent. ‘Contribution’ is used as it is seen as the most approximate term for Swedish ‘insats’.

PART I: OBJECTIVES AND ASSESSMENT CRITERIA

2. OBJECTIVES AND GUIDING PRINCIPLES

2.1 Objectives of Swedish development co-operation

The overall objective for all Swedish development co-operation is *to create conditions to enable poor people to improve their living conditions*.

Sida defines poverty as a condition where people are deprived of the opportunity to decide over their own lives and create their own future. A lack of power, security and opportunities are at the core of poverty. Poverty is dynamic, multidimensional and context-specific. All Swedish development co-operation shall be based upon the needs of and interests of impoverished women, men, girls and boys.

Swedish development co-operation must also be characterised by a human rights-based approach, which is based upon the UN's Universal Declaration of Human Rights and involves four principles having to be applied in the development co-operation: non-discrimination, participation, transparency, and accountability.

2.2 Objectives and priorities for Sweden's support for civil society in developing countries

The overall objective for Sweden's support for civil society in developing countries, as with the CSO strategy, is *a vibrant and pluralistic civil society in developing countries that, using a rights-based approach, contributes effectively to reducing poverty in all its dimensions.*

In order to achieve the objective, Sida must in its support through Swedish CSOs focus on the roles of civil society as collective voices and organisers of services. Central aspects of the character of the support include capacity development, a rights-based manner of working, democratisation and human rights, and clarification of the contribution of the support to reducing poverty. Furthermore, there is an emphasis on the significance of context-based analyses of the civil society actors and the conditions they work under. In both the CS policy as well as the CSO strategy, a large emphasis is placed on the development co-operation within the area achieving more effective forms of support, for example through predictability, donor harmonisation, alignment with the co-operation partner's system and procedures for planning, monitoring and reporting, and an increased share of core and programme support to the local partner.

3. CONTRIBUTIONS TO THE IMPLEMENTATION OF THE CSO STRATEGY

Regardless of the thematic or geographical orientation of the development co-operation of the framework organisation, Sida's assessment is guided by how programmes and other development interventions contribute to the implementation of the CSO strategy. An account is given below of the two objectives of the CSO strategy as well as of the other significant prioritisations that Sida makes in providing grants with a point of departure in the CSO strategy.

3.1 The CSO strategy's objective for support for capacity development

Enhanced capacity of civil society actors in developing countries to apply a rights-based approach in their roles as collective voices and organisers of services

The objective implies that Sida, in its assessments and monitoring, focuses on how and to what extent the support contributes to capacity development in developing countries and more rights-based work.

What is meant by capacity development is first and foremost an increased ability of civil society actors to identify and effectively solve problems, develop specific knowledge and organisation (for example through liberal adult education), as well as enabling co-ordination and joint initiatives between different actors. Development of the capacities of the local co-operation partners of Swedish CSOs, and the organisations or groups the local partners in turn work with, must comprise a part of all programmes or other development interventions receiving support from the appropriation item.

Sida places a large emphasis on the representativeness and legitimacy of the CSOs involved with respect to their target groups as well as their internal democracy, which in turn is predicated on the Swedish CSO working continually with analyses of the actors and organisations.

The objective is based on the human rights-based perspective's premise that the sustainability of the effects that are achieved within the co-operation increases through an inclusive and transparent process characterised by participation and the possibility of accountability. Furthermore, the objective involves Sida giving priority to grants to processes where actors within the civil society comprise a driving force in the growth or the further development of a society and a political culture marked by democratic principles and values, such as tolerance, diversity, conflict management and equality between women and men, girls and boys.

A rights-based approach also means that each programme’s or other development intervention’s primary target group is clearly involved in the activities and has - or gradually obtains - the knowledge, awareness and capacity to claim their human rights individually or collectively.

All programmes or other development interventions with grants from the appropriation item must have an orientation which implies that they contribute to the fulfilment of this objective.

3.2 The CSO strategy's objective for support for democratisation and human rights within all sectors

Enhanced democratisation and increased respect for the human rights of poor and discriminated people.

The formulation of the objective is based on the international human rights conventions, including the principles concerning the obligations of states and the rights of individuals. The objective involves Sida, in its assessment of the development co-operation of the framework organisations, being focused on the extent to which the civil, political, social, economic and/or cultural human rights of poor and discriminated individuals and groups are being realised.

Furthermore, the objective involves Sida assessing and monitoring the short-term and medium-term effects that are achieved in developing countries through a CSO's work as ’collective voices’ and ’organiser of services’ at the local, national or international level. The role as collective voices often involves some form of advocacy work, for example reviewing and/or proposing changes to those in power. The organisation and provision of beneficial societal service is regarded as relevant in contexts where the social infrastructure is particularly limited, for example in countries or societies that are undergoing a transition or rebuilding phase. This type of support must always allow that the capacity to change one's life situation is increasing in the target group at the individual as well as the organisational level.

3.3 Application of the principles for aid effectiveness

The principles concerning aid effectiveness and programme-based approaches [9] must to as great an extent as possible be adopted in the development co-operation within the appropriation item.

Sida assesses the development co-operation that a framework organisation conducts in relation to the extent to which it:

1) Shows clear ownership by the implementing organisations in developing countries,
2) Is based upon and, as long as such is possible, is adapted to the capacity and system for planning, monitoring and reporting of the

[9] See section 1.1.

local co-operation partners, as well as where such is necessary setting up objectives and plans in order to enhance the existing system,

3) Includes initiatives in order to jointly, together with local co-operation partners and other donors, formalise common routines for analysis, planning, monitoring, reporting, evaluation and mutual accountability.[10]
4) Contributes to predictability for local co-operation partners, for example through agreements with multi-year terms.

This involves, among other things, Sida taking a positive view of Swedish CSOs supporting the implementation of a local co-operation partner's own strategic plans or programmes[11], and to as great an extent as possible taking into consideration, making adaptations and contributing to the larger context within a thematic and/or geographical area. Furthermore, parallel Swedish financing should be avoided. If a local CSO in a developing country is receiving support from more than one Swedish donor, this must be highlighted and specially motivated in the application and reporting of the framework organisation.

3.4 Civil society's different potentials

Sida prioritises grants to programmes or other development interventions where civil society has the following functions:

- creating possibilities for *organisation* and creating *channels*, including *arenas* for co-operation, through which poor and discriminated individuals and groups are able to make their voices heard, raise demands for the realisation of their human rights and affect the development of their societies,
- acting *as a proposer* and *reviewer* towards those in power,
- generally, and especially under authoritarian regimes, comprising a *counterweight* and *democratising force* against the state,
- offering *liberal adult education* in order to enhance the capacity of poor and discriminated individuals to change their life situations,
- organising and carrying out beneficial *services* for society in a manner that increases the knowledge and capacity of poor and discriminated people to demand their human rights at the individual and organisational levels.

PART II: SIDA'S REQUIREMENTS AND RULES

[10] For example, common donor evaluations, follow-up visits and meetings, etc.

[11] For example through so-called *core support*.

4. THE CO-OPERATION'S ACTORS AND THEIR RESPONSIBILITIES

The fundamental preconditions for all grants within the appropriation item are that the development co-operation be delimited to developing countries in accordance with the OECD-DAC classification, that the development co-operation be carried out by civil society organisations, and that the parties to the co-operation work for societal development on a democratic basis as well as based upon the equality and rights of all individuals as expressed in the UN's Universal Declaration of Human Rights.

The cornerstone of development work that receives grants from the appropriation item is that there are local co-operation partners in developing countries that are contractual partners with a Swedish CSO, or an international CSO with which a Swedish organisation has a contractual relationship. All interventions that receive grants from Sida must be based upon the needs and priorities defined by local co-operation partners.

4.1 The system of framework organisations and agreements concerning framework grants

Sida's grants to Swedish CSOs through this appropriation item comprise a state grant for activities within the given frameworks that are specified in the CSO strategy and occur at the self-initiative and risk of the organisations.

Decisions about the competency to enter into an agreement concerning a framework grant from the appropriation item occur through an assessment against specific criteria that are established by Sida. Sida reviews as needed the competency of Swedish CSOs to enter into contracts concerning framework grants from the appropriation item.

The framework organisations are responsible for the grants from Sida being used in accordance with the requirements and conditions that are stipulated in these instructions, Part II, as well as the agreements entered into, and that these requirements and conditions are complied with in all agreements met by any parties involving grants from this appropriation.

Furthermore the framework organisation is responsible for planning, monitoring and assessing the development work that is being conducted.

The direct co-operation within the appropriation item will occur between Sida and the Swedish CSO with which an agreement has been entered into concerning a framework grant. Through the framework organisations that pass through the grants, Sida also has indirect co-operation with other Swedish CSOs that are receiving grants for development co-operation.

Sida's co-operation with the framework organisations builds on predictability and long-term relationships. Agreements on framework grants normally encompass a three-year period with a subsequent one-year extended financing period. If special reasons exist, Sida may enter into agreements concerning framework grants for shorter periods than what is specified in the above.

4.1.1 Sub-granting framework organisations

Framework organisations can pass along grants for implementation by organisations within its own constituency (for example, member organisations). Sida has entered into an agreement with Forum Syd to perform the sub-granting function for CSOs that lack a natural connection to any other framework organisation.

All sub-granting framework organisations are responsible in relation to their respective applicant/grant receiving organisations for:

- *Quality assurance of the use of the Sida grant:* Ensuring that proposals for contributions or programmes are assessed, monitored and documented. The framework organisation is also responsible for the requisite systems for management and control involving grants from this appropriation.[12]

- *Advising:* Ensuring that applicant and grant recipient organisations receive the requisite information and knowledge concerning the policies, principles and rules that govern the appropriation item.

- *Capacity development:* Supporting capacity development of applicant/grant recipient organisations where relevant for the development co-operation and with a basis in the local co-operation partner's own needs.

- *Communications:* Ensuring that Sida and applicant organisations receive central and updated information about each other's activities as well as facilitating direct dialogue between Sida and grant recipient organisations. Transparency and openness towards applicant organisations must be aimed at.

4.1.2 Framework organisation co-operating within international organisations

A number of framework organisations comprise an integrated part of an international organisational structure, where the Swedish framework organisation using funding from this appropriation item supports development co-operation that is being conducted within the context of the international co-operation.

[12] Grants forwarded to member Swedish CSO – international partners – local co-operation partners etc.

In these cases the framework organisation is responsible for ensuring and documenting that the development co-operation of the international organisation having a direct connection to the grant from the appropriation item is operated in accordance with the fundamental principles for Swedish development co-operation[13], agreements entered into with Sida and the requirements of these instructions.

4.1.3 Other Swedish CSOs

Swedish CSOs may apply for grants for development co-operation through the sub-granting framework organisation of which it is a member or belongs to in some other manner. Organisations without any such association may apply for grants with Forum Syd.

5. SELF-FINANCING

A Swedish CSO that receives a grant from this appropriation item for its development co-operation shall normally finance a part of the cash flow with its own funds. This self-financing is to be seen as an expression of the Swedish organisation’s priorities and ability to mobilise a commitment for its development co-operation. The minimum level of self-financing is established by the Government.[14]

The self-financing shall consist of cash funds raised in Sweden; for example gifts from the public, companies, organisations, society and sponsors. Membership fees, bequests, donations, charitable lottery profits as well as income from the sale of goods [15] and funds raised with donation certificates are also reckoned to comprise raised funds.

Grants from abroad or funds originating from other public grants in Sweden[16] cannot comprise self-financing. The value of own or collected material may not be counted as a part of the self-financing. Nor may income from the sale of services as well as the value of the organisation's own work comprise a part of the self-financing.

Sida takes a positive view of partial financing from a cooperation partner in developing countries, and considers this to be a natural part of the cooperation. Such partial financing may not however be counted as part of the self-financing.

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[13] See section 2.

[14] Normally as part of a strategy for the appropriation item decided by the Government.

[15] This concerns goods that are *not* produced and/or purchased with funds from Sida.

[16] Concerns grants from the state, county council or municipality.

5.1. Grants from Sida combined with grants from the European Commission

Sida may give grants for the self-financing to a Swedish CSO that is receiving financing from the European Commission for development interventions, so that the organisation's self-financing does not need to exceed the level that applies for the appropriation item.

This supplementary financing for self-financing may be received for development co-operation that in Sida's assessment contributes to the implementation part of the CSO strategy. Sida's contractual counterparty in this case is the framework organisation. Sida bases its assessment on the European Commission's assessment as well as application and reporting format.

6. RULES FOR DIFFERENT TYPES OF EXPENSES

The framework organisation is responsible for ensuring that its development co-operation, including the administration, is efficient and that Sida's financial grant will to as large an extent as possible be channelled to activities in developing countries. Sida will assess the capacity of each framework organisation to ensure this. The framework organisation must have rules and a computational basis for how its different types of expenses are classified. Expenses must be reported where they arise[17].

Sida's rules for the financing of different types of expenses are presented below.

1. Operational expenses
   An expense that is directly related to the development co-operation is to be classified as an operational expense. Expenses for auditing of development interventions are also included here. Operational expense must be distributed between the local co-operation partners, the international organisation (if such exists), the Swedish CSO[18] and the framework organisation.

2. Administrative expenses
   Administrative expenses are expenses that arise for handling the grant from Sida, for example expenses for producing the application and reporting, monitoring and annual audits of the total grant from Sida. For these administrative expenses, Sida provides a grant in the form of a template of 8 % *included* in the total Sida grant to the framework organisation. Sub-granting framework organisations must

[17] This concerns the specific party within the co-operation and the specific country in which the expense has arisen.

[18] This concerns amounts that are transferred to the respective parties.

specify to Sida how large of a portion of the administration grant is being passed along to their Swedish member organisations or the equivalent. The administration grant is exempt from self-financing.

3. <u>Sub-granting expenses</u>
   Sub-granting framework organisations may apply for grants to fully cover their expenses for the actual costs that are directly connected with the sub-granting of grants. No administration grant is based on expenses for sub-granting.

For the sub-granting framework organisation's possible own activities, the administration grant is defined and computed as per point 1-2 above.

7. LIMITATIONS CONCERNING CERTAIN TYPES OF EXPENSES

The general rule is that expenses that contribute to the implementation of the activities may be financed by Sida's grants. Certain limitations do however exist within the areas below.

With respect to *investments*, grants for the purchase of equipment requiring capital are allowed under the precondition that such investments are not the primary purpose of the development intervention. How the equipment is to be used/disposed of after the end of the development intervention must be documented. Grants for the purchase of properties, grounds and buildings are not made.

The appropriation item finances programmes and other development interventions that are built upon established relations and co-operation between a Swedish CSO and local co-operation partner. Grants from the appropriation item are thus not made for financing *fact-finding* trips or initiatives in order to find new co-operation partners.

8. APPLICATION AND REPORTING

In order to, among other things, facilitate co-financing with other donors and alignment with the local co-operation partner's system and routines, Sida's guidelines below specify precisely what elements the application and reporting must contain. The framework organisation may then utilise a format that it finds to be suitable.

<u>8.1 Framework organisation's application</u>

Sida's decision concerning a grant encompasses the overall level and the programme level or the equivalent. The overall budget of the framework organisation is formulated in accordance with its internal budget procedures.

8.1.1 Guidelines for the framework organisation's application for a three-year grant

I. Internal change processes and policies

Short account of on-going or planned comprehensive internal change processes concerning organisation, orientation and policy, with an emphasis on the anticipated outcome of such. References to external assessments or reviews[19] of the framework organisation performed by Sida/CIVSAM during a prior contract period can be included. An updated list of the framework organisation's policies[20] may be attached.

The application from the sub-granting framework organisation must in addition contain comprehensive information as per the above concerning the Swedish CSOs or equivalent [21] with which it has multi-year agreements for grants.

II. Development co-operation

Overall level

1) <u>Results framework and system for planning and implementation, including monitoring, risk management and assessment</u>

Presentation and explanation of the framework organisation's results framework[22] with an emphasis on the programme level where such is appropriate. References to lessons learned and changes in relation to prior agreement periods as regards objectives and orientation ought to be included.

A compilation of the objectives being set and the expected outcomes must also be *attached* to the application in the form a matrix or the equivalent.

An account of how the framework organisation intends to perform quality assurance on the work based upon the established goals, through a detailed description of the framework organisation's system for planning and execution, including monitoring, risk management and evaluations. This must encompass information about how the framework organisation performs results-based management for its development co-operation.

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[19] For example a system audit or capacity study.

[20] For example through references to Web sites.

[21] For example international body for professional or religion-based co-operation.

[22] Involves an explanatory report on the logic of the activities, i.e. how the stated objectives will be reached, which includes the presumed causal connections (for example analysis of connections in a chain of results) and presumptions concerning risks.

For a *sub-granting framework organisation*, the specific criteria must be stated that are used to select the contributions on the basis of the established objectives, as well as how the framework organisation is planning to follow up on these priorities during the period.

2) <u>Forms and strategies for co-operation</u>

An account of the specific forms that the development co-operation will take with an emphasis on local co-operation partners in developing countries and, with a point of departure in the different roles of civil society, a clarification of the specific primary strategies that are being applied in order to reach the established objectives[23]. The presentation ought to include references to how experiences and lessons learned from prior contract periods have affected the methods, strategies and/or manner of working.

The presentation must if possible also contain references to other development co-operation within the framework organisation's prioritised areas (for example other donors, trends within the thematic area).

For *sub-granting framework organisations*, the roles and divisions of responsibilities between it and the Swedish CSO, or the equivalent, receiving the grant must be stated.

3) <u>Application of the principles for aid effectiveness</u>

Account of the current situation and planned initiatives during the next three-year period concerning application of the principles for aid effectiveness. Preferably, it could include comparisons between, for example, regions and/or programmes where such is relevant. Particularly relevant are:

- Contributions to local ownership. Includes providing an account of how and to what extent programmes or other development interventions are based upon a local co-operation partner's own prioritisations (for example, their strategic plans), and that planned initiatives for capacity development build on what the co-operation partners identify as their own capacity development needs.

- Alignment with local co-operation partner's capacity and system for planning, monitoring and reporting.

- Harmonisation and co-ordination with other donors to a local co-operation partner for purposes of reducing the administrative load on the local partner. Where harmonisation and co-ordination are not possible, the reasons for such should be specified.

[23] In section 3.4 the potentials are presented that Sida gives priority to in accordance with the CSO strategy.

- Predictability. Includes, for example, explaining how a framework organisation works with ensuring that the periods of the contracts in the co-operation give the co-operation partner reasonable possibilities for strategic planning.

- Programme-based approaches (for example within geographical and/or thematic areas) and support financing all the activities (for example through core support) or an entire programme of a local co-operation partner. Account of the overall situation (so-called portfolio analysis) and any possible objectives during the period.

4) Budget

Account of the total budget as well as a compilation of such in the form of a table[24]. The compilation must contain the following parts:

Income
-Grant from appropriation item
-Self-financing
-Other budgeted income from Sida concerning the activities that are being financed via the appropriation item (if such exist)
-Other budgeted income concerning activities that are financed via the appropriation item (if such exist)

Expenses
-Operational expenses for local co-operation partner
-Possible operational expenses for international co-operation partner (if such exists)
-Operational expenses for Swedish CSO (if such exists)
-Operational expenses for framework organisation
-Administration
-Sub-granting expenses (if such exist)

A framework organisation must, where such is appropriate, also submit information concerning income from Sida's other appropriation items involving activities that are separate from those activities for which a grant is being sought from this appropriation item.

Programme level

5) Presentation of programme [25]

[24] For classification of costs, see section 6.

[25] Framework organisations whose development co-operation does not take place in the form of a programme in accordance with Sida's definition, see section 1.1, should check with Sida concerning a suitable distribution in their application between information on different levels (thematic areas or corresponding contribution level respectively) as regards objectives/expected outcomes and risk analysis.

Regardless of the distribution, the information about each programme must be presented separately and include the following elements:

- Integrated analysis of the poverty situation within the reach of the programme as well as account of primary target group (rights holders), duty bearers and other stakeholders with a relevance to goal attainment.

- Geographical delineation.

- Development objectives and programme objectives / expected outcomes at the effects level, as well as indicators of goal attainment that are based upon the current situation[26].

- Local co-operation partner and underlying organisational assessment of such.

- Analysis of identified risks and planned management of such.

- Sustainability, including plans for phasing out of financial support, with an emphasis on sustainable effects in the target group.

- Situation and any possible planned changes within the programme concerning the application of the principles for aid effectiveness (for example alignment with local co-operation partners' system and procedures, harmonisation of requirements and co-ordination with other donors, share of programme support and/or core support).

- Budget, which at a minimum must include:

Income
-Grant from appropriation item
-Other budgeted income from Sida concerning the activities that are being financed via the appropriation item (if such exist)
-Other budgeted income concerning activities that are financed via the appropriation item (if such exist)

Expenses
-Operational expenses for local co-operation partner
-Operational expenses for international co-operation partner (if such exists)
-Operational expenses for Swedish CSO (if such exists)
-Operational expenses for framework organisation
-Administration

The sub-granting framework organisation must *in addition to* the above present in the form of a list a planned budget per programme/thematic

[26]Also termed the *baseline*.

area, region and country, as well as per Swedish CSO grant recipients. Sida shall also *upon request* be able to receive information about the decision-making basis for each proposed grant as well as documented assessments of the capacity of the organisation of the grant recipient.

Contribution level

6) Presentation of contributions

The contributions[27] that are included in a programme must be presented in list form and attached to the application. The presentation of each contribution must at a minimum contain information about the geographical delimitation and/or thematic orientation, local co-operation partner(s) as well as the total budget. Sida must also *upon request* be able to receive information at the contribution level as regards objectives/expected outcomes and indicators for goal attainment, analysis of co-operation partner capacity/organisational assessment, risk analysis, financial support being received by co-operation partners from other donors and a detailed budget.

In the event that the framework organisation does not conduct its development co-operation in a programme as per Sida's definition[28], then in addition to what is specified above, information concerning objectives/expected outcomes and summary risk analysis *per contribution* must be included in the application to Sida.

8.1.2 Guidelines for the framework organisation's application for a one-year grant (extension year)

Prior to the so-called extension year, the framework organisation must submit an application for a one-year grant, which normally should be based upon the original application for a three-year grant, with an emphasis on changes and deviations in relation to such.

I. Internal change processes and policies

Brief progress report concerning on-going internal change processes as well as the development and/or implementation of policies.

II. Development co-operation

- Account of planned significant changes in the framework organisation's overall development co-operation (for example the phasing out of a programme, altered objectives and orientations).

[27] E.g. projects or other forms of support such as core support or funds.

[28] See section 1.1.

- Account of planned changes within on-going programmes or the equivalent, and, as needed, presentations of new programmes.

- Revised budget and, as needed, revised result model in relation to prior application for three-year grant.

The sub-granting framework organisation must also submit:

- Account of significant planned changes within the grant-giving (for example multi-year programme grants, new member organisations).

- Proposal for distribution of grants allocated in the form of lists per region and country, preferably as well as for thematic areas, as for member organisations or the equivalent.

Sida must also *upon request* be able to receive information on the decision-making basis for each proposed grant.

8.1.3 Guidelines for the framework organisation's application concerning grants for self-financing for development co-operation financed by the European Commission

When applying for a grant for self-financing for development co-operation financed by the European Commission, the framework organisation must at the minimum submit information to Sida encompassing the following items:

- Contribution identity (title) as well as the specific programme (geographical/thematic) from which funds are being granted from the European Commission.

- The objectives/expected outcomes of the development intervention as well as how it contributes to the implementation of the CSO strategy.

- Presentation of target groups, forms of co-operation and co-operation partners (Swedish and other).

- Account of the development intervention's financial set-up (for example the grants from different participants) and the role that the Swedish CSO has in the intervention (for example as a so-called *lead* or *junior partner*).

- Timetable and budget as well as the amount sought from Sida in SEK. The budget must clearly present the organisation's expenses as well as, if such exists, its share of the joint expenses.

- Supporting material confirming that funds are being granted from the European Commission. The framework organisation should procure this supporting material from its member organisation in the event that it is a member organisation that is being granted support by the European Commission.

8.2 Reporting by the framework organisation

In general, the framework organisation's reporting must relate to the application and budget for the period approved by Sida.

8.2.1 Guidelines for framework organisation's final report for three-year contribution

The guidelines below concern final reporting regarding the development co-operation's content with an emphasis on the outcome. Financial reporting and auditing will in contrast occur annually[29].

I. Internal change processes and policies

Account of comprehensive internal change processes carried out concerning organisation, orientation and policy, including the extent to which the expected outcome of such was realised. References to external assessments or reviews[30] of the framework organisation performed by Sida/CIVSAM during the period may well be included.

Reports from sub-granting framework organisations must also contain overall reporting as per the above concerning the Swedish CSOs or the equivalent [31] with which it has multi-year agreements for grants.

II. Development co-operation

Overall level

1) Analysis of outcomes as well as lessons learned concerning approaches

Analysis of outcomes (expected and non-expected, positive and negative) during the period, in relation to the framework organisation's results framework. The analysis ought to have a comparative (for example between programmes or regions) and explanatory approach (why certain effects were achieved and, if such is the case, others were not).

[29] See section 8.5.

[30] For example, a system audit or capacity study.

[31] In certain cases, for example within professional co-operation, international grant recipients should also be included in the points below.

With a point of departure in reporting per programme or the equivalent, a selection of programmes or other development interventions that the framework organisation finds to be of general interest may be presented in further detail (so-called *best practices* and/or negative experiences) with an emphasis on mutual learning.

Account of how quality assurance has been performed for the work, including an assessment of how the framework organisation's systems for planning and implementation, including monitoring, risk management and evaluations, have functioned as well as any possible lessons learned in relation to this. A summary presentation and analysis of evaluations performed, and/or in-depth explanations for selectively chosen items, may well be included.

Sub-granting framework organisations must explain how their prioritisations and comments in assessments of proposed development interventions (projects etc.) have been followed up on.

2) Initiatives carried out for increased aid effectiveness

Summary account for what on the overall was achieved as regards increased aid effectiveness during the period based upon planned initiatives in the application. It can be beneficial to highlight and analyse both any difficulties encountered in the implementation as well as examples of successes.

Accounts of change work involving programme-based approaches as well as the portion of core support ought to be given in relation to the ambitions in the application where such is appropriate.

3) Efficiency

An overall assessment and comparative analysis (programme level or the equivalent as well as selectively at the contribution level) of the efficiency, which includes feedback in relation to goal attainment.

Programme level

4) Reporting per programme [32]

Regardless of the layout, the reporting for each programme must be separate and include the following elements:

[32] Framework organisations whose development co-operation is not carried out in the form of a programme in accordance with Sida's definition, see section 1.1, ought to check with Sida concerning an appropriate distribution between information on the different levels (thematic area or corresponding contribution level respectively) in the reporting on the outcomes.

- Account and analysis of outcomes within the programme (expected and not-expected, positive and negative) in relation to the programme's own objectives/expected outcomes as specified in the application. The account ought to encompass an explanatory approach and an ambition to benefit from lessons learned of a general character as regards the working methods/strategies applied and the potentials of civil society. Reporting on outputs should only occur in a brief and analytical manner.

- Analysis of factors (external and internal) that have affected the implementation of the programme positively or negatively, and the specific measures that have been adopted in relation to such. Should include feedback on the application's risk analysis.

- Where such is possible: accounts of and conclusions from the evaluations performed and any possible changes such have brought about. This section should consistently include analyses of how local co-operation partners and target groups are influenced and involved.

- Analysis of whether the sustainability of the programme has been enhanced during the period. Where such is appropriate: account of the implementation of the plan for phase-out.

- Reporting and analysis of implemented or non-implemented planned initiatives concerning the application of the principles for aid effectiveness, for example concerning alignment with local co-operation partner's system, harmonisation of requirements, procedures, etc. with other donors.[33]

- Based on the application's prioritisations and analysis of transverse subject areas: analysis of how the implementation has affected violent conflicts, the environment and climate, gender aspects (women, men, girls and boys) and/or HIV/AIDS.

Contribution level

5) Reporting for contributions

The contributions [34] that are included in the respective programmes must be reported on in list form and attached to the report. The reporting for each contribution must at a minimum contain information about local co-operation partners, geographical delimitations and/or thematic orientations as well as their total budgets. Sida must also *upon request* be able to receive information on the contribution level involving reporting on the

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[33] See section 3.4.

[34] See section 1.1.

outcomes and outputs achieved, activities carried out, financial support for local co-operation partners from other donors, auditing as well as detailed financial reporting.

For framework organisations whose development co-operation does not occur in programmes as per Sida's definition[35], the reporting for the respective contributions must at a minimum also include a brief presentation of the outcomes achieved at the contribution level.

Sub-granting framework organisations must*, in addition to* the above, include in their own reporting a summary assessment of the reports received from their Swedish member organisations or the equivalent. Furthermore, financial outcomes per thematic area/programme, region and country, as well as per the receiving Swedish CSO are to be reported in relation to the budgets shown on the applications.

8.2.2 Guidelines for the framework organisation's annual progress report during a multi-year contract for a framework grant

Financial reporting and auditing must occur annually in accordance with the guidelines that are presented in section 8.2.5.

During on-going contracts involving multi-year framework grants (usually three years), framework organisations must after each so-called off-year (i.e. after the first as well as the second years) submit a progress report. This report must include the elements below:

- Brief description of progress concerning planned and/or on-going internal change processes, development of and/or implementation of policies.

- Based on a framework organisation's own system for monitoring and contribution management and with an emphasis on the programme level or the equivalent: Brief compilation of the framework organisation's assessment of goal attainment, and the cost effectiveness as well as the sustainability in relation to the objectives/expected outcomes and budgets as specified in the applications. Changes in preconditions in order to achieve the objectives/expected outcomes in the application ought to be emphasised where such are relevant. Outcomes achieved may be presented selectively with an emphasis on the contribution level. The reporting should also include systematically presented information about how the framework organisation has handled or is planning to handle anticipated or actually incurred risks within their respective programmes or the equivalent.

[35] See section 1.1.

- If such are deemed to be necessary: Proposals for a changed results framework in comparison with the application.

Sub-granting framework organisations must also submit*:*

- Brief description of the framework organisation's grant-giving in relation to its own objectives,
- Lists of final reports for contributions per country and region,
- Lists with contributions that are not being reported as per the governing contract.

8.2.3 Guidelines for framework organisation reporting of one-year grant (extension year)

After a one-year extension period, the framework organisation must submit a brief report in line with the guidelines for off-year reporting as regards the content and outcomes, as well as the guidelines for annual financial reporting and auditing.

For *sub-granting framework organisations*, in addition to the above, the guidelines that are found in section 8.2.2 shall also apply.

8.2.4 Guidelines for reporting by framework organisations on grants for self-financing for support from the European Commission

Framework organisations must in connection with their other reporting to Sida provide a brief description of how the development co-operation that has been carried out has contributed to the implementation of the CSO strategy[36]. Framework organisations must keep these supplementary grants for self-financing separate in their financial reporting to Sida.

When reports are submitted to the European Commission framework organisations, the report as well as the European Commission's assessment of it must be shared with Sida. Framework organisations have to requisition such supporting documents from member organisations or the equivalent if such have been granted support.

8.2.5 Guidelines and requirements concerning annual financial reporting and auditing

Financial reporting must occur *annually* by framework organisations and by grant-receiving organisations in subsequent stages in accordance with what is specified below. Framework organisations are responsible for Sida's guidelines for financial reporting as specified below being passed through to organisations receiving grants in subsequent stages and must

[36] See section 3.

certify that Sida's requirements have been included in the underlying contracts. Any possible breaches of compliance with the contracts must be reported to Sida.

The management/board[37] of a framework organisation and the management/board of the respective organisations receiving grants in subsequent stages are responsible for the reporting.

In the financial reports, the outcomes must be compared with the agreed budget for the reporting periods concerned. There must also be columns for cumulative outcomes and agreed budget.

The notes for financial reports must include a statement of the specific accounting principles that are being used (cash principle or accounting principles) as well as any possible deviations from prevailing accounting principles.

In the event wage expenses are incurred, the notes must state the specific principle that is used for distributing wage expenses. If work hours are debited to a programme or contribution, reliable routines must exist that enable monitoring and auditing. Wage expenses must be accounted for on an on-going basis during the implementation of the programme/contribution in order to promote good monitoring.

Reported expenses must be able to be derived from the bookkeeping and complete supporting documentation (receipts/invoices) must exist that verify the expenses within all programmes/contributions.

Interest income for framework organisations and for organisations receiving grants in subsequent stages must be disclosed annually in the financial reports.

Financial reports must be signed by the management/board of the framework organisation and by the management/board of the respective organisations receiving grants in downstream links.

In financial reports, framework organisations and organisations in subsequent stages must report how much has been passed further along to other parties.

Framework organisations and the respective organisations receiving grants in subsequent stages must certify that all funds that have been passed further along have been the object of auditing and that the organisations have acted on the information that has been presented in the audit reports. Significant breaches must be included in the reporting by framework organisations to Sida.

[37] The person who is duly responsible as per the rules of association and/or work plan.

Framework organisations and organisations receiving grants in subsequent stages must follow their national auditing and taxation rules.

Framework organisations and Swedish CSOs in subsequent stages must apply an internationally established framework for internal management and control[38] within their respective programmes/contributions.

Framework organisations and organisations receiving grants in subsequent stages must produce a report annually that must contain a risk analysis concerning development co-operation. The report must have a structure that differentiates between different types of risks such as financial risks. The risks that are identified must be evaluated and a plan must exist that can be monitored as well as decisions concerning how the risks are to be managed. Framework organisations must separately certify whether the internal management and control are satisfactory. Significant breaches in the internal management and control must be indicated by the framework organisation in its reporting to Sida.

8.2.5.1 Layout of annual financial report

Annual financial reports of framework organisations must at a minimum contain the elements specified below.

Overall level

Opening balance
-Reserved funds

Income
-Grant for development co-operation from the appropriation item
-Self-financing
-Administration grant
-Forwarded grant (if such exists)
-Other income from Sida concerning the activities that are being financed via the appropriation item (if such exists)
-Other income from other donors concerning activities that are being financed via the appropriation item (if such exist)
-Interest income

Expenses and repayments
-Operational expenses for local co-operation partner
-Operational expenses for international co-operation partner (if such exists)
-Operational expenses for Swedish CSO (if such exists)
-Operational expenses for framework organisation
-Administration expense
-Sub-granting expenses (if such exist)
-Repaid to Sida

[38] For example COSO/CoCo.

-Interest repaid to Sida

Closing balance
-Reserved funds
-To be repaid to Sida

Programme level or the equivalent

Income
-Grant for development co-operation from the appropriation item
-Administration grant
-Other income from Sida concerning the activities that are being financed via the appropriation item (if such exist)
-Other income from other donors concerning activities that are being financed via the appropriation item (if such exist)

Expenses
-Operational expenses for local co-operation partner
-Operational expenses for international co-operation partner (if such exists)
-Operational expenses for Swedish CSO (if such exists)
-Operational expenses for framework organisation
-Administration

Contribution level

Total expenses per contribution.

8.2.5.2 Auditor's reporting and annual audit

The annual financial reports of framework and grant-receiving organisations must be reviewed by auditors in the respective links as per the rules that are stipulated in the contracts between Sida and the framework organisations. Reports from auditors must be attached to the financial reports.

In addition to the financial reports, framework organisations for Sida must submit annual statements of accounts including balance sheets and income statements. Other income from Sida's different appropriation items must be specified, either separately or in the annual accounts.