



## **Guidelines**

# **Management of Danish Cooperation with Multi-lateral and International Organisations**

**Ministry of Foreign Affairs of Denmark/Danida  
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Version 1.1

## Acronyms<sup>1</sup>

<b>AAA</b>	<i>Accra Agenda for Action</i>
<b>AFR</b>	<i>Department for Africa</i>
<b>AMG</b>	<i>Danida's Aid Management Guidelines</i>
<b>ALO</b>	<i>Department for Asia, Oceania and Latin America</i>
<b>DAC</b>	<i>Development Assistance Committee (of OECD)</i>
<b>DKK</b>	<i>Danish Kroner</i>
<b>EVAL</b>	<i>Department for Evaluation of Development Assistance</i>
<b>FMI</b>	<i>Financial Management Information (system)</i>
<b>GRV</b>	<i>Department for Green Growth</i>
<b>HCP</b>	<i>Department for Humanitarian Action, Civil Society and Personnel Assistance</i>
<b>HLC</b>	<i>High-level consultations</i>
<b>HRBA</b>	<i>Human rights based approach</i>
<b>JTMR</b>	<i>Human Rights Department</i>
<b>KVA</b>	<i>Department for Quality Assurance of Development Cooperation</i>
<b>MDG (+)</b>	<i>Millennium Development Goals (and post-MDG goals)</i>
<b>MFA</b>	<i>Ministry of Foreign Affairs (of Denmark)</i>
<b>MOPAN</b>	<i>Multilateral Organisation Performance Assessment Network</i>
<b>MRS</b>	<i>Target and Performance Management</i>
<b>MTR</b>	<i>Mid-term review</i>
<b>OS</b>	<i>Organisation Strategy</i>
<b>PAP</b>	<i>Process Action Plan</i>
<b>PDB</b>	<i>Project Data Base</i>
<b>QCPR</b>	<i>Quadrennial Comprehensive Policy Review</i>
<b>SPR</b>	<i>Strategic Priorities and Resource Management</i>
<b>SSP</b>	<i>Department for Stabilization and Security Policy</i>
<b>TAS</b>	<i>Technical Advisory Service (of the Ministry of Foreign Affairs/Danida)</i>
<b>TOR</b>	<i>Terms of reference</i>
<b>UGS</b>	<i>Department for Development Policy and Global Cooperation</i>

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<sup>1</sup> See annex I for acronyms of multilateral and international organisations

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## Introduction – scope and purpose

The objective of these Guidelines for Management of Multilateral Development Cooperation (“the Guidelines”) is to assist staff of the Ministry of Foreign Affairs/Danida (“the Ministry”) in carrying out their duties and responsibilities related to the management of Danish cooperation with and financial support to multilateral and international development and humanitarian organisations. They are meant to ensure administrative uniformity and consistency while allowing units in the Ministry, at home as well as abroad, the necessary flexibility to adjust their efforts to fit the specific conditions of each organisation.

The Guidelines primarily apply to core contributions to multilateral organisations, but they also cover cooperation with international finance institutions, international financing mechanisms/partnerships, and international organisations, irrespective of their governance structures, and to which Denmark makes financial core contributions. The Guidelines apply to all units in the Ministry – in the home service and abroad – charged with managing Denmark’s engagement with multilateral and international development and humanitarian organisations.

The Guidelines aim to foster a consistent approach to multilateral and international cooperation irrespective of the ways in which the assistance is provided. Earmarked contributions are registered and reported to OECD/DAC as bilateral aid flows. Therefore, in a number of areas, earmarked contributions follow the same guidelines as for bilateral assistance. Where relevant, this is indicated in the Guidelines. For example, when Danish earmarked funds are part and parcel of a bilateral country programme (for instance, financial support through a multi-donor trust fund), identification, formulation, appraisal and other stages of the project cycle are regulated by the Ministry’s Guidelines for Country Programmes. If there is no country programme in the country, the Guidelines for Projects and Programmes apply.

The Guidelines form an integrated part of the [Danida Aid Management Guidelines<sup>2</sup>](#) and should be used within the framework of established development cooperation procedures and principles. While some aspects of the programme cycle are addressed in the Guidelines, further information on the programme cycle, such as evaluation, is to be found in the Aid Management Guidelines. The Guidelines do not contain comprehensive guidance on the administrative procedures related to accounting and auditing of financial contributions to the multilateral and international organisations which is the subject of [separate guidelines](#).

The Guidelines will be revised as and when needed to ensure that they are up to date.

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<sup>2</sup> The Aid Management Guidelines – [www.amg.um.dk](http://www.amg.um.dk) - provides the framework for these Guidelines. Relevant parts of the AMG and other underlying webpages are referred to, where relevant, by hyperlinks in the text.

## 1. Cooperation with multilateral and international organisations – summary of key features

Cooperation with multilateral and international organisations is a cornerstone of Danish development cooperation. As highlighted in the Strategy for Denmark’s Development Cooperation, [\*The Right to a Better Life\*](#), it is a political priority to actively engage and seek influence in multilateral, international, and humanitarian organisations through a policy of New Multilateralism.

To reinforce Denmark’s relations with major multilateral partners, the administrative responsibility for the day-to-day management – from the identification of strategic objectives to the oversight over financial contributions to the monitoring of the organisations’ performance and results – is decentralised to Danish multilateral representations and units close to the headquarters of the organisations. For other multilateral and international organisations, the administrative responsibility lies with units at the headquarters of the Ministry of Foreign Affairs (see annex I for a list of organisations and responsible units).

At the centre of managing cooperation with multilateral and international organisations is the *Organisation Strategy* – a short and targeted document outlining the objectives (“why”), the mix of instruments to be applied, including financial contributions (“how”) and the expected results (“what”) of Denmark’s cooperation with that particular multilateral organisation, based on the organisation’s own strategic frameworks. The Organisation Strategy – and in particular, goals and indicators from its performance framework – forms the basis for the daily collaboration. A *mid-term review* of progress against the goals and indicators is carried out to assess progress. The strategic dialogue with the organisation is enhanced through *participation in board meetings*, decentralized *annual consultations*, *high-level consultations* with participation from Copenhagen, and through *financial support* which is a key instrument for engagement. To strengthen transparency, quality, and internal learning in relation to Danish multilateral cooperation, Organisations Strategies along with plans for financial contributions must be presented to Danida’s Programme Committee, and appraisals must be carried out as stipulated in these guidelines.

While decentralisation is a key feature of managing multilateral cooperation, a number of general responsibilities remain in Copenhagen. They include undertaking the overall strategic planning of Danish bi- and multilateral development cooperation, including multi-year budget allocations; providing the Ministry’s input to the Finance Act; coordinating the meetings of the Programme Committee, the Grant Committees, and the Council for Development Cooperation; ensuring consistency of multilateral cooperation policy with other relevant Danish policies; facilitating coherence and synergy across the various forms of Danish development cooperation, and promoting knowledge sharing. The annual *strategic dialogue* between representations in the Foreign Service and the Ministry’s senior management, which is part of the Strategic Priorities and Resource management (SPR) system of the Danish Foreign Service, can be used to further strengthen a common understanding across the Ministry of the goals and success criteria for cooperation with multilateral organisations<sup>3</sup>.

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<sup>3</sup> The SPR exercise is implemented separately and not addressed in these guidelines.

## 2. Organisation Strategies

### a. Purpose, function, and general principles

Organisation Strategies form the basis for Denmark's dialogue and partnership with multilateral and international organisations and serve to enhance priority setting and results reporting. They are key instruments for assessing and monitoring the performance of the organisations, including their institutional reform processes and achievement of normative and operational development results. Organisation Strategies are based on the Strategy for Denmark's Development Cooperation and informed by the on-going dialogue and, as appropriate, consultations with the organisations and should be aligned with the strategies of the organisations. They are, however, *Danish documents* and not negotiated with the multilateral organisations.

Organisation Strategies are elaborated for all multilateral and international organisations receiving above DKK 10 million annually in core contribution<sup>4</sup> (average commitment over the contribution period). In determining the average annual core contribution, it should be noted that the principle of accumulating annual contributions does not apply to core contributions.

Strategies are in a long version for organisations receiving above DKK 37 million and in a short version for organisations receiving up to DKK 37 million in annual core contribution (average). For organisations, funds or initiatives which are part of a cluster of activities under the same theme, one Organisation Strategy may be prepared for the cluster. This may be the case for trade, climate, and humanitarian related funding mechanisms, which provide overall frameworks for activities of the same nature. International organisations, and global multi-donor trust funds/partnerships, including some that relate to the World Bank Group such as Global Partnership for Education, may set up governing and management arrangements of their own, and require a separate strategic approach to be laid out in an Organisation Strategy. Should an organisation have no governing arrangement allowing for formal participation and influence through such a forum, a brief strategy note may exceptionally replace an Organisation Strategy<sup>5</sup>.

Organisation Strategies must account for the rationale, the objectives, and the expected results of Denmark's cooperation with the organisation and be forward-looking, medium-term policy instruments which:

- Advance Danish and/or international development goals through inter-governmental processes,
- Analyse the organisation's position vis-à-vis the Strategy for Denmark's development cooperation and the priorities listed herein,
- Promote the achievement of results - related both to country level interventions and organisation-wide management – based on the organisations' own strategy and planning,
- Secure consistency in Denmark's cooperation with the organisation at all levels as well as guide and focus the day-to-day cooperation with the organisation.

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<sup>4</sup> For organisations receiving up to DKK 10 million in annual core contribution, see section 4.g.

<sup>5</sup> Expected to be rare cases, subject to special agreement between the relevant unit and KVA.

Organisation Strategies must be consistent with the Paris Declaration on Aid Effectiveness, the Accra Agenda for Action, and the Busan Partnership Agreement, and are therefore guided by the following:

- To be aligned with the organisation's strategy, an Organisation Strategy should, as far as possible, follow the organisations' strategic planning cycle or be staggered one year.
- Assessments of performance, transparency, accountability, and anti-corruption measures should be based on mutually agreed frameworks.
- The Strategies should be aligned with the organisations' own results-oriented reporting and monitoring framework. If an organisation's own results based management system is deemed weak, efforts should be made to support the organisation's efforts to improve results reporting through the on-going dialogue.
- To the extent possible, harmonisation of planning, monitoring, and reporting requirements with other donors should be pursued.

## **b. Elaboration of Organisation Strategies**

### Roles and responsibilities

The responsibility for preparing an Organisations Strategy lies with the unit in the Danish Foreign Service which has the administrative responsibility for the multilateral or international organisation (see annex I). Such responsible units, many of which are located at Danish multilateral missions or Danish embassies, help ensure a holistic approach to Danish relations with the organisations. Together with relevant units in the Ministry, they form a core group of multilateral practitioners available for peer support and consultations.

### Priority areas and preparatory analysis

Organisation Strategies should outline 2-3 specific priority areas of relevance to the mandate of the organisations in which efforts will be concentrated. In addition, the organisation's institutional reform process, and its efforts to combat corruption and misuse of funds must also be addressed, either separately or combined.<sup>6</sup> The 2-3 priority areas should relate to Danish political priorities and depend on the specificities of the organisation, its mandate and role in the broader multilateral architecture, and experiences from previous collaboration.

In the process of selecting and subsequently analysing and elaborating on the priority areas, the three points in the text box below should be addressed:

1. The relevance and efficiency of the organisation in relation to the international development and humanitarian agenda, as appropriate.
2. The relevance of the organisation in relation to the development in international framework conditions and new actors.
3. The relevance of the organisation in relation to Denmark's priorities in development policy.

To help address the three points, a tool box is included as annex II. The toolbox is not a mandatory checklist, but an instrument for identifying priority areas, indicators, and objectives in

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<sup>6</sup> For guidance on how to address these two areas, see annex II, item 2, and chapter 4, section f. respectively.

connection with formulation of Organisational Strategies, and to inform decisions and on-going reporting on the work of the organisations.

The expected total level of funding for the duration of the Organisation Strategy, including earmarked contributions, should be considered in the preparatory analysis and presented in the Strategy. This is to ensure that the final strategy is comprehensive and incorporates all aspects of Denmark's cooperation with the organisation.

#### Individual, joint or multi-donor strategies

Most of Denmark's present Organisation Strategies cover Denmark's own cooperation with the respective organisations. However, responsible units should consider and, if appropriate, pursue possibilities for joint or multi-donor strategies.

The benefits, such as shared reference for dialogue and monitoring, harmonised management demands on the agency, greater leverage for change, and more likelihood of achieving results, should, however, be weighed against the transaction costs in terms of time and financial resources, and the concessions necessary to agree on a common framework.

#### Final product (duration, language, format, etc.)

An Organisation Strategy normally covers 3-5 years. The duration of the Strategy should follow as closely as possible the organisations' own strategic cycle. Organisation Strategies must be written in English and should not exceed 20 pages, excluding annexes. Organisation Strategies for organisations receiving from DKK 10 million to DKK 37 million in annual core contribution are short versions, which should not exceed 10 pages, excluding annexes. A short version should in principle cover the same issues as long Strategies. However, they may focus on only 1-2 priority areas of relevance to the mandate of the organisation, and the organisation's efforts on reforms and anti-corruption should be addressed in combination. A short Organisation Strategy and the underlying concept note may differ only marginally. Content is more important than format. The outline in box 1 below, therefore, primarily serves as a guide.

Based on the Organisation Strategy, a factual one-page overview of the organisation and the Danish cooperation with it must be prepared. The one-pager should summarize the rationale for the Danish support, the mandate of the organisation, the aims of the support, and how Denmark follows up and monitors progress. Also key factual data on the organisation and its funding should be included. The page is an internal document to be used when a quick overview is required, such as presentation for management and meeting preparations.



### **Box 1: Content and format for an Organisation Strategy**

Organisation Strategy for [organisation]

#### **I. Objective**

This text can be used in all Danida Strategies:

“This Strategy for the cooperation between Denmark and [organisation] forms the basis for the Danish contributions to [organisation], and it is the central platform for Denmark’s dialogue and partnership with [organisation]. It sets up Danish priorities for [organisation’s] performance within the overall framework established by [organisation’s] own strategy. In addition, it outlines specific goals and results vis-à-vis [organisation] that Denmark will pursue in its cooperation with the organisation. Denmark will work closely with like-minded countries towards the achievement of results through its efforts to pursue specific goals and priorities.”

#### **II. The organisation**

This section provides basic data about the organisation, its mandate and mission, decision-making and management structure, financial situation, operational focus, etc. Danish contributions to the organisation over the preceding three years can be presented in annexes. Focus should be on relevant facts, statistics, figures, etc. in boxes, so that the descriptive section can be brief, reader-friendly and more comprehensible.

#### **III. Key strategic challenges and opportunities**

This section presents a summary of the analysis carried out in preparing the Strategy. It should include a qualitative assessment of the relevance, comparative advantage, strength and weaknesses of the organisation (ref. the tool box in annex II) in the context of the international aid architecture. Independent evaluations, including MOPAN assessments, (if any) should be referred to.

#### **IV. Priority areas and results to be achieved**

The section summary should present the Danish priority areas, their rationale and the main results to be achieved over the duration of the Strategy within each priority area. It should be clear how and why priority results are set and how their achievement will be documented. The relevance of the expected results to the organisation’s own strategy as well as to Danish priorities (and – as the case might be – to priorities of like-minded donors) should be clearly articulated. The identified results and the way to monitor them may be (fully) aligned with the organisation’s results framework. Such results framework should be included as an annex.

#### **V. Budget**

A plan of total financial support for the duration of the Strategy (core as well as earmarked contributions), based on information from the latest approved Finance Act, and on preliminary budget figures for subsequent years.

#### **VI. Risks and assumptions** Analysis of major risks, risk responses, and assumptions.

An Organisation Strategy is a public document and must suit an external audience. Thus, a reader without extensive prior knowledge of the organisation should be able to get a basic understanding of the organisation’s mission, vision, and work as well as the results that Denmark (and its partners) pursues through cooperation and partnership with the organisation. Specific linkages to the Strategy for Denmark’s Development Cooperation and underlying strategies such as the Strategy for Danish Humanitarian Action should be made clear – also in the case of multi-donor strategies.

## Work process

The process of producing the Organisation Strategy offers an opportunity to establish stronger partnerships with the organisation and with like-minded partners, and help strengthen the Ministry's internal knowledge sharing and synergies with other Danish development efforts.

Therefore, the responsible units should engage actively with relevant stakeholders throughout the process. External consultants may be contracted to help prepare Organisation Strategies. In such case, the units requiring inputs from external consultants must maintain a lead role and ensure internal learning and institutional ownership in the MFA throughout the process. Work on short and long Organisation Strategies involves the following steps:

- 1) Preparation of the process.
  - a. Process Action Plan (PAP), including dates for submission of concept note to the Programme Committee and the Council for Development Policy<sup>7</sup>. Timing of consultation with colleagues, the dialogue with the organisation and potential partners should be considered. The PAP should be sent to relevant stakeholders for information and be attached to the concept note as annex.
  - b. Review guidelines, past Danish strategies for the organisation, and most recent Danish policies related to the evolving international development and humanitarian agenda. Relevant MOPAN assessment reports<sup>8</sup>, evaluations, reviews etc. should be considered.
  - c. Consider links to the Strategy for Danish Development Cooperation and other key instruments of Danish cooperation with the organisation.
  - d. Identify key colleagues in the Ministry (headquarters and representations), like-minded countries, and organisational partners and stakeholders in the process.
  - e. Consider the need for an appraisal, and – if required - include in the PAP.
- 2) Review the organisation's own strategy, administrative set-up, and performance management framework, and consult with colleagues, donors and stakeholders in order to a) identify and analyse issues of strategic interest and b) identify priority goals and results.
- 3) Draft concept note (outline in box 2<sup>9</sup>) based on findings from above points.
- 4) Present concept note to the Programme Committee and – with adjustments as necessary – to the Council for Development Cooperation<sup>10</sup> in line with [Guidelines for Presentations to the Programme Committee and the Council for Development Policy](#).
- 5) Draft Organisational Strategy (outline in box 1), taking the comments and conclusions from the meetings of the Programme Committee and the Council for Development Policy into account.

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<sup>7</sup> Presentation to the Programme Committee and the Council for Development Policy normally should be made prior to the financial year in which the financial commitment and disbursement is to be made, ref. chapter 4, section i

<sup>8</sup> See chapter 6, section c.

<sup>9</sup> See also Guidelines for Presentations to the Programme Committee (ref. link in next item)

<sup>10</sup> Only long Organisation Strategies

- 6) If deemed relevant, share final draft with relevant units in the Ministry for final comments.
- 7) Share final draft with relevant stakeholders in the organisation.
- 8) Finalise Organisation Strategy and present it, along with the factual one-pager, to the Minister for Development Cooperation for approval.
- 9) Send the original English version to the Council for Development Policy and the Parliament's Foreign Affairs Committee for information<sup>11</sup>.
- 10) Upload the approved Organisations Strategy in PDB, publish on the unit's website<sup>12</sup>, and inform KVA of the Minister's approval.

#### **Box 2: Content and format of a concept note**

Concept notes for Organisation Strategies should include:

- 1) A few key strategic questions linked to the initial analysis carried out in preparing the Strategy to guide the Programme Committee's discussion.
- 2) Brief, factual description of the organisation regarding its mandate, mission, management structure, financial situation, etc. Summary of previous Danish support to the organisation.
- 3) Initial strategic considerations as regards challenges, opportunities, the relevance and justification of Danish cooperation with and support for the organisation, including a description of how/why it is a suitable vehicle for advancing Danish policy priorities; an overview of the partnership potential and how synergy is envisaged with other Danish development efforts (including bilateral). Lessons learned from evaluations, MOPAN assessments, and possible other audits/reviews.
- 4) Description of the main priority goal(s) and result(s) of the Danish support to the organisation and key benchmarks to fulfil these results. A preliminary results framework with baselines, targets, and indicators should be included.
- 5) A preliminary budget of total financial support for the organisation (core and earmarked) for the duration of the strategy, based on the latest approved Finance Act, and plans for further funding, if any.
- 6) A preliminary assessment of major risks and assumptions involved (ref. Risk Management Guidelines in [www.amg.um.dk](http://www.amg.um.dk).)

#### **c. Presentation to the Council for Development Policy**

As stipulated in the Danish International Development Cooperation Act, the Council for Development Policy provides a forum for strategic dialogue and advice to the Minister for Development Cooperation on matters related to Danish development cooperation. In fulfilling this mandate, the Council plays an important role in considering concept notes for Organisation Strategies related to multilateral organisations for which Denmark makes core contributions of more than DKK 37 million annually.

Presentation of the concept note to the Council should be made soonest after presentation to the Programme Committee, thereby allowing the drafting of the concept note and subsequent preparation of the Organisation Strategy to be processed in an uninterrupted work flow. This

<sup>11</sup> To be done in consultation with – or through UGS.

<sup>12</sup> Units at the MFA headquarters may forward the Organisation Strategy to KVA for uploading at MFA's website.

requires careful timing in the Process Action Plan, ideally scheduling the presentation to the Programme Committee 4-5 weeks ahead of a meeting of the Council<sup>13</sup>.

As in the Programme Committee, the Head of Mission/Unit of the responsible unit participates in the meeting of the Council. Along with submission of the concept note for the Council meeting, as stipulated in the relevant guidelines (ref. link in section 2.b above), the responsible unit prepares a brief presentation note to be used by the Minister for Development Cooperation at the meeting. The responsible unit should be ready to answer questions at the meeting as necessary.

#### **d. Mid-term review of Organisation Strategies**

##### Objective

The objective of the mid-term review is to review progress in pursuing the goals and results set out in the Organisation Strategy, as well as challenges, developments in risk factors, and possible needs for adjustment. The mid-term review will consider progress in cooperation with the organisation against the five DAC criteria: i) Relevance, ii) efficiency, iii) effectiveness, iv) sustainability, and v) impact. The review also serves as quality assurance of monitoring the relationship with the organisation. It is, however, not an assessment of the performance of the organisation. The review will provide recommendations on further implementation – within the context of the current Organisation Strategy or as preparation of the next, as appropriate.

Mid-term reviews are mandatory for Organisation Strategies with organisations receiving more than DKK 37 million annually in core contributions and not a requirement for short Organisation Strategies with organisations receiving less than DKK 37 million annually in core contributions. In case of a joint or multi-donor Organisation Strategy, the mid-term review should, if appropriate, be carried out jointly with the other donors. If an organisation conducts its own mid-term review, the Danish review should be aligned with it to the greatest extent possible.

##### Process and contents

The responsible unit carries out the mid-term review in accordance with characteristics of the cooperation with the organisation. A template for Terms of Reference (TOR) for the mid-term review, based on the [Aid Management Guidelines](#), is attached as annex IV. The relevant unit in the Ministry along with UGS, KVA or TAS should be engaged as necessary, including in the preparation of TOR. External consultants can be contracted to carry out the mid-term review as deemed necessary by the responsible unit.

If appropriate, the mid-term review may be combined with decentralized Annual Consultations or High Level Consultations with the multilateral organisation (see chapter 3).

##### Mid-term review outputs

A brief mid-term report (maximum 10 pages), including a list of possible follow-up actions, should be prepared following the mid-term review. The review report is submitted to the Under-Secretary for Global Development and Cooperation no later than four weeks after the mid-term review and disseminated among relevant internal stakeholders in the Ministry with a view

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<sup>13</sup> While the Programme Committee meets at least once a month, the Council meets around 4 times a year.

to fostering understanding of Denmark's cooperation with the multilateral organisation and facilitate coherence and strategic synergies with other Danish development efforts. In addition, the mid-term report is submitted to the Council for Development Policy for information.

### **3. Strategic dialogue with the organisation**

#### **a. Introduction**

Regular policy dialogue at various levels is an important aspect of Denmark's on-going cooperation with the organisations. Participation in the work of the governing bodies is the backbone of the Danish interaction with the organisations. Another key instrument in the bilateral dialogue is the decentralized *Annual Consultations* which are held to discuss progress in the cooperation over the past year, based on the targets and indicators in the Organisation Strategy, and the expectations for the next year. Along the lines described in section 3.d below, they could be supplemented or replaced by *High-level Consultations* with participation from Copenhagen at political or senior management level.

#### **b. Participation in governing bodies**

The administrative decentralization of the collaboration with multilateral organisations provides the multilateral representations with a large degree of flexibility in the dialogue on policy and technical questions with the organisation and with other partners *sûr place*. The active participation in the meetings of the governing bodies constitutes the back bone of the work both in and between board sessions. Meetings in the governing bodies are essential for discussing and deciding on work programmes, the strategic direction, budgets, oversight, audit, evaluation, and results of the organisations' work. Danish participation in the work of the governing bodies should be based on the Strategy for Denmark's Development Cooperation, the Organisation Strategy, and other relevant policy documents.

In order to ensure a lean process for preparation of board meetings, the responsible unit provides a draft mandate note for comments, focused broadly on the issues on the agenda that are most relevant in a Danish perspective, and including a proposed line to take. The mandate note along with the agenda of the meeting is forwarded to the relevant unit(s) in the Ministry and to relevant representations in the field for feedback. In organisations, where Denmark is represented both by the MFA and another Ministry, coordination with these ministries should also be taken into consideration. Such consultation ahead of the board meeting should enable relevant units to be informed about on-going discussions in the organisations on policy issues, financial oversight, monitoring, etc. and should allow the relevant unit(s) in the Ministry sufficient time to provide comments. In the case of replenishment consultations, the responsible unit should prepare a draft mandate after consultations within the Ministry. The draft mandate is to be approved by the Minister for Development Cooperation. After Board meetings, the responsible unit should provide a summary to the Ministry (for posting also in PDB) outlining major decisions of policy and strategic importance for Denmark's continued engagement.

Membership of the organisations' boards is typically subject to rotation among member countries based on carefully negotiated schemes among formal or informal country groupings. Rotation will vary from organisation to organisation, whether it is among members of the Nordic-

Baltic constituency in the World Bank, the Western European and Other Group (WEOG) or OECD-group in UN organisations, and/or like-minded constellations of donors in other organisations. When Denmark is an observer, rather than a formal member of a governing body, it may be decided to skip the elaboration of an annotated agenda.

Regardless of Denmark's role in the governing body, the unit responsible for the day-to-day collaboration with the organisation should strive to make Danish development and humanitarian priorities known to the management of the organisation as well as to its membership, and to influence the work of the organisation accordingly. This can be done through active participation in formal and informal consultations outside of the governing bodies and by networking with relevant stakeholders inside and outside the organisation. Such efforts can be subject to burden-sharing and coordination with likeminded partners, including EU coordination, where relevant.

### **c. Decentralized annual consultations**

#### Objective

Decentralized annual consultations with multilateral organisations are meant to follow up on the cooperation of the past year in general and to address possible Danish concerns about performance and reform issues in particular. The consultations also serve to agree with the organisation on the priorities of collaboration in the coming year, based on the overall strategic directions provided by the Danish Organisation Strategy. The point of departure for the discussions should normally be the progress (or lack thereof) against specific indicators of the Organisation Strategy. If an organisation does not report on its results framework on an annual basis (and annual information on the indicators of the Organisation Strategy is therefore not readily available), the frequency of the decentralized consultations with that organisation may be adjusted accordingly.

#### Format

There are no formal requirements as to the format or agenda of the decentralized consultations. As indicated by the name, the decentralized annual consultations are prepared and carried out by the responsible unit although, where relevant, staff from other units in the Ministry, including bilateral embassies, may be invited to contribute to the preparations. Participation from Copenhagen is not foreseen. Considering the political importance attached to Denmark's multilateral engagement, the consultations should be held at Head of Mission/Unit level.

After the consultations, the responsible unit should circulate a brief report to all relevant stakeholders in the Ministry on key issues raised, the operational conclusions, and possible follow-up actions.

In years where high-level consultations with an organisation take place, it may be decided not to hold decentralized annual consultations. For example, this may apply when high-level consultations are held back-to-back with Spring Meetings and Annual Meetings of the World Bank, or if and when a close sequence of high-level meetings with an organisation has taken place. If decentralized annual consultations are held in a year with high-level meetings, their scope may

be modified, for example to serve as part of the technical preparations of the high-level consultations.

#### **d. High-level consultations**

##### Objective

The objective of the High-level Consultations with participation from Denmark is to create a forum for an open, frank and focused policy dialogue on issues of mutual interest to both sides. Tentatively, the consultations should focus on:

- Danish policy priorities and the organisation's responsiveness
- Synergy between multilateral and bilateral development efforts
- The organisation's performance and institutional reform process
- Use of Danish inputs (employment of nationals, procurement of goods and services).

The Danish delegation is headed by the Minister for Development Cooperation or a representative of the Ministry's senior management (usually, the Under-Secretary for Global Development and Cooperation or her/his designated alternate). The responsible unit is represented by the Head of Mission/Unit. Other units from the Ministry may participate as deemed relevant.

HLC are to be conducted for multilateral organisations receiving a total of more than DKK 37 million annually in core contribution and other organisations of strategic importance to Denmark. The consultations should take place with regular intervals as agreed with the organisation. The timing and frequency should take into account the organisation's strategic relevance to Danish development objectives, the possibility for dialogue through alternative mechanisms, the need to promote (new) policy initiatives - and progress on the Organisation Strategy.

##### Planning and preparation

The overall responsibility for initiating, planning and organising the HLC rests with the unit responsible for Denmark's cooperation with the organisation.

The responsible unit must establish the HLC agenda in cooperation with the organisation. The agenda shall focus on a few key policy issues related to the cooperation between the two sides. The final agenda should be agreed on at least three weeks in advance to allow both sides to prepare properly.

##### The mandate note

The HLC is conducted on the basis of a mandate note. The note sets out the objective of the consultations and explains the Danish (and, where relevant, other donors') positions, and the position of the organisation on the issues to be discussed. The unit responsible for organising the HLC drafts the note which is considered a strictly internal document and is not shared with the organisation.

The draft mandate note is circulated for comments to all units concerned, allowing five working days for comments. These units will normally include UGS, GRV, TAS, EVAL, and KVA

as well as multilateral missions. Bilateral embassies in priority countries may also be engaged because of their insight into the multilateral organisation's performance on the ground.

The final mandate note and the agenda of the HLC are approved by the Under-Secretary for Global Development and Cooperation or State Secretary for Development Policy. The documentation must be ready for approval no less than five working days before the date of departure for the HLC.

#### Agreed minutes

Agreed minutes of the HLC serve a dual purpose: i) To ensure a common understanding of the outcome of the consultations, especially as regards operational conclusions and follow-up, and ii) to facilitate a broad awareness within the organisation of the main issues and agreements in the cooperation with Denmark. However, agreed minutes are not mandatory. On a case by case basis, it is for the responsible unit and the Head of the Danish delegation to decide whether agreed minutes are needed or whether other forms of reporting or communication on the outcomes of the consultations are more useful.

If agreed minutes are deemed relevant, the responsible unit should provide the organisation with a draft for agreement as soon as possible after the conclusion of the HLC – ideally, soon enough that they may be agreed and signed by the parties while the Head of the Danish delegation is still in town. The minutes should include a short summary for wider distribution, including to the general public.

Soon after an HLC has been conducted, the responsible unit should provide other relevant units in the Ministry with a brief report focusing on key issues raised, operational conclusions and follow up actions.

## **4. Financial contributions – key issues**

This chapter addresses key issues on preparing and administering multilateral contributions.

### **a. Quality assurance, transparency, knowledge sharing**

The Programme Committee plays a key role in the Ministry's system of quality assurance and knowledge sharing related to multilateral and bilateral development assistance. In addition, it strengthens public access to information about Denmark's multilateral development cooperation in line with the [Danida Transparency Initiative](#), which stipulates that documentation presented to the Programme Committee must undergo a public consultation process. Denmark cannot compromise on high transparency standards. Although Denmark's international and multilateral partners may not all follow the same standards, they must respect this.

All Organisation Strategies, whether long Strategies for organisations receiving above, or short Strategies for organisations receiving up to DKK 37 million in annual core contribution (average commitment), as well as all multilateral projects and programmes with a total budget (commitment) above DKK 37 million must be presented to the Programme Committee. This includes both earmarked and core funding, but not proposals for humanitarian assistance.



By use of [www.OpenAid.dk](http://www.OpenAid.dk), the responsible unit should seek to establish the full picture of all Danish contributions (core and earmarked) to the organisation and reflect this in the Organisation Strategy. Earmarked contributions known at the time of presentation of an Organisation Strategy concept note to the Programme Committee should be presented as part of the concept note and be reflected in the Organisation Strategy. If an earmarked contribution is not foreseen at the time of presentation of the Organisation Strategy concept note to the Programme Committee, it should be presented separately in line with the relevant planning schedule. Earmarked contributions related to bilateral projects and programmes or to Country Programmes should be presented as part of the project, programme, or Country Programme. Irrespective of form or context of the presentation to the Programme Committee, the appraisal requirement of earmarked multilateral contributions applies (ref. section b below.)

As stipulated in chapter 2, section b, the conclusions from the Programme Committee meeting must be taken into account in the final design of the Organisation Strategy.

Information on presentations to the Programme Committee is available in the Ministry's Guidelines for Presentations to the Programme Committee (ref. link in chapter 2, section b.)

## **b. Appraisal of appropriations**

The overall objective of an appraisal is to provide quality assurance of proposals for engagement with multilateral and international organisations, including financial contributions. This includes providing documentation at a strategic as well as technical level and thereby establishing the basis for the granting authorities' funding decisions.

In general, all Danish appropriations above DKK 37 million in total budget are subject to an appraisal process. Regarding contributions to multilateral and international organisations, there are, however, exemptions. Thus, regular core contributions to multilateral and international organisations as well as humanitarian contributions are exempted. Furthermore, when contributions above a total of DKK 37 million are presented to the Programme Committee, the Committee may decide that a specific Danish appraisal is not needed if 1) there is a thorough appraisal available from a like-minded donor, or 2) if the Danish contribution is part of an existing multi-donor set-up and an appraisal or similar exercise is made in this context.

Where a bilateral Country Programme exists, multilateral contributions which are integrated into the Programme will be appraised as part of the appraisal of the Country Programme.

In case of a special strategic interest in cooperation with a multilateral or international organisation or new engagements, the Under-Secretary for Global Development and Cooperation may decide that an appraisal is carried out of any appropriation of a total amount above DKK 10 million, irrespective of its nature. If special strategic interests are involved, responsible units are encouraged to consider appraisal of the appropriation at an early stage and to take the necessary steps to plan for an appraisal. Any requests for exemption from a mandatory appraisal must be justified in the concept note presented to the Programme Committee.

An appraisal is undertaken by TAS, and may be a desk appraisal. Appraisals take departure in the four principles of i) relevance, ii) effectiveness, iii) efficiency, and iv) impact. Detailed requirements for appraisals are available from the appraisal tool in the [Aid Management Guidelines](#). A template for TOR for appraisals is attached as annex V.

### **c. Approval of appropriations**

Most contributions to multilateral and international organisations appear on a separate account on the Finance Act, while some contributions appear under a frame appropriation. Irrespective of whether there is direct or indirect legal basis in the Finance Act, all core contributions of an annual average above DKK 10 million are subject to an Organisation Strategy (short or long), which must be submitted to the Minister for approval. An overview of the appropriation process is attached as annex III. Following the Minister's approval, commitment and disbursement can be made of the core contribution, which is included in the budget of the Organisation Strategy. Multilateral frame appropriations above a total of DKK 37 million annually must also be presented to the Parliamentary Finance Committee for approval.

For core contributions of up to an annual average of DKK 10 million, see section 4.g. Since earmarked contributions to multilateral and international are treated as bilateral contributions, they have to be submitted to one of the Danida Grant Committees. The external and internal committees are authorised to recommend to the Minister for Development Cooperation grant proposals of total budgets above DKK 37 million and from above DKK 5 million to 37 million, respectively.

Detailed information on presentations to the Danida Grant Committees is available in [separate guidelines](#) and in [Appropriation limits, internal and external presentation](#) (MFA use only).

### **d. Core contributions**

According to the strategy for Denmark's development cooperation, Denmark will "pursue a policy of greater core funding of the organisations, but maintain the use of earmarked contributions to strategic and special interventions, for instance in fragile states."

The rationale is that core contributions i) support the ability of the organisations to deliver on their core mandate, ii) support the multilateral system's capacity to act in a coordinated and coherent manner, iii) is subject to the organisations' formal governance and reporting structures, and iv) is administered according to the principle of partner ownership of development.

In accordance with reporting requirements established by the OECD/DAC, core contributions to multilateral entities included in the DAC-directive are counted as multilateral aid.

This is also the case with assessed contributions to UN agencies and contributions to negotiated replenishment agreements and capital increases in International Financial Institutions which are considered a way for Denmark to give core support to the financial institutions. The basis for participation in replenishment negotiations is laid out in a mandate note which is presented to the Minister for Development Cooperation for resolution.

#### **e. Earmarked contributions**

Earmarked contributions may be offered in special cases where strategic and pragmatic reasons so justify, or where Denmark wishes to promote new initiatives. An example is special interventions in fragile states, where, however, priority should be given to multi-donor arrangements. Funding arrangements where Denmark is the sole contributor, such as single donor trust funds, should be avoided.

Earmarked support for a specific activity/sector/country under the overall programme of the organisation is registered and reported as bilateral aid. This includes contributions to multi-donor Trust Funds.

For earmarked contributions, a separate agreement is signed between the organisation and Denmark. The agreement specifies the amount of the Danish grant, its designated use, and the expected timeframe for its disbursement. The agreement must reflect the total grant in DKK and should also contain a schedule for the transfer of the grant, keeping in mind that such funds should normally not cover more than six months of activities, unless otherwise agreed with the organisation – as for instance in some framework agreements.

#### **f. Anti-Corruption efforts**

As mentioned in chapter 2, section b., the Organisation Strategy must address the organisation's efforts to combat corruption and misuse of funds, thereby emphasizing the importance of anti-corruption in Danish development cooperation.

As a general rule, the responsible units are required to assess the organisations' efforts to combat corruption and address financial irregularities on an on-going basis. Anti-corruption efforts should be addressed, as appropriate, through the dialogue instruments mentioned in chapter 3. The anti-corruption efforts should also be assessed in mid-term reviews of Organisation Strategies and be reflected in the mid-term review report to be prepared by the responsible units (ref. template for TOR, annex IV).

In addition, there are two main avenues for dealing with corruption and financial irregularities. First, the responsible units shall report on corruption and financial irregularities as well as on suspicion of corruption and financial irregularities to the Auditor General via KVA on multilateral assistance, if the matters are of a certain magnitude or have a character, which specifically relates to Danish interests. Such reporting should be made in accordance with the Ministry's [\*Instruction on Reporting Information to the Auditor General\*](#) (MFA use only), which apply to all forms of Danish development assistance, including core and earmarked contributions to multilateral organisations.

Secondly, the responsible units should submit (subject to separate instructions) brief updates on an annual basis of the organisation's efforts to fight corruption and financial irregularities, including a status of concrete examples hereof, if any, based on official reporting by the organisation to its governing body or other relevant channels of reporting. On this basis, the Ministry posts a summary of the organisation's anti-corruption efforts on the dedicated [MFA webpage](#) on fraud and mismanagement in relation to development assistance. The organisations, on which such updates should be submitted, are listed in annex VI. .

### **g. Contributions up to DKK 10 million**

For core contributions of up to DKK 10 million annually there is no requirement for preparing an Organisation Strategy (ref. section 2.a.). For such contributions an appropriation note must be prepared for signature by the responsible Head of Unit. The appropriation note does not have the status of an Organisation Strategy, but in preparing the appropriation note the core principles and elements of an Organisation Strategy should apply. Thus, the guiding outline for an Organisation Strategy, as presented in Box 1, may be used in order to identify key features of the appropriation note. Furthermore, other features of these Guidelines from section 2.b, and chapters 3-6 are to serve as guiding principles for administration of core contributions to organisations receiving up to DKK 10 million annually. In dealing with core contributions up to DKK 10 million, it should be considering if it is feasible to cluster related activities and treat them under one Organisation Strategy (ref. para. 2.a).

### **h. Size of contributions**

In dealing with multilateral organisations, it is important to consider Denmark's strategic interest in the cooperation as well as the cost-effectiveness of the cooperation. In this context, a considerable degree of caution must be applied in offering small grants and contributions to multilateral organisations, whether the grant is a core contribution or an earmarked contribution. Thus, small contributions are strongly discouraged.

### **i. Commitment and disbursement schedule**

Financial commitments concerning core contributions should be placed in the first quarter of the financial year. If a concept note for an Organisation Strategy and an Organisations Strategy has not been processed by the beginning of the financial year, the commitment should be made soonest hereafter and no later than the third quarter.

Normally, contributions are to be paid annually based on annual budgets of the organisation. Disbursements should be made as early in the year as possible and may be disbursed in two or more instalments, depending on the size of the overall annual budget of the organisation.

Danish contributions must never be used to accumulate assets in an organisation. However, if strong justification can be provided, front-loading Danish contributions may be considered. An example of this is an early disbursement of contributions to replenishments of the funds of the development banks, which not only may provide a discount in the Danish contribution, but also be justified from a development perspective. In such case, the justification should be clearly explained in the appropriation note.

### **j. Administrative costs**

Core as well as earmarked contributions are intended to cover the operational expenses and the programme of work of an organisation in a given financial year. However, most international organisations require that administrative expenditures associated with managing the contribution are covered by the contribution. With regards to humanitarian organisations and NGOs, Denmark accepts overheads up to 7 per cent. With regard to core and earmarked contributions through other international organisations and trust funds, the overhead percentage should be in

the same range. However, Denmark follows the agreed rules of the organisation and may, therefore, have to accept higher overheads.

## 5. FINANCIAL MANAGEMENT

### a. Grants and appropriations

According to the Ministry of Finance budget guideline, a commitment has taken place when the Ministry of Foreign Affairs signs a legally binding agreement promising disbursement to the organisation. Before funds can be committed, the responsible unit must ensure that funds are appropriated either through direct legal basis (Finance Act §06) or according to the [Guidelines for appropriation limits](#).

The terms of agreement can be prepared in the form of a contract, financial commitment letter, or other type of legally binding agreement with an external party. The financial management of a majority of development grants under the Finance Act §6.3 are commitment-based and a smaller part is disbursement-based. Information on how the specific grant is defined can be found in the Finance Act under the relevant paragraph.

### b. Disbursements

Disbursement will be initiated based on a request from the multilateral organisation. The request must refer to the agreement and state the bank account to which the funds are to be transferred. Before disbursement, the responsible desk officer must ensure that the requested disbursement does not exceed the remaining provision and the yearly budget allocated to the project. To ensure oversight, the grant must be registered in PDB, and the disbursement budget, commitments, and provisions must be registered in FMI.

#### Before payment ensure that:

1. The grant is registered in PDB
2. Agreement is signed with the relevant organisation
3. Commitment, provision, and disbursement budget is registered in FMI
4. Previous instalments have been spent according to agreement
5. Satisfactory financial reporting from previous periods has been received on time
6. No financial matter remain unsettled

### c. Accounting and auditing

Multilateral and international organisation has the responsibility to ensure that the use of a Danish grant is appropriately accounted for in accordance with rules and procedures set by the organisation. The responsible units must request and review the audited accounts from the organisations on an annual basis, or at regular intervals according to the organisation's cycle of presenting audited accounts.

The Danish Auditor General is entitled to carry out audit inspections at any time during the period covered by the agreement. This right also applies to Single Donor Trust Funds in the

World Bank, but in case contributions are made to Multi Donor Trust Funds in the World Bank, the requirement for inspection has been waived.

The requirement for audit inspections by the Danish Auditor General has also been waived for contributions made to UN entities. The Danish Auditor General has accepted to rely on the single audit principle. Therefore, the audit of UN entities is the responsibility of the Board of Auditors which is completely independent and solely responsible for the conduct of the audit.

### **Outstanding audits**

It is important to ensure regular follow-up on outstanding audits through the D-Report in the accounting module in PDB

When the audit report has been received, the audit is registered and up-loaded under the relevant subject matter in PDB.

Detailed information on accounting and auditing can be found in the [General Guidelines](#) for Accounting and Auditing of Grants channelled through Multilateral Organisations. Several specific conditions apply to the audited accounts of multilateral organisations. Assistance in this regard may be found in the draft [Guidelines](#) for approval of accounts from multilateral organisations (in Danish, MFA use only).

#### **d. Financial closure**

When activities have been completed, the organisation is responsible for issuing a final report, which is to be forwarded to the responsible unit in the Ministry together with the audited financial statements. Further information on this requirement can be found in the General Guidelines for Accounting and Auditing of Grants channelled through Multilateral Organisations (ref. the first link in section c. above).

When the final audit report has been received and found satisfactory according to the principles that apply for the annual audits (ref. section c. above), the responsible unit must ensure that any unspent funds and refundable interest are returned to Denmark (except if otherwise agreed).

#### **Upon financial closure remember to:**

1. Close the accounting module, and possibly the Grant Page, in PDB
2. Prepare for cancellation of any unused provision
3. Issue letter to recipient organisation that the final audit has been approved
4. Ensure that a Final Results Report, an Annual Report, or similar is received

## **6. Monitoring and Reporting**

### **a. Introduction**

Achieving and demonstrating results is a key element in the Danish development cooperation. Therefore, monitoring and reporting on the organisations' performance and results is an essential basis for determining Denmark's cooperation with the organisations. Accordingly, all multi-

lateral and international organisations cooperating with and receiving financial support from Denmark must have a clear results focus in their strategic and operational work – or have clear plans to move in that direction - and must report on the overall progress of activities according to agreement(s) entered into between Denmark and the organisations.

While formal reporting requirements for earmarked contributions follow the guidelines applying to bilateral assistance, there generally are three main instruments for monitoring and measuring results of Denmark’s multilateral engagement:

1. Reporting related to the Organisation Strategies.
2. Annual assessments by MOPAN of key multilateral organisations.
3. The organisations’ own reporting system.

Reviews, assessments and evaluations, including those of other donors, may also be used.

#### **b. Reporting on Organisation Strategies**

While there is no requirement for separate annual reporting on the Organisations Strategies, it is, however, mandatory to prepare brief narrative progress reports on Denmark’s cooperation with the multilateral organisations, including on the Strategies’ goals and indicators and results achieved from financial contributions. Such reports should be prepared in line with the legal and political requirement for reporting to the Parliament as stipulated in Finance Act document 187 of 24<sup>th</sup> June 2003. Responsible units should enter such reports into the Project Database (PDB) and ensure that they are up to date. It is recommended that updates are made following meetings of the governing bodies of the organisations or after annual consultations.

In addition, reporting on follow up on the Organisations Strategies has to be made. The reporting sometimes will be formal and sometimes informal or indirect. The latter, for example, will be the case in relation to decentralized Annual Consultation and High-level Consultations, whereas mid-term review reporting is the key example of formal reporting on Organisations Strategies (ref. chapter 2, section d).

#### **c. MOPAN**

Supplementing the organisations’ own reporting, and in support of continuous dialogue with the organisations, Denmark participates in the Multilateral Organisations Performance Assessment Network (MOPAN). The objective of MOPAN is to carry out regular joint donor assessments of multilateral and international organisations which receive significant contributions from the members of the network. The assessments focus on the results and effectiveness of the organisations as well as on their partnership behaviour in developing countries.

Denmark along with the other MOPAN members regularly has to take on the role as “institutional lead”. Similarly, the members act as “country leads” in the process of data collection and interviews in developing countries. It is important that Denmark does its part on these roles, while at the same time benefitting from a far greater number of assessments than could have been carried out by Denmark.

MOPAN assessments should be used to the greatest extent possible. Use should be made in relation to preparation of Organisation Strategies, participation in board meetings, preparation of Annual Consultations and High-level Consultations, preparation of mandates for replenishments negotiations and in the on-going dialogue between Denmark and the organisations.

MOPAN is made up of 19 countries who have agreed to perform the assessments based on a common approach. Most MOPAN members are moving towards the decision taken by Denmark to let the MOPAN substitute (at least partly) for bilateral assessments of the organisations. By streamlining the process of gathering information into one joint effort, the transaction costs are lowered for donors as well as the organisations.

With 4-5 assessments having been carried out annually since 2003, around 20 organisations have so far been assessed, some of which have been assessed 3-5 times. For more information, see [MOPAN's webpage](#).

#### **d. Reporting by the organisations**

Once a year, or at the frequency specified in financing or other agreements between Denmark and the organisation, the organisation must report on the overall progress of activities. These reports, which are expected to include facts and figures on the results achieved, provide valuable information on the performance of the organisations and should be used in the Danish dialogue with the organisations as and when relevant.

Denmark is entitled to request from the organisation all information relevant to the implementation and progress of activities at any time during the period covered by agreements entered into.

#### **e. Filing requirements**

For all multilateral activities under preparation, implementation or completion, key documents, including those listed below, must be filed in MFA's filing system (F2). In addition, the following documents must be available in the Project Database (PDB).

For Programmes and Projects, all documents of the following types are mandatory in PDB:

- Grant authorisation document
- Appraisal document
- Minutes from relevant Grant Committee meeting
- Agreement with the organisation on an earmarked contribution or a general contribution (if relevant, including formal pledge)
- Audit report (including copy of receipt of funds, approval of no-cost extensions, budget re-allocations and certified financial statement where relevant)
- Final Result Report / Project completion report<sup>14</sup>.

For organisations, all documents of the following types are mandatory in PDB:

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<sup>14</sup> In PDB, a programme or project includes both core and earmarked contributions. However, a Final Result Report / project completion report is not required for regular core contributions.



- Organisation Strategies
- Mid-term review reports
- Mandate notes for high-level consultations and replenishments
- Minutes/reports from high-level consultations, decentralized annual consultations, and replenishments
- Minutes/reports from relevant meetings (of governing bodies etc.)
- Audit report (including copy of receipt of funds, approval of no-cost extensions, budget re-allocations and certified financial statement where relevant).

Annex I: Multilateral and international organisations, Organisation Strategies, responsible units<sup>15</sup>

<u>Organisation</u>	<u>Full name of organisation</u>	<u>Responsible unit</u>
<b>ADB / AsDF</b>	Asian Development Bank / Asian Development Fund	ALO
<b>AfDB / AfDF*</b>	African Development Bank / African Development Fund	AFR
<b>ACF*</b>	Amplify Change (SRHR) Fund	UGS
<b>CERF</b>	UN Central Emergency Response Fund	HCP
<b>CGIAR*</b>	Consultative Group on International Agricultural Research	UFT
<b>CIF/GCF*</b>	Climate Investment Funds/Green Climate Fund	GRV
<b>CTCN*</b>	Climate Technology Centre and Network	GRV
<b>FAO</b>	UN Food and Agriculture Organisation	Embassy Rome
<b>GEF*</b>	Global Environment Facility	GRV
<b>GFATM*</b>	Global Fund to Fight Aids, Tuberculosis, and Malaria	UN, Geneva
<b>GPE*</b>	Global Partnership for Education	UGS
<b>GGGI*</b>	Global Green Growth Institute	UGS
<b>GWP*</b>	Global Water Partnership	GRV
<b>IADB</b>	Inter-American Development Bank	Embassy, Washington
<b>IAVI*</b>	International AIDS Vaccine Initiative	UGS
<b>ICG</b>	International Crisis Group	SSP
<b>ICRC*</b>	International Committee of the Red Cross	UN, Geneva
<b>IFAD*</b>	International Fund for Agricultural Development	Embassy, Rome
<b>IHAA*</b>	International HIV/AIDS Alliance	UGS
<b>IIED*</b>	International Institute for Environment and Development	GRV
<b>IISD</b>	International Institute of Sustainable Development	GRV
<b>ILO*</b>	International Labour Organisation	UN, Geneva
<b>IMF</b>	International Monetary Fund	Embassy, Washington
<b>IOM</b>	International Organisation for Migration	UN, Geneva
<b>IPM*</b>	International Partnership for Microbicides	UGS
<b>IPPF*</b>	International Planned Parenthood Federation	UGS
<b>IUCN*</b>	International Union for the Conservation of Nature	GRV
<b>IWGIA*</b>	International Work Group for Indigenous Affairs	JTMR
<b>NDF</b>	Nordic Development Fund	GRV
<b>OCHA*</b>	United Nations Office for Coordination of Humanitarian Affairs	HCP
<b>OECD</b>	Organisation for Economic Cooperation and Development	OECD Del., Paris
<b>OHCHR*</b>	Office of the High Commissioner for Human Rights	UN, Geneva
<b>UNAIDS*</b>	Joint United Nations Programme on HIV/AIDS	UN, Geneva
<b>UNDP*</b>	United Nations Development Programme	UN, New York
<b>UN BCPR*</b>	UNDP's Bureau for Crisis Prevention and Recovery	UN, New York
<b>UNEP*</b>	United Nations Environment Programme	GRV
<b>UN DPA*</b>	United Nations Department for Political Affairs	UN, New York
<b>UNESCO</b>	United Nations Educational, Scientific and Cultural Organisation	UGS
<b>UNFPA*</b>	United Nations Population Fund	UN, New York
<b>UNHCR*</b>	United Nations High Commissioner for Refugees	UN, Geneva
<b>UNICEF*</b>	United Nations Children's Fund	UN, New York
<b>UNIDO</b>	United Nations Industrial Development Organisation	UGS
<b>UNMAS</b>	United Nations Mine Action Service	SSP
<b>UNODC</b>	United Nations Office on Drugs and Crime	SSP
<b>UNPBF</b>	United Nations Peace Building Fund	UN, New York
<b>UNRWA*</b>	UN Relief and Work Agency for Palestine Refugees in Near East	Rep. Ramallah
<b>UNWOMEN*</b>	UN Entity for Gender Equality & the Empowerment of Women	UN, New York
<b>WB/IDA/IFC*</b>	World Bank Group	Embassy, Washington
<b>WFP*</b>	World Food Programme	Embassy, Rome
<b>WHO*</b>	World Health Organisation	UN, Geneva
<b>WRI</b>	World Resources Institute	GRV
<b>WTO*</b>	World Trade Organisation	UN, Geneva

<sup>15</sup> The list will be revised as and when required. \* indicates preparation of long or short organisations strategies.

Annex II: Tool box on priorities, indicators, and objectives for Organisational Strategies

<b>The relevance of the organisation in relation to the development in international framework conditions and new actors</b>			
Present and new challenges	Relevance in relation to the development in global power structures, including new actors	Legitimacy/representation	Overall efficiency (as a platform and norm entrepreneur, operatively)
What is the main role and potential of the organisation in the international architecture in the light of present and new challenges?	How are new actors engaged and how can the organisation secure its own relevance in relation to new fora and initiatives?	What efforts are used in reforming the international system to ensure legitimacy and global representation?	Does the organisation contribute to the development of common conceptual and organisational frameworks that enhance the effect of the effort of the international community?
<b>The relevance and efficiency of the organisation in relation to the international development and humanitarian agenda, and the organisation's reform process to stay relevant and efficient.</b>			
Objectives for contributions to development and humanitarian goals	Objectives for the operational effectiveness	Objectives for the organisational efficiency	
Contribution to realizing the international community's and the developing countries' efforts in achieving results.	Aiming towards contributing to agreed objectives, including effective cooperation with others.	Controlling business procedures, human resources and financial means with the aim of being more effective.	
What concrete contributions does the organisation provide for the achievement of agreed objectives (norms, development, MDG+, ability to respond to humanitarian crisis on the basis of humanitarian principles)?	How is the organisation performing as regards focus of its mandate, adherence to the Paris, Accra, and Busan agenda, the One-UN reform programme, , adherence to the New Deal on Fragile states, Good Humanitarian Donorship, and the Transformative Agenda (TA), adherence to own objectives for efficiency	How is the organisation performing in relation to objectives for its organisational efficiency, including response time, cost awareness, the chosen business model including chains of command and decentralisation, the administrative efficiency, development of an adequate and up-to-date Target and Performance Management and financial management?	

	(quality of efforts, reaction capability, achievement of results and follow up on the Strategic Priorities and Resource management (SPR), reviews, assessments and follow up on financial and audit reports), effectiveness as a norm-setting platform?	
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**The relevance of the organisation in relation to Denmark's priorities in development policy**

The relation between the core mandate of the organisation and the Danish humanitarian priorities and priorities in development policy.	Concrete contributions within the Danish priorities in development policy.	The organisation's efficiency and relevance.	Opportunities for influence.
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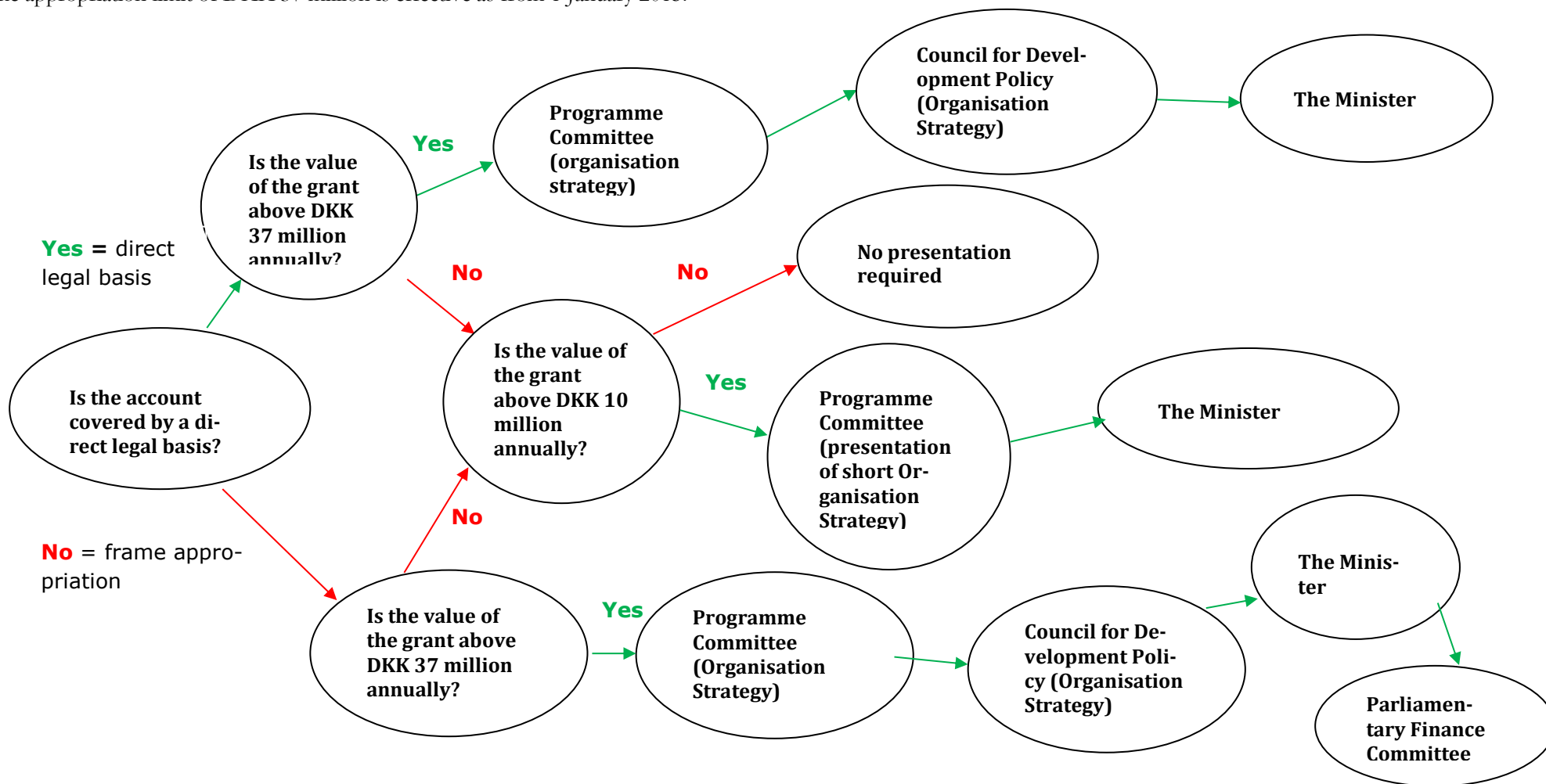
To what extent is there convergence between the core mandate of the organisation and main activities and the Danish humanitarian and development policy priorities? Minor and peripheral areas of activities should not be considered.	What important contributions does the organisation give within its core mandate for achieving significant objectives important for Denmark's priorities in development policy?	Does the organisation manage to secure and enhance its relevance and effectiveness in efforts of particular importance for Denmark?	What opportunities does Denmark have bilaterally and in cooperation with others to get the organisation to prioritise Danish key issues and enhance its effect and relevance in the areas concerned, including by means of core contributions/earmarking?
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Annex III: Bobble chart for appropriation limits, internal and external presentation limits: Core funding to multilateral and international organisations

An exception to the below illustrated procedure is: Humanitarian contributions to partners in acute and protracted crises (§06.39.03).

An appropriation authority for Heads of Units of up to DKK 10 million has been introduced. Consequently, a Head of Unit can authorize core contributions of up to DKK 10 million (average, annual contributions) without a requirement to prepare an Organisation Strategy.

The appropriation limit of DKK 37 million is effective as from 1 January 2015.



#### Annex IV: Template for Terms of Reference (TOR) for mid-term reviews

The objective of the mid-term review is to review progress in pursuing the goals and results set out in the Organisation Strategy, as well as challenges, developments in risk factors, and possible needs for adjustments.

The mid-term review will assess progress against the five DAC criteria; relevance, efficiency, effectiveness, sustainability and impact. The mid-term review will include, but necessarily be limited to the following elements:

- The relevance of the Organisation Strategy in relation to the development in international framework conditions and new actors
- The relevance and efficiency of the Organisation Strategy in relation to the international development and humanitarian agenda
- The relevance and efficiency of the Organisation Strategy in relation to Denmark's priorities in development policy e.g. human rights based approach (HRBA), climate change, gender equality, green growth, the role of civil society, etc.
- Assessment of progress within priority areas, defined in the Organisation Strategy
- Assessment of the organisation's results framework in relation to the Organisation Strategy
- Assessment of the organisation's institutional reform process in relation to the goals of the Organisation Strategy
- Assessment of the organisation's efforts to combat corruption and misuse of funds with a special view on how it affects progress on the Organisation Strategy
- Assessment of major risks and assumptions in pursuing the goals of the Organisation Strategy
- Recommendation on further implementation of the Organisation Strategy.

## Annex V: Template for Terms of Reference (TOR) for appraisal of appropriations

The overall objective of an appraisal is to provide quality assurance of proposals for engagement with multilateral and international organisations, including financial contributions.

The appraisal will assess quality against the five DAC criteria; relevance, efficiency, effectiveness, sustainability, and impact. The appraisal will include, but not necessarily be limited to the following elements:

- The relevance of the Organisation Strategy in relation to development in international framework conditions and new actors
- The relevance and efficiency of the Organisation Strategy in relation to international development and humanitarian agenda
- The relevance and efficiency of the Organisation Strategy in relation to Denmark's priorities in development policy, e.g. human rights based approach (HRBA), climate change, gender equality, green growth, the role of civil society, etc.
- Assessment of the organisation's results framework in relation to the Organisation Strategy
- Assessment of the organisation's capacity and institutional reform process in relation to the goals of the Organisation Strategy
- Assessment of the organisation's efforts to combat corruption and misuse of funds with a special view on how it affects progress on the Organisation Strategy
- Assessment of major risks and assumptions in pursuing the goals of the Organisation Strategy
- Recommendations.

Annex VI: Multilateral organisations on which to submit annual anti-corruptions updates<sup>16</sup>

The African Development Bank (AfDB) / The African Development Fund (ADF)  
The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM)  
The Global Partnership for Education (GPE)  
The International Fund for Agricultural Development (IFAD)  
The International Planned Parenthood Federation (IPPF)  
The EU Commission  
The Joint United Nations Programme on HIV/AIDS (UNAIDS)  
The United Nations Development Programme (UNDP)  
The United Nations High Commissioner for Refugees (UNHCR)  
The United Nations World Food Programme (WFP)  
The United Nations Children's Fund (UNICEF)  
The United Nations Population Fund (UNFPA)  
The World Bank

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<sup>16</sup> The list will be revised as and when required