



# **Guidelines for Management of Danish Multilateral Development Cooperation**

**Ministry of Foreign Affairs of Denmark/Danida  
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## Acronyms<sup>1</sup>

<b>AFR</b>	<i>Department for Africa, MFA/Danida</i>
<b>AMG</b>	<i>Danida Aid Management Guidelines</i>
<b>ALO</b>	<i>Department for Asia, Oceania and Latin America, MFA/Danida</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, MFA/Danida</i>
<b>FMI</b>	<i>Financial Management Interface (IT application)</i>
<b>GRAM</b>	<i>Grant Account Management (IT application)</i>
<b>HMC</b>	<i>Department for Humanitarian Action, Migration and Civil Society, MFA/Danida</i>
<b>HLC</b>	<i>High-level consultations</i>
<b>HRBA</b>	<i>Human rights based approach</i>
<b>IATI</b>	<i>International Aid Transparency Initiative</i>
<b>JTFM</b>	<i>Department for International Law and Human Rights, MFA/Danida</i>
<b>KFU</b>	<i>Technical Quality Support of Development Cooperation, MFA/Danida</i>
<b>MFA</b>	<i>Ministry of Foreign Affairs (of Denmark)</i>
<b>MKL</b>	<i>Multilateral Cooperation, Climate and Equality, MFA/Danida</i>
<b>MOPAN</b>	<i>Multilateral Organisation Performance Assessment Network</i>
<b>MTR</b>	<i>Mid-term review</i>
<b>ODA</b>	<i>The budgetary effort of the donor, engaged in Development Cooperation</i>
<b>PAP</b>	<i>Process Action Plan</i>
<b>PDB</b>	<i>Programme and Project Data Base</i>
<b>SDGs</b>	<i>Sustainable Development Goals</i>
<b>SSP</b>	<i>Department for Stabilisation and Security Policy, MFA/Danida</i>
<b>TOR</b>	<i>Terms of reference</i>
<b>UPF</b>	<i>Department for Development Policy and Financing, MFA/Danida</i>

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

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## 1. Introduction – scope and purpose

The UN Sustainable Development Goals (SDGs) constitute the overall framework for international development cooperation towards 2030. The strategy for Danish development and humanitarian cooperation, [the World 2030](#), states the ambition for Denmark to contribute to the realisation of the SDG's, focusing on a number of special priority areas related to security and development – peace, stability and protection; migration and development; inclusive sustainable growth and development; freedom and development – democracy, human rights and gender equality, as well as youth and promoting linkages and interaction between humanitarian and development engagements in fragile states and situations. The strategy emphasizes the key role of multilateral organisations such as the UN, the World Bank and regional development banks for the achievement of the SDGs by 2030.

The strategic framework orients the content and direction of Danish cooperation. However, specific guidance on how to implement policy and strategic priorities with regard to engagements with multilateral and international organisations is not specifically outlined in these guidelines, they focus on operational procedures of multilateral core contributions.

The objective of the Guidelines for Danish Multilateral Development Cooperation (“the Guidelines”) is to assist staff of the Ministry of Foreign Affairs/Danida (“the Ministry” or MFA) in carrying out duties and responsibilities related to the operational aspects of Danish development and humanitarian cooperation supported through multilateral core contributions. The Guidelines are for use by all MFA units – in the home service and abroad – charged with managing such engagements.

At the strategic level, the Guidelines foster a holistic approach in Denmark's cooperation with multilateral and international organisations, implying, among others, that Denmark's entire engagement with the organisation - core as well as earmarked contributions - is taken into account in the Danish Organisation Strategies and in the partner dialogue. At the time of commitment, however, different procedures exist for the approval, administration and reporting of core contributions and earmarked support. The former are addressed in these Guidelines.

The Guidelines primarily apply to core contributions to multilateral organisations, but also to some international organisations, finance institutions and entities with similar characteristics<sup>2</sup> to which Denmark makes financial core contributions. Core contributions to these organisations and entities are counted as multilateral aid flows; the statistical breakdowns of these flows are reported directly to OECD/Development Assistance Committee (DAC) by the organisation.<sup>3</sup>

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<sup>2</sup> “International organisations are entities established by formal political agreements between their members that have the status of international treaties; their existence is recognised by law in their member countries; they are not treated as resident institutional units of the countries in which they are located.” According to the OECD, <https://stats.oecd.org/glossary/detail.asp?ID=1434>

<sup>3</sup> Reporting as multilateral aid flows applies to organisations and entities listed under “Multilateral Organisations” in the so-called “Annex 2” of the OECD/DAC directive <http://www.oecd.org/dac/stats/annex2.htm>.

Core support to other organisations and earmarked contributions, regardless of the type of organisation, are bilateral aid flows. Earmarked contributions follow the guidelines for bilateral assistance in most areas; where relevant, this is indicated in these Guidelines. When Danish earmarked funds to a multilateral organisation are provided under a bilateral country programme (for instance, financial support through a multi-donor trust fund), identification, formulation, appraisal and approval and other stages form part of the programme cycle of that programme.

The present Guidelines are an integrated element of the [Danida Aid Management Guidelines<sup>4</sup>](#) (AMG) and should be used within the framework of established development cooperation procedures and principles. While some aspects of the programme cycle are addressed in these Guidelines, further information on the programme cycle (e.g. on evaluation) is to be found elsewhere on the AMG website. Comprehensive guidance on financial administration procedures is the subject of [General Guidelines for Accounting and Auditing of Grants Channelled through Multilateral Organisations](#).

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

Cooperation with multilateral and international organisations is a cornerstone of Danish development cooperation. As stated in the strategy for Danish development and humanitarian cooperation, Denmark strives to actively engage and seek influence in multilateral, international, and humanitarian organisations towards the Danish development and humanitarian priorities within the overarching framework of the Sustainable Development Goals. Core contributions to multilateral organisations' fulfilment of their mandate continue to be an important instrument to advance Danish development goals. However, more focused support will also increasingly be directed towards regional and thematic areas, where Denmark has special interests, strengths and can add value. Denmark hereby wishes to strengthen the organisations' work in the field in these areas and enhance visibility of the Danish support.

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 missions close to the headquarters of the organisations. For other multilateral and international organisations, the administrative responsibility lies with departments at the headquarters of the MFA (see Annex V 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:

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<sup>4</sup> The Aid Management Guidelines – [www.amg.um.dk](http://www.amg.um.dk) - provide the framework for these Guidelines.

Relevant parts of the AMG and other underlying webpages are referred to, where relevant, by hyperlinks in the text.

- the objectives (“why”),
- the mix of instruments to be applied, including financial contributions (“how”) and
- the expected results (“what”) of Denmark’s cooperation with a given multilateral organisation, based on the organisation’s own strategic frameworks.

The Organisation Strategy – and in particular, goals and indicators from its performance framework – documents the basis for the collaboration. A *mid-term review* is carried out to assess the continued relevance of the organisation strategy, overall progress on key indicators and reform processes, and of the cooperation between Denmark and the organisation. The strategic dialogue with the organisation is enhanced through *participation in board meetings*, decentralized *annual consultations*, *high-level consultations* with MFA HQ participation, and through *financial support* which is a key instrument for engagement. To ensure quality and internal learning in relation to Danish multilateral cooperation, Organisation Strategies along with plans for financial contributions must be presented to the Programme Committee.

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 development cooperation, including multi-year budget allocations; providing the Ministry’s input to the Finance Act; 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 dialogue meetings on results* between units responsible for major multilateral portfolios and the Ministry’s senior management can be used to further strengthen a common understanding across the Ministry of the goals and success criteria for the cooperation with multilateral organisations.

### 3. 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 describe the mandate of the organisation and the specific Danish interest in supporting it, and are the basis 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 Danish development and humanitarian cooperation and informed by the on-going dialogue and 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 multilateral and international organisations (as defined in Chapter 1) that receive Danish core contributions above DKK 10 million annually <sup>5</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 multilateral core contributions. Consultation with *Technical Quality Support of Development Cooperation* (KFU) is recommended before choosing the support modality and instrument for an appropriation.

Organisation Strategies must account for the strategic interests, rationale, objectives, and expected results of Denmark's cooperation with the organisation, and should be in line with internationally agreed principles for development cooperation and humanitarian action<sup>6</sup>. They should be forward looking medium-term policy instruments which:

- Advance Danish and international development goals, such as the SDG's;
- Analyse the organisation's position vis-à-vis the strategy for Danish development and humanitarian cooperation and the priorities listed herein;
- Promote the achievement of results and sustainable impact - related both to country level interventions and organisation-wide management – based on the organisations' own strategy and planning;
- Secure consistency in Denmark's approach towards the organisation at all levels as well as guide and focus the cooperation with the organisation
- Base assessments of performance, transparency, accountability, and anti-corruption measures on common standards and mutually agreed frameworks.
- Follow, as far as possible, the organisations' strategic planning cycle, and be aligned with the organisations' own results-oriented reporting and monitoring framework.
- Harmonisation of planning, monitoring, and reporting requirements with other donors should be pursued.

Besides presenting the rationale and justification for Danish core support to an organisation, the Organisation Strategy should also contextualise it, both by outlining the organisations' role and work within the multilateral system and by presenting a brief overview of other elements of the Danish engagement with the organisation (earmarked contributions, trust-funds, advisers, etc.). In the cooperation with a multilateral organisation synergies should be pursued with Danish bilateral cooperation in general, and cooperation with that multilateral organisation at the country level in specific. Hence, dialogue with the organisation should be informed by experiences from Danish bilateral cooperation in the field, e.g. by consulting relevant Danish embassies as part of the preparation of the annual dialogue.

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<sup>5</sup> For organisations receiving up to DKK 10 million in annual core contribution, see section 5.b.

<sup>6</sup> As outlined, among others, in the Busan partnership Agreement on Effective Development Cooperation <http://www.oecd.org/development/effectiveness/busanpartnership.htm> and the Grand Bargain [http://reliefweb.int/sites/reliefweb.int/files/resources/Grand\\_Bargain\\_final\\_22\\_May\\_FINAL-2.pdf](http://reliefweb.int/sites/reliefweb.int/files/resources/Grand_Bargain_final_22_May_FINAL-2.pdf)

Should an organisation have no governing arrangement allowing for formal Danish participation or dialogue, other relevant fora may exist, e.g. advisory boards, reference or donor working groups, through which it is possible to voice and promote Danish positions towards the organisation.

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

#### Roles and responsibilities

The responsibility for preparing an Organisation Strategy lies with the MFA unit that has the administrative responsibility for, and the regular communication with, the multilateral or international organisation. Together with relevant departments in the Ministry, they form a core group of multilateral practitioners available for peer support and consultations during preparation.

#### Priority areas and preparatory analysis

Organisation Strategies should outline 1-2 specific priority areas of relevance to the mandate of the organisations in which efforts will be concentrated. In addition, one priority area should address the organisation's effectiveness, including institutional reform processes and efforts to combat corruption and misuse of funds<sup>7</sup>. The selected 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 effectiveness 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. It contains guiding questions to help identifying priority areas, objectives and indicators in connection with formulation of Organisational Strategies, and to inform decisions and on-going reporting on the work of the organisations.

Considerations on communication of results achieved by the organisation should be included.

The Organisation Strategy should also address major risks and assumptions related to the achievement of the goals set out. Concerning multilateral core contributions, the assessment should focus on the risk management system and capacity of the partner organisation. Inspira-

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<sup>7</sup> For guidance on how to address these areas, see annex II, item 2, and chapter 5, section g. respectively.



tion regarding key aspects of risk assessment can be found in Annex 4 of the [Guidelines for Programmes and Projects](#).

The responsible unit should to the extent possible reflect the full picture of all Danish contributions (core and earmarked) to the organisation in the Organisation Strategy. 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.

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

An Organisation Strategy normally covers 3-5 years, and the period should follow as closely as possible the organisations' own strategic cycle. Organisation Strategies must be written in English and should not exceed 10 pages, excluding annexes. An outline for the Organisation Strategy document is presented in Annex I. The purpose of the outline is to serve as guide - content is more important than format.

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, where available, existing key results within the Danish priority areas, and how Denmark follows up and monitors progress. Finally, key factual data on the organisation and its funding should be included. The purpose of the one-pager is to provide a quick overview for presentation to management and meetings during the approval process. As the page is also a useful tool for management briefings at later stages it is recommended that the responsible units update it regularly as appropriate.

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 pursues through cooperation and partnership with the organisation. Specific linkages to the strategy for Danish development and humanitarian cooperation should be made clear.

#### 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.

Work on Organisation Strategies involves the following steps:

- 1) Preparation of the process.
  - a. Process Action Plan (PAP), including dates for submission of the draft Organisation Strategy to the Programme Committee and, in the case of annual core contributions above DKK 37 million, to the Council for Development Policy<sup>8</sup>. Timing of consultation

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<sup>8</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.

with colleagues, dialogue with the organisation and potential partners should be considered. The PAP should be sent to KFU and other relevant stakeholders for information as early as possible. An updated version should be attached to the draft Organisation Strategy presented to the Programme Committee.

- b. Review guidelines, previous Danish strategies for the organisation, as well as relevant Multilateral Organisation Performance Assessment Network (MOPAN) assessment reports<sup>9</sup>, evaluations, reviews etc.
  - c. Map key instruments of Danish cooperation with the organisation (e.g. trust funds, other major earmarked support at central or country level, advisers) and, if relevant, consult with responsible units about experiences of cooperation with the organisation.
  - d. Consider links to the strategy for Danish development and humanitarian cooperation and most recent Danish policies related to the evolving international development and humanitarian agenda.
  - e. Identify key colleagues in the Ministry (headquarters and Danish missions abroad), relevant donor and organisational partners and stakeholders in the process.
  - f. 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) Elaborate a draft Organisation Strategy (outline in Annex I) based on findings from above points.
  - 4) Present the draft Organisation Strategy to the Programme Committee and, if applicable, - and with adjustments as necessary -, to the Council for Development Policy<sup>10</sup>.
  - 5) Revise the draft Organisation Strategy, considering Programme Committee comments and conclusions and, if applicable, those from the Council for Development Policy.
  - 6) Share the final draft with relevant units in the Ministry for last comments.
  - 7) Share final draft with relevant stakeholders in the organisation.
  - 8) Finalise the Organisation Strategy and present it, along with the factual one-pager, to the Minister<sup>11</sup> for approval.
  - 9) Inform KFU of the Minister's approval, and for Organisation Strategies with annual core contributions above DKK 37 million, send the original English version to the Executive Secretariat (DIRSEK), who will forward it to the Parliament's Foreign Affairs Committee for information.
  - 10) Upload the approved Organisation Strategy in the Project Data Base (PDB) and F2, forward it to the department for Multilateral Cooperation, Climate and Equality (MKL) ([mkl@um.dk](mailto:mkl@um.dk)) for publishing on the MFA website and, subsequently, create a link to the document on the unit's own website.

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<sup>9</sup> See chapter 7, section c.

<sup>10</sup> Only in the case of annual core contributions above DKK 37 million.

<sup>11</sup> This refers to the Minister with responsibility for Danish development cooperation at any given time.

### **c. Presentation to the Programme Committee**

Organisation Strategies for multilateral core contributions above DKK 37 million annually must be presented to the Programme Committee in a draft version. All other types of support to multilateral and international organisations (i.e. contribution to earmarked trust-funds or programmes) with a total commitment above DKK 37 million are presented to the Programme Committee in the form of a Concept Note. Proposals for humanitarian assistance are not presented to the Programme Committee.

Earmarked contributions, including support for advisers (secondments), known at the time of presentation to the Programme Committee should also be reflected in the draft Organisation Strategy to allow for a comprehensive overview of Danish support to the organisation. Earmarked contributions to multilateral organisations related to Country Programmes or other bilateral programmes/projects should be presented as part of those. Irrespective of the form or context of the presentation to the Programme Committee, QA and appraisal requirements for earmarked contributions to multilateral and international organisations follow the [Guidelines for Programmes and Projects](#) (see also section 5.e below.)

The Programme Committee meets on a regular basis. The deadline for requesting KFU to place items on the agenda is 7 weeks prior to the meeting. Documents for presentation to the Programme Committee must be received by KFU (kfu@um.dk) at the latest 17 working days prior to the meeting. Information on specific deadlines is found on [the Intranet Registration Site](#).

The draft Organisation Strategy together with annexes, as well as the factual one-pager must be submitted as a single combined file (Word format) ready to upload to the internet. It is the responsibility of the head of the submitting MFA department or Danish mission to ensure that appropriate quality assurance has taken place prior to submission. The dates and agendas as well as draft organisation strategies for public consultations are published on the [Danida Transparency website](#).

The Secretariat distributes meeting invitations and material for each agenda item, including responses received from public consultation, 5 working days before each meeting. Missions wishing to participate through video link must announce this by e-mail to KFU with information on the names of participants.

A brief summary is prepared for each Programme Committee meeting with Chair conclusions. The summary has to be taken into account in the final design of the Organisation Strategy. Summaries are published on the [Danida Transparency website](#).

Further information about the Programme Committee is available in the Ministry's [Guidelines for Approval of Grant Appropriations, Strategies and Policies](#).

After the Programme Committee meeting, Organisation Strategies for core contributions below DKK 37 million should be finalized taking into account Committee recommendations and subsequently presented to the Minister for approval.

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

The Council for Development Policy provides a forum for strategic dialogue and advice to the Minister on matters related to Danish development cooperation. In this capacity, the Council considers draft Organisation Strategies for multilateral organisations to which Denmark makes annual core contributions of more than DKK 37 million.

Presentation of the draft Organisation Strategy to the Council should ideally be scheduled 4-5 weeks after presentation to the Programme Committee. Dates and agendas for Council meetings are published on the [Danida transparency website](#).

Missions and departments can register their draft Organisation Strategy as agenda items by using the [registration facility on the MFA Intranet](#). The deadline for confirming agenda items is 7 weeks before the meeting. A cover page ([see under templates here](#)) has to be prepared for each agenda item containing an executive summary (10 lines) and 3-4 strategic questions to guide the discussion in the Council. The cover page should guide the members in their preparation and the strategic discussions in the Council meetings. Supporting documents and annexes, including the cover note, must be submitted in one file (Word format). The Head of Mission/Department of the responsible unit participates in the meeting of the Council by video link. The responsible unit should be prepared to respond to questions raised at the Council meeting. It is the responsibility of the Head of Mission/Department to submit the final version of the Organisation Strategy to the Minister for approval after presentation to the Council for Development Policy.

Minutes summarising the Council's discussions are published on the [Danida transparency website](#) and sent to the Parliament's Foreign Affairs Committee for information.

Further information about the Council for Development Policy is available in the Ministry's [Guidelines for Approval of Grant Appropriations, Strategies and Policies](#).

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

Mid-term reviews (MTR) of Organisation Strategies are mandatory in the case of organisations receiving core contributions above DKK 37 million annually. Timing and focus of the MTR should be carefully planned in order to provide useful inputs to follow-up of key issues raised during QA and approval and with a view to the preparation of the next Organisation Strategy.

##### Objective

The overall objectives of the MTR of an organisation strategy are to assess:

- 1) The continued relevance of the Danish priority areas selected for the Organisations Strategy considering developments within the global, organisational or Danish context, as well as possible needs for adjustments or updating;
- 2) Progress against key indicators on results within the thematic priority areas and organisational reform processes (based on available information from the organisations own re-

porting and external assessments, such as MOPAN, other donors' reviews, etc.), as well as challenges, developments in risk factors, and possible needs for adjustment ;

- 3) Development in the cooperation between Denmark and the organisation, including donor coordination and dialogue, and reflection of Danish priorities.

The weighting between these three main aspects may vary and can be adapted to the specific situation, but all three aspects should be addressed in the MTR of an Organisation Strategy. The review will provide recommendations on further implementation – within the context of the current Organisation Strategy and/or of the preparation of a subsequent one.

### Process and contents

The responsible Danish mission or MFA department carries out the MTR in accordance with characteristics of the cooperation with the organisation. A template for Terms of Reference (TOR) for the MTR, based on the [Aid Management Guidelines](#), is attached as Annex IV. KFU and other relevant MFA departments should be engaged as appropriate, including in the preparation of TOR. External consultants can be contracted to carry out the MTR as deemed necessary by the responsible mission or department.<sup>12</sup>

Where relevant it should be considered if an MTR could be carried out jointly or coordinated with other donors. If an organisation conducts its own MTR, the Danish review should be aligned with it to the greatest extent possible. If appropriate, the MTR may be timed to serve as an input to decentralized Annual Consultations or High Level Consultations with the multilateral organisation (see chapter 4).

### Mid-term review outputs

A brief MTR report (maximum 8-10 pages) should be prepared, including a list of recommended follow-up actions. The report is submitted to the Under-Secretary for Global Development and Cooperation no later than four weeks after the MTR and disseminated among relevant stakeholders within the Ministry with a view to fostering understanding of Denmark's cooperation with the multilateral organisation and facilitate coherence and strategic synergies with other Danish development efforts. The MTR report will moreover serve as an input to the annual dialogue meeting on results with MFA senior management.

## **4. 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 core element of the Danish interaction with the organisations. Moreover, decentralized Annual Consultations are held to discuss progress in the cooperation over the past year, based on the targets and indi-

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<sup>12</sup> OKO can be consulted regarding relevant budget line for funding of MTRs of multilateral Organisation Strategies.

cators in the Organisation Strategy, and the expectations for the next year. Along the lines described in section 4.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***

Administrative decentralization of the collaboration with multilateral organisations provides the multilateral missions with a large degree of flexibility in the dialogue on policy and technical questions with the organisation and with other partners on site. Active participation in the governing bodies constitutes the basis 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, anti-corruption efforts, evaluation, and results of the organisations' work. Danish participation in the work of the governing bodies should be based on the strategy for Danish development and humanitarian 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 Danish missions in the field for feedback. In organisations, where Denmark is represented both by the MFA and another ministry, previous coordination should be ensured. Consultations ahead of the board meeting should enable relevant units to be informed about ongoing discussions in the organisations on policy issues, financial oversight, monitoring, procedures for handling cases of fraud and corruption, etc. and should allow 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 MFA HQ. The draft mandate is to be approved by the Minister. After Board meetings, the responsible unit should provide a summary to HQ outlining major decisions of policy and strategic importance for Denmark's continued engagement (upload to PDB and F2).

Board membership of a multilateral organisation 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 a mandate note.

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 and 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. Communication of results to which the Danish support contributes should be prioritised. 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 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 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/Department level.

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

In years of high-level consultations with an organisation these may replace decentralized annual consultations, or, 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 (HLC) 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. Generally, 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
- Communication of results to which the Danish support contributes
- Use of Danish inputs (employment of nationals, procurement of goods and services).

The Danish delegation is usually headed by a representative of the MFA's senior management (usually, the Under-Secretary for Global Development and Cooperation or her/his designated alternate), but can also on certain occasions be headed the Minister. The responsible unit is represented by the Head of Mission/Department. Other MFA units may participate as deemed relevant.

HLC are to be conducted for multilateral organisations receiving core contributions of more than DKK 37 million annually 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 and humanitarian 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 mission/department must establish the HLC agenda in cooperation with the organisation. The agenda shall focus on a few key policy issues related to the cooperation. 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 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 UPF, MKL, EVAL, and KFU 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 the 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. It is for the responsible unit and the Head of the Danish delegation to decide on a case by case basis 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 version as soon as possible after the conclusion of the HLC – ideally, soon enough that they may be agreed and signed by the parties before departure of the Head of the Danish delegation. The minutes should include a short summary for wider distribution, including to the general public.

After a HLC, the responsible mission/department should provide other relevant units in the Ministry with a brief report on key issues raised, operational conclusions and follow up actions.

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

### ***a. Core contributions***

According to the strategy for Danish development and humanitarian cooperation, core contributions to multilateral organisations are an important instrument in order to promote Danish strategic influence on the work of the organisations towards the prioritised Sustainable Development Goals.

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) are subject to the organisations’ formal governance and reporting structures, and iv) are most efficiently allocated and reported.

Core contributions to multilateral entities included in Annex 2 of the DAC-directive constitutes the ‘multilateral ODA’. This includes assessed contributions to UN agencies and contributions to negotiated replenishment agreements and capital increases in International Financial Institutions. The basis for participation in replenishment negotiations is laid out in a mandate note which is presented to the Minister for resolution.

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

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.

For core contributions of up to DKK 10 million annually it is not required to prepare an Organisation Strategy. Such contributions are supported by an appropriation note signed by the responsible Head of Mission/Department. The appropriation note does not have the status of an Organisation Strategy, but in preparing it the core principles and elements of an Organisation Strategy should be applied. Thus, the guiding outline for an Organisation Strategy (Annex I), should be used in order to identify key features of the appropriation note. Furthermore, the rules and procedures for administration of multilateral core contributions (section 3.b, and chapters 4-

7 of these Guidelines) should also serve as guiding principles in the case of organisations receiving up to DKK 10 million annually.

### ***c. Earmarked contributions***

Earmarked contributions may be offered in cases where the intention is to focus contributions, e.g. towards special thematic or geographic interventions or where Denmark wishes to promote new initiatives. Examples are contributions to thematic funding windows or multi-donor trust funds, special interventions in fragile states, or contributions in response to specific humanitarian appeals. Priority should be given to multi-donor arrangements, whereas funding arrangements where Denmark is the sole contributor, such as single donor trust funds, should be avoided. (See also: ["Guiding Principles for Better Management and Quality of Earmarked Funding"](#))

Earmarked support for a specific activity/sector/country or region under the overall programme of the organisation is registered and reported as bilateral ODA. This includes contributions to multi-donor Trust Funds, unless the Trust Fund is included on Annex 2 of the DAC-directive. Earmarked support follows QA and approval procedures for bilateral projects and programmes.

### ***d. Transparency and knowledge sharing***

All Organisation Strategies and proposals for appropriations presented to the Programme Committee undergo public consultation.

Denmark is committed to high transparency standards and strengthens public access in line with the [Danida Transparency Initiative](#).

Apart from statistical reporting to the DAC, Denmark has embarked on digital, and daily updated publication of management data in compliance with the IATI standard. Many multilateral partners have themselves become IATI-reporters, and mutual benefits should be pursued in the areas of traceability and communication of results.

Denmark's data is visualised in the portal [www.OpenAid.dk](http://www.OpenAid.dk).

### ***e. Quality assurance of appropriations***

Quality assurance before the final funding decision is a basic requirement for all Danish appropriations. The Aid Management Guidelines establish general principles as to which type of QA procedures apply to different appropriations based on volume and nature. That said any MFA department or mission preparing an appropriation for approval has the responsibility to carefully consider the specific QA needs, taking into account aspects as the nature and track record of the partner organisation, contextual risks, the solidity of the management set-up, findings of assessments from other donors, etc. It is recommended to consult KFU regarding QA. For appropriation proposals that are presented to the Programme Committee, QA needs and proposed measures should be subject to discussion in and possible recommendations from this forum.

Due to the nature of multilateral core contributions (according to the OECD DAC Annex 2 list) no specific Danish appraisal is usually carried out. In special cases, e.g. a new partner, it should,

however, be considered to carry out an appraisal. QA in the case of multilateral core contributions should form an integral aspect of the preparation of the Organisation Strategy and its assessment, among others, in the Danida Programme Committee.

For earmarked contributions to multilateral and international organisations, appraisal requirements follow those defined in the corresponding section of the [Guidelines for Programmes and Projects](#).

#### **f. Approval of appropriations**

Some contributions to multilateral and international organisations are granted on separate subaccounts in Denmark's Finance Act, while other contributions are covered by broader frame appropriations. Irrespective of whether there is direct or indirect legal basis in the Finance Act, all multilateral core contributions of an annual average above DKK 10 million require an Organisation Strategy, 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, the agreement can be signed and the commitment booked. If a core contribution above a total of DKK 37 million annually has its legal basis in a frame appropriation, it must be presented to the Parliamentary Finance Committee for approval prior to finalisation/signing of the agreement (see section 6.a).

For core contributions of up to an annual average of DKK 10 million see section 5.b. Earmarked contributions to multilateral and international organisations are treated as bilateral contributions and should follow the corresponding approval procedures provided in the [Guidelines for Programmes and Projects](#).

#### **g. Anti-Corruption efforts**

As mentioned in Section 3.b., the Organisation Strategy must address the organisation's efforts to combat corruption and misuse of funds, thereby emphasising 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 4. The anti-corruption efforts should also be assessed in mid-term reviews of Organisation Strategies and be reflected in the mid-term review report produced by the responsible units (ref. template for TOR, Annex IV).

In addition, there are two main avenues for dealing with corruption and financial irregularities. Firstly, with regard to multilateral core contributions, cases must be reported if they are of a certain magnitude or nature that specifically relates to Danish interests. Such reporting should be made in accordance with the Ministry's [Instruction on Reporting Information to Rigsrevisionen \(The National Audit Office of Denmark\)](#) (MFA use only). With regard to earmarked contributions the responsible units shall report on cases of irregularities or other misuse of Danish development

assistance causing reasonable suspicion of highly irresponsible management, corruption or fraud to *Rigsrevisionen* (The National Audit Office of Denmark) via KFU.

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.

#### ***h. Commitment and disbursement schedule***

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. In exceptional cases early disbursement of larger contributions may be justified, e.g. 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 or humanitarian perspective. In such case, clear documentation of the justification is required.

#### ***i. Administrative costs***

The principal intention of both core and earmarked contributions is to cover the operational expenses and the programme of work of an organisation, and administrative expenditures associated to this should be kept as low as reasonably possible.

In the case of multilateral core support, where Danish contributions to the general budget of a multilateral or international organisation are pooled with contributions from other donors, oversight over the organisation's management, budget and accounting is exercised jointly with other donors, usually through the general governing organs of the organisation. Due to the nature of multilateral core support, defining a specific maximum administration percentage for each single contribution is not relevant. Rather, Denmark's efforts go towards ensuring that the organisation at large undertakes responsible and transparent management of funds, is committed to organisational effectiveness and efficiency, and delivers the envisaged results.

For other types of Danish development and humanitarian cooperation, including earmarked contributions to multilateral organisations and trust funds, the general principle is that the share of administrative costs should not surpass 7%, unless Denmark has formally committed to another levy<sup>13</sup>. Otherwise, only in extraordinary situations can an exemption be made from this

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<sup>13</sup> Those commitments have been made in Board decisions for, among others, a number of UN organisations, where Denmark has been a board member and has voted in favour of the rules.

rule, and also in these cases the aim should be to remain close to this level. Further guidance on this issue can be found in the [General Guidelines for Accounting and Auditing of Grants channelled through Multilateral Organisations](#).

## 6. FINANCIAL MANAGEMENT

### **a. Grants and appropriations**

According to the Ministry of Finance budget guideline, a commitment has taken place when the MFA signs a legally binding agreement promising disbursement to the organisation. Before such agreements can be signed, the responsible unit must ensure that funds are appropriated either through direct legal basis (Finance Act §06) or according to the [Guidelines for approval of grant appropriations, strategies and policies](#).

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 §06.3 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. Agreements**

#### General Agreements:

A general agreement with a multilateral organisation forms the basis for Danish cooperation and is usually signed only once, unless major changes occur that require updating. It specifies the purpose and nature of the partnership and the general scope of cooperation, and establishes the fundamental obligations of the parts, related to, among others, management and administration of financial contributions. Before any disbursement to a multilateral or international organisation can be made, it is mandatory to have a signed agreement.

For multilateral core contributions, Organisation Strategies form the basis for Denmark's dialogue and partnership. They are, however, Danish documents and do not replace an agreement with the international organisation in question. Core contributions should refer to a general agreement. Any request for disbursement, submitted by the multilateral organisation, must refer to this agreement.

It is the responsibility of the relevant mission or department to renew or update the agreement when required.

General agreements normally follow the format of the partner organisation. Hence, there is no specific Danish template for this type of agreements. However, the responsible unit should make sure that the used agreement format is in line with the [General Guidelines for Accounting and Auditing of Grants Channelled through Multilateral Organisations](#). KFU should be consulted in case of any questions or doubts in this regard.

General agreements can also be referred to as Standard Agreement, Memorandum of Understanding, Letter of Exchange or similar and may vary from organisation to organisation. Regardless of title, the agreements must be regularly reviewed to ensure common understanding of the applicable contractual basis.

The Danish mission/ MFA department can arrange for the signing of a general agreement in two different ways:

- The mission/department can request Full Powers from the Minister. The request must be submitted to the Treaty Section in JTF by using the form ["Fuldmagt til undertegnelse af traktat"](#).
- Together with the relevant department in the MFA, the Mission can arrange for the Minister to sign the agreement, e.g. by Letters of Exchange.

When a general agreement has been signed the document should be deposited with the Treaty Collection at the Department for Documentation (DOK). The mission/department must send the original document of the treaty together with a request (see formats) to Treaty Collection at the Department for Documentation. The mission/department must also scan the signed original document and upload it to PDB and F2 at the appropriate level using the document "agreement with multilateral organisation".

Immediately after the date of entry into force of the general agreement, the mission/department must send an electronic request to JTF via mail to [traktat@um.dk](mailto:traktat@um.dk). Read more in the Guidelines for Treaties [Guidelines for Treaties](#)<sup>14</sup>. Based on this information, JTF prepares the promulgation of the agreement in the form of a résumé in the Law Gazette C.

#### Other types of agreements:

For earmarked contributions, a separate and additional agreement to the general agreement is signed between the organisation and Denmark. The agreement includes information such as the DKK amount of the Danish grant, its designated use, the expected timeframe for its disbursement, and matters pertaining to financial-, audit- and progress reporting. As a general rule, a separate agreement on an earmarked contribution should refer to the general agreement with the organisation in question. For agreements on support other than multilateral core contributions guidance and templates can be found in the [Guidelines for Programmes and Projects](#).

A new format for Strategic Partnership Agreements is currently being developed and will be piloted, as a first step, with selected multilateral partner organisations to validate its use as a broader applicable model. The purpose is to be able to include different types of support, i.e. core funding, earmarked, humanitarian and advisor support, in one single comprehensive cooperation

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<sup>14</sup> The representation/department shall not provide a résumé text, as JTF and KFU have agreed on a standard text for résumés.

agreement for a certain period. Based on the experiences from the first Strategic Partnership Agreements, further general guidance as to their use and administration will be generated.

### **c. 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 allocated budget. As part of decentral administration, and to allow overall financial management, the commitment and disbursement frame must be registered in the FL-Portal and maintained in frame-adjustment hearings, the grant must be registered in PDB, the commitment- and disbursement budget registered, and the commitments, and provisions booked, i.e. registered in the Financial Management Interface (FMI), see attached link to FMI e-bites on How To: <http://intranet/Regler/Sider/FMI-Guides.aspx>).

### **d. Accounting and auditing**

The multilateral or 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.

*Rigsrevisionen* (The National Audit Office of Denmark) 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 *Rigsrevisionen* (The National Audit Office of Denmark) has also been waived for contributions made to UN entities, and it has been 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 GRAM

Upon receipt, the audit report is registered and up-loaded in the Grant Account Management system (GRAM).

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<sup>15</sup>.

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

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

1. Close the accounting module in GRAM, 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 Annual Reports have been uploaded in PDB and F2

## **7. Monitoring and Reporting**

### **a. Introduction**

Achieving and demonstrating results is crucial in 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. All multilateral 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) between Denmark and the organisations.

There are generally three main instruments for monitoring and measuring results of Denmark's multilateral engagement:

1. The organisations' own reporting system.
2. Assessments by MOPAN of multilateral organisations.
3. Reporting related to Organisation Strategies (incl. MTR reports).

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

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<sup>15</sup> Assistance in this regard may be found in the Guidelines for approval of accounts from multilateral organisations (MFA use only).



For earmarked contributions formal reporting requirements follow the guidelines applying to bilateral assistance.

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

While there is no requirement for separate annual reporting on Organisations Strategies from the organisations, it is, however, mandatory for the responsible units 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 must upload the reports in PDB and F2 and ensure that descriptions are up to date. These descriptions are part of Denmark's daily publication in IATI-format, and thereby presented in the portal [OpenAid.dk](http://OpenAid.dk). 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 Organisation 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 (section 3.e) is the key example of formal reporting on Organisation Strategies.

### ***c. MOPAN***

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 contributions from the members of the network. The assessments focus on multilateral organisations' management of strategic, operational, relationship and performance aspects (organisational effectiveness), and whether the organisations make an efficient contribution to relevant and sustainable results.

Denmark, along with the other MOPAN members, regularly takes on the role as "institutional lead" in the assessment processes. Similarly, the members act as "country leads" in the process of data collection and interviews in developing countries. Denmark's involvement in these processes is important both as a sign of active commitment to the MOPAN network and because it provides an opportunity for more in-depth dialogue and understanding of the work of the organisations.

MOPAN assessments should be used to the greatest extent possible, among others, 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's membership currently consists of 18 countries, who have agreed to perform the assessments based on a common approach. Most MOPAN members are moving towards the de-

cision 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. For Denmark it means benefitting from a far greater number of assessments than could have been carried out as an individual donor. For more information, see MOPAN's webpage <http://www.mopanonline.org/home/>.

#### **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 and results. For core funding this will often be in the form of an annual report from the organisation. The reports are expected to provide key data on achieved results and organisational performance substantiated by facts and figures. The information should be used in the Danish dialogue with the organisations as and when relevant.

For reporting on any financial support other than multilateral core contributions (i.e. earmarked support, trust funds, etc.) refer to the [Guidelines for Programmes and Projects](#).

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

For all multilateral activities under preparation, implementation or completion, key documents, including those listed below, must be filed in F2. In addition, the following documents must be available in the PDB:

For core contributions to multilateral and international organisations, all documents of the following types are mandatory in PDB:

- 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.

For core support to multilateral organisations the annual reports from the organisation that together cover the grant period suffice as documentation for the use of the disbursed funds. (A Final Results Report / project completion report is not required for regular core contributions.)

For guidance on documentation and filing requirements for support other than core support to multilateral and international organisations (i.e. earmarked contributions, trust funds, etc. ) please refer to the [Guidelines for Programmes and Projects](#).

## **ANNEXES:**

### ***Annex I – Content and format of Organisation Strategies***

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 period can be presented in annexes. Focus should be on relevant facts, statistics, figures, etc. in boxes, so that the descriptive section can be brief and comprehensible.

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

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:**

Presents the priority areas chosen from the organisation’s strategy, oriented by the general Danish strategic priorities. 1-2 thematic priority areas should be chosen, as well as one related to organisational effectiveness, including reform and anti-corruption. For each priority area it should be described what are the rationale and the main results to be achieved during the Strategy. Previous results relevant for the Danish priority areas should be summarised. It should be clear how and why priority results are set and how their achievement will be documented and communicated. The relevance of the expected results to the organisation’s own strategy as well as to Danish priorities should be clear. The identified results and the way to monitor them should be (fully) aligned with the organisation’s results framework, which (or relevant sections as appropriate) 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.**

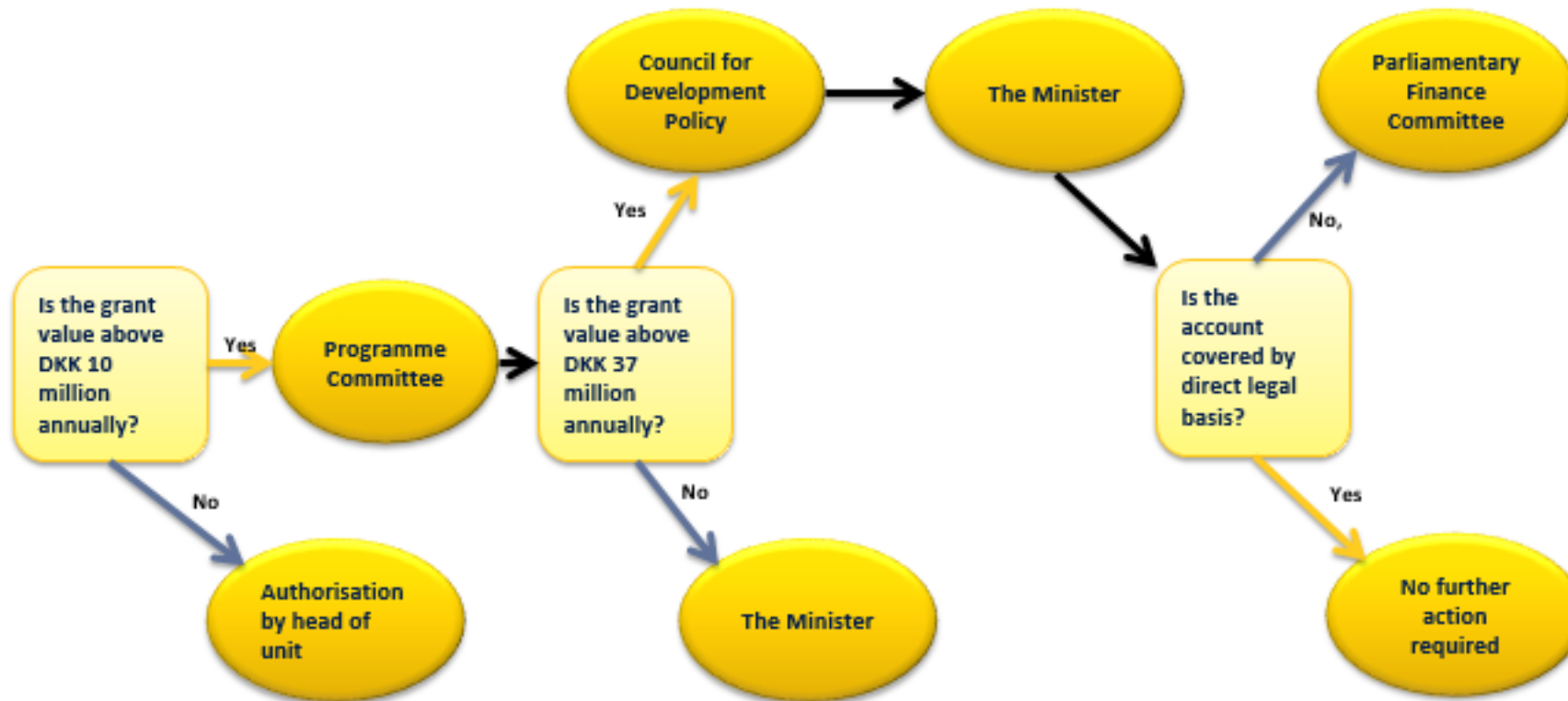
**Annex II – Tool box for Organisation Strategies: priorities, objectives and indicators**

<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 effectiveness (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 effectiveness 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 SDGs and other key development and humanitarian goals	Objectives for the operational effectiveness	Objectives for the organisational efficiency	
Contribution to realising 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 efficient.	
What concrete contributions does the organisation provide for the achievement of agreed objectives (norms, development, SDGs, 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), Grand Bargain, adherence to own objectives for effectiveness (quality of efforts, reaction capability, achievement of results, reviews, assessments and follow up on	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?	

	financial and audit reports), effectiveness as a norm-setting platform?		
<b>The relevance of the organisation in relation to Denmark's priorities in development policy and humanitarian action</b>			
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 effectiveness and relevance.	Opportunities for influence.
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 humanitarian and 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?

**Annex III - Flow Chart for appropriation thresholds and approval processes:  
Organisations Strategies - 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).  
For core contributions of up to DKK 10 million (average, annual contributions) the appropriation authority lies with the Head of Unit; no Organisation Strategy is required.



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

The overall objectives of the mid-term review (MTR) of an organisation strategy are to assess:

- 1) The continued relevance of the Danish priority areas selected for the Organisations Strategy considering developments within the global, organisational or Danish context, as well as possible needs for adjustments or updating;
- 2) Progress against key indicators on results within the thematic priority areas and organisational reform processes (based on available information from the organisations own reporting and external assessments, such as MOPAN, other donors' reviews, etc.), as well as challenges, developments in risk factors, and possible needs for adjustment ;
- 3) Development in the cooperation between Denmark and the organisation, including donor coordination and dialogue, and reflection of Danish priorities.

*(Note: The weighting between these three main aspects may vary and can be adapted to the specific situation, but all three aspects should be addressed in a MTR of an Organisation Strategy.)*

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 not 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 effectiveness of the Organisation Strategy in relation to the international development and humanitarian agenda, including the SDG's;
- The relevance and effectiveness of the Organisation Strategy in relation to Denmark's priorities in development policy, namely related to security and development – peace, stability and protection; migration and development; inclusive sustainable growth and development; freedom and development – democracy, human rights and gender equality, as well as youth and promoting linkages and interaction between humanitarian and development engagements in fragile states and situations.
- Assessment of progress within priority areas as defined in the Organisation Strategy;
- Assessment of the organisation's results framework in relation to the Organisation Strategy, as well as documentation and communication of results;
- Assessment of the organisation's institutional reform process in relation to the goals of the Organisation Strategy, and performance in relation to objectives for its organisational efficiency;
- 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 - Multilateral and international organisations, Organisation Strategies, responsible units<sup>16</sup>**

<u>Organisation</u>	<u>Duration</u>	<u>Full name of organisation</u>	<u>Responsible unit</u>
ADB / AsDF		Asian Development Bank / Asian Development Fund	ALO
AfDB / AfDF*	2016-19	African Development Bank / African Development Fund	AFR
ACF*	2016-19	Amplify Change (SRHR) Fund	MKL
CERF		UN Central Emergency Response Fund	HMC
CGIAR*	2015-16	Consultative Group on International Agricultural Research	EVAL
CIF/GCF*	2015-16	Climate Investment Funds/Green Climate Fund	MKL
CTCN*		Climate Technology Centre and Network	MKL
FAO		UN Food and Agriculture Organisation	Embassy Rome
GEF*	2014-17	Global Environment Facility	MKL
GFATM*	2014-17	Global Fund to Fight Aids, Tuberculosis, and Malaria	UN, Geneva
GPE*	2014-16	Global Partnership for Education	MKL
GGGI*	2014-16	Global Green Growth Institute	MKL
GWP*		Global Water Partnership	MKL
IADB		Inter-American Development Bank	Embassy, Washington
IAVI*	2014-18	International AIDS Vaccine Initiative	MKL
ICG		International Crisis Group	SSP
ICRC*	2014-18	International Committee of the Red Cross	UN, Geneva
IDH*	2015-20	Sustainable Trade Initiative	
IHAA*	2014-17	International HIV/AIDS Alliance	MKL
IIED*	2014-19	International Institute for Environment and Development	MKL
ILO*	2014/15-17	International Labour Organisation	UN, Geneva
IMF		International Monetary Fund	Embassy, Washington
IOM		International Organisation for Migration	UN, Geneva
IPM*	2014-18	International Partnership for Microbicides	MKL
IPPF*		International Planned Parenthood Federation	MKL
IUCN*	2015-16	International Union for the Conservation of Nature	MKL
IWGIA*		International Work Group for Indigenous Affairs	JTFM
NDF		Nordic Development Fund	MKL
OCHA*		United Nations Office for Coordination of Humanitarian Affairs	HMC
OECD		Organisation for Economic Cooperation and Development	OECD Del., Paris
OHCHR*	2014-17	Office of the High Commissioner for Human Rights	UN, Geneva

<sup>16</sup> The list will be revised as and when required. \* indicates preparation of organisations strategies.



UNAIDS*	2014-16	Joint United Nations Programme on HIV/AIDS	UN, Geneva
UNDP*	2014-18	United Nations Development Programme	UN, New York
UN BCPR*		UNDP's Bureau for Crisis Prevention and Recovery	UN, New York
UNEP*	2014-17	United Nations Environment Programme	MKL
UN DPA*	2014-18	United Nations Department for Political Affairs	UN, New York
UNESCO		United Nations Educational, Scientific and Cultural Organisation	MKL
UNFPA*	2014-18	United Nations Population Fund	UN, New York
UNHCR*	2014-16	United Nations High Commissioner for Refugees	UN, Geneva
UNICEF*	2014-18	United Nations Children's Fund	UN, New York
UNIDO		United Nations Industrial Development Organisation	MKL
UNMAS		United Nations Mine Action Service	SSP
UNODC		United Nations Office on Drugs and Crime	SSP
UNPBF		United Nations Peace Building Fund	UN, New York
UNRWA*	2010-15	UN Relief and Work Agency for Palestine Refugees in Near East	Rep. Ramallah
UNWOM-EN*	2014-18	UN Entity for Gender Equality & the Empowerment of Women	UN, New York
WB/IDA/IFC*	2013-17	World Bank Group	Embassy, Washington
WFP*	2014-17	World Food Programme	Embassy, Rome
WHO*	2014-19	World Health Organisation	UN, Geneva
WRI		World Resources Institute	MKL
WTO*	2014-15	World Trade Organisation	UN, Geneva

Link to updated overview of Organisation Strategies on the MFA homepage:

<http://um.dk/da/danida/samarbejsspartnere/int-org>

**Annex VI - Multilateral organisations on which to submit annual anti-corruptions updates<sup>17</sup>**

Global Green Growth Institute (GGGI)  
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 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)  
United Nations Entity for Gender Equality and the Empowerment of Women (UN Women)  
The World Bank

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<sup>17</sup> The list will be revised as and when required. See also the MFA's website:  
<http://um.dk/da/danida/oplysning/bekaempelse-af-svindel/omfanget/multilateral-bistand/>