

Guidelines for top ups (additional funding) to existing engagements

A top up is defined as additional funding to an on-going engagement with an existing partner in pursuit of the same objective.

The following guidance for top ups is applicable to funding of:

- Bilateral projects, including hard earmarked multilateral support;
- Multilateral core support, including soft earmarked support usually formulated in an organisation strategy;
- Trust Funds.

The different types of support are collectively described as “support” in this guidance note and the responsible unit submitting the proposal is referred to as “the Unit”. Please note that top ups under the strategic partner agreements (SPA) follow separate guidelines.

The top up can be granted for the same period of time as stipulated in the original support documentation or as a costed extension where the duration is also extended or finally, where the top up is provided for a bridging phase between two support phases.

If a MTR is planned and a top up is considered, the Unit should make the proposal for a top up part of the documentation for the MTR and follow the recommendation from the MTR regarding the proposed top up.

The funding for the top up must have its legal basis in the Finance Act or an Application for funding for the Finance Committee (Aktstykke).

Engagements that have been subject to a competitive process, i.e., via a call for proposal or a tender process, are only eligible for top up if the possibility of top-up without additional process was explicitly mentioned in the original call for proposal/tender documentation.

Top ups can only be granted once.

Top ups are approved without presentation to internal or external quality assurance bodies.

Further criteria that have to be met for top ups are:

1. Additional funding cannot exceed 100 pct. of the original (base) appropriation and cannot exceed DKK 300 million independent of the type of appropriation.
2. A top up can only be considered with the same partner that has signed the agreement with Denmark for the original appropriation.
3. A top up shall be in pursuit of the same objective and outcomes as defined in the original appropriation documents to fund additional activities to achieve additional or new outputs

and results. A top up cannot be used to cover for increases in costs for achieving the same outputs and results as defined in the original support documentation.

4. Top ups across modalities require consistent demonstration of implementation capability by the partner. Top ups should not be given to bilateral engagements that have seen significant reductions in planned disbursements from the Unit or where more than 20 percent of the latest disbursement remain unspent.
5. The partner must have a solid track record of proven results within the area of support and compliance documented in appraisals, reviews, evaluations, monitoring reports, incl. financial reports and audits, MOPAN assessments or as a minimum in (an) annual stock taking report(s) and the document referred to should not be older than two years.
6. Top ups cannot be granted if reservations or concerns regarding the support have been expressed in the overall conclusion of the Council for Development Policy, appraisals, reviews or other similar assessments, such as MFA financial monitoring reports.
7. The partner's handling of recent (within the last three years) active C-cases related to the original support is satisfactory and a clear path for closure of the c-case(s) has been established.
8. A top up cannot be granted during the first year of implementation. Exceptions can be made in for instance situations where Danish support has been granted together with other international development partners and a temporary gap is occurring in situations where for instance pledges or commitments from other partners are not coming through and it is therefore considered that the planned objective and outcomes cannot be realised without additional funding. Top ups should not be granted where Denmark will be left as the sole contributing partner or when only minor additional contributions are granted by other partners.

Required documentation for approval of top-ups;

- A short appropriation note of 1-2 pages containing the rationale for the top up including:
 - o Justification and rationale for the top up with reference to the request for additional funding from the partner;
 - o A brief presentation of the status of the implementation of the support including achieved results, lessons learned, financial transfers, expenditure level and conclusions of latest annual financial reporting;
- The following 3 standard annexes should be revised and attached (these should also be annexed to the amendment/addendum when signed with the partner);
 - o Results framework including new activities and outputs;
 - o Budget based on the Financial Management Guidelines;
 - o Risk matrix and risk management section;
- Additional documents to be attached:
 - o Checklist demonstrating fulfilment of the 8 criteria (Use template;

- Standard appropriation cover note;
- The request from the partner for additional funding;
- The amendment/addendum to the original partner agreement;
- If required the most recent annual stock taking report including the annual financial expenditure report;
- If conducted, the most recent summary of recommendations from an appraisal or review not older than two years and for multilateral core funding brief (max 1 page) summary findings from the most recent MOPAN report.

The Unit should involve their CFO in the preparation of top ups and may on a case-by-case basis chose to seek guidance from LEARNING and/or TILSKUD or other relevant entity, but this is not mandatory. If the Unit intends to seek guidance from LEARNING and/or TILSKUD this should be done early in the process.

Approval process for top ups above DKK 10 million (“Bevillingssekretariatet”):

The Unit submits the final proposed appropriation documents (the short appropriation note and the required documents – see list above) to the Appropriation Secretariat (“Bevillingssekretariatet”) in LEARNING. LEARNING will check that all mandatory documentation has been included within five working days after receiving the proposal.

The approval of top ups above 10 million DKK is made by the State Secretary for Development Policy. The Head of Department is responsible for the content and quality assurance of the top-up documentation.

The required documentation must be submitted to the State Secretary for Development Policy through “Bevillingssekretariatet”.

Units are requested to submit the documentation through Public 360° and use the following approval flow:

1. Approval by the Head of Department
2. Approval by “Bevillingssekretariatet” (located under “My Distribution Groups”)
3. Approval by the State Secretary for Development Policy

Remember to copy relevant recipients to the approval flow, e.g. the unit’s CFO, relevant colleagues from LEARNING and/or TILSKUD or from other relevant entities.

Approval process for top ups below DKK 10 million (“Bevillingssekretariatet”):

The final approval of top ups below 10 million DKK is made by the Head of Department. If the top up is below 10 million DKK, the unit are requested to submit the documentation through Public 360° and use the following approval flow:

1. Approval by “Bevillingssekretariatet” (located under “My Distribution Groups”)
2. Approval by the Head of Department

Remember to copy relevant recipients to the approval flow, e.g. the unit’s CFO, relevant colleagues from LEARNING and/or TILSKUD or from other relevant entities.

The role of LEARNING

LEARNING will not quality assure the documentation for a top-up but only check that the mandatory documents are attached. LEARNING (bevillingssekretariatet) will be available for clarifications regarding the approval process.

Overview of procedures for approval of top ups

