



Sida's guidelines for application and reporting in partnerships with Swedish strategic partner organisations (SPO) within the CSO appropriation

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1 INTRODUCTION

On 02/06/2016, the government decided on “The strategy for support via Swedish civil society organisations 2016–2022” (hereinafter the ‘CSO strategy’),¹ which governs the activities conducted within the appropriation item “Support via Swedish civil society organisations”, the so-called CSO appropriation. This strategy is expected to contribute to the enhanced capacity of civil society actors in developing countries and to promote a more favourable social climate for these actors.

These guidelines are based on the above-mentioned strategy, but also on “Policy framework for Swedish development cooperation and humanitarian assistance”², “Sida’s instructions”³, “*Guiding Principles for Sida’s Engagement with and Support to Civil Society*”⁴, “Agenda 2030 for sustainable development”⁵ and the “Paris Agreement”⁶.

The purpose of these guidelines is to facilitate the cooperation between Sida and Sida’s strategic partner organisations (SPO) within the CSO strategy. These guidelines will contribute to Sida’s quality assurance efforts, both in the SPO’s application and reporting as well as in Sida’s management of the collaboration. SPO’s can select the format for an application and reporting in order to facilitate co-financing with other donors and adaptation to the systems and routines of local partners. These guidelines govern the application and reporting process but are not legally binding. The binding terms and conditions for the partnership are stipulated in the respective agreements (including annexes). A continuous dialogue between Sida and the SPO is extremely important so that Sida can identify the most effective way to manage the development and aid support it provides. These guidelines will be updated as needed.

The CSO appropriation shall support civil society organisations in their own activities, and the activities funded by the grant shall be based on the identified needs and priorities of legitimate and representative local partners. The cornerstone in any development cooperation that receives grants from the appropriation item is that there are local partners in developing countries who are a contracting party with a Swedish CSO or an international CSO with which a Swedish organisation has a contractual relationship. Sida seeks to maintain local ownership by allowing local partners to define priorities and take responsibility for the implementation of the activities and management of the allocated funds.

Support can be forwarded to both new and established civil society actors, both formal CSOs and informal actors (non-legal entities). As societies change and develop, there are also changes in civil society and the way it interacts with its surrounding environment. New mechanisms, organisational forms, venues and actors spring up in places where development cooperation is carried out by actors in civil society in collaboration within/between civil society and other actors. This may require special risk analyses and forms of cooperation that differ from a standard bilateral contractual relationship.

¹ [Government Bill 02/06/2016 \(UD 2016/10135/IU\)](#)

² [Policy framework for Swedish development cooperation and humanitarian assistance](#)

³ [Ordinance \(SFS 2010:1080\) with instructions for the Swedish International Development Agency](#)

⁴ [Guiding Principles for Sida’s Engagement with and Support to Civil Society](#)

⁵ [Agenda 2030 for sustainable development](#)

⁶ [Paris Agreement](#)

2 APPLICATION

This chapter specifies the information Sida requires to analyse applications from an SPO within the CSO appropriation.

Sida initiates a dialogue with the SPO regarding the application the year before it is expected to be submitted and provides an indication of an appropriate amount for the future application. This is based on a number of factors including Sida's assessment of the partner organisation's capacity and operational plans as well as the results, quality and relevance of the activity. The indicative (planned) amount for a particular application does not imply a promise of funding and is subject to change if financial conditions or Sida's assessment of the organisation and its activities change.

The application must be sent to the programme officer no later than 1 September, unless otherwise agreed. It is helpful if a draft of the application is submitted to Sida in advance. The application should be submitted in a format so that it is not too large for Sida's system to receive electronically. Typically, an application should not exceed 50 pages, excluding annexes. If the documents contain sensitive information, the procedures for handling these documents must be agreed with the responsible programme officer. Information found in other documents, for example the strategic plan, internal policies and procedures manuals or methods manuals need not be included in the application. These documents can instead be shared with Sida separately with a reference in the application.

2.1 Narrative

The application must contain an overall analysis of the activities and must also include a presentation of the programmes included in the application.

Sida bases its assessment of the organisation on previously performed assessments and reviews, previously prepared applications and reports, follow-up visits as well as any spot checks, evaluations and other evidence about the organisation and its activities. The application should include any changes from previous applications and reviews and highlight the development processes that have occurred.

Sida evaluates applications based on the regional objective and a theory of change, the five perspectives (see *Integration of perspectives below*): aid and development efficiency; the capacity of the partner to achieve the objectives and conduct follow-up activities including evaluation and learning; the partner's governance and internal control (including the capacity to forward funds); budget; the partner's anti-corruption and risk management efforts and the relevance of the activity. An application's relevance in relation to the Strategy is primarily assessed as follows: how the activity relates to the CSO strategy's various target areas, context analysis, innovation, aid and development efficiency and the integration of perspectives. More specifically, the following aspects are assessed:

Internal processes and quality assurance

- Ongoing and planned internal change processes relating to the organisation, orientation, policy and method development partly based on completed evaluations. At SPOs that forward funds, this is also reviewed on an overall level with regard to the Swedish CSOs or equivalent⁷ with which the SPO has multi-year grant agreements.
- Lessons learned and changes made in relation to the previous agreement period.

⁷ This includes, for example, international partner organisations.

- Implemented updates to existing policies.
- The SPO's systematic internal management and control work. The assessment focuses particularly on how the SPO works to identify, evaluate, manage and follow up on internal and external risks within the development cooperation and the SPO's anti-corruption efforts (both internally and in relation to partners). Sida also assesses the risk that the activity will have a negative environmental and climate impact and the way the SPO analyses and manages these risks.
- The capacity to ensure the cost-effectiveness⁸ of the development cooperation and that a budget analysis is completed. This includes having rules in place and a basis for calculation for how different types of costs are to be classified as well as guidelines for budget analysis in relation to subsequent agreement partners receiving forwarded funds, which include the definition of and routines for assessing both cost-effectiveness and administrative costs.
- The SPO's systematic approach to its internal and external environmental work and how it performs quality assurance for this.

Objectives, theory of change and methods for follow-up, learning and adaptation

- The SPO's vision, mission statement and overarching strategic plan.
- An annex with a summary of the overarching objectives and expected results for the activities to which the application applies as well as objectives and expected results at the programme level. The presentation of the programmes should include the geographical delimitation and/or thematic orientation (see an in-depth definition of programme in Annex 1).
- The theory of change, i.e. the assumptions about the causal relationship between the operations and programme objectives and how these objectives contribute to the SPO's overarching strategic plan and vision.
- How the activity in the application contributes to the implementation of the global goals in Agenda 2030 for Sustainable Development and (if applicable) the Paris Agreement.
- What are the primary strategies applied to achieve the established objectives and how experience gained and lessons learned from previous agreement periods have affected methods, strategies and/or working methods.
- How the SPO independently and in collaboration with its partners works throughout the grant forwarding chain to follow up, evaluate, learn and adapt the activity and manage risks. This assessment includes an evaluation of:
 - The criteria that have been used for the selection of interventions based on established objectives and how the SPO and its partners plan to follow up on these interventions during the agreement period.
 - The methods, routines and tools the SPO and its partners will apply for follow up, evaluation, learning and adaptation.
 - How organisational assessments have been done for partners and how partners have been selected.

⁸ The concept cost-effectiveness is relative because it requires a comparison. The comparison is made between the cost (the intervention or the resources that will be used) to produce a given result and alternative methods of achieving the same result and/or with known benchmarks such as the average cost of obtaining a particular result in similar projects.

- How an analysis of identified risks (both internal and external) has been performed and how the SPO plans to manage these risks.
- The level of integration of the five perspectives into objectives and expected results, follow-up and evaluation. The connections between the perspectives should also be evident. In terms of environmental and climate issues, Sida takes a positive view of results that not only minimise the negative impact but also contribute to improvements in the environment and climate.
- How the activity in the application relates to the CSO strategy's results areas.
- Viability, including plans for phasing out financial support, with a focus on the sustainable effects in the target group.

The SPO is encouraged to use indicators, baseline and target values for follow up, but this is not mandatory. The most important thing is that SPO sets follow-up goals and the expected results for its activities and that the SPO ensures that partners have methods and follow-up routines for the intervention so that it can be verified whether the interventions yield the expected results.

Actors in the agreement chain

- Distribution of roles and responsibilities between the SPO (including any regional and country offices) and its partners at all stages, including an assessment of the SPO and any Swedish or international CSO's added value in the intervention.
- The types of partners the SPO has. These can be divided into thematic competencies, identity and orientation; formal and informal actors and networks; large and small organisations and groups; new and innovative actors, etc. An approximate number of Swedish, international and local partners who will be carrying out the activities (regardless of whether they will receive financial support) should also be indicated.
- An overall description and justification for the design of the agreement chain and the choice of partners who receive funds and/or carry out the activities.

Context analysis

- How the SPO analyses the activities based on a multidimensional poverty analysis⁹ and identifies the primary target group (rights holders), duty bearers and other actors relevant to the achievement of the objective.
- How the SPO analyses its added value based on a problem analysis, i.e. the reason the organisation will work in the selected geographical areas and what it believes it can contribute at the local level.
- How the SPO believes the programme will impact the environment and climate change in the relevant context and how environmental and climate change issues in the context affect the programme, both positively and negatively. The context analysis should take a forward-looking perspective, not just a situation analysis.

Innovation

Agenda 2030 represents heightened ambitions and a broadening of the existing global goals to promote sustainable development. More actors are involved, more resources are mobilised and new innovative solutions are made possible to reach the very poorest and most vulnerable people and

⁹ [Sida method support and toolboxes within the areas of poverty, human rights, gender equality, environment/climate and peace/conflict.](#)

respond to the heightened ambitions. The CSO strategy will promote innovative support from civil society. Sida therefore looks favourably on an SPO that uses and supports innovative working methods and solutions in its activities and in its partnerships and assesses the extent to which the SPO does this. In this context, Sida assesses whether and how:

- The SPO works to take advantage of the innovation potential of local actors and their solution proposals in the local context.
- Innovation contributes to more effective solutions and the increased achievement of results.
- The innovation contributes to systemic changes at the societal level, i.e. changes that reach beyond the project and programme level and contributes to the implementation of Agenda 2030 and the Paris Agreement.

Aid and development effectiveness

Aid and development effectiveness should permeate all activities within the strategy. The assessment of how the SPO applies the principles of aid and development effectiveness includes a focus on:

- **Respect for local ownership:** that programmes/interventions are based on the local partners' own priorities (e.g. their strategic plans), and that planned interventions are based on the partner organisations' own identified needs. If the local partners will not be responsible for handling funds and the implementation of the programme/programme activities, this should be justified.
- **Flexibility** to adapt the partnership as needed due to, e.g. a changed context.
- **Adaptation** to the local partners' capacity and systems for planning, implementation, follow up and reporting, including agreement periods.
- **Harmonisation and coordination** with the local partners' other donors in order to reduce the partners' administrative burden. Several SPOs should not provide funding for one and the same local partner if the need and added value of doing so cannot be clearly justified.
- **Predictability** includes, e.g. how the SPO works to ensure that the length of the agreement periods in the partnership offer the partners a reasonable opportunity to perform strategic planning.
- **Form of financing** that encourages local ownership, preferably core support, where all of the local partners' activities are supported. The proportion of core support, programme support and project support must be specified and justified.

Integration of perspectives

The SPO is responsible for ensuring that the activity is permeated by all five perspectives stated in the Government's instructions to Sida:

- The human rights-based approach¹⁰

¹⁰ The human rights-based approach is based on a globally agreed set of values, which consists of the UN's Universal Declaration of Human Rights and the binding conventions that have been adopted under international law. This approach applies four fundamental principles based on the normative framework for human rights: non-discrimination, participation, accountability and transparency as well as taking responsibility and demanding responsibility. These principles must be applied within the SPO's organisation and in relation to local partners and rights holders.

- Poor people's perspectives on development¹¹
- The environmental and climate perspective
- The gender equality perspective, including an analysis of the conditions faced by women and girls as well as men and boys.
- The conflict perspective

Detailed information on methods and tools that can be used for the integration of the five perspectives above as well as information on Sida's assessment can be found on Sida's website¹².

Stronger integration of environmental and climate issues

As Sida has identified an especially urgent need for the stronger integration of environmental and climate issues in the interventions funded through the appropriation, this perspective is clarified further in these guidelines.

Activities that properly integrate environmental and climate issues are characterised by:

- Opportunities for a positive environmental and climate impact are utilised and strengthened.
- Risks of a negative environmental and climate impact are avoided or reduced and managed.
- Risks to the activity's results, relevance or sustainability caused by climate change, environmental degradation or loss of biodiversity are avoided or reduced and managed.

An environmental assessment must be completed which encompasses the entire activity. The application must clarify how the SPO will address the analysis and conclusions from the environmental assessment.

An environmental assessment shall contain the following information:

- A clarification of opportunities to make a positive contribution to a more environmentally sustainable approach to development.
- Risks of negative (direct and indirect) environmental impacts from the project/programme.
- Risks and vulnerabilities linked to environmental impact and climate change which may have an impact on the possibility of achieving the goals of the intervention or may affect the sustainability of the intervention.
- Assessment of the organisation's competencies and capacity to integrate environmental issues.
- Proposed measures and activities to act upon the results of the analysis.

In order for the proper integration of environmental and climate issues to be considered achieved, the following must be met:

¹¹ The government takes a multidimensional view of poverty. This means that poverty is about more than a lack of material resources, it is also a lack of power, choice and human rights. Therefore, Sweden's development cooperation is based on and characterised by poor people's perspectives on development and a rights-based perspective. The guiding principle of this approach is that economic, social and environmental conditions and processes must be understood and managed in an integrated context.

¹² [Sida method support and toolboxes within the areas of poverty, human rights, gender equality, environment/climate and peace/conflict.](#)

- a) an environmental assessment has been completed,
- b) the application contains at least one objective/result relating to environment/climate¹³,
- c) there are measures established to achieve the goal/result, including the activities, indicators (or similar) and budget needed as well as the capacity to implement the measures¹⁴.

Any deviations from b) and c) must be well justified and be based on the results of the environmental assessment.

In its evaluation, Sida looks favourably upon SPOs and partners who allocate resources to strengthen the integration of the environment and climate and specific interventions aimed to improve the environment/climate. Sida encourages measures to reduce the CO² footprint, for example by reducing the amount of air travel in parallel with the development of digital solutions¹⁵ in Sweden, at local offices and at the partner organisations' locations.

2.2 Budget

The SPO decides how to present the overall budget. However, the budget should be presented in a format and at a level of detail that allows an analysis of the reasonableness of costs to be performed on an annual basis in relation to the results that are expected to be achieved. In addition to an overall budget, one budget per programme should also be presented (see the definition of a programme in Annex 1). Sida does not have a mandatory budget template nor a definition of a budget item. The organisation's own template can therefore be used, but the financial report must be drawn up according to the same structure used for the budget. The Swedish krona must be used.

The overall budget may include a summary of income and costs in the form of other grants from Sida and other financiers, but it is important that these funds are kept separate from the budget for activities included in the application.

Sida will assess the budget based on the following:

- Cost-effectiveness and how the proposed budget relates to the expected results
- The clarity and reasonableness of the budget as well as cost levels:
 - In particular, Sida will assess salary levels and other benefits as well as total payroll costs. Sida typically requests this information separately.
 - The resources allocated in the intervention to strengthen the activity over the short term and the long term.
- How the budget is distributed across the different partners. To facilitate this, the SPO should present:
 - Key figures for the proportion of the total budget (including own contribution, administration and grants for forwarding of funds) paid through a contractual relationship with Swedish partners, international partners (here, it is beneficial to

¹³ The integration of this perspective shall always be based on the SPO's core activities and core assignment.

¹⁴ See Criteria/Tools for integration in Sida's Green Toolbox.

¹⁵ For example, the purchase of hardware and software, partner competence development, method development

separate an international partner's local offices) or local partners (including funds mediated via a Swedish or international partner).

- Key figures for the proportion of the total budget that consists of costs that directly support local partners, including a justification for these costs and their link to the selected forms of cooperation.

A template with suggestions on how the budget and financial reporting can be set up can be found in Annex 2. The content in the template must be in the format that the SPO chooses to use for the financial report.

For information on how this relates to core support, see [Checklist for Sida's partners Budget/Financial reporting - Core support](#).

2.2.1 Revenue

The following information on revenue should be shown in the budget:

- Grants from the appropriation item divided into:
 - Grants for operating costs
 - Administration grants
 - Grant for forwarding of funds (if applicable)
- Own contribution

The application should also include information about the organisation's revenue from other financiers and other Sida grants.

Own contribution

Any SPO that receives a grant from the CSO appropriation for its development cooperation work must finance a portion of the respective activities with its own funds. This obligation is to be seen as an expression of the Swedish organisation's priorities and its capacity to mobilise a certain level of commitment in Sweden for its development cooperation work. The minimum level of own contribution is set by the Swedish government¹⁶.

Own contribution consists of two parts:

1. The SPO must self-finance at least 10% of total operating costs, excluding any funds that are forwarded to a Swedish CSO.
2. If applicable: The Swedish CSO (to which funds have been forwarded by the SPO) must self-finance at least 5% of its operating costs, including funds which it forwards to international or local organisations.

This means that if an SPO forwards funds, its own contribution is reported to Sida on two levels: one for the SPO and one for its Swedish organisations receiving the grant funds. The total own contribution is reported by the SPO in the overall budget and financial reports.

If an amount higher than 10% is entered as the self-financed amount in the agreed budget, this is considered binding and cannot be changed without Sida's approval.

¹⁶ This is typically determined in the government's established strategy for the appropriation item.

Own contribution shall consist of liquid funds raised in Sweden, e.g. donations from the general public, companies, organisations, communities and sponsorships. Raised funds include membership fees, bequests, donations, lottery revenue and revenue from the sale of goods¹⁷ and funds raised through charity gift cards.

Funds that come from other public grants in Sweden¹⁸ or abroad cannot be used to fulfil the own contribution requirement. The value of an SPO's own or collected materials, i.e. goods and services, cannot be counted towards the own contribution requirement. Additionally, revenue from the sale of services and the value of the organisation's own work cannot be counted towards the own contribution requirement.

Sida looks favourably on partial financing from local partners in developing countries and considers this to be a natural part of the partnership. However, partial financing cannot be counted towards the SPO's own contribution requirement.

2.2.2 Costs

Sida provides grants for three different categories of costs, see A-C below. The following information should be specified for each category:

A. Operating costs

A cost that is directly attributable to the development cooperation is to be classified as an operating cost, which may relate to costs for activities and staffing. Costs for auditing interventions (such as project support and core support) are also included here.

Operating costs should be broken down (for example, by using sub-headings) between:

- the SPO's operating costs,
- payments to the international organisation,
- payments to the Swedish CSO and
- payments to the local partner

The SPO's operating costs should be divided into relevant sub-headings, such as payroll and travel costs, costs of capacity support provided to partners, costs for global advocacy work, direct activity costs covered by the SPO, evaluations and various costs relating to the head office/regional office/local office.

The SPO can create budget items where greater risks can be taken, and increased flexibility can be allowed if Sida deems this to be appropriate. This may apply, for example, to innovative projects where it is more difficult to predict results and resource needs.

Payments to various partners

In order to promote local ownership, Sida considers it desirable that as high a proportion of the grant as possible be transferred to local partners in the partner countries. Sida's analysis includes a review of the proportion of the funds paid out to the different contracting parties. Therefore, payments to

¹⁷Refers to products that have *not* been produced and/or purchased with funds received from Sida.

¹⁸Refers to grants from the state, county or municipality.

international and Swedish CSOs should also specify how much of a particular budget item represents the operating costs of a local partner. Note that only funds that are paid out under a contractual relationship to a local partner are considered the “operating costs of a local partner”.

In cases where the international CSO’s local offices (which are not defined as local partners) handle the funds for implementation and quality assurance, it is beneficial if the SPO also presents how large a proportion of the total budget this constitutes.

In cases where there are costs that are reported by the SPO (including country/regional offices), Swedish CSO or international CSO but which directly support the local partner’s implementation of the intervention, it can be beneficial to differentiate these funds so it is easier to see how much of the support reaches the local partners. This may include, for example, the SPO’s operating costs or the Swedish or international CSO’s operating costs for, for example, capacity development, studies, audits that will benefit local partners and the costs for implementing activities that for some reason cannot be recorded by partners. This may also include costs for activities that are carried out in collaboration with informal actors who are not able to handle grant funds themselves.

B. Administration costs

Administration costs are costs that are not directly attributable to programme and project activities but that indirectly support these activities, including financial staff, management, legal support, IT, rent, skills development for the SPO’s employees and office supplies. These costs may also relate to handling the grant from Sida, costs for preparing the application and reporting, including the annual audit of the overall financial reporting submitted to Sida.

For administrative costs, it should be specified which cost categories are covered, such as payroll, office supplies and rent for premises. The results for these subheadings do not need to be reported by cost category. It should also specify the proportion of the administration grant that is passed on to partners.

To cover these administrative costs, Sida provides a flat-rate grant of 8% on top of Sida’s grant for operating costs. The administration grant is exempt from the own contribution requirement. Unused administration grants can be reallocated to cover operating costs and are then subject to the own contribution requirement. The administration grant is not proportional to the outcome of operating costs, the amount in the approved agreement is instead a fixed amount.

C. Costs for forwarding to a Swedish organisation

The forwarding SPO can apply for grants to cover the full, actual costs that are directly attributable to forwarding of funds to Swedish organisations. No administration grant is paid for forwarding. In order for Sida to be able to assess the forwarding grant in relation to the funds transferred to Swedish organisations, the actual cost categories should be able to be verified and presented in suitable subheadings, such as application processing and reports, evaluations, travel, follow up and auditing, capacity development and consulting, IT, payroll (please specify which services).

2.2.3 Other information

List of partners

The application must contain an attached list of Swedish, international and local partners who receive funding under the contractual relationship. At a minimum, this must contain information on sector/region/country, financing form (core, programme, or project support), start and end date as well as budget.

Other Sida revenue

The SPO shall, where applicable, also provide information on revenue from Sida's other appropriation items relating to the SPO's other activities.

Procurement

Throughout the entirety of the contract phase, Sida must be informed about *whether* procurement will take place during the agreement period along with the proposed procurement regulations that would be used. This does not mean that the application needs to specify exactly which procurement will be carried out.

Unapproved costs

Sida does not allow the budget to be used for the following types of costs:

- debts, and in the case of Projects, also debt service charges (interest),
- provisions for losses or potential future liabilities,
- items already financed from another agreement with Sida or other financing agency,
- purchases or construction of real estate (land or buildings),
- in the case of Projects: currency exchange losses,
- credits to third parties,
- travel costs for business or first class,
- extra allowances, such as sitting allowances, or equivalent in order to finance allowances for participating staff/invited speakers/participants of workshops, or
- the build-up of reserves.

Capacity development of the SPO's own staff can only be financed by administrative grants not by operating costs.

2.3 Coordination and collaboration with other strategies

Coordination and collaboration should take place with activities funded through other strategies in order to achieve synergies and avoid duplication and to provide support for relevant and important interventions that border between two different strategies. This holds particularly true between the CSO strategy and the humanitarian strategy. The application should include an analysis of synergies with activities funded by other appropriation items, if relevant.

2.3.1 Synergies with the humanitarian strategy

The interaction between humanitarian aid and development cooperation is important to ensure parties work in ways that are mutually reinforcing to reduce risk, vulnerabilities and humanitarian dependence. For this reason, it may be justified for funding from the CSO appropriation to be used for activities such as preventive measures, early recovery and/or capacity building in activities that border between humanitarian and development strategies.

Funds from the CSO appropriation can be earmarked for activities that border between humanitarian and development strategies in two ways: (i) as an integral part of the ordinary application to Sida; or (ii) as a reprogramming of activities under ongoing agreements through the redistribution of funds that have already been granted, typically due to a sudden onset of crisis or disaster.

In the latter case, the SPO can use its own judgement to decide whether the activities that are rearranged are included in the CSO strategy based on these guidelines. In case of doubt, the SPO is asked to consult Sida. The redistribution of funds is expected to be a *temporary* shift, or to last as long as the extraordinary situation lasts.

Information on the redistribution of funds should be sent to Sida via e-mail. The information should be very brief and include the following:

- estimated amount of the budget agreed with Sida that is planned for redistribution
- country/region where the activity is to be carried out
- a brief overall description of activities and a very brief risk analysis

Sida expects the SPO to consider the following in its assessment:

- Humanitarian assistance cannot be funded under the CSO appropriation. This must be handled under the humanitarian appropriation item because: it must be based on humanitarian needs and humanitarian principles; comply with international standards and be a part of humanitarian coordination. This is to minimise the risk of doing harm.
- An activity that is on the border between a humanitarian and development activity can be funded through the CSO appropriation as long as it does not apply to humanitarian contexts, i.e. areas or target groups covered by joint humanitarian responses led by the UN. Activities that border between appropriations could be, e.g. income generating activities (livelihoods), food security, education and dissemination of information in relation to a crisis or disaster.
- A general rule is that an organisation should have adequate competencies for the types of activities for which support is provided. The experience of the SPO and the local partners and the specific context should be considered.
- A conflict perspective shall always be integrated where relevant in interventions that Sida finances, which is especially important in the implementation of activities that border on humanitarian assistance.
- The activity is to be carried out by the SPO's existing partners.
- In the event that any support is needed, the SPO should consider from the start how the support can be phased out.
- The link between humanitarian aid and development cooperation is clear.
- The support must, as much as possible, be coordinated with any other financiers.

Reporting of reprogrammed activities

A brief report on restructured activities should be included in the narrative reporting the organisation regularly submits to Sida. No adjustments to the annual financial report and audit report submitted to Sida are required, but these must be done in accordance with the agreement and approved budget. The total outcome of the entire agreed budget with Sida that has been redistributed to activities that border on humanitarian aid, shall be submitted to Sida. If it is not possible to determine an exact outcome, an estimated amount will be sufficient.

2.3.2 Global advocacy work

The appropriation can be used to fund support for a Swedish CSO's advocacy work outside of Sweden at the global, regional, national and local levels, in order to increase the understanding of and

commitment to global development and sustainability issues. The application should describe how the advocacy work is connected to other development cooperation work and how local ownership is ensured. Any synergies with the SPO's activities within the strategy for Information and Communications Technologies (ICT) should also be highlighted in the application.

3 CHANGES TO THE AGREEMENT

Significant deviations from or changes to the documents annexed to the agreement must be approved by Sida in writing. The most common annexes are “Objectives and Results”, “Budget”, “Terms of Reference for audit” and “Procurement policy”, but other annexes may also be attached to the agreement. If any of these items are changed, the revised annex must be sent to Sida for approval. It must be clearly stated what changes have been made.

Changes to the budget

The agreement stipulates when an updated budget must be submitted to Sida. This is usually done in connection with requisition but can also be done whenever the SPO deems it necessary. The amount limit for changes to the budget that require Sida’s approval is specified in the agreement. Note, however, that changes in the budget relating to salaries must always be approved by Sida, regardless of the change in amount. The revised budget shall be drawn up in the same format as the approved budget in the agreement. It must clearly indicate what amount represents the agreed budget and what is the new budget proposal. If any balances have been included from the previous year, this must also be clearly indicated in the revised budget. It is important that balances can be tracked for each year in the budget. A narrative explanation should be provided to explain any major changes in the updated budget. Please specify which budget items you have transferred funds from and to.

4 REPORTING

Reporting is done every year according to the terms of the agreement and consists of a narrative report, financial report and audit report. The reporting format that is to be used for the report is specified in the agreement. The format used for the narrative report depends on when during the agreement period the report is drawn up.

The annual report must be signed by an authorised representative of the SPO. It must be sent to the programme officer and should be drawn up in a format that it is not too large for Sida's system to receive electronically. Sida does not need a physical copy. If the documents contain sensitive information, check with the programme officer to determine how the documents should be handled.

4.1 Narrative reporting

4.1.1 Narrative report (brief)

A narrative report that encompasses years 1, 2 and 4 of a 5-year agreement should be a brief report that typically does not exceed 10 pages excluding annexes. It must be designed in such a way that it is possible to make comparisons to the application and the most recent approved agreement annexes for "Objectives and results" and "Budget".

A brief narrative report should include:

- A brief account giving examples of the results of the operations during the reporting period, including important lessons learned and the adjustments made as a result of experience.
- A risk analysis that includes an account of how internal and external risks in the operations have been managed during the reporting period and how identified risks will be managed in the future.
- An assessment of the effectiveness of the operations, which includes an analysis of progress made and the conditions required for the operation's objectives to be achieved in their entirety, with references made to recent evaluations where appropriate.
- A list of evaluations financed by the CSO appropriation that the SPO completed over the year.
- Any special reporting by agreement.
- Explanations for any deviations from the budget.
- Follow up on Sida's dialogue questions.
- Answers to the questionnaire in Annex 4 to these guidelines.
- An analysis of the operation's cost-effectiveness.

4.1.2 Narrative report (in-depth)

Typically, the in-depth narrative report should not exceed 50 pages excluding annexes. It must be designed in such a way that it is possible to make comparisons to the application and the most recent approved agreement annexes for "Objectives and results" and "Budget".

An in-depth narrative report should include:

- A description of the operation’s results during the reporting period and the extent to which the operations objectives have been achieved, including important lessons learned and adjustments made as a result of the experience gained.
- A risk analysis that includes an account of how internal and external risks in the operations have been managed during the reporting period and how identified risks will be managed in the future.
- An assessment of the effectiveness of the operations, which includes an analysis of progress made and the conditions required for the operations objectives to be achieved in their entirety, and with references made to recent evaluations where appropriate.
- A list of evaluations financed by the CSO appropriation that the SPO completed over the year.
- An account of how Sida’s five prioritised perspectives (the poor people’s perspective, the rights-based perspective, gender equality, environment/climate and conflict) have been addressed during the period and results in these areas.
- An account of how the operations have contributed to meeting the global sustainable development goals and the implementation of “Agenda 2030 for Sustainable Development” and (if applicable) the Paris Agreement
- Any special reporting by agreement.
- Explanations for any deviations from the budget.
- An analysis of the activity’s cost-effectiveness.
- Follow up on Sida’s dialogue questions.
- Answers to the questionnaire in Annex 4 to these guidelines.

4.1.3 Final narrative report

Typically, the final narrative report should not exceed 50 pages excluding annexes. It must contain the same information that is included in an in-depth narrative report but cover the entire activity period.

The final narrative report should also include:

- A description of the most important lessons learned from the operations.
- An assessment of the sustainability of the operations results.

4.2 Annual financial reporting

The SPO and subsequent agreement partners receiving forwarded funds shall complete financial reporting *annually*. Specific requirements for the SPO’s reporting are stipulated in the agreement.

In order to facilitate analysis and comparison, the financial report must be prepared in the same format and with the same level of detail as in the agreed budget and must include any deviations reported as amounts or percentages during the same period as the narrative report. If the budget has been revised during the agreement period, both the budget that has most recently been approved by Sida and the originally agreed budget must be reported in separate columns. Costs must always be reported against the most recently approved budget.

The financial report must report the opening balance, closing balance, unutilised Sida funds, interest received, foreign exchange rate gains/losses¹⁹ and any unreported funds from partners at the time of reporting. In the final report, it must clearly state whether there are financial reports and audit reports from partners that are not included in the final reporting.

Examples of how budget and financial reporting can be presented are in Annex 2.

The financial report shall include a summary of the percentage of the total outcome (including own contribution, administration grant and forwarding grant) paid under contractual relationships with Swedish partners, international partners and local partners.

The report must also include an account of how much of the total outcome consists of costs that directly support local partners but are reported by the SPO (including country/regional offices), Swedish CSOs or international CSOs. The own contribution amount must follow operating costs proportionally, and at the end of the agreement period, it must amount to 10% (5% when forwarding to a Swedish CSO) of actual operating costs.

The overall financial report should be supplemented by one financial report per programme. The level of detail in the presentation of budget and financial reporting of subsequent agreement partners receiving forwarded funds should be based on the partners' systems. However, the SPO is responsible for ensuring budget analysis is performed at the SPO and the respective beneficiary organisation receiving forwarded funds to ensure cost-effectiveness.

The financial report may include a summary of revenue in the form of other grants from Sida and other financiers, but it is important that this is kept separate from the agreed budget.

4.3 Annual audit

Annual audits shall be conducted in accordance with the rules stipulated in the agreement between Sida and the SPO.

In particular, note the following:

- The auditor must sign the financial report.
- The auditor must draw up a management letter containing significant observations and other observations and recommendations made during the audit process. Where applicable, the management letter must also include information on the measures taken in response to previously reported deficiencies and whether these measures have been adequate to remedy these.
- The SPO shall submit a management response to Sida based on the observations made by the auditor in the management letter. The management response must indicate what measures are planned, a time frame for when these will be implemented and what function at the SPO is responsible for their implementation. This also applies to subsequent agreement partners receiving forwarded funds.

¹⁹ In accordance with [Sida's Guidelines on the handling of Currency Exchange Gains and Losses](#)

4.4 Annual financial report and audit for core support when forwarding funds

For this grant type, Sida only requests an audit of the partner's own annual report and therefore does not require that the financial report be audited.

In cases where core support is used when forwarding funds to subsequent agreement partners, the local partner must submit an *unaudited* financial report to the SPO each year, which must be signed by the local partner's company signatory. The unaudited financial report shall include:

- The organisation's total revenue
- A comparison between the actual activity costs for the current reporting period and budgeted costs for the same period.
- Information on interest and/or unutilised funds.
- Account of the discrepancies between the approved budget and recorded costs.
- A list of any amounts that have been forwarded to other parties.

The local partner must also submit an annual report to the SPO. The annual report must normally consist of a balance sheet, cash flow for the year and income statement, including notes and the board report/administration report.

The audit of the annual report must be performed by an external, independent, qualified auditor in accordance with international standards issued by the International Federation of Accountants (IFAC) (ISA700) or national standards for auditing that are assessed to be equivalent. The auditor will draw up a management letter that must contain significant observations and other observations and the recommendations made during the audit process. The management letter must also include information on the measures taken in response to previously reported deficiencies and whether these measures have been adequate to remedy these. A management response shall also be drawn up by the local partner, who must specify what measures are planned, a time frame for when they will be implemented and the function of the local partner that is responsible for their implementation.

5 EVALUATION

Sida expects the SPO to systematically follow up on and evaluate activities within the framework of its results management in order to maximise the achievement of objectives through learning and continuous improvement of its activities. Although Sida itself can initiate and have evaluations of the SPO's activities carried out, Sida primarily aims to support partner-led evaluations in which the SPO is responsible for the evaluation (i.e. prepares the Terms of Reference (ToR), procures, manages, disseminates and follows up on the evaluation). Sida would like to see that, even in the initial stages, the organisation is already establishing plans for an overall performance evaluation of the activities in the latter part of the agreement period, e.g. in year four of a five-year agreement. This should focus on results including an analysis of what works and what does not, lessons learned and methods development. Costs for the evaluation must be included in the budget and the agreement with Sida. The SPO is responsible for drawing up the ToR and for the evaluation and follow-up. Sida must approve the ToR but does not need to approve the evaluation itself. However, Sida expects to have a dialogue with the SPO about the results and how the SPO intends to follow up on the evaluation and apply the results. In order to facilitate the SPO's work with the ToR and the evaluation work, there is a [template](#) that can be used for ToR and a [Checklist for assessment of ToR](#).

6 OWN CONTRIBUTION FOR SUPPORT FROM THE EUROPEAN COMMISSION

Actors in the implementation of the CSO strategy²⁰ who receive development assistance financed by the European Commission are eligible to receive a grant from Sida for the own contribution amount required by the European Commission or part thereof. This is provided that:

- The CSO appropriation allows this
- The intervention falls within the framework of the CSO strategy's objectives and intentions
- Agreements for the activity have been signed directly with the European Commission or with the European Commission's contracting party
- The application is submitted as described below

This grant opportunity is provided in order to increase the opportunities of various actors to diversify their funding. Sida strives to ensure there is a broad array of recipients for these grants.

This supplementary financing for the own contribution requirement can be obtained for development cooperation activities which Sida believes contribute to the implementation of the CSO strategy. Sida assesses each application on an individual basis to determine how much of the budget and own contribution can be covered by Sida's supplementary financing. As a general rule, most EU interventions CIVSAM grants funds to have a own contribution obligation of 20% or less. For the cost-effective management of grants, Sida's grant for own contribution required by the European Commission cannot be less than SEK 500,000.

Sida's contractual partner in these cases is the SPO. It is not required that the SPO be a contracting party with the European Commission, but if this is not the case, an agreement must be in place between the SPO and the European Commission's contracting party regarding the handling of the own contribution and reporting for the intervention. The following also applies:

- If the organisation that concludes an agreement with the European Commission is a Swedish organisation to which the SPO forwards funds, there is no requirement stipulating that the SPO must be an active party in the project.
- If the organisation that concludes an agreement with the European Commission is one of the SPO's local partners, CIVSAM should assess that the SPO has a role in the project, e.g. by being a co-applicant and/or contributing to capacity development.

For organisations that are not SPOs, see Item 4.1 below.

Sida bases its assessment on the European Commission's assessment and application and reporting formats.

²⁰ The SPO, for example, or one of the SPO's partners within the framework programmes that are covered by the agreement chain meet the agreement terms for Sida support.

The SPO is expected - when it has been instructed by the European Commission to submit the complete application - to inform the programme officer at Sida of this and indicate the level of Swedish own contribution. This is to allow Sida to best plan for the utilisation of the appropriation.

6.1 Application for a grant for own contribution

An SPO can apply for a grant for own contribution for EU-funded interventions. Only 90%²¹ of the own contribution for EU-financed initiatives can be included in the application to Sida. The application must be submitted to the responsible programme officer at Sida. This is done when funds have been granted from the European Commission and can be done on an ongoing basis in relation to the agreement between Sida and the SPO. Sida makes decisions on grants provided that funds are available and Sida considers that the conditions described above have been fulfilled.

The same principles apply for **CSOs without their own agreement** with Sida, with the exception that the application must be made via the forwarding SPO of which the applicant is a member or via ForumCiv if the CSO lacks a natural connection to any other SPO.

6.1.1 Contents of the application

When applying for a grant for own contribution for a development cooperation intervention funded by the European Commission, the SPO must submit a document to Sida. This short document must include at least the following information:

- The intervention i.d., meaning which EU budget line (geographical/thematic) from which funds were granted by the European Commission, together with the relevant intervention number.
- Name of the intervention, country/region and expected intervention period (20xx-20xx)
- The intervention's objectives/expected results and how the intervention will contribute to the implementation of the CSO strategy.
- Presentation of target groups, forms of collaboration and partners (Swedish and others).
- Account of the intervention's financial structure and the role that the Swedish CSO has in the intervention (for example, lead applicant or co-applicant).
- Timetable and overall EU budget with the following details:
 - Overall project budget in euros
 - EU grant amount in euros
 - The expected total own contribution in euros for the intervention.
 - The Swedish organisation's and other actors' contribution to the self-financed intervention in euros.
- In addition, the amount being requested from Sida in SEK, total for the period and year-by-year distribution. The budget must clarify the organisation's costs and, where applicable, portion of the joint costs. When converting euros or other currency to Swedish kronor, the selected exchange rate must be specified.
- Agreements or other supporting documents which verify that funds will be granted by the European Commission.

²¹ In accordance with the CSO strategy's requirements for own contribution

The forwarding SPO must request these supporting documents from the member organisation or the equivalent in cases where support has been granted.

6.2 Reporting of grants for own contribution

The SPO shall annually describe (usually in conjunction with other reporting to Sida) any deviations from the application. The reporting requirements are stipulated in the agreement with Sida and briefly include the following.

Once an organisation has received its approved final report from the European Commission, the organisation shall forward the report to Sida. In the event that the organisation does not receive an official written approval of the final report from the European Commission, Sida shall be informed of this.

For each intervention final report, the following information must also be submitted to Sida:

- Brief description of how the completed development cooperation contributed to the implementation of the CSO strategy.
- A financial report encompassing the total budget and total outcome, including the budgeted and final EU grant, own contribution amount and Sida-financed portion of the self-financed amount. The report must include a statement of the funds that have not been utilised which will be repaid to Sida. Sida does not cover the costs of foreign exchange rate losses.

In the event that the SPO does not utilise the entire EU grant during the project period, the grant the organisation received from Sida for the own contribution obligation will be adjusted downwards accordingly. The organisation will then repay the difference to Sida.

7 INFORMATION ON AND THE HANDLING OF DEVIATIONS

Deviations here refers to cases that risk affecting the organisation's ability to report its grants and activities in accordance with an agreement with Sida CIVSAM, for example due to suspicion of irregularities, delayed reporting despite the issuance of reminders, a lack of supporting documentation for costs or costs that fall outside the SPO's approved budget.

7.1 Reporting to Sida

Under any agreement with Sida, the SPO has an obligation to inform Sida as soon as a deviation has arisen. Sida expects to receive information on deviations as soon as the suspicion of a problem exists. It is better to inform "too early" and then delete a case if it turns out that there was no evidence to support the suspicion.

Any deviations must be reported to the responsible programme officer at Sida CIVSAM. Notification of deviations in a project/programme can be done via a special template (see Annex 3) to ensure that Sida receives all relevant information. Fill in all available information under the headings "Activity Information" and "Background" when making the initial report.

Updates shall be made to a case on a continuous basis any time significant, new information emerges by updating the template for reporting deviations. Continuously update the information under the heading "Actions Taken and Planned".

All reported or handled deviations during the year shall be compiled on a list annually and submitted to Sida by January 15. The list shall contain information on updates in the handling of the case and its status. The purpose of reporting is to provide access to the most up-to-date information as possible before Sida's reporting of statistics on corruption cases. For cases marked as confidential, a separate attachment can be sent which will be handled in accordance with Sida's confidentiality management practices.

Cases that prevent the use of grants from being reported to Sida in accordance with an agreement shall always be reported under "Project reporting not yet reported" in the annual financial report. At a minimum, this reporting should include the name of the relevant partner, country, year and total project amount as well as the unreported amount.

7.2 Responsibility for case handling

The SPO has full responsibility for handling deviation cases and for applying its internal systems and routines but consults with Sida as needed during the process.

If an external investigation is also necessary (e.g. a forensic audit), a draft of the assignment description should be sent to Sida for approval. This allows Sida to help ensure that the investigation is accurate and includes what it should be based on the context. The request for approval of the assignment description must be sent to the programme officer and controller and it must clearly state the time frame within which Sida must respond. If Sida is unable to respond within the indicated time frame, the assignment description can be considered approved.

However, in addition to the SPO's own investigation, Sida can carry out a special review of the intervention concerned.

7.3 Sida's case handling

When a programme officer receives information about a deviation case from an SPO, Sida's corruption investigator and CIVSAM's controller are informed. Sida's corruption investigators handle incoming cases and the statistics for these.

An assessment is made of the organisation's handling of the case, and Sida will inform the organisation of whether any special measures are recommended. The programme officer and the unit's controller can also assist the organisation with advice on the proper handling of the case by seeking the help of the investigation team, lawyers and similar parties.

All documents submitted to Sida must be registered in accordance with the principle of public access. Information that is received orally, and for a pending case, must also be recorded and registered. Thus, information on deviation cases that is received by Sida is always registered. However, it is possible for Sida to mark sensitive information as classified in certain cases. The SPO should inform Sida if it considers that the case or special documents need to be marked as classified and to use Secure mail for communication. It is important to Sida that as much information as possible is collected about the case, but if the SPO sees the need to safeguard anonymity in the case, some information can be omitted in the reporting. Please contact the responsible programme officer at Sida CIVSAM if further guidance is needed in this matter.

7.4 Appropriate measures for suspected corruption²²

In the event of any suspected irregularities, Sida's policy is to always act, always inform and never accept unacceptable behaviour. Sida strives to send a clear signal about what comprises unacceptable behaviour. It is also important to dedicate resources to all the actions that can help move the case forward. Feel free to talk to the responsible programme officer and/or CIVSAM's controller if you feel hesitant to take certain actions based on the context of the case.

A number of measures to always consider upon suspicion and during an investigation are:

- Stopping further payments to partners until the case is investigated.
- Suspending a person if the case concerns an employee of the organisation.
- Providing a written reminder, including clear deadline, for reporting. Inform in the reminder of what will happen if a report is not received.
- Performing an internal investigation of the case to clarify what has occurred.
- Performing an external investigation of the case to clarify what has occurred. This may include, for example, an extra audit with a specific assignment to review certain documentation more thoroughly or a forensic audit to clarify whether there is evidence of the suspected irregularities.
- Assessing the extent to which activities have taken place according to plan and the agreement and what confirms this (if the financial reporting is not approved).

²² Sida defines corruption as an abuse of trust, power or position for improper gain. Corruption includes, among other things, the offering and receiving of bribes – including the bribery of foreign officials – extortion, conflicts of interest and nepotism

- Seeking the assistance of local parties with expertise in the area to advise on what actions can be taken in the respective context, such as local lawyers, accountants, other CSOs in the area or embassy staff. If the embassy in the country in question is contacted, the CIVSAM officer must be informed of this.

A number of measures to always consider upon confirmation of suspicion are:

- Written claim for repayment with reference to the fact that the agreement has not been upheld. This should include a clear deadline as well as information about what actions will be taken if a repayment is not received.
- Report to the Swedish Enforcement Authority if repayment has not been made
- Police report if there is suspicion of a criminal act. A copy of the police report should be attached to the reporting to Sida.
- Notification of a civil case if it involves a breach of contract
- Notification to relevant anti-corruption agency, NGO registration authority or equivalent
- If the organisation in question has entered into bankruptcy/been liquidated, evidence of this must be obtained; a copy should be attached to the reporting to Sida.
- Contact any other donors and inform of the case

If an action is not possible/appropriate, the SPO shall justify the reason for this in its reporting to Sida.

To finance the investigation of a case, it is possible to redistribute funds in the budget agreed with Sida according to the rules stipulated in the agreement. Coordinate the changes with the responsible programme officer.

7.5 Closing a case

The final reporting of a case to Sida can occur in two ways:

- a) The SPO obtains satisfactory reporting on the case and the deviation can be removed. Sida does not have to approve the case separately; it is sufficient that the organisation notifies Sida that the incoming reporting is adequate based on applicable requirements between the framework and its contractual partners. The project must then be included in the regular final reporting for interventions in the next report submitted to Sida.
- b) The SPO assesses that every effort has been made to obtain satisfactory reporting, but without success.

In option b), the case shall be considered unreported funds in reporting to Sida.

The organisation shall submit a final report on the case to Sida as soon as it is considered final by completing the template under "Actions Taken and Planned". The final report should include:

- The partner organisation's actions (in the case of forwarded grants).
- Actions taken by the SPO.
- What assessment/risk analysis the SPO has done for the contract partners before entering into a collaboration with the organisation.

- Wording in the agreement between the SPO and partner that there is a repayment obligation if funds are used for non-intended purposes and/or cannot be reported according to agreement.
- Results from any internal/external investigations, reports/notifications to legal bodies and similar.
- A summary of the SPO's justification for why the case cannot be finalised with satisfactory reporting and cannot be investigated further.
- Assessment of the extent to which activities have been carried out according to plan and agreement.
- The SPO's lessons learned and changes in routines resulting from the case – how the risk of recurrence of similar incidents is reduced.

In option b), Sida considers the information in the submitted final report from the case and makes a decision on the amount the SPO is obliged to repay to Sida. As a general rule, funds must be repaid to Sida, but in certain cases Sida can approve the use of reimbursed funds from third parties in the initiative. The current CSO strategy allows for a certain amount of shared risk, which means that Sida may share in the financial risk when the use of funds cannot be accounted for by a partner (especially in the case of informal actors) by deciding not to reclaim the entire unreported amount. This assumes that Sida assesses that the SPO has taken adequate measures both to prevent the breach of contract and to obtain reporting or recover misused funds.

In the case of core support, it can be difficult to determine how much of the grant is to be reclaimed. If it is not possible to prove which grants have been misappropriated, a proportionate estimate can be made by looking at all grants that may be involved and consider this in relation to Sida's grant to determine the amount that must be paid back to Sida.

ANNEX 1. DEFINITIONS AND REFERENCE MATERIAL

Civil society: The term “civil society” is defined as an arena, separate from the state, the market and the individual household, in which people organise themselves and act together in their common interests.²³

Civil society organisation (CSO): A CSO is a non-profit organisation at the local, national or international level that works according to shared values towards common goals, with a certain level of independence from the state and the municipality. CSOs include foundations, cooperatives, trade unions and temporary organisations that raise funds for a specific purpose. Umbrella organisations and networks are also included.²⁴

Strategic partner organisations (SPO): Sida has an in-depth collaboration with selected CSOs who have long-term agreements with Sida on grants from the CSO appropriation. A strategic partner organisation (SPO) helps achieve the sub-goals of the CSO strategy by: i) strengthening the capacity of civil society actors in developing countries, and/or ii) promoting a favourable social climate for civil society. An SPO carries out activities that include the transfer of funds to local CSOs in developing countries. The collaboration integrates a rights-based perspective, poor people’s perspectives on development, an environmental and climate perspective, an equality perspective, and a conflict perspective. A Swedish SPO is a CSO based in Sweden that has relevant experience and the competencies needed to enter into a dialogue with Sida on current and long-term issues regarding the role of civil society in development cooperation.

Local partners: Within the CSO appropriation, a CSO is an actor in civil society who operates on the regional/national/local level and who, in the event that the CSO is a contracting party with the Swedish CSO, can sign legally binding agreements. An International CSO’s local office is not defined as a local partner in the CSO appropriation. For these, the term “Implementing Party” is used in any agreement between Sida and the SPO signed from 2020 onward (see also the OECD-DAC’s definition²⁵)

Informal actors: An informal actor is neither a legal nor a natural person, i.e. it cannot enter into agreements, own assets or be brought before a court. However, it often consists of natural persons who, even if they act as a so-called informal actor, cannot be protected by the informal actor the same way that a legal person can protect its representatives. In a legal sense, the natural person thus acts on an individual capacity. An informal actor can receive support, e.g. through a formal actor who handles funds and is responsible for meeting the legal requirements under the agreement, while the informal actor is responsible for implementing activities.

Forwarding SPO: An SPO that Sida has assessed as an organisation that, on behalf of its members, forwards Sida’s financial grant to the Swedish CSO (which are usually members of the SPO), which in turn conducts development cooperation work with local partners in developing countries.

²³Aid Policy Framework Comm. 2013/14:131, p. 20

²⁴ OECD-DAC definition: *A non-governmental organisation (NGO) is any non-profit entity organised on a local, national or international level to pursue shared objectives and ideals, without significant government-controlled participation or representation. NGOs include foundations, co-operative societies, trade unions, and ad-hoc entities set up to collect funds for a specific purpose. NGO umbrella organisations and NGO networks are also included*

²⁵ OECD-DAC definition: *An NGO organised at the national level, based and operated in a developing country.*

Swedish CSO: A Swedish CSO is an organisation with which the SPO has an agreement and in turn forwards funds to and has agreements with a local partner.

Programme: Within the CSO appropriation, refers to a coherent part of the SPO's activities, which may have different degrees of homogeneity, but which is governed through specific objectives and whose outcomes are followed up on against those objectives. A programme's boundaries determined by the internal logic of the specific activities based on the capacity and priorities of the local partner. A programme typically also involves the presence of distinct conditions for synergies between the interventions or the actors that are included in the programme. The boundaries are usually established according to geographical (country, region) or thematic (e.g. democracy, climate adaptation) criteria.

Project/Intervention: Within the CSO appropriation, refers to an individual development intervention²⁶ designed to achieve certain goals using established resources and implementation plans. Thus, within a programme, projects/interventions constitute a sub-level with clear boundaries (see also OECD-DAC's definition²⁷).

Core support: Corresponds to general budget support, i.e. support for a receiving organisation's overall strategic plan and operations, including its administrative costs. Sida supports the OECD-DAC's definition of core support²⁸ which is distinguished by the following characteristics:

- It is a non-earmarked grant to support an organisation's own strategy and overall work plan.
- The donor's contribution goes to the recipient organisation's overall budget and account and cannot be separated from other funding sources.
- It is the receiving organisation's – not the donor's – systems and routines that are used for purchasing, auditing and reporting in relation to the grant.

REFERENCES LINKED TO THE DOCUMENT:

1. [Strategy for support via Swedish civil society organisations 2016–2022](#)
2. [Policy framework for Swedish development cooperation and humanitarian assistance.](#)
3. [Sida's instructions](#)
4. [Guiding Principles for Sida's Engagement with and Support to Civil Society](#)
5. [Agenda 2030 for sustainable development](#)
6. [Paris Agreement](#)
7. [Sida method support and toolboxes within the areas of poverty, human rights, gender equality, environment/climate and peace/conflict](#)

²⁶ For example, a local partner's programmes or projects, support for the implementation of local partner's operational plan or equivalent.

²⁷ OECD-DAC's definition: *A project is a set of inputs, activities and outputs, agreed with the partner country, to reach specific objectives/outcomes within a defined time frame, with a defined budget and a defined geographical area.*

²⁸ OECD-DAC's definition: *Funds are paid over to NGOs (local, national and international) for use at the latter's discretion and contribute to programmes and activities which NGOs have developed themselves, and which they implement on their own authority and responsibility.*

8. [Checklist Partner Budget Financial Reporting - Core support](#)
9. [Sida's Guidelines on the handling of Currency Exchange Gains and Losses](#)
10. [ToR for Evaluations](#)
11. [Assessment checklist for ToR](#)

ANNEX 2. BUDGET AND FINANCIAL REPORTING TEMPLATE

	Annual budget	Revised budget	Result	Notes	Total budget	Cumulative results
Opening balance						
Funds/revenue received						
Sida grants received from the appropriation item for development work						
Own contribution						
Funds issued by SPO for repayment to Sida						
Funds received from partners to cover repaid funds to Sida						
Administration grant						
Forwarding grant						
Other (if applicable)						
Interest revenue						
Total Funds/revenue received						
Payments/costs and repayments						
Payments made under a contractual relationship to a local partner ²⁹						
Payments made under a contractual relationship to an international partner ³⁰						
of which payments made under a contractual relationship to a local partner						
Payments made under a contractual relationship to a Swedish CSO ³¹						
of which payments made under a contractual relationship to a local partner						
SPO's operating costs ³²						
<i>[insert relevant subheadings]</i>						
SPO's administrative costs						
<i>[indicate which cost categories are included]</i>						
Payments made for administrative costs allocated to an international partner						
Payments made for administrative costs allocated to a Swedish CSO						
Forwarding costs						
<i>[insert relevant subheadings]</i>						
Other (if applicable)						
Repaid to Sida						
Repaid interest to Sida						
Total payments/costs and repayments						
Closing balance						
Foreign exchange rate gains						
Foreign exchange rate losses						

²⁹ This item must include a minimum of 10% own contribution

³⁰ This item must include a minimum of 10% own contribution

³¹ This item must include a minimum of 5% own contribution

³² This item must include a minimum of 10% own contribution

(template cont.)

General (non-item specific) supplementary disclosures

Accounting and valuation principles (incl. currency management principles)

Planned repayments not yet made to Sida

Project reporting not yet reported

Notes (item-specific supplementary disclosures)

Alternative principles

Other disclosures

Closing balance

(SPO's signature)

.....
Place, Date

.....
Name

.....
Name

(Auditor's endorsement)

My/our audit report was submitted on _____

.....
Name

Authorised/approved auditor

Clarification of items and specification of proposed accounting principles for individual items

Accounting principles		Notes (see page 4)	
	+/-	17	Opening balance
K			Funds/income received
			Sida grants received from the appropriation item for development work
K	+	1	Own contribution
K	+	2	Funds issued to SPO for repayment to Sida
K	+	3	Funds received from partners to cover repaid funds to Sida
K	+	4	Administration grant
K	+	5	Forwarding grant (if applicable)
K	+	6	Other (if applicable)
K	+	7	Interest revenue
	+		Total Funds/income received
			Payments/costs and repayments
K	-	8	Payments made under a contractual relationship with a local partner
K	-	8	Payments made under a contractual relationship with an international partner (if applicable)
K	-	8	Payments made under a contractual relationship to a Swedish CSO (if applicable)
B	-	9	SPO's operating costs
B	-	10	SPO's administrative costs, refers to administrative costs according to item 5 above
K	-	11	Payments made for administrative costs according to item 5 above allocated to an international partner
K	-	11	Payments made for administrative costs according to item 5 above allocated to a Swedish CSO
B	-	12	Forwarding costs (if applicable)
K/B	-	13	Other (if applicable)
K	-	14	Repaid to Sida
K	-	15	Interest repaid to Sida
			Total payments/costs and repayments
	+/-	16	Closing balance
			Foreign exchange rate gains and/or losses
	+/-		
		18	General (non-item specific) supplementary disclosures
		19	Accounting and valuation principles
		19	Planned repayments not yet made to Sida
		20	Delayed project reporting
			Notes (item-specific supplementary disclosures)
		21	Alternative principles
		22	Other information

Clarification of individual parts of the report template (note number, see page 3)

- 1 Cash received from Sida from the appropriation item *Support via Swedish civil society organisations*.
- 2 Cash raised in Sweden by the SPO.
- 3 Cash issued by SPO to cover repayments made to Sida during the year in cases where SPO has become obliged to make a repayment for misused funds.
- 4 Only cash received by a partner in cases where the partner repaid misused funds to SPO.
- 5 Cash received from Sida.
- 6 Other (if applicable). For example, foreign exchange rate gains.
- 7 Interest income for the year according to the SPO's bank statement for Sida grants for development work from the appropriation item "*Support...*" Interest income according to bank statement here is regarded as cash received.
- 8 Cumulative foreign exchange rate gains
- 9 Cash payments under current agreement with Sida. (Since the auditor's assignment entails a certification of the overall financial report, funds that are transferred to a subsequent agreement partner, e.g. to a local partner, should normally be classified as payments not as costs. If you prefer to apply the book-keeping method, Sida recommends discussing this with your auditor).
- 10 Costs under current agreement with Sida. In the financial report, SPO refers to all the offices for an SPO that receives grant funds, such as head office, regional office and country/local office. Funds that are transferred between an SPO's offices but that have not yet been used to pay for activities are considered an internal transaction and do not need to be reported separately.
- 11 The portion of the administration grant provided by Sida that remains in the SPO.
- 12 The portion of the administration grant provided by Sida that is allocated outside the SPO.
- 13 Costs under current agreement with Sida.
- 14 Other (if applicable), accounting principle is selected depending on the nature of the item.
- 15 Cash repaid to Sida.
- 16 Repaid interest paid in cash.
- 17 The SPO determines the level of detail in the note regarding the reporting of the closing balance. However, settlements with Sida should be specified with each specific category separately, e.g. interest.
- 18 The specification of the opening balance is specified in the note according to Item 16 above.
- 19 Here, the SPO shall indicate that the overall financial report at the overall has been prepared in accordance with agreements with Sida and Sida's instructions for overall financial reporting.
- 20 Applies to interventions where a decision has been made by Sida on repayment regarding misused funds, where repayment has not yet been made. The interventions are indicated in a list of numbers and names as well as the amounts referred to.
- 21 Refers to reports which are delayed as of balance sheet date (typically last day of December). The statement must include the number and name of the interventions, as well as amounts for which a report has not yet been received. The reporting date under the agreement must also be indicated.
- 22 In cases where the preparation of the financial report in a format according to Sida's instructions allows for the application of alternative accounting principles, the selected accounting principle must be specified in a note.
- 23 In cases where it is necessary for an experienced reader to be able to understand the financial report, clarifications shall be provided in a note.

Activity Information**Strategic Partner Organization:**

Sida contribution/agreement

ID: SPO internal case-id:

CSO-database [Hyperlink](#):

SPO-agreement partner:

SPO-agreement start:

SPO-agreement end:

Previous agreement since:

eg. Mars-2011

Implementing organization:

Country:

[Type of Aid](#):[Sector](#):

Other donors:

SPO-contact person:

Background**The context of the suspicion and the activities:****Type of suspicions (multiple choice):**

Embezzlement

Conflicts of interest

Theft

Bribes

Other

Sexual exploitation, sexual
abuse, sexual harassment

Other harassment

Unclear

Misuse of fund

Amounts assumed to be affected:**Currency:****How did the suspicion arise at SPO:****How did the partner's suspicion arise:****Date when the suspicion arrived to SPO:**

Actions taken and planned

What actions have been taken so far:

Planned actions:

Contact point and communication with the agreement partner and other donors:

Police report filed?

Substantiated suspicion (multiple choice):

Embezzlement

Conflicts of interest

Theft

Bribes

Other

Sexual exploitation, sexual
abuse, sexual harassment

Other harassment

Unclear

Misuse of fund

Repayment Amount:

Currency:

Repayment to:

Lessons Learned:

Date for proposed incident closure to Sida:

ANNEX 4. QUESTIONNAIRE FOR REPORTING STRATEGY FOLLOW UP

Introduction

Civic space and aid and development effectiveness are two important areas of the CSO-strategy. In order for Sida to follow up on them and the implementation of the CSO-strategy the SPOs are asked to annually respond to the questions below. The aim is to get an overview and concrete examples of what is being done within the two areas.

Please note:

- Answers should be brief – the information from all organisations will be compiled to get an overview.
- The questions are not intended to cover all aspects of aid and development effectiveness and civic space. Use the “other comments” if you would like to add something that is not covered by the questions.
- It is not a requirement that all organisations work with all the below areas and activities, but all questions shall be answered. If e.g. you have done nothing in relation to coordinating with other donors that’s your answer.
- Do not include information that may be sensitive and risk compromising the safety of organisations and/or individuals.
- The questionnaire should be answered even if your organisation is providing a more in comprehensive report and in-depth analysis of area 1 and 2 in your main report (e.g. when you are submitting a results’ report or if aid and development effectiveness is one of the dialogue issues (dialogfråga) identified by Sida).

Area 1: Aid and development effectiveness

1. Alignment

What did you do during the last year to improve alignment with partners’ strategies and systems/procedures as regards;

- a) Frequency of reports. (Please include information about current frequency of narrative and financial reports.)
- b) Report formats (narrative and/or financial)
- c) Audits
- d) Other - please specify

2. Local ownership

- a) What measures have been taken during the last year to ensure partners’ ownership of their projects as well as their influence on the overall CIVSAM supported programme?
- b) What did you do specifically in relation to moving from project support towards programme and/or core support.

3. Coordination and harmonization

- a) What did you do during the last year to coordinate support to local partners with other donors? Provide examples.
- b) Did you hold regular partner meetings coordinated with other donors? Provide examples.
- c) What did you do to support your partners in coordinating their donors? Provide examples.

4. Predictability

- a) What is the average length of your partner agreements?
- b) What did you do in the last year in relation to increased length of partner agreements?
- c) Other actions to increase predictability – please specify.

5. Obstacles

Describe briefly any practical obstacles you have encountered that have prevented you from improving aid and development effectiveness.

Area 2: Civic space

- a) Describe briefly how your partners have been affected by shrinking civic space (for example legal and regulatory frameworks, judicial harassment or informal limitations) caused by governments, private or other actors. Provide some examples.
- b) Are there any examples of changes in legal and regulatory frameworks that have increased civic space for your partners?
- c) To what extent have your partner organisations advocated and in other ways worked for improvements in civic space, and to what extent has your organization supported them in this work? Provide some examples
- d) Describe briefly how your organisation and/or your partner organisations have been involved in, supported and created mechanisms for dialogue between civil society, governments and other actors on national, regional and/or global level. Provide some examples
- e) Describe if you or your partners have taken any specific measures to respond and adapt to increased risks and threats met by your organizations, partner organisations or rights-holders related to shrinking civic space.

Other comments

Not compulsory to answer. Could be anything that you would like to report within the areas aid and development effectiveness and civic space that is not covered above.