

INSTITUTIONAL COOPERATION INSTRUMENT – ICI

Manual

March 2021

Version 8

Ministry for Foreign Affairs, Finland

The annexes and templates are available in a separate document.

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The annexes and templates are available in a separate document.

1. INTRODUCTION

1.1. *The Purpose and Status of the Manual*

This manual has been prepared for the government employees in Finland and in partner countries who plan and implement Institutional Cooperation Projects (ICI). It also supports the MFA officers in managing the projects properly.

This updated version includes revisions for project management. These are described in the chapter 1. **It is important to note that the “administrative order 3/2010 of the MFA” is not any more valid after the publishing of this manual. All instructions are now presented in the manual.**

The instructions presented in the manual will be applied for new project financing decisions starting from 1st May 2021.

All issues related to pricing and financial management approved for financing before 1st May 2021 continue to follow the revised version 7 of the ICI manual. Projects approved for financing prior to that date are, however encouraged to utilise the instructions on reporting used in this manual version 8.

This manual provides main instructions for managing ICI projects:

- Chapter 2 is an overall description of ICI as a development cooperation instrument.
- Chapter 3 describes the development policy context of the projects.
- Chapters 4-7 describe the project cycle from the preparation of a Project Concept Note and Project Document to project implementation and closing of the project.
- Chapter 8 describes the support available to the Finnish government agencies.

In the annexes there is a wide set of templates and instructions including the law guiding the ICI.

Instructions for ICI projects are also available on the website of the Ministry for Foreign Affairs of Finland:

In English: <https://um.fi/support-for-government-agencies>

In Finnish: <https://um.fi/rahoitus-valtion-laitosten-kehitysyhteistyohon>

Please note that the manual refers to other instructions of the MFA such as results based management instructions. Revisions to these may be made separately in a different schedule. The websites mentioned above include links to the updated versions.

1.2. Terms Used in the Manual

Institutional Cooperation Instrument (ICI): A financing instrument for development cooperation between a Finnish specialized government agency and a developing country government agency. Projects which focus on capacity building and organizational development of public institutions in developing countries are eligible for funding.

Ministry for Foreign Affairs of Finland (MFA): Agency responsible for financing an ICI project and for ensuring the adherence to Finland's development policy including its quality standards and principles.

Finnish agency: Finnish specialized government agency, which has expertise in a limited field. Agency has a function within the Finnish government administration. Its staff consists of highly specialized experts.

Partner country agency: Government agency in the developing country responsible for the project.

Cross-cutting objectives: The project needs to ensure that in addition to its main objective – when applicable – it supports the four cross-cutting objectives of Finland's development policy: 1) gender equality, 2) non-discrimination, 3) climate resilience and 4) low emission development.

Human Rights Based Approach (HRBA): Finland applies a human rights based approach to all of its development interventions. This means that, at minimum, all interventions financed by Finland should have undertaken a human rights assessment to ensure that these interventions do not contribute to further harm or discrimination when it comes to realizing human rights. In addition, all interventions should ensure that the human rights principles (non-discrimination and equality; participation and inclusion; transparency; and accountability) are systematically reflected in the project planning, implementation, monitoring and evaluation. Beyond the minimum level, HRBA expects that the project's anticipated development result aims for a concrete improvement in the realization of a certain human right (or several rights) and that the expected outcomes increase the capacity of the duty-bearers to fulfill their obligations or the rights-holders to claim their rights. Disaggregated data (by sex, disability and age) should be used where possible.

Project cycle: The whole process from the initial idea of a project to its closure. The project cycle has usually the length of 3-5 years. If a project has achieved its foreseen results but further cooperation would be beneficial, a new project can be proposed as a continuation. The new continuation project needs to go through the same decision making and financing procedures.

Monitoring, evaluation and learning plan (MEL): The MEL plan is a tool for the project partners to plan and schedule what kind of evidence and M&E activities are needed to reach planned project results. It describes how M&E activities are resourced, how the results are used and reported.

1.3. Main Changes in Manual Version 8 Compared to the Previous Version

1. The Administrative Order 3/2010

The administrative order 3/2010 is not any more valid for new projects.

2. The size and duration of a project

The project financing is more flexible than before. MFA financing can be used for projects up to one million Euros. Larger projects can be made if the project covers several countries. The duration of the project has been extended up to four years.

3. Planning funds

The MFA provides more financing for the project planning and preparation to the Finnish agency. Financing can be up to 50.000 Euros.

4. Project planning instructions

Project planning instructions are slightly updated. For results orientation, the logical framework has been replaced with results based management. Guidance for cross-cutting objectives and risk assessment have been updated.

5. Costs related to Finnish experts

The ICI projects consist of official performances the prices of which shall be decided on commercial criteria in accordance with paragraph 1 of Section 7 of the Act on Criteria for Charges Payable to the State (maksuperustelaki 150/1992), unless otherwise provided for in the laws governing the Finnish government agency in question. In case of unclarity, the Regional Department of MFA shall consult the financial management (or the equivalent) of the Finnish government agency in question on how to charge for the ICI projects.

6. Avoidance of unfair competition with the private sector

ICI projects are agreed by the MFA without price competition. The Finnish agency needs to ensure in the Concept Note and in the Project Document that there are no private companies that could manage the project or carry out the proposed activities in the same scope of tasks. The MFA will check that unfair competition does not occur.

7. Launching of the project: inception phase

Details of the project can be further negotiated and defined during the first months of the project between the Finnish agency and partner country agency. This initial phase is called inception phase.

8. Flexibility in updating the budget

Changes up to five percent of the total budget can be made between the four main budget lines, provided that the other regulations are not violated (min. 70 % for capacity building, max. 15 % for outsourcing, e.g. companies, universities or NGOs, min. 25 % for the partner, max. 10 % for contingency). Changes within the main budget lines are made by the Project Board. Information on any changes which affect

the expected outcome or outputs of the project need to be first discussed with the Regional Department of the MFA.

9. Monitoring, evaluation and learning

- **Reporting:** instructions have been updated to better reflect MFA's guidelines e.g. regarding results and human rights based approaches
- **Self-assessment:** A mechanism for self-assessment has been added. If no other progress or performance evaluation is planned, a self-assessment should be conducted at least once during the project implementation. It is a facilitated process and its main function is steering and mutual learning between the two government agencies. Self-assessment also serves the purpose of accountability by providing valuable information on achieved results for the MFA and all stakeholders.

10. Publishing results

The Project Document should outline a plan for publishing results within the government agencies and for wider audience.

2. AN OVERVIEW OF THE INSTITUTIONAL COOPERATION INSTRUMENT

This manual is meant to provide guidelines for ICI implementing agencies and also to serve as an easy gateway to relevant legislation and other background documentation.

2.1. The Objective of ICI: Capacity Building between Public Sector Organisations

Institutional Cooperation Instrument is a financing mechanism of the MFA of Finland for very special type of projects:

- Cooperation between two **specialised government agencies working in the same field of expertise**: one from Finland and one from a developing country.
- Focus on **capacity building**. This means not only training but also changes in organizational, operational and administrative practices.
- Focus on dialogue. In order to avoid top-down approaches, all ideas and proposed changes are discussed thoroughly before implementing. All measures are taken to ensure that the **ownership and commitment** of the partner agency is strong.

Well-performing public sector organisations that provide relevant and satisfactory services for the citizens are at the heart of the operation of any state. Public sector organisations are tremendously important for the developing countries in tackling the various development challenges. However, creating lasting changes in public sector organisations is one of the most demanding challenges in development cooperation.

Capacity development activities have often failed to yield the planned results because capacity development has been treated as a technical process of transferring “right answers” without fully appreciating the importance of the partner country’s and organisation’s ownership. All organisations operate in their specific contexts and their performance is influenced by external and internal factors, including formal and informal rules, norms and procedures observed by organisations as well as national laws, policies, procedures and mechanisms that have been set up to make the fundamental rights a reality.

Capacity development is an endogenous process in which donors can play a supporting role but cannot or must not seize the process. Therefore, ensuring ownership of the partner organisation is the key to success in the ICI capacity development projects.

Cooperation between Finnish and partner countries' public sector organisations has featured in Finnish development cooperation for several years. It has, however, been used in a sporadic rather than systematic way. Finland's current Development Policy is based on the 2030 Agenda. It calls for breaking silos as well as innovative utilisation of Finnish expertise in development cooperation. The objective of the Institutional Cooperation Instrument is to strengthen the capacity of public sector institutions in partner countries by utilising the expertise that can be found in the Finnish public sector. The idea is that mutual learning and strengthening of capacities can be best

enhanced with the help of colleagues - civil servants from a respective organisation with similar tasks and responsibilities. The ICI provides an easy channel and means for public sector organisations in Finland and in partner countries to cooperate. A phased and supported project preparation process is meant to ensure both relevant and effective cooperation.

2.2. The Eligible Finnish and Partner Country Agencies

The eligible organisations **in Finland** are government agencies (valtion virastot ja laitokset) that belong to the same legal person, namely the government of Finland. Corporations owned by the government are not eligible. The listing of these agencies can be found through the following link:

<https://www.valtiokonttori.fi/palvelut/julkishallinnon-palvelut/maaraykset-ja-ohjeet/>

In case the eligibility of the Finnish agency is not known, the Regional Department will check the issue from the relevant Finnish sector ministry. Further advice can be requested from the lawyer of the MFA, Department for Development Policy (KEO-80).

In order to avoid undue competition, the Finnish agency needs to describe already in the Project Concept Note and the Project Document whether the Finnish government agency provides special expertise that the private companies do not possess to manage the project or carry out the proposed activities. The MFA (Regional Department) can check during the identification phase that, in the specific project context, the Finnish government agency does not compete with the Finnish private sector provider. In case the Regional Department cannot solve the issue, guidance should be sought from the relevant Finnish sector ministry.

In partner country the eligible institutions include public sector agencies, including research institutions. Associations, foundations and networks are not eligible.

The Institutional Cooperation Instrument (ICI) is governed by Act on the Participation of Governmental Authorities and Agencies in Development Co-operation (1989/382) which can be found in the annex 4.1. of this manual.

2.3. Main Characteristics of the ICI Projects

The ICI can be used to finance a variety of **ODA-eligible** capacity development projects. The main requirements are that the activities are clearly based on a partner organisation's demand with evidence of strong ownership of the project and cooperation, and that the cooperation is results-oriented with well-defined, measurable objectives.

The ICI project is based on the initiative, demand and identified needs for capacity development in a partner country agency, and it must be in line with the Finnish development policy. The various capacity development activities may aim at improving service delivery, developing new services or forms of service delivery, organisational development, revision of working procedures, improving know-how and skills, networking and internationalisation. To ensure that the expected results contribute to the improvement in the realization of key human rights, it is crucial that the international human rights standard, which the state has committed itself to, are

used as minimum standards in the development of national laws, policies and institutions in charge of provision of basic social services.

The cooperation needs to be results-oriented with clearly defined and interlinked activities, outputs, outcome and impact. The partner agency must play a decisive role in defining the specific activities, outputs, outcome and impact of the cooperation and the indicators with which progress of cooperation is measured. It must be possible to present the results orientation of the projects using results based management which combines the results orientation at planning phase to the results orientation during the project implementation.

The ICI project may support and complement existing cooperation between the partner organisation and Finland or any other donor. In these cases, the linkages between the proposed ICI project and other cooperation need to be clearly presented.

Project implementation should span at **least twelve months and maximum 48 months**. The budget should be approximately **500.000 – 1.000.000 Euros**. The budget may however, be higher if the project e.g. promotes regional thematic cooperation between neighbouring countries.

The ICI project is based on cooperation between civil servants of two agencies. Consequently, **outsourcing or subcontracting** implementation of project activities can only amount to a small share (**max. 15%**) of the total project costs.

Due attention must be paid to the cooperation modalities. In the beginning, sufficient resources should be allocated to enable establishment of good mutual relations. At a later stage, the use of modern communication technologies, such as virtual meetings, is encouraged to ensure regular and continued interaction. Limiting cooperation to technical and non-political issues is advisable. The inclusion of junior experts in the project team promotes capacity building both in Finland and in the partner country.

Finland's current or previous main partner countries are prioritised in the ICI. Other developing countries where Finland has an Embassy are also supported. If the proposed project concerns a country where Finland does not have an Embassy, the MFA needs to critically analyse the value-added of the project and the capacity of the MFA to monitor the project.

2.4. ICI Actors and Process

The ICI involves six actors with different roles.

1. The **Department for Development Policy in the MFA** of Finland oversees the utilisation of the ICI as a financing instrument. It has the task of guiding the *ICI as an instrument of development cooperation* with relevant and appropriate management documents and instructions.
2. **Regional Department of the MFA** allocates financing for the project. Project level management in the MFA is handled by the Regional Departments responsible for assessing, approving, financing and monitoring of ICI projects.
3. **Finnish Embassy** supports the Regional Department especially in assessing the Project Concept Notes and Project Documents.

4. Responsibility for the project implementation is borne by the **Finnish agency**, which in cooperation with the partner country agency, ensures implementation of the project in accordance with the approved Project Document and provides expertise and support to the planned capacity development activities in the partner country agency.
5. The **partner country agency** has the final responsibility for the capacity development and, as the ultimate owner of the project objectives and activities, has a crucial role in ensuring that the project is relevant regarding the needs, and that the objectives and activities of the project are appropriate.
6. The **Facilitation Consultant**¹ (a consulting company contracted by MFA/Department for Development Policy to support all ICI projects) supports the MFA in ensuring that the projects and project documentation meet the normative and qualitative requirements set for ICI projects and development cooperation in general. The Facilitation Consultant also provides support services to the Finnish agency in project planning and implementation.

The different phases of ICI implementation and the respective roles of various actors are described in the following table.

PHASE	WHO DOES WHAT?
ICI instrument level: Overall guidance and instructions	MFA Department for Development Policy <ul style="list-style-type: none"> • Prepares background material and administrative instructions, and maintains the ICI web page.
	Facilitation Consultant: <ul style="list-style-type: none"> • Supports MFA in material production. • Provides training for Finnish agencies. • Invoices MFA Department for Development Policy.
	MFA Regional Departments and Embassies <ul style="list-style-type: none"> • Inform potential/interested state agencies in Finland and in partner countries. • Help agencies to familiarise themselves with the material available on the ICI web page.
	Finnish and partner country agencies: <ul style="list-style-type: none"> • Study available background material and the ICI manual.
Preparation and assessment of the Project Concept Note	Partner country agency: <ul style="list-style-type: none"> • Establishes initial contact with the Finnish agency. • Prepares the Project Concept Note with the Finnish agency in accordance with the ICI manual. • Submits the Concept Note to the Finnish Embassy (or relevant MFA Department if the submission is entered by a Finnish agency).
	Finnish agency: <ul style="list-style-type: none"> • Establishes initial contact with the partner country agency. • Prepares the Project Concept Note with partner country agency. • Submits the Concept Note to the relevant MFA Department.

¹ Currently the facilitation consultant is Finnish Consulting Group International (fcg.fi)

	<p>MFA Regional Departments:</p> <ul style="list-style-type: none"> • Assess Concept Notes against established criteria. <ul style="list-style-type: none"> ◦ May request for additional information. • Inform Finnish and partner country agencies on the decision in writing. • In case of positive decision, inform the Facilitation Consultant about approval of the Project Concept Note and provide relevant documentation. <p>MFA Embassies:</p> <ul style="list-style-type: none"> • Support matchmaking between partner country and Finnish agencies. • Provide comments on the proposals to the Regional Departments.
<p>Preparation and assessment of the Project Document</p>	<p>Finnish agency:</p> <ul style="list-style-type: none"> • In cooperation with the partner agency prepares the Project Document and relevant Appendices in accordance with the ICI manual. • Submits the signed Project Document with the required Appendices, including the draft MoU, to the Facilitation Consultant for review.
	<p>Partner country agency:</p> <ul style="list-style-type: none"> • Participates actively in the Project Document preparation. • Prepares the draft MOU with Finnish Agency based on model available in the annex of this manual.
	<p>MFA Regional Department:</p> <ul style="list-style-type: none"> • May provide funding for Project Document preparation • Assesses the Project Document against the established criteria. <ul style="list-style-type: none"> ◦ May request for additional information. • Informs the project partners on the decision in writing.
	<p>MFA Embassies:</p> <ul style="list-style-type: none"> • Provide comments on the proposals to the Regional Departments.
	<p>Facilitation Consultant:</p> <ul style="list-style-type: none"> • Supports the Finnish agency in Project Document preparation. • Checks the quality of the Project Document and ensures that it meets the requirements set by the MFA in the ICI manual. •
	<p>Financing decision</p>
<p>Contracting and signing of agreements</p>	<p>MFA Regional Department:</p> <ul style="list-style-type: none"> • Prepares and signs the Assignment Contract with the Finnish agency. <ul style="list-style-type: none"> ◦ Memorandum of Understanding between the cooperating partners to be annexed to the Assignment contract.
	<p>Finnish agency:</p> <ul style="list-style-type: none"> • Signs the Memorandum of Understanding with the Partner

	<p>Agency.</p> <ul style="list-style-type: none"> ○ Signed Memorandum of Understanding should be available when the Assignment Contract is being signed. ● Signs the Assignment Contract with the MFA.
Implementation, reporting, monitoring and evaluation	<p>Partner country agency.</p> <ul style="list-style-type: none"> ● Signs the Memorandum of Understanding with the Finnish Agency.
	<p>Finnish agency:</p> <ul style="list-style-type: none"> ● Assumes responsibility for the implementation of the project. ● In cooperation with the partner agency prepares project planning documents (e.g. annual plans and Terms of Reference for expert missions). ● In cooperation with the partner agency prepares progress, completion and financial reports according to the Assignment Contract. ● Sends the reports to the Facilitation Consultant for review. <ul style="list-style-type: none"> ○ Provides additional information if requested. ● Ensures functioning of the project's decision-making arrangements. ● Manages the implementation of self-assessment(s). ● Invoices MFA Regional Department.
	<p>Partner country agency:</p> <ul style="list-style-type: none"> ● Implements the project in accordance with the responsibilities and tasks defined in the Project Document and Memorandum of Understanding. ● In cooperation with the Finnish agency prepares relevant planning documents (e.g. annual plans and Terms of Reference for expert missions). ● In cooperation with the Finnish agency prepares progress and financial reports.
	<p>Facilitation Consultant:</p> <ul style="list-style-type: none"> ● Supports the Finnish agency with advice on project inception and mobilisation. ● Reviews and approves progress, financial and self-assessment reports to ensure that these meet the requirements set by the MFA in the ICI manual. ● Forwards progress and financial reports to the relevant MFA Regional Department with comments.
ICI: instrument level	<p>MFA Regional Department:</p> <ul style="list-style-type: none"> ● Reviews and approves progress, completion and financial reports. <ul style="list-style-type: none"> ○ May request for additional information. ● Reviews and approves the self-assessment report(s) and monitors the implementation of the recommendations of the self-assessment. ● Pays invoices. ● Reports on the progress and achieved results of the ICI project(s) as a part of the annual country programme results report (if/when appropriate). <p>Facilitation Consultant:</p> <ul style="list-style-type: none"> ● Reports on the overall progress of the ICI to the MFA

monitoring and development (not for individual project)	Department for Development Policy as stated in the consultancy agreement. <ul style="list-style-type: none"> • Provides recommendations for improvements and possible revision of the ICI instrument including the ICI Manual.
	MFA Department for Development Policy: <ul style="list-style-type: none"> • Monitors the functioning of the ICI. • Makes revisions concerning administrative instructions and the ICI manual. • Monitors the work of the Facilitation Consultant.

2.5. How to Prepare an ICI Project

ICI projects preparation proceeds in two phases: Project Concept Note preparation phase and Project Document preparation phase. More detailed information and supporting templates for both phases are found in the annexes.

The ICI process begins when the Finnish and development country agencies contact each other. The partner agency, in cooperation with the Finnish agency, prepares a **Project Concept Note**, which outlines the need for cooperation, preliminary objectives of the project, anticipated main results and activities, tentative duration and budget.

If the MFA approves the proposal, the partners are requested to prepare a **Project Document**, which is a more detailed description of the planned cooperation with objectives, result framework, activities, risk matrix and required resources. If the Project Document is approved, the project is ready for implementation.

3. INSTITUTIONAL COOPERATION INSTRUMENT AND THE FINNISH DEVELOPMENT POLICY

3.1. Development Policy Context

ICI projects are expected to be in line with the goals and principles of the Finnish development policy: <https://um.fi/goals-and-principles-of-finland-s-development-policy>

3.2. Country Context

MFA has prepared country strategies and country programmes for several partner countries that guide the thematic priority setting and expected results of the cooperation in these countries. In order to get fully updated information on the country strategy and programme of a particular country, it is advisable to contact the MFA officer responsible for that country. Country specific information is also available in: <https://um.fi/bilateral-partner-countries>

3.3. Working for Results and Inclusiveness

MFA has guidance for working effectively towards results. The guidance is available on “**Results Based Management** in Finland’s Development Cooperation”: https://um.fi/documents/35732/48132/results_based_management_rbm_in_finland_s_development_cooperation

These guidelines are to be studied closely, because the project needs to define its results using an RBM framework.

Results are not well targeted and sustainable without integrating human rights considerations in the context analysis and human rights principles throughout the project cycle. This is a key element in Finnish development policy. The integration of human rights includes, for instance, consultation of all stakeholders, including those normally excluded, and taking the needs and views of all actors into consideration. The Guidance for **Human Rights Based Approach** is available at:

https://um.fi/documents/35732/48132/human_rights_based_approach_in_finlands_development_cooperation_guidance

The **cross-cutting objectives** of Finland's development policy are important issues that should be considered when project results framework is prepared during the planning phase. The same issues are relevant also during the project implementation. The cross-cutting objectives are:

- Gender Equality
- Non-discrimination
- Climate Resilience
- Low Emission Development

PROJECT CYCLE

4. How to Apply for an ICI Project

4.1. Preparing a Project Concept Note by the partner agency and Finnish agency

A Project Concept Note is a short, **3-10 pages** long presentation of the project idea. It is prepared by the partner country agency in cooperation with the Finnish agency.

Steps for preparing a Concept Note:

- Initial discussion between the partner agency and the Finnish agency.
- Finnish agency discusses the initial project idea including the foreseen budgetary implications with the Regional Department of the MFA.
- Visit from Finland to the partner country and/or visit from partner country to Finland, initial need assessment.
- Drafting of the Concept Note.
- Signing of the Concept Note.

The costs related to the preparation of the Project Concept Note are covered by the Finnish agency and partner country agency.

The Project Concept Note is co-signed and submitted to the Finnish Ministry for Foreign Affairs either:

- by email directly to the relevant Regional Department (country officer) in the MFA, or
- by post to Ministry for Foreign Affairs, Department for Development Policy, PO Box 26, 00023 Government, with the following phrase on the envelope "ICI application to the Regional Unit (name of the Unit)".

While preparing the Project Concept Note, it is important to bear in mind that although the proposal is of preliminary nature and not longer than a couple of pages, the need for cooperation and the project should be stated clearly. The MFA will pay special attention to the needs and ownership of the partner organisation.

A template for the Project Concept Note with supporting questions is provided in annex 1.1.

Occasionally, the MFA may *open a call* for ICI projects related to specific countries. In such a case, information is made available in the MFA website www.um.fi.

4.2. MFA's Assessment of the Concept Note: Minimum Criteria and Further Assessment

The relevant Regional Department in the MFA is in charge of assessing the Concept Notes and selecting the best proposals for Project Document preparation phase. The **minimum criteria** for the Concept Note are:

1. The proposed project is based on an identified need

It is essential that ICI projects are based on clearly defined needs. The developing country agency should give grounds for their need of cooperation and assistance from the Finnish agency. In assessing the proposals, the MFA will emphasize evidence of the partner agency's ownership of and commitment to the planned cooperation. This could be supported by reference to existing capacity development strategies, plans or policy papers. In case these documents are not available, the relevance of and alignment to the agency's strategic plans should be demonstrated through other means, for instance, needs assessment in previous/on-going projects supporting the partner agency.

Another indication of ownership is a clear identification of the immediate beneficiaries of the project as well as information about available resources (human and financial) the partner country agency has in its position to implement the project. The Concept Note should specify the administrative units that are responsible for the management of the project.

2. The proposed project focuses on capacity development

The project must strengthen the partner country agency's capacity in a sustainable manner and capacity development must be based on the agency's own plans and/or developmental goals.

3. The proposed project is in line with the Finnish development policy and makes use of the special expertise of the participating Finnish government agency

The ICI is a development cooperation instrument that is based on matching Finnish public sector know-how and the needs of the public sector in a developing country. The proposal should include a brief presentation of the capacity and specific expertise of the Finnish agency supported by, for instance, its Strategy for International Cooperation and a list of staff with previous experience of development cooperation or similar projects.

4. The size of the proposed project is suitable for the ICI

As a rule, the ICI should not be used for very small projects because of their low cost-efficiency. The project budget may range usually between **500.000 and 1.000 000** euros and the average duration is from **three to four years**. In certain situations, even larger projects may be considered.

In addition, the Regional Department of the MFA may have thematic or geographical priorities for ICI-funded projects. It is useful to contact the Desk Officer responsible for the partner country in the Regional Department in advance.

Concept Notes that meet the minimum criteria are **further assessed** by the MFA on the basis of the following criteria:

1. Evidence of the partner country agency's ownership of the expected results and project approach, including partner country agency's participation in the preparation of the Concept Note.

2. Account of concrete aspects that necessitate the project and its anticipated added value to the partner country agency.
3. Contribution to the objectives of the possible country strategy of the MFA with regard to the partner country as well as the complementarity of the project to other cooperation between Finland and the partner country (including Team Finland work, private sector and civil society support).
4. Availability of financial resources in the MFA Regional Department.

4.3. Adoption of Project Proposal: the Launch of the Planning Phase

The relevant MFA Regional Unit will make an official decision on each proposal in writing. As the ICI is cooperation within the state administration in Finland, the decisions cannot be appealed. Before making their decision, the Regional Units ask comments from the Finnish Embassy in the country in question, especially regarding the relevance of the proposal.

If the MFA approves the Concept Note, it requests the project partners (partner agency and Finnish government agency) to prepare a more detailed Project Document to serve as a basis for the Ministry's decision on financing.

The responsible Desk Officer in the MFA Regional Department will also inform the Facilitation Consultants of the approval of the Project Concept Note and requests the Facilitation Consultant to support the Finnish agency in the Project Document preparation.

While making the decision on the Project Concept Note, the MFA may also decide to support the planning phase financially by signing an assignment contract with the Finnish agency. The assignment contract defines the objectives of the preparatory assignment with possible conditions regarding the content of the project.

4.4. Preparing a Project Document

4.4.1. MFA's Financial and Technical Support for Project Planning

To enable further dialogue and a proper planning and preparation of the proposed project, the respective MFA Regional Department may sign an assignment contract² with the Finnish agency to prepare the Project Document. The project partners should provide an outline of the Project Document planning process with an overview of the planning process, tentative work plan, participants and a budget. **The maximum amount of financing available for the preparation is 50.000 €** After having concluded the assignment, the Finnish agency invoices the MFA on the basis of accrued costs. For the assignment contract, the Finnish agency defines the objectives of the preparatory mission and the MFA includes any possible conditions it may have for the Project Document.

In addition to the MFA financing for the Project Document preparation, the Finnish agency is entitled to the support from the Facilitation Consultant in preparing the

² The assignment contract for the project preparation is based on the same contract model as the assignment contract for the project implementation.

Project Document. Facilitation Consultant advises on the requirements of the MFA and good practices of project planning.

The support services of the Facilitation Consultant during the planning phase typically include the following:

- Familiarisation with the relevant documentation.
- Initial meeting and discussion with the Finnish agency.
- Discussion jointly with the MFA Officer in the Regional Department and the Finnish agency.
- Provision of written comments on the Project Document with recommendations for additional information, clarification or elaboration of the Project Document. Furthermore, the Facilitation Consultant identifies and points out possible risks in the project implementation, and proposes mitigation measures.
- Review and comments on the revised Project Document (if needed).
- Checking that the formal requirements are met.

4.4.2. Planning Process

The Project Document provides a detailed and easily comprehensible description of the project. The Project Document should not be longer than **20 pages and annexes**.

The steps to be taken during the preparation of the Project Document include the following:

- Workshop/discussion to ensure that all stakeholders understand the rules and regulations related to the ICI projects.
- Joint situation analysis. Analysis of various stakeholders including the rights and needs of these. Familiarisation with organisational, economic, cultural and social aspects. Analysis of the capacities in the partner agency.
- Joint needs assessment. Comparison of various needs and priorities. Identification of key problems and bottlenecks. Identification of key persons in the project implementation.
- Preparation of the results framework and risk assessment as well as a plan on how to apply human rights based approach and advance cross-cutting objectives in the project.
- Preparation of an evaluation, monitoring and learning plan including a plan to conduct and budget a self-assessment (or another type of evaluation) of the project.
- Preparation of the full Project Document.
- Preparation of an MOU.

Usually the Project Document preparation includes one or several visits between the two countries, skype meetings and e-mail conversation. The whole process may take anything between 2-6 months.

The Project Document does not need to include all details. Since the time for project planning is limited, the process of fixing details can be continued after the project is approved, during the so called inception phase.

The draft Project Document is checked by the Facilitation Consultant.

The Project Document may need to be approved by higher authority within the partner country. Adequate time needs to be reserved for this process.

The Project Document is signed by authorised representatives of both agencies and submitted to the respective Regional Department in the MFA.

4.4.3. Project Document: Ensuring Results Orientation

The Project Document describes the situation that needs to be improved, gives information on the cooperating organisations and explains how to arrive at the desired situation (what needs to be done) within the project timeframe and available resources.

In order to identify the needs and find realistic methods to address them, a **situation analysis** needs to be conducted during the planning phase. Situation analysis should not study only the official plans and budgets of the partner country agency but also a review of what resources are actually available (financial and staffing situation etc.). The recommendations that the country has received from the relevant Human Rights Treaty Monitoring Bodies can be helpful in identifying the gaps between the international human rights commitments that the country has made and their actual implementation at the national level, as well as provide concrete guidance on the key issues that country should tackle to improve the situation.³

A stakeholder analysis (i.e. analysis of various stakeholders, their roles and interests related to the project outcome) should be conducted at an early stage. The analysis should also include identification of the stakeholders who, while not directly benefitting from the project, may be affected. Proposed measure to address any negative effects identified need to be included in the risk assessment.

The main function of the Project Document preparation phase is to define the expected results of the project. This involves presentation of results at three levels (impact, outcome and outputs), measurable indicators, activities to accomplish the results, and resources (inputs) to carry out the activities. This model is based on **Results Based Management (RBM)**. There is specific guidance on how to apply RBM in Finland's development cooperation.⁴ **The risk assessment** is a critical part of the project planning process. If major risks are identified, the expected results of the project need to be reformulated so that these risks can be avoided or have a smaller probability to materialise during the implementation phase. Detailed guidance for risk assessment is currently being updated.

The results framework of an ICI project has typically

- One impact statement (1-2 sentences)
- One outcome statement (1-2 sentences)
- 3-5 expected outputs
- 1-2 qualitative or quantitative indicators for each impact, outcome and output

³ These recommendations can be found from the website of the UN Office of the High Commissioner for Human Rights (www.ohchr.org) by selecting the relevant country from the 'Human Rights by Country' tab from the menu bar of the page.

⁴The guidance for Results Based Management (RBM) in Finnish Development Cooperation is presented in https://um.fi/documents/35732/48132/results_based_management_rbm_in_finland_s_development_cooperation.

- Several activities identified for each output.

RMB table should be included within the text or annexed to the Project Document. Risk assessment needs to be annexed to the Project Document.

Experience and studies of capacity development show that the role of the partner country agency should be decisive in defining the objective and suitable indicators for the project. Therefore open dialogue during the Project Document preparation phase is of great importance for the success of the project. The Finnish agency and experts must be cautious not to impose “the right answers” but to carefully consider what would be “the best fit” solution for the capacity challenge of the partner agency.

The project activities are expected to relate to **capacity development** of the partner country's public sector institution. Usually capacity development focuses on a specific unit of the organisation, or its specific task/function. Capacity development covers not just the skills of personnel but also related aspects of operational practices, organisational development and personnel requirements. In order to ensure sustainability, the links to local training institutions and service providers need to be identified.

If the Finnish agency has similar activities in a third country, an element of south-south learning can be included in the project.

All Finnish development cooperation needs to apply the **Human Rights Based Approach** (HRBA). This means, at minimum, that already during the project planning careful consideration is made to key human rights challenges present in the country, particularly potential discrimination or exclusion experienced by some groups, to ensure “do-no-harm”. In addition, all interventions should ensure that the human rights principles (non-discrimination and equality; participation and inclusion; transparency; and accountability) are systematically reflected in the project planning, implementation, monitoring and evaluation. Beyond the minimum requirement, the project should advance the realization of human rights in its results and the capacity of the duty-bearers to fulfil its obligations at the outcome level. The MFA of Finland has a specific guidance note for operationalizing HRBA⁵.

The **cross-cutting objectives** have relevance for improving the project from the Finnish development policy perspective. While the policy includes four distinctive cross-cutting objectives, not all of them might be relevant to all projects.

The Project Document includes a description of monitoring and reporting arrangements as well as that related to evaluation/self-assessment..

The templates for Project Document and its supplements are provided in annexes 1.2.-1.9.

4.4.4. Project Document: Budget

The Project Document includes a project budget, which covers the entire assignment/contract between the MFA and the Finnish government agency. The

⁵ For HRBA, see https://um.fi/documents/35732/48132/human_rights_based_approach_in_finlands_development_cooperation_guidance

budget is broken down by 1) calendar year, 2) four budget headings. The four budget headings are the following:

1. Capacity development costs,
2. Administrative and technical costs of the partner agency
3. Fixed assets
4. Contingency costs.

The breakdown of the budget by calendar year is necessary for the planning and payment schedule purposes of the MFA and the Finnish agency.

The budget is based on the following rules:

- **At least 70 %** of costs should focus on capacity building.
- The costs directly benefiting the partner country agency, such as allowances, travel costs, management fee, procured goods or equipment that will become the property of the partner country agency, and the share of the contingency that is reserved for the partner agency, must amount to the **minimum of 25 %** of the total project costs.
- Subcontracting should not be more than **15 %**.
- Contingency should not be more than **10 %**

Budget template is available in annex 1.5.

Capacity development costs

Capacity development costs (part A in the budget) are further divided into six categories and they must amount to **at least 70%** of the total costs.

Fees for the Finnish experts

Fees are paid on the basis of expert competence and the number of days she/he works for the project. The number of days may change during the project inception phase or later. However, the fee per day is fixed for the project period.

The ICI projects consist of official performances the prices of which are decided on commercial criteria in accordance with paragraph 1 of Section 7 of the Act on Criteria for Charges Payable to the State (maksuperustelaki 150/1992), unless otherwise provided for in the laws governing the Finnish government agency in question. In case of unclarity, the financial management (or the equivalent) of the Finnish government agency in question shall be consulted by MFA/ Regional Department on how to charge for the ICI projects.

In principle, the management and coordination costs incurred during the implementation of the project are covered in the daily fee of the Finnish agency. There may, however, be need for allocating a small number of working days for management and administration activities that are not directly capacity development of the partner agency, such as preparation of study visits. All days budgeted for management and coordination tasks need to be explained in the Project Document.

Allowances for partner country experts

The partner country agency takes responsibility for its own labour costs and salaries. It has to appoint officers and give them enough time to carry out the project. The project budget may include only allowances (e.g. daily allowance or travel allowance)

for project work related tasks. The partner country regulations and allowance rates are applied for the work performed in the partner country, the Finnish travel regulations and rates are applied for the work performed in Finland. In addition, the budget may include annual management costs to be paid to the partner country agency as an organisation. The management costs can only be paid to the official account of the partner organisation.

Subcontracting

In carrying out the assignment, the Finnish government agency must use its permanent staff for undertaking the assignment. Subcontractors should not be used.

If the use of subcontractors becomes necessary, the Finnish government agency and the MFA have to agree on the matter. The maximum share of work assigned to a private subcontractor (e.g. company, university or NGO) should be small (**less than 15%** of the total project budget). This means, in essence, that the Finnish government agency may not pass the main assignment to subcontractors. In addition, the Finnish government agency may not procure services from a person directly or indirectly employed by the Finnish government organisation in question.

The project may use subcontracting either from Finland or the partner country for key services such as

- special expertise related to the theme of the project,
- ICT-services,
- editing publications, preparing communication materials
- interpretation and translation.

The Public Procurement Act (348/2007) shall be applied to subcontracting both in Finland and in the partner country. Subcontracts shall not be interpreted as falling within the scope of section 8 (6) of the said Act allowing for direct award.

Administrative and technical costs of the partner agency

The budget may include management cost to be paid to the partner country agency as an organisation provided that the payment is made through the official accounts of the partner agency. In addition, the administrative and technical costs may include minor costs, which arise specifically from the project management, excluding salaries. Possible costs include:

- photocopying and printing;
- rent of external venues for arranging seminars and workshops; and
- miscellaneous costs arising from seminars.

Fixed assets

Fixed assets are purchased according to the Finnish Public Procurement Act regardless of the country of procurement. The assets will be managed by the project until the completion of the project. The partners must agree in the MOU whose property the fixed assets will become after the project. The principle is that assets procured in the developing country will be handed over to the partner agency during the project completion.

Contingency

It is advisable to reserve some funds for unforeseen costs. The contingency can be a **maximum of 10%** of the total budget. The Project Board makes a decision on the use of the contingency funds in writing.

4.4.5. Project Document: Administrative Set-up

The project must have a management and decision-making system with **clearly defined roles and responsibilities** for both agencies. The key experts from both organisations and their tasks and duties should be described in the Project Document, and their CVs appended to the document.

A **Project Board (PB)** consisting of representatives of both agencies and, if necessary and beneficial for the project, of important stakeholders, is set up to exercise decision making authority in the project. The members, responsibilities and meeting arrangements of the Project Board are defined in the Memorandum of Understanding. The key function of the Project Board is to monitor the project and to support the cooperating agencies in carrying out the activities. It is advisable, where possible, to include a representative from the Finnish Embassy as an observer in the Project Board. Annual plans should be discussed and approved by the Project Board. The Project Board approves the final report before these are submitted to the Facilitation Consultant and to the MFA. Progress and financial reports are sent to the Project Board for information. It is recommended that the Project Board reviews and discusses the outcomes of the self-assessment and monitors the implementation of its recommendations.

The Project Board should meet in person whenever possible. If this is difficult to arrange, the Project Board may also meet virtually. The project budget should include allocation of funds also for the scheduled Project Board meetings.

4.4.6. Information on Personnel

The Project Document should include the CVs of key personnel to ascertain that the proposed experts have the required expertise and experience. In case there is a need to change an expert during the project implementation, the required qualifications of the expert should be looked up from the Assignment Contract.

In addition to the CVs of the proposed Finnish experts, the Project Document should also include a presentation of the key partner agency experts. Inclusion of their CVs in the Project Document is highly recommended.

A CV template is provided in annex 1.7.

4.4.7. Draft Memorandum of Understanding (MOU)

A draft Memorandum of Understanding (MOU) should be prepared during the project preparation phase. The MOU specifies the roles and responsibilities of the cooperating agencies and the management and decision-making arrangements. The MOU should include the names of the members of the Project Board as well as the

names of authorised representatives who can approve costs arising in the course of the project.

After a positive decision by the MFA, the Finnish government agency will be called for contract negotiations and an Assignment Contract will be signed between the MFA and the Finnish government agency. The finalized and signed MOU should be appended to the Assignment Contract.

A MOU template is provided in Annex 1.8.

4.4.8. The Project Document and Its Supplements

A Project Document comprises of the following:

- Project Document:
 - o results framework;
 - o risk assessment
 - o Monitoring, evaluation and learning plan including self-assessment;
 - o Project budget;
 - o CVs of the key personnel;
- Draft MOU;
- Other relevant documents.

It will provide answers e.g. to the following questions:

- Why is the project necessary?
- What are the expected results (impact, outcome and outputs) of the project?
- What kind of activities are most likely needed to produce the outputs?
- What are the possible risks that might concern the project?
- What kind of human resources and timeframe are suitable to achieve the results?
- How is the progress monitored and evaluated during the implementation?
- How are decisions made regarding project implementation?

The Project Document should show that the Finnish agency

- has relevant expertise,
- is not planning a project that could be implemented by a private sector organisation.

The Project Document should clearly state how the project supports Finnish development policy, possible country strategy and possible Team Finland cooperation in the country.

The template with supporting questions for preparing a Project Document is provided in annex 1.2.

4.4.9. MFA Support for the Finalization of the Project Document

The cooperating agencies submit the Project Document first to the Facilitation Consultant for review. If the Facilitation Consultant considers the Project Document to fulfil the formal and quality requirements, it forwards the Project Document to the relevant MFA Regional Department. Only Project Documents that are endorsed by the Facilitation Consultant will be considered in the MFA for financing.

See annex 1.10. on the support provided by the Facilitation Consultant.

5. MFA FUNDING DECISION

The funding decision follows the normal administrative procedures in the MFA. The responsible Desk Officer in the MFA is in charge of assessing the Project Document and decides whether it should be presented to the Quality Assurance Group for recommendations, and subsequently to the Minister for Development Cooperation for approval and financing. The Desk Officer may also ask for supplementary information or decide not to present the Project Document to the Quality Assurance Group. In addition, the Desk Officer needs to ensure that there are sufficient resources available for financing the project.

The key criteria for assessing the Project Document include:

1. Relevance in relation to the priorities and policies of the MFA;
2. Relevance in relation to the strategies and plans of the partner agency;
3. Effectiveness and feasibility of the project, coherence and quality of the project's intervention logic (RBM framework) and management provisions:
 - a. clarity and realism of the expected 'impact', 'outcome' and 'outputs' and their contribution logic; how they are linked with corresponding activities and adequate resources;
 - b. identification of key experts and their responsibilities.
4. Sustainability in terms of financial and institutional capacity of the partner agency to maintain the quality and volume of activities developed during the project.

Meeting of the criteria will be assessed in consultation with the relevant Finnish Embassy and the respective thematic MFA Advisor will comment the Project Document before it is presented to the Quality Assurance Group of the MFA for assessment. Provided that a favourable opinion is obtained from the Quality Assurance Group, the document is presented to the Minister for Development Policy for approval.

6. CONTRACTUAL ARRANGEMENTS

The normal contractual arrangements include the following:

- Finnish government agency signs a Memorandum of Understanding with the partner country government agency.
- MFA signs an assignment contract with the Finnish government agency.

6.1 Intergovernmental Agreement

The MFA is responsible for the official relations with the *government* of the partner country. The relations, including commitments and principles for official development cooperation (including possible tax exemptions and/or exemption from customs duties) are defined in the intergovernmental agreements. In case the project includes import of equipment and/or fixed assets, or transfer of ownership of equipment and fixed assets from the Finnish agency to the partner country agency, the ICI partners need to clarify whether an intergovernmental agreement is required.

In case of unclarity, the Regional Department of MFA shall consult the Department for Development Policy in the MFA (KEO-80) regarding the need for an intergovernmental agreement. It should be noted that preparing an intergovernmental agreement is a lengthy and complex process. If an intergovernmental agreement is not needed, this should be mentioned in the assignment contract. It may, however, be needed if the project includes substantial amounts of imported equipment and/or fixed assets to the partner country. In these cases, the intergovernmental agreement should be in force before the Assignment Contract is signed.

6.2. Assignment Contract

The MFA assigns the Finnish government agency with the task of managing the project through signing an Assignment Contract (toimeksianto valtion virastolle). The Finnish government agency is then allowed to manage the project as specified in the Project Document. The Project Document is appended to the Assignment Contract.

6.3 Memorandum of Understanding

The Finnish government agency handles all practical aspects of cooperation with the partner agency. These relations, forms of cooperation, timetables, use of funds and other technical details are defined in the Memorandum of Understanding between the two agencies. In addition, the Memorandum of Understanding defines the project leadership structures. The Project Document is appended to the Memorandum of Understanding.

The signed Memorandum of Understanding must be sent to the MFA before signing of the Assignment Contract.

A model Memorandum of Understanding is provided in annex 1.8.

7. IMPLEMENTATION AND REPORTING

7.1. Inception Phase

Project implementation is useful to start with an inception phase. This means that the first months are used for mutual learning and the adjustment of initial plans. The length of the inception phase depends on the overall duration of the project.

In the beginning of the project it is useful to have a kick-off workshop where all key stakeholders are brought together. Kick-off workshop should comprise of interactive and open discussion sessions. For guidance on Kick-off workshop, see template in annex 3.1.

In the beginning, sufficient resources should be allocated to enable establishment of good mutual relations and for confidence building. It is also strongly recommended for the Finnish partner to seek advice from the Facilitation Consultant with regard to the project management, including planning and reporting, requirements and good practices.

The programme implementation is based on mutual accountability and direct cooperation between the two cooperating agencies, but the Finnish agency is responsible for its own part, and in accordance with the Assignment Contract, on the effectiveness and legality of the project activities. The working modalities and detailed work plans are agreed in a mutually acceptable manner. The project, as a capacity building activity, may have qualitative objectives, which are difficult to pin down exactly.

The Finnish agency can, in accordance with the MoU and the Project Document, delegate to the partner agency the responsibility for carrying out certain activities and/or paying certain expenses if invoicing is done through the official accounts of the partner agency, and if the delegation of responsibility does not necessitate an intergovernmental agreement. The Finnish agency is responsible for ensuring that the partner country agency has the required funds, and that the partner country agency presents the required invoices/receipts and other required documentation for invoicing purposes. The partner country agency's costs must be earmarked in the project budget.

In the end of the inception phase, the Project Document may be updated if needed. The update should be approved by the Project Board. Major changes in budget and Project Document should be approved by the MFA Regional Department. At this stage, changes at 'impact' and 'outcome' level should be avoided.

7.2. Implementation Tasks

Implementation is usually divided into various activities. These could be related e.g. to capacity building, joint analysis and sharing of information. If the responsibility of the activities is distributed to many experts, it is useful to share information between experts to ensure that the 'big picture' (i.e. results orientation) is taken into consideration.

Project Board makes the key decisions regarding implementation of the project. The Project Board should meet at least twice per year to discuss the project progress vis-à-vis the results framework, underlying factors behind possible challenges or successes, approve possible needed amendments to the plans as well as adopt annual plans and the Completion Report. The Project Board may also meet using video/telephone/internet conference facilities in order to ensure smooth cooperation.

The Finnish and partner government agency can make changes in the budget through the Project Board decision. Changes up to five percent of the total budget can be made between the four main budget lines, provided that the other regulations are not violated (min 70 % for capacity building, min 25 % for partner related costs, max 10 % for contingency). Changes within the main budget lines are also made through the Project Board. Information on any changes which affect on the expected outcome or outputs of the project need to be first discussed with the Regional Department of the MFA and agreed through correspondence.

Annual plans and Completion Report explore the progress in relation to the project objective and expected key results. They are discussed and approved by the Project Board. The annual plan should be used as an instrument if significant changes need to be made in the project operations.

Progress reports, including financial reports, are prepared by the Finnish agency for the MFA as a prerequisite to obtain payments. The progress reports are distributed to the Project Board for information.

7.3. Annual Plan and Mission Terms of Reference

It is important that the implementation phase is planned in detail to ensure that all share the same understanding of the objectives and expectations of the project activities. This is done by preparing and agreeing on an annual implementation plan and Terms of Reference for each visit/mission before the mission is carried out. The annual plans and Terms of Reference are internal documents between the cooperating partners. It is of utmost importance that the partner country agency participates in the planning actively. The format for annual plans is shown in Annex 3.2 and for Terms of Reference in Annex 3.4.

The annual plan is prepared jointly by the two agencies and it must be approved by the Project Board or equivalent. The annual plans should cover the following calendar cum fiscal year.

If a project spans less than two years, a separate annual plan is not needed. The Project Document serves as the annual plan.

In planning it is important to bear in mind that the MFA makes no advance payments.

7.4 Plan for Monitoring, Evaluation and Learning (MEL)

It is required for the ICI project to prepare a monitoring, evaluation and learning plan. The MEL plan is a tool for the project partners to think strategically and plan what kind of evidence and M&E activities are needed to reach planned project results. It describes how M&E activities are resourced, how the results are used and reported. It is a useful tool for stakeholders to support learning, accountability and adaptive management throughout the project implementation. The MEL comprises of progress reporting and evaluation which is recommended to be conducted as a self-assessment.

7.4.1. Progress Reporting and Invoicing

The Finnish government agency prepares brief progress and financial reports to the MFA as a basis for payments. Progress reporting and invoicing takes place quarterly or twice a year, as defined in the contract.

Progress reports serve as the basis for monitoring of project progress. They provide essential information enabling the project decision-making body to make changes or adjustments to the project plans and operations if considered necessary. Reports provide also a useful record of completed activities and support invoicing.

In the preparatory phase, it is important to appoint a person to be responsible for preparing and approving the reports. After authorised people have approved the report, it is sent to the Facilitation Consultant for review and approval. The Facilitation Consultant either approves the report after which it can be sent to the responsible Desk Officer in the Ministry for Foreign Affairs or requests further information or clarification from the Finnish reporting agency within seven days from receipt.

The progress reports are signed by the representative of the Finnish agency. The signed report functions as an invoice in the billing system of the Government. **A progress report approved by the Regional Department is a basis for payments of the MFA.**

The financial report presents the costs incurred during the reporting period, broken down according to the budget classification. The MFA is charged for actual costs (i.e. verifiable and acceptable costs) caused to the Finnish government agency when carrying out the services. **Costs have to be invoiced during the same calendar year.** The MFA's commitment to make payments in accordance with the budget is contingent on annual approval of the State Budget by the Finnish Parliament.

The invoices are sent to the relevant Officer in the MFA Regional Department.

Electronic invoices should be addressed using inter-agency data management code [ovt-tunnus] 0037024597392399. The electronic invoice should include all the necessary files in one package.

The invoices should contain all necessary information, including the name of the person responsible for the matter in the MFA and the intervention code.

The financial management needs to fulfil the principles of sound financial practice.

7.4.2. Self-assessment(s)

According to the evaluation norm, all MFA ODA projects should be evaluated at least once during their implementation period. It is recommended that the required evaluation will be conducted as a format of self-assessment. If the self-assessment is done only once, it should be conducted at mid-term. Self-assessment is done to facilitate monitoring as well as results reporting during the project implementation and at its closure.

The self-assessment is a key element of the monitoring, evaluation and learning plan. It is a documented and facilitated exercise and serves the purpose of learning between the two government agencies, steering as well as reporting. It provides the ICI partners with an opportunity to 1) conduct a joint analysis on whether the implementation of the project is on track, 2) identify possible corrective measures needed and 3) facilitate the preparation of progress and completion reports. Self-assessment provides valuable information for the MFA and all stakeholders on achieved results.

Self-assessment is a participatory process between the project partners, including a workshop(s), where key issues are openly discussed and analysed by the project partners. It may be useful to ask for a few selected outsiders to voice their views.

Instructions regarding the organization and implementation of self-assessment are available in annex 3.12.

In addition, MFA has a right to conduct project specific or thematic evaluations on ICI projects. These may be organized by the Regional Department of the MFA or the Evaluation Unit (EVA-11).

Further information about planning of evaluations including a facilitated self-assessment can be found at <https://um.fi/kehitysyhteistyon-evaluointikasikirja>.

7.5 Completion Report

The Completion Report is prepared by the cooperating agencies and approved by the Project Board or equivalent and the Facilitation Consultant before it is sent to the MFA for approval within 90 days after the project completion.

The Completion Report describes progress made in the project against the project objectives and expected results. It should pool together any underlying factors of possible challenges or successes throughout the project cycle from the perspective of the realised results, and provide key lessons learned for possible future cooperation. Its format follows roughly the Project Document format while the financial reporting follows the headings of the project budget (e.g. A1 assignment fees for Finnish government employees), which is appended to the Project Document. The self-assessment/other type of mid-term evaluation report(s) should be annexed to the Completion Report.

Outline for the Completion Report is available in annex 3.9. Guidance for final financial/expenditure reporting is available in annex 3.10. If there are assets to be handed over, a procedure for it available in annex 3.11.

8. SUPPORT SERVICES TO THE FINNISH GOVERNMENT AGENCIES

8.1. Advise

Finnish government agencies have expertise in their respective fields of operation. Many of them have high quality expertise also in development policy and development cooperation. In order to facilitate top class project implementation, the following services and contacts are useful to know.

1. Desk Officer in the MFA has full information on financing frames. She/he has also knowledge on the political and administrative set-up in the partner country.
2. The Embassy of Finland in a developing country has usually experts with detailed knowledge on development cooperation, context analysis and factors related to successful cooperation in the country.
3. The MFA thematic Advisors have expertise in thematic issues such as energy, good governance and gender equality.
4. The Facilitation Consultant is a close partner for the Finnish government agency. The Facilitation Consultant cooperates closely with the agency to ensure smooth operation and sustainable results.
5. Partner country agencies. The partner country agencies have the best knowledge on their operational practices, rules and ways of management. The knowledge includes both written regulations and tacit knowledge.

8.2. Training

The MFA provides training on development policy and development cooperation. This training is useful for general orientation. For further information, please contact MFA/KEO-10.

The MFA together with the Facilitation Consultant provides occasionally specialized discussions and training events to the Finnish government agencies that are implementing ICI projects. Information on such trainings is provided by e-mail to the relevant Finnish government agencies.