



**the sustainable
trade initiative**

Guidelines for Planning and Reporting

for Implementing and Project Partners

Updated: September 2020

Arthur van Schendelstraat 500, 3511 MH Utrecht, The Netherlands
www.idhsustainabletrade.com

Contents

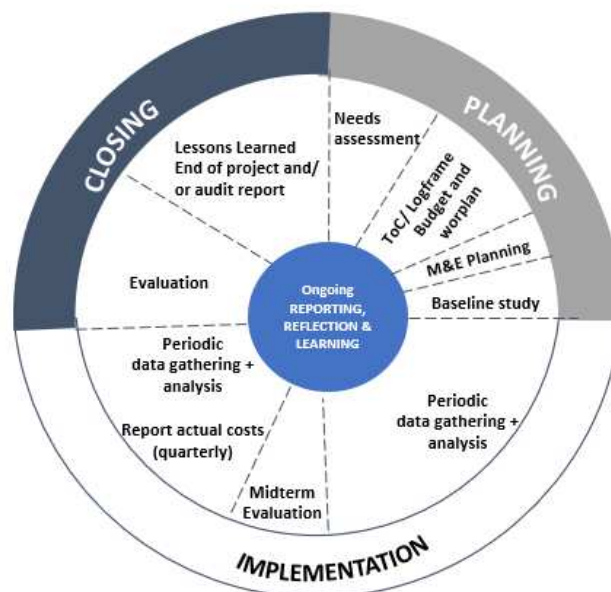
1	Introduction	3
2	Laying the foundation for reporting during Project Planning.....	4
	2.1 Initial needs assessment	4
	2.2 Theory of Change/Logframe	4
	2.3 Project Monitoring and Key Performance Indicators	4
	2.4 Project Work Plan.....	4
	2.5 Project Budget.....	4
	2.6 Baseline report.....	4
3	Reporting during Project Implementation	5
	3.1 Timetable of Deliverables During Implementation	5
	3.1 Financial reports.....	6
	3.2 Revised budget.....	7
	3.3 Revised work plan	7
	3.4 Audit statement	7
	3.4 Progress reports	8
	3.5 Mid-term evaluation report	9
4	Project closure	9
	4.1 Final financial report.....	9
5	Submission of reports	9

1 Introduction

IDH – Sustainable Trade Initiative (“IDH”) accelerates and up-scales sustainable trade by building impact-oriented coalitions of front running companies, civil society organizations, governments and other stakeholders to deliver impact on the Sustainable Development Goals (SDGs).

The Guidelines for Planning and Reporting document aims to help implementing partners (“IP”) and project partners (“PP”) standardize financial and non-financial (progress towards key performance indicators) reporting for all projects that are fully or partially funded by IDH. We refer to these guidelines in our contracts.

The Guidelines explain the minimum requirements for all reporting expected of IP and PP along the three major phases of project planning, implantation and closure. The figure below shows the detailed break-down of reporting activities for each stage. Implementing Partners and Project Partners are by default responsible of the delivery of all stages of activities except for baseline and end line data collection when overall project budget value exceeds EUR 700,000. IDH’s role and responsibility limits to the review body of the deliverables.



In addition to these Guidelines, IDH has specific requirements for the project proposal, project budget and eligible private sector investments. These criteria are included in the Criteria for Calls for Proposals and are available upon request. IDH may also request additional documentation when agreed upon with the Partners. Regular exchange of information between IDH and Partners is required, for example by means of calls and meetings.

The Guidelines should be followed at all times before, during and after implementation of projects. In exceptional cases where deviation from this set of requirements is needed, this deviation will be established by joint decision between IDH and Partners. In this situation, the funding agreement is leading.

2 Laying the foundation for reporting during Project Planning

The documents developed during the project planning and application process for IDH funding will impact the future progress and financial reporting. These documents are:

2.1 Initial needs assessment

Information is gathered during the proposal phase to determine the need for a project and the general project objectives that point in the direction of these needs. This requirement corresponds to **Section 3.1 Project Area Context** and **Section 3.2 Problem Statement** of the Project Proposal.

2.2 Theory of Change/Logframe

This is ideally a visual describing the causal relationship between project activities and its objectives, preferably with a flow chart that describe who the activities lead to Output results, which lead to Outcome results which lead to Impact results. This corresponds to **Section 3.4 Concept or Approach** of the Project Proposal.

2.3 Project Monitoring and Key Performance Indicators

This is the practical planning of the project to monitor and evaluate the output, outcomes and impact through indicators. This corresponds to **Key Performance Indicators excel spreadsheet (annex 4)** that attached to the Project Proposal.

2.4 Project Work Plan

This is the operational planning of the project to describe the time series of activities that lead to the intended objectives. The content of the Work Plan should match with Project Budget.

2.5 Project Budget

This document presents the total amount of funds needed to implement the project, based on a prognosis of the costs. The activity-based budget is organized so that it follows the activities in the project work plan. This ensures coherence between work plan activities and budget lines. It provides a straightforward way to assess whether all the activities have been budgeted for and to compare the progress of spending on each activity to the progress on the work plan and KPIs.

2.6 Baseline report

This is the measurement of the initial conditions of the KPIs listed out in the **Key Performance Indicators spreadsheet**. The result should be filled in the column **Project Baseline: value before the start of the project** of the **Key Performance Indicators (Annex 4)**, which is attached to the Project Proposal.

For the **Baseline, Midterm (see point 3.5 of this document) and Final (point 4 of this document) report**:

- When project exceeds budget value of 700,000, baseline, midterm and final data needs to be collected by an independent third-party, for which IDH has preferred service provider for, i.e. Akvo Foundation. A joint decision needs to be made prior to the start of the project as for how and by which service provider data is to be collected.
- In exceptional cases projects under budget value of 700,000 can also be subject to evaluation, for which IDH will discuss jointly with Project Partners or Implementing Partners.
- All costs incurred due to collection of baseline data should be covered by the project budget

3 Reporting during Project Implementation

3.1 Timetable of Deliverables During Implementation

Below you will find the timetable of the deliverables required during implementation phase:

Deadline	Deliverables
31 January	Annual progress report previous year (N-1) <i>Financial reporting - see 3.1 for more info</i> <ul style="list-style-type: none"> Financial Annual Report Revised Budget current year (N) Revised work plan current year (N) <i>Narrative/KPI reporting - see 3.3 for more info</i> <ul style="list-style-type: none"> Summary Output and Outcome KPI of Q1 to Q4 results of previous year Narrative progress report
1 March	Audit Statement previous year (if applicable)* <i>see 3.5 for more info</i>
31 April	Quarterly progress update January - March current year <ul style="list-style-type: none"> Financial update Output KPI of Q1 results of current year
31 July	Quarterly progress update April - June current year <ul style="list-style-type: none"> Financial update Output KPI of Q2 of current year Financial forecast upcoming year (N+1)
31 October	Quarterly progress update July -September- current year <ul style="list-style-type: none"> Financial update Output KPI of Q3 results of current year
Halfway project implementation	Mid-term evaluation
End of project	Final report +/- end evaluation

* An audit is required in case IDH/liable partner annual or total contribution is higher than EUR 75,000. The audit statement is submitted by the auditor of the Implementing Partner of Project Partner. The Implementing Partner or Project Partner is obliged to provide the contact details of their auditor.

For IDH to assess the project it is important that the KPI table and financial report are aligned to be assessed jointly. The content of these deliverables is described in the following sections.

3.2 Financial reports

	Content	Submission via
Financial Annual Report	January - December (previous year) <ul style="list-style-type: none"> Actuals for the previous year Cumulative figures up and including previous year 	E-mail to program team
Audit Statement* (if applicable)	January - December (previous year) <ul style="list-style-type: none"> In accordance with IDH Audit Instructions 	E-mail to audit@idhtrade.org and idhauditcoordination@mazars.nl
Revised Budget	January - December (current year) <ul style="list-style-type: none"> Revised budget current year and remaining years Cumulative actuals up and including previous year 	E-mail to program team
Revised Work Plan	January - December (upcoming year) <ul style="list-style-type: none"> Revised Work Plan detailing the expected implementation timeline of the activities described in the revised budget 	E-mail to program team
Financial Quarterly Updates	January - March (current year) April - June (current year) July - September (current year) <ul style="list-style-type: none"> Actuals per quarter current year Cumulative actuals up and including previous year 	E-mail to program team

* An audit is required in case IDH/liable partner annual or total contribution is higher than EUR 75,000. The audit statement is submitted by the IP auditor. The IP is obliged to provide the contact details of their auditor during the partner assessment.

The format for the financial planning and reporting is agreed as part of the project proposal, through the work plan and the budget template attached as annexes to the contract.

The financial planning and reporting will always be submitted in a format that is agreed with IDH. The minimum requirements are:

- aligned to project proposal activities
- activity based (and cost based, if agreed upfront)
- reported in local currency and converted to Euros (or currency as per contract, using the weighted average of the exchange rate(s) on the disbursement receipt date(s).
- in English
- breakdown per partner (IDH, private, other donors)
- accrual based, not cash based
- approved annual budget for the reporting year
- cumulative received payments from IDH
- cumulative actual expenditures (accrual based) allocated to IDH contribution
- cumulative actual expenditures (accrual based) allocated to the other program partners (specified per partner)

The financial planning or report should always present the following:

- the period it refers to

- the contract number of the funding agreement it refers to
- a justification of variance > 10% in relation to the main budget lines
- the agreed ratio of IDH: private sector funding that is applicable to the entire project period.

3.3 Revised budget

The revised budget is an updated total project budget based on the confirmation of the previous year's actuals. As there may be activities that could not be delivered in that year and so in agreement from both parties the budget would be revised to take this into consideration.

The revised budget should be accompanied by and aligned with a revised workplan describing the expected implementation time of each activity.

3.4 Revised work plan

Every implementation project contains a work plan detailing the implementation timeline of the activities described in the project proposal.

The activities described in the work plan should be in line with the activities listed in the budget file. Therefore, in case a multi-year project submits a revised budget for the current year, it is necessary for this to be in line and presented together with a revised work plan.

In this sense we can forecast the expected annual costs of each implementation project more accurately, making sure that all possible factors influencing the implementation are considered.

3.5 Audit statement

IDH always requires an audit when the total IDH spending and/or IDH liable spending* is equal or more than EUR 75,000. In case IDH requires a Project Audit, the subject of the audit will be the financial report of the project. This project audit needs to comply with the IDH Audit Requirements which are yearly updated.

The audit will be conducted on the complete financial report of the project. This means that the spending of contributors other than IDH (private, other) are also part of the project audit. In case a project needs to be audited due to the contribution amount or for any other reasons agreed in the contract, the implementing partner should follow the Guideline Selection Auditor to select their project auditor. This document is included as an annex to the contract.

IDH's auditor and IDH's Finance team need to receive the audit documents on time. It is the IPs responsibility to makes sure their auditor obliges to that. Failure to report on time may result on withholding disbursements and contract termination.

*IDH liable means that the private partner contribution will be transferred through the IDH bank account.

3.6 Progress reports

	Content	Submission via
Annual Report (N-1) Summary Output and Outcome KPI of Q1 – Q4 results of previous year & Narrative progress report	<ul style="list-style-type: none"> • Summary Output and Outcome KPI of Q1 – Q4 results of previous year = Updated Key Performance Indicator (KPI) table, containing: <ul style="list-style-type: none"> ○ Annual and overall target (of the previous year) ○ Actual and cumulative results on outputs and outcomes (with any necessary qualitative comments, and an explanation of major deviations) • Revised workplan: Overview of activities undertaken and link with program impact claim and budget • Narrative progress report, including: <ul style="list-style-type: none"> ○ Lessons learned ○ Risk Assessment ○ Outlook for the year in course. 	E-mail to program team
Quarterly Progress update Output KPI of Q2 results of current year	Updated Key Performance Indicator (KPI) table, containing a quarterly update on <u>output indicators</u>	E-mail to program team

The following aspects are important in preparing the progress reports:

- 1) **Key Performance Indicators:** the IDH results management framework includes a set of key performance indicators (“KPIs”) that all implementing partners should comply with when reporting on the project progress. These KPIs align with the overall program strategy and address the impact claims. The program specific impact claims as well as specific measurement guidance protocols on how to report on the KPIs will be made available by IDH as annex 1 to the contract. Progress on these KPIs should be monitored (and reported upon in the progress and annual reports), but other indicators that are considered relevant for the project can of course be included, in agreement with your IDH contact person For the KPI reporting it is expected that Partners establish a baseline before the start of the project activities. The baseline is only set once, before the beginning of the activities and is maintained during the course of implementation. In addition targets need to be formulated for each KPI that clearly indicates what should be achieved by the project., the overall project targets are set At the beginning of an implementation project, annual targets are set for each year of the project duration. These KPI tables need to be included in all progress reports.

IDH’s policy related to target-setting and results in the KPI table:

- **Targets**
 - Impact indicator target cannot be altered once contract is signed.
 - Outcome indicator target is adjustable based on formal approval process.
 - Output indicator target can be adjusted in every annual planning cycle.
- **Results**
 - Historical results cannot be altered once published.
 - Never report on forecast or projected figures. Results can only be backwards looking, never foreword looking.

- **Activities**
 - a full overview of all the planned (annual plan) and implemented (progress and annual report) activities is part of each narrative report. Please show a clear link to the overall program strategy, impact claims and budget.
- **Results**
 - each report should include a clear description of the (expected) results, an explanation of major deviations from the planned activities, and an assessment of the challenges and risks associated with the activities.

3.7 Mid-term evaluation report

This is conducted for an ongoing project to take stock of the initial situation and interventions, and to identify appropriate actions. This requirement is only applicable to project which duration exceeds 4 years. The result should be filled in the column **Quarterly Progress** of the **Key Performance Indicators table (annex 4)**, which is attached to the Project Proposal.

4 Project closure

4.1 Final financial report

This occurs after project completion to assess how well the project achieved its intended objectives and what difference this has made. It provides input for organizational learning. The result should be filled in the column **Quarterly Progress** of the **Key Performance Indicators**. And the differences between the actual results and the value in **Target: value at the end of the project** is the gold standard to assess project effectiveness.

4.2 Audit of final financial report

Depending on the amount of IDH and IDH's liable partners contribution, it might be requested an audit of the final financial report.

5 Submission of reports

All plans and reports must be submitted to IDH as per the deadlines indicated in the previous tables. In the case of submission to the IDH auditor web portal, before the submission is due IDH's auditor will send your auditor contact person a username and a password for the portal as well as user manual, which has step-by-step instructions about how to submit reports.

Once submitted, the report will be reviewed by your IDH contact person. They will also suggest further updates to the report(s) and/or confirm report approval.

Should there be any questions on these Guidelines, please do not hesitate to reach out to your contact person at IDH.

The following document is available upon request:

IDH Audit Instructions, please be aware that this is subject to change every year