

# PROJECT HANDBOOK

FOR PROJECTS FINANCED BY THE PALME CENTER



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# A WORKING RELATIONSHIP TAKES SHAPE

**Partnership is the basis of all our working relationships. Through our collaboration, we all benefit.**

## The Palme Center view of partnership

We at the Olof Palme International Center and our member organisations work closely together with other organisations, networks, stakeholder groups and parties that share the values of the labour movement.

All our working relationships are distinguished by partnership and solidarity, which constitute a fundamental value. It is important to remember that solidarity and partnership are not charity, where the rich give to the poor. Rather, it has to do with the realisation that we are stronger together. That we all benefit.

## 8 important elements of a strong partnership

In surveys conducted by the Olof Palme International Center in 2015, the following eight points were highlighted as the most important elements in building a strong partnership.

### 1. Shared values, ideology and strategic direction

Partnership has to do with having a common goal and understanding one another's long-term priorities, expectations, strengths and experiences. Conversations should lead to a shared vision of reinforcing the organisations in the long term, in line with their fundamental purpose. To start with, however, it is important to clarify the respective organisations' goals for the partnership, as well as their needs with regard to the partnership and the operation.

### 2. Equality

Equality is not only a fundamental value for popular and democratic movements, but also a central feature of partnership. This is what separates our work from donor/recipient relationships or standard contractual relations.

### 3. Open communication, responsibility and honesty

Maintaining contact and communicating on a regular basis about the development of the working relationship helps to strengthen the feeling of shared responsibility and to

guard against misunderstandings. The organisations need to be open and honest so that neither party experiences information being withheld. The Olof Palme International Center creates a forum for communication and meetings such as conferences, educational courses and network meetings within the programmes and through our local presence – the local offices. The working- and project groups stay in touch using email, Skype, phone calls, social media and meetings in Sweden or in the partner country. There are examples of working relationships where the communication focuses exclusively on formal issues in application and reporting periods, and others where the organisations have developed an authentic friendship and communicate about everything from the development in the country and ideology to purely private matters. Think about your communication patterns and any risks of linguistic confusion.

#### **4. Long-term commitment**

In most cases, a working relationship between organisations remains in effect for a protracted period and relations between the organisations develop progressively. It is important to ensure that the relationship is not dependent on individual people, and that it is broadly deployed within the respective organisations so as to assure longevity. Devoting time to getting to know one another – particularly in the early stages of the working relationship – is crucial to success.

#### **5. Neatness and order**

Effective organisation, clear work routines and good administration are preconditions for receiving financing from the Swedish International Development Cooperation Agency (Sida). There are a number of requirements that need to be fulfilled, and the Olof Palme International Center provides instructions and forms to help ensure compliance. However, it is important that the content of the working relationship does not fade into the background behind a fog of rules and regulations – and the Olof Palme International Center works to maintain a balance.

#### **6. Clear roles**

A clear division of roles based on the different strengths of the participating organisations helps to promote the working relationship. During the programme period, the working- or project group in Sweden, the partner organisation and the Olof Palme International Center find themselves having to take on a variety of roles: as administrator, for example, or as executor, assessor, strategist, moderator, donor, communicator, quality assurer and controller, resource, expert, educator, counsellor, organiser, influencer, etc. Clarifying responsibility and expectations at an early stage can help the working relationship flow more smoothly.

#### **7. Mutual return**

It is important that the collaborating organisations become stronger and develop through the working relationship, and that the strengths of the respective organisations are safeguarded. At the same time, it is relevant to be aware of the power relationship that can often be inherent in the working relationship where there is a “donor” and a “recipient”. How do we relate to the perspectives of: “helping the needy without regard for own interest” and “creating a mutual partnership between equal parties”?

## 8. Results for society

The operations that the Olof Palme International Center supports through its programmes have generated good results with regard to increased knowledge about human rights and the organisation of people into associations to demand their rights, as well as support for the growth and spread of democracy. The purpose of the partnership between organisations has always been to improve conditions for people in the partner countries. Think about how your working relationship functions in practice, and what distinguishes your partnership. If you feel that any part or parts can be improved, talk to the programme managers at the Olof Palmer International Center about how you can tackle the work, and about what support you are eligible to receive in this context.

### How to establish working relationships

There are several ways in which the Olof Palme International Center member organisations and their partner organisations make contact to develop a long-term working relationship. It often happens that the contacts the member organisation has built up through its international network lead to a working relationship where the two organisations turn to the Olof Palme International Center for financing within one of the Palme Center's programmes.

In certain cases, it is the Olof Palme International Center that convenes a meeting with one or more Swedish and international organisations to look into the possibilities of a working relationship. Other parties meet through international education courses, conferences or shared campaigns. A member organisation can also “take over” a working relationship from another organisation that is no longer able to continue the partnership, or enter as a partner (or “sponsor”) into a project that was previously supported directly by the Olof Palme International Center (see the Section “Different forms of involvement”).



# RUNNING OPERATIONS AT THE OLOF PALME INTERNATIONAL CENTER

**Would you like to start a new partnership with support from the Palme Center? Read on about what kind of partners we work with, about the role of our member organisations and about the different forms of support.**

## The Olof Palme International Center primarily works through its member organisations

The Olof Palme International Center principally works through its 27 member organisations from the Swedish labour movement. This means that the Palme Center mainly works with partner organisations within the international labour movement and/or organisations that are active in the areas of societal change, union rights, democracy and human rights. In certain cases, the Palme Center directly supports organisations in the partner countries with shared values on promoting democracy, human rights and peace.

We define the international labour movement as a broad collection of popular movements consisting of political parties, trade unions and civil society organisations that are working to promote progressive change. In a more formal sense, it is defined by the different international organisations and platforms in which our member organisations are actively involved, and their various regional and national structures and member associations. In different countries and contexts, this also involves close allies, civil society organisations and society-based organisations with a shared vision for – and understanding of – progressive development.

A future partnership will be based on an assessment of the needs, capacities and priorities of the applicant, as well as on the extent to which the applicant, in its specific context, is dynamic, relevant and interested in promoting progressive development.

## All projects or operations take place within programmes

The Olof Palme International Center works in programme form when supporting Civil Society Organisations (CSO) and Party Affiliated Organisations (PAO). Briefly put, this means that all operations, irrespective of whether they may involve **core support/organisation support** or **project support** (see the section below) within a

given programme, are to contribute to a shared objective. The advantage of this approach is that it makes it possible to benefit from one another's experience, and it makes it clearer that all aspects of the operation are interlinked and that the operations of the different partner organisations supplement each other *en route* to the common objectives.

In order to run operations (be they with core support or project support) with funding from the Olof Palme International Center, the activities must align with the overarching aim. The ongoing or planned programmes at any time are described on the Palme Center website. When new programmes are planned, this is done in consultation with the Palme Center's member organisations, the intended partner organisations, and on the basis of a decision from the board of the Olof Palme International Center.

Each programme thus consists of a number of working relationships. Support from the Olof Palme International Center is always sought in the form of project- or core support. The working relationship and partnership can, however, extend far beyond the bounds of a specific project.

*“We strive to keep the focus on organisations and create systems that facilitate and support mutual and equal partnerships, governed by the principles of development efficiency.”*

[The Olof Palme International Center's international strategy 2020–2025](#)





Supporting a project is like focusing on one particular fruit. Core support is looking at the whole tree and making it stronger.

## Project support or core support

Conventionally, the Olof Palme International Center – in exactly the same way as many other organisations that focus on international development work – has primarily worked with **project support**, i.e. support for a limited part of a partner organisation's operation, where there are clearly defined project goals and sub-goals, as well as clear start and end points. Organisations often run multiple projects and programmes which, together, contribute to the overarching goals and vision of the respective organisation. In providing project support, the Palme Center supports just one of the partner organisation's projects. A project can therefore be said to be a way of limiting the working relationship.

### The distinguishing features of a project are:

- It is limited in time
- It has a separate budget
- It is governed on the basis of a goal, i.e. there is a given result to achieve
- It is managed by a working group that plans and executes activities with a view to achieving the goal
- It is evaluated on completion to establish whether the goal was achieved.

In recent years, partly as a response to developments in the field of international collaboration, the Palme Center has started to shift focus from projects to organisations. Through what is known as **core support** – or **organisation support** – the Center provides support to a partner organisation because we believe in the overarching goals and visions of the organisation in question.

The term “core support” reflects the fact that the funds are paid directly to the partner organisation's core budget, which means that the organisation can use the funds in the

way that best suits all the operations the organisation runs, i.e. in a way that encompasses all the organisation's projects and programmes.

The benefit of core support is that it contributes to increased local ownership, makes the organisation more flexible and enables it to adapt to changing contexts. Another advantage of core support is that it becomes more natural to hold discussions about organisational development – internal democracy, for example – and to place the emphasis there rather than on individual activities. The focus of core support is therefore on the results of all the operations that the organisation conducts, rather than on a limited number of activities within a given project. The Palme Center believes that democratic development is dependent on free, democratic organisations deployed among the people, and it is therefore a part of our strategy to focus more on organisations and partnerships than on individual projects.

For the Olof Palme International Center to provide core support, the Palme Center must have in-depth understanding and knowledge of the partner organisation. Values are particularly important, as is ensuring that they permeate all operations the organisation conducts. The Palme Center therefore has a number of criteria that apply if an organisation is to be considered eligible to receive core support.

[Contact the relevant programme manager for additional information](#)

## 7 requirements for local civil society organisations or political parties applying for funds

### The partner organisation must:

1. For CSO programmes, be an organisation with a **non-profit or cooperative** direction, whose operations are based on **democratic** values and distinguished by openness and responsibility. For PAO programmes, be a **political party**. What are known as “party-associated organisations”, such as the women’s association of a given party, can participate in both CSO and PAO programmes.
2. Initially, be a **member-based organisation** whose members represent the target group the Olof Palme International Center wishes to support. Secondly, be professional organisations working actively to **support and strengthen popular movements**.
3. Be **registered as a non-state organisation** with the authorities (NB exceptions can be made in specific cases, where this is not possible on account of lack of freedom to organise. If in doubt, consult a programme manager).
4. Have conducted a **documented operation for at least one year**. In exceptional cases, organisations that are under establishment and informal structures such as networks can be considered local partners, if this has the potential to reinforce their actual democratic nature and non-profit or cooperative direction.
5. Be able to present approved **financial reports from the previous year**.
6. Work to **promote societal development on a democratic basis**.
7. Be able to take **responsibility** for the proposed initiative and have the requisite staff, administrative and financial resources.



# PLANNING THE OPERATION AND APPLICATION

**Good planning is a precondition for a successful operation. Above all, planning has to do with deciding how resources are to be distributed and choosing between different options in order to achieve the desired result.**

## **Plans need to be adapted along the way**

It is important to remember that the purpose of planning is to establish a basis to work from, and that a plan can be changed if necessary. As it is impossible to know the exact results of activities in advance, the objective of planning is not to lay down a path we are to follow in every detail. Rather, the plan serves as a qualified estimate of how change will take place, and we must be prepared to reconsider and adjust a given plan if it turns out that it does not align with reality. For this reason, it is extremely important to also plan for how to **follow up regularly** on the operation, so that lessons can be learned and priorities altered where necessary.

## Including those who are affected in the planning process

Planning is also a **communication** process. All the people affected by the operation and its activities have their own ideas about the situation that is desired – and how to get there. So, in order to reach agreement we must share our ideas with others. Shared planning helps us understand each other's different perspectives and to reach consensus on a target image.

If the principles of non-discrimination, participation, requirement for accountability, openness and insight are to be applied to the planning phase, the planning must be carried out in close **consultation** with all players involved, and the **target group** must also be invited to take part.

Don't forget that there may be structural obstacles that make it hard for everyone's voice to be heard. This may, for example, be on account of gender, age or level of education. These obstacles must be highlighted and consciously tackled. In this context, it is absolutely essential that the Swedish member organisation, partner organisation and target group participate in the planning together, so that everyone gains a shared understanding of the situation, what can realistically be achieved within a given timeframe, and what are the most appropriate activities for achieving the goal.

There are a great many things to think about in order to determine the optimal design of a project or an operation. For example, it is important to be familiar with the context in which the operation is to be carried out, and to analyse what is to be achieved – and what needs to be done to ensure that this happens. Everyone who participates in the planning contributes with their specialist knowledge, perspective and experiences.

One way of planning together is to arrange a meeting early in the process – known as a “**planning workshop**” – attended by representatives of the working groups from both the Swedish organisation/the Olof Palme International Center and the target group. This provides a good forum to get to know one another and to establish a shared image of how the operation is to be shaped. Many people choose to hold the planning workshop during a **preliminary study trip**.

## Methods for planning and following up your operations

In the work to plan and follow up, there are several useful methods that have been prepared precisely for this purpose. An umbrella acronym for these methods is **PMEL**, which stands for **P**lanning, **M**onitoring, **E**valuation and **L**earning.

Different methods often include similar fundamental planning steps, and they have different strengths and weaknesses. It is not necessary to use a specific method; in many cases, the best approach is to cherry-pick whatever seems meaningful in the context. Choose what works best on the basis of your organisation's preferences, type of



operation/project, and the context in which you are working. It is a good idea to contact your programme manager if you would like some advice or need any kind of support when preparing your planning.

You will find method material that can prove useful [on our website](#).

## Results-based management

Results-based management (RBM) is a strategy for increasing knowledge about what works and what is effective, and for reporting on the results. As the name suggests, it is a matter of using results as the basis for the ongoing management of the operation. Learning from the ongoing work is an essential foundation if one is to take a results-based approach. It is therefore important to plan what to follow up on and evaluate, and how to do it, as it is through the follow-up that we can gain the learning necessary to ensure that the planning and management remains relevant going forward.

There are several different methods for working with results-based management, including the **Logical Framework Approach (LFA)**, **Outcome Mapping (OM)** and **Theory of Change (ToC)**.

## Describing the context and identifying relevant players

One of the first steps in planning a project is to perform an **analysis of the context and the problem**. The purpose of this is to establish the most comprehensive image possible of the current situation, which can then be used as the starting point when defining **which changes are necessary** to ensure progressive development.

It is important to ask the target group directly what they need, and how their rights and needs can be accommodated. This provides an occasion to generate a shared understanding of what the different **political priorities** the Olof Palme International Center works with mean in the partner organisation's country and context (see [our International Strategy](#)). Initiatives to support workers' rights or equality can mean one thing in one country, but something else entirely in a different context or country. Here, it is particularly important to include the target group, because they are best equipped to describe what is most problematic and can provide valuable insight into how best to tackle the issue. It is essential to try to establish the root cause of the problem in order to attempt to identify which strategy is likely to prove most effective.

One method that can be used to apply a pedagogical approach to visualising the different causes of the problem is what is known as a **problem tree**. In a problem tree, the causes represent the roots of the problem which, in turn, symbolises the trunk. The effects of the problem are shown as the crown of the tree.

An **actor's analysis/mapping** is part of the work to map the relationship, while focusing on actors (who can, for example, be individuals, groups, organisations, religious



communities, parties or institutions) helps make the description more palpable. This is helpful in the next stage of the planning, as it clarifies the specific aspects that need to be changed, rather than simply stating that “something” needs to change to contribute to achieving the objectives of the project or operation.

You will find a set of tools [on our website under Method material](#)

## Goals and strategies

When you have completed a description of the context and identified the problem (i.e. a context and problem analysis), you will have a deeper understanding of the issues that need to be tackled, and where you can contribute.

For the operation to result in positive development, all the parties involved must agree on which changes they want to see.

**The objective(s) of the operation** describe the change that is to have taken place once the operation is concluded, and this relates to the description of the context, the issues identified and the mapping of the players that has been completed.

Once you have identified the goals of your operation, you also need to consider how these must **align with the objectives of the programme** of which your operation is to form part. In accordance with [the Olof Palme International Center’s international strategy 2020–25](#), the programme must contribute to **five political priorities/outcome areas**, which in turn are a part of a progressive development.

In order to achieve your goals, you need to decide which **strategy** you are to apply – including what you are actually to do to achieve your goal(s). An overarching goal can, for example, be divided into several **intermediate objectives**, with the idea being that completing all the intermediate objectives should result in achieving the overarching objective. There should be a logical chain between the overarching goal and the intermediate objectives. When you look at the intermediate objectives, it must be possible to understand their connection to the overarching goal, and how they lead to achieving it.

In operations that are targeted at societal change, and which are often conducted in a changeable and – in many cases – unpredictable context, it is not always easy to make a correct assumption about how change is to take place. Instead, it can be easier to work with “**outcome areas**” or “**operation areas**” so as not to lock down planning on the basis of assumptions that subsequently prove to be incorrect.

In the same way, there must be a logical connection between intermediate objectives/outcome areas and activities. The intermediate objective, or what is achieved in the outcome area, should be the overall result of the activities completed. Completing activities is always a means to achieving something, the activities cannot be an end in themselves. However, in the same way as it can be difficult to make assumptions about

which intermediate objectives lead to the overarching goal, it can be hard to predict which activities lead to an intermediate objective or contribute to a target area. The activities can, for one reason or another, produce results other than those we anticipated, or no results at all. It is therefore important to constantly evaluate whether the logical result chain you imagined actually holds water, or whether you will need to make adjustments as you go. This is what being **adaptive** (i.e. adjustable and flexible) is all about.

## Follow-up, learning and adaptation

In connection with your work on planning the implementation of the operation, you also need to plan for how to follow up on an ongoing basis. One way to do this is to use pre-defined **indicators**, i.e. specific factors to check and measure while the operation is under way.

Indicators make it easier to determine whether or not you have reached your goals. Indicators can thus be defined as *measurable signs* that demonstrate whether the goals have been achieved.

- They may be **quantitative**, i.e. provable with figures and statistics.
- They can also be **qualitative** and formulated with “soft” measurements such as the perception among participants that they have broadened their knowledge or improved their self-awareness, or examples of how the participants have acted after completing an educational programme.

In many cases, **changes in attitude among different players** are what constitutes evidence that goals have been achieved. These could, for example, include changes in relations between different actors, policies and legislation, or changes in attitude at institutions and organisations or among individuals. In operations that are not overly complex and where the expected change is clearly predictable, this is a particularly good way to work with follow-up.

However, there is always a risk of becoming so fixated on indicators that you miss a different change that may have taken place as a result of the operation, but which was not covered by the indicators. So, try to be inquisitive about all types of change, even if a given change was not what you expected when you were planning your project or operation.

In extremely complicated operations, on the other hand, it can be better to start by **observing change**, before working to establish how it was achieved, and thus determining whether it was a result of your project/operation.

Continuously following up on the operation enables you to check that the operation is heading in the right direction, or whether you need to make any changes to get back on track. Moreover, it is necessary to be able to verify (i.e. prove) and document how the follow-up was performed and what it resulted in. Someone who is not familiar with the

operation must subsequently be able to “track” it and understand how the changes came about. The issue of how the change was made is also something you need to be able to describe when it is time to report on the project or operation.

Take time in your working group to discuss aspects that appear in the follow-up. What lessons can you learn? What functions and leads to results, and what does not? Have any changes taken place in the context in which you work, or among those players who are relevant, which means that you will need to change or adapt the operation? Can you adjust the implementation in any way to achieve an even better result? Did you schedule regular occasions to focus on learning and adaptation?

**Discuss:**

- How are you to identify change?
- How are you to collect information and document the change?
- How are you following up on the change? How are you incorporating what you learn in the work going forward?



# THE OLOF PALME INTERNATIONAL CENTER'S INTEGRATED PERSPECTIVES

**The Olof Palme International Center has identified four perspectives that are important to integrate into all operations. These are: Gender Equality, Environment and Climate, Conflict Sensitivity and Anti-corruption. If the operation is not sensitive to conflict, does not take into account and attempt to combat the gender power order, does not show consideration for the environment and climate, or accepts corrupt systems, there is almost no likelihood that it can contribute to progressive development.**

It is best to carry out the analyses of gender equality, environment and climate, anti-corruption and conflict sensitivity in your project landscape jointly in your working group.



## Gender equality

All projects run with funds from the Olof Palme International Center must promote gender equality. Occasionally, this is done directly, i.e. through activities intended to contribute directly to increased gender equality and reduced discrimination. However, those projects and operations that do not focus directly on gender equality should, as far as possible, also be designed in such a way as to promote gender equality and combat discrimination. All projects/operations must be **gender mainstreamed**.

In practice, this means that the operation must be founded on a thoroughly tried and tested **gender and power analysis** that is included in the planning, implementation and follow-up of the operation.

When performing an analysis of this kind, it is useful to think of how different power orders and discrimination bases affect and occasionally amplify one another – an individual power order cannot be understood independently of others. This is usually referred to as **intersectionality**.

**The section below presents some auxiliary questions you can use in the planning of the operation to increase gender equality and reduce discrimination:**

- What is the current status with regard to gender equality and discrimination in the area where the operation is to be run? What is the status of the power balance between women and men? Which groups are subject to discrimination, and how do the different bases for discrimination interact?
- Think about *who* identified the problem the operation is designed to work with.
- What knowledge exists regarding work to promote gender equality and combat discrimination in your organisation/party?
- Does the operation target any group or groups that is/are discriminated against? Which ones and why?

- How can you ensure that men and women, minorities and any other discriminated groups can participate to an equal extent in the design of the operation?
- How can you ensure that men and women can participate to an equal extent in the implementation of the operation? What obstacles are there to women's participation today, and how can these be overcome?
- How can we ensure that the discriminated group participates in the design of the project?
- Has an analysis been carried out of any resistance to the participation and/or influence of women/discriminated groups in the operation?
- Is anything specific being done to facilitate the participation of women/discriminated groups in different decisions?
- Does the operation contribute to enhancing the power of discriminated groups (this could, for example, be power in the organisation/party or in the local community)?
- What challenges have you identified to achieving gender equality and non-discrimination in your party or organisation?
- Describe how the project will contribute to increasing the participation and influence of women and discriminated groups in the party/organisation, and how you will work with the issues of gender equality and non-discrimination in the project.

In many cases, the objective of the operation has to do in part with the partner organisation itself becoming more equal. For example, the partner organisation may adopt a gender equality policy, a non-discrimination policy and subsequent action plans stating that more executive positions are to be accorded to women and discriminated groups, and that the organisation is to recruit more female members.

Tools for conducting a **gender equality analysis** and for helping you to work with **equality mainstreaming** are available on our website under [Method material](#).





## Environment and climate

Analysing the operation from the perspective of climate and the environment makes it possible to identify any environmental links that might have not come to light if you had not thought about them specifically. This is also a good way to ensure that the planned operation does not have negative consequences for the environment. Above all, it has to do with establishing how the operation can contribute to a “Just Transition”, which can make it more urgent for more people and contribute to the objective of fair and sustainable development.

All applications must therefore answer questions about which climate and environmental issues affect the target group and the operation, and how the operation, in turn, can have an effect on the environment. Applications must also answer questions about how the project can promote a just transition in the area in which it is to be carried out.

**Ask yourselves the following questions when planning your operation, and regularly during the follow-up:**

- How do the activities under the operation affect the environment and climate, and how can we reduce our negative impact and improve the positive footprint?
- Is the target group of the operation affected directly or indirectly by a more unstable climate and environmental disruption? If not now, what consequences are expected to be highly noticeable over the coming decades?
- Is there a risk that climate change and environmental disruption may affect the implementation and results of the operation?
- How much awareness regarding climate change and environmental disruption – and their consequences—is there in the area covered by the operation?
- What are the most significant climate and environmental issues that are engaging citizens in the area where the operation is being run? How can the operation be designed to address these issues?

- Can the project/the operation be used to educate the members of the target group about their rights and improve their opportunities to tackle issues concerning the environment, climate transition and climate adaptation?
- How can the project/the operation contribute to a just transition in society? (By promoting political reforms and climate-adapted jobs, preparing society for the effects of the climate and environmental crises, popular education, etc.)?
- What knowledge do we and our partner organisations possess regarding the climate and environment, and where do we need to learn more? (For example, are we aware of how environmental issues affect women and men differently, and do we know how solutions can be designed to enhance equality?)
- The Palme Center encourages the seeking of partnerships/alliances with just transition as their objective, so as to increase the chances of success for a quick and just transition. What other players can we work with in the project to contribute to this aim?

On the website, you can find more tools on environment and climate under [Method material](#)



## Anti-corruption

It is in those countries where the state and the state institutions are weak, the form of government is undemocratic, and the civil society is weak, that the risk of corruption is greatest. At the same time, poorly developed democratic institutions and a lack of democratic culture help allow corruption to spread unchecked. Corruption, in turn, hinders societal development and serves as an obstacle to democracy and human rights. It is therefore essential to take a zero tolerance approach to corruption. Preventing and combating corruption makes a major contribution to democratic development.

### Aspects to analyse:

- To what extent do poor people have the opportunity to hold the government and/or decision-makers/those in power at other levels of society (in workplaces, for example) to account?
- To what extent is corruption present in the country?
- Can the operation be used to promote an increased popular demand for accountability in issues of corruption?
- Discuss how corruption may affect the implementation and results of the operation. How can the operation be planned to combat the risks linked to corruption?
- Differentiate between corruption in society (external corruption) and the risk of corruption within your own organisation and the partner organisation (internal corruption). What are you and your partner organisation doing to prevent and combat corruption in your own operation and within the organisation?

The Olof Palme International Center's method support entitled "Corruption – an obstacle to development" contains tools for work to combat internal corruption. You will find it on our website under [Method material](#)



## Conflict sensitivity

Development and conflict are inseparable, but conflicts must be dealt with constructively and non-violently if they are to lead to progressive social change. A conflict that is not dealt with peacefully and constructively can snowball instead, and become destructive, hostile and/or harmful – even to people who are not directly involved in it.

The core activity of the Olof Palme International Center – i.e. to build alliances, to organise and to give people the tools they need for change – entails handling social conflicts non-violently. It is important to consider that we are constantly placing ourselves in the path of conflicts, given that the objective of our development partnerships is to change structures, highlight injustice and oppression, and redistribute power and resources. When people organise and join forces to demand their rights, there are other parties who apply resistance to these changes.

A development initiative always affects the local context, in precisely the same way as the context affects the development initiative. It is therefore important that we always attempt to minimise negative effects of our change work to ensure that our input does not unintentionally cause damage, create/worsen violent conflicts, or increase the power of destructive players. For this reason, we need to compile knowledge about the local context, players, power and conflict dynamics, and risks.

Furthermore, the Olof Palme International Center's development work is often carried out in conflict or post-conflict situations. In such cases, it is even more important that we attempt to exert a stabilising, peace-promoting and conflict-preventing influence. We do so, for example, by working actively with inclusion, openness and non-discrimination, and to promote peaceful co-existence.

It is likewise essential to act on the assumption that there may be ongoing or potential conflicts within the partner organisation or the target group.

In order to minimise the risk of negative effects from our change work, it is crucial to analyse the context from the perspective of conflict sensitivity, to follow up on development continuously, and to adopt relevant measures.

## Discuss:

- What **conflict factors and/or tensions exist** in the area where the project is taking place? Is there a risk that the operation will cause conflict? In what ways is this taken into consideration in the planning and implementation?
- What **unintended negative effects** might the operation have on the local context? What **measures** are required to minimise, prevent and deal with these effects?
- How is **power distributed** in the area where the project is being carried out? What **players** are relevant to understand the local power and conflict dynamics?
- Are there any **conflicts within the partner organisation**? Is there a risk that the operation may cause conflict? How can this be prevented/dealt with?
- **What factors unite people** in the area where the project is taking place? Might the operation help to prevent or resolve conflicts/contribute to peace and peaceful co-existence?

On our website, under [Method material](#), you can download **The Conflict lens** – which is the Olof Palme International Center’s method material on conflict sensitivity.



# ORGANISATIONAL DEVELOPMENT

**The Olof Palme International Center strives to contribute to long-term change through project financing or core support. Irrespective of whether the operation is financed in project form or through core support, organisational development is a key aspect of the working relationship.**

A strong, well-developed civil society that consists of democratic organisations firmly deployed among the people is a precondition for democracy and societal development. So, it is not enough simply to focus on the operation; attention must also be paid to how the organisation conducting the operation is structured, and how it needs to develop and become more representative of its target group, democratic, transparent and sustainable. Organisational development therefore encompasses both internal democracy and other types of conditions for carrying out operations.

## What is organisational development?

Organisational development is an umbrella term for different measures intended to improve the capacity of an organisation to achieve its aims. Organisational development must be an ongoing process given that we are active in a changing environment. Organisational development is thus not a temporary initiative to which you apply yourself for a part of the year – it should be a continuous, systematic and conscious



process. It is important to maintain an ongoing discussion about the purpose of the organisation, the people who work in the organisation and its members, work processes, methods and systems, the vision and the message, and how all these are communicated to the general public.

An organisation needs not only to develop its capacity to handle current issues and the issues it is possible to predict. It must also be able to deal with any unknown future problems and challenges.

In many countries, the concept of “civil society” is new and untried, and there may not necessarily be the same tradition for popular movements as there is in Sweden, for example. Democratic development demands organisations that are broadly deployed among the population, democratic, open to insight and with a constant capacity to learn and develop in step with their surroundings.

It is not only a matter of *actually contributing* to change – *how* you do so is equally important. An organisation cannot credibly attempt to implement democratic changes unless it uses democratic means itself. That is why it is essential to focus on internal democracy and organisational development.

## At the beginning of a partnership: Who are you?

True partnership is built on the partner organisations sharing values and ideology. It has to do with having a common goal and understanding one another’s long-term priorities, expectations, strengths and experiences. In connection with the submission of an application, you as a partner organisation are required to complete an **organisation description**, but it is a good idea to do this even earlier in the process. It can then serve as the basis for discussions on shared values and prove useful in helping the parties become better acquainted with each other. In the initial stages, it is important to clarify your respective organisations’ goals for the partnership, as well as your needs with regard to the partnership and the operation.

In addition to establishing whether all partners share a common value base, it is necessary to take into account your organisation’s capacity to carry out the planned operations.

- What are your organisation’s strengths and weaknesses?
- What is the status of the internal democracy?
- What is your administrative capacity?

For tips about how to conduct this overview, it is a good idea to contact your programme manager.

## Internal democracy

Internal democracy is a key aspect of organisational development. The Olof Palme International Center believes that for civil society organisations, political parties and associations to contribute to democratic societal development, they themselves must be democratically structured and must apply democratic methods. Not only is internal democracy an important principle in and of itself – and necessary in contributing to democratic development – but it is also a precondition for ensuring that an organisation is sustainable. Briefly put, internal democracy has to do with securing democratic decision-making within an organisation, an association or a political party.

**It can be said the internal democracy has to do with the following principles:**

- **Participation.** Ensuring that all members of the organisation can participate in decision-making processes on equal terms. Are there structures in place to enable this? How is the board elected? How is the agenda set?
- **Representation.** In order to be called legitimate, a democratic organisation must include the people it represents. For example, are women and other groups—such as minorities and young people—represented in executive positions? Are they given equal opportunities to put forward their views and opinions at meetings?
- **Transparency.** This has to do with openness with regard to members and others affected by the operation, such as the target group. For example, are the organisation's regulations, annual reports and strategies readily available?
- **Demand for accountability.** Make sure that the people who make decisions are also held responsible in relation to those affected by the decisions. A democratic organisation must have mechanisms in place to ensure this. These could, for example, include having the board presenting the annual accounts for approval by the members at each annual meeting, and making sure there is a system in place for removing a board that has breached the organisation's regulations.

### **Discuss:**

- Who elects the board? How is the board elected?
- How is the executive committee elected?
- Who writes and/or approves the regulations?
- Are agendas distributed to everyone before meetings?
- Are the meetings democratic? I.e. are meeting officials used, does everyone have the opportunity to speak, are minutes taken, and so on?
- Are women and men equally represented?
- Is there a mechanism for ensuring representation of discriminated groups such

as women, minorities and young people in executive positions (e.g. reserved seats on the board)?

- How readily accessible is information about the organisation, such as the regulations, strategies and annual reports?

## Sustainability

The working relationship may run for anything from a year to decades, but the purpose is always to contribute to results that can be termed “sustainable”, i.e. which hold true for the target group(s) and the organisations. Sustainability entails institutionalising the successes of the operation within the popular movement, the party, the organisation or local authorities in such a way that it is not possible to “reverse direction”.

This can involve a number of different aspects, such as an educational programme for new members continuing within the party, or having a network of popular education organisations in a given country teaming up on demands for local financing. Thinking in terms of sustainability and sustainability means thinking strategically, allowing space within the working relationship to reconsider plans, and thinking in new ways with a view to achieving the goal.

Above all, it is the changes to which the operation has contributed that need to be sustainable in the long term. In other words, it is not necessarily the case that specific activities need to continue when the working relationship or the specific project comes to an end. However, if this is important to reaching the goal, discussions should be held as early as in the planning phase regarding ways in which the partner organisation can continue to bring the target group together for courses of education after the end of the partnership, for example, or how to maintain an education coordinator in the organisation if this person’s salary is not paid by the Swedish member organisation or the Palme Center, and so on. In many cases, it is the strength of the organisation that takes care of the long-term aspect, to continue battling towards its goals with greater strength after the end of the project. The capacity of the organisation itself is therefore crucial, and an aspect that should be reinforced and maintained. It is thus essential to include organisational development when planning the operation.

### **Discuss:**

- What are the results that your organisation considers most important to retain and to continue to build on?
- What can you do to retain and continue to build on the results you identified?
- What resources are available?
- What additional resources are required?
- What other possible sources of finances can you identify?
- What type of capacity is required to assure the sustainability of the results?
- What capacity exists in your organisation?
- What needs to be reinforced?
- What can the Palme Center or the Swedish member organisation do to support sustainable results?

## Assessing risks and performing a risk analysis

We define risk as the likelihood of an incident occurring that negatively affects our operation. There may be risks that affect the organisations, the activities of the project or operation, and the possibility of achieving the goal.

Having a finely prepared strategy for risk management entails taking a preventative approach in your work, and having a solid contingency plan in the event that something should happen which affects the operation in an undesirable manner. Before finalising the planning of the operation, it is therefore necessary to conduct a risk analysis.

Carrying out a risk analysis involves determining the extent to which there is a risk of failing to achieve the stated goals as a result of internal or external circumstances, i.e. it entails you discussing what you can envisage might hinder or complicate the implementation. Enter the results of these discussions and how you grade the risks in the “Risk” section of the application, along with a description of your plans for dealing with the risks. You can then follow up on the risks as the operation is conducted, and the risk matrix should reappear in the report.

### How do you perform a risk analysis?

The simplest way is to conduct it in the form of a brainstorming session, where potential risks and scenarios are aired and discussed. It is important to do this as a part of your work to plan the operation, and it should subsequently be followed up as the operation progresses, so as to keep it relevant.

#### A risk analysis consists of four different stages:

1. Identify the risks that exist.
2. Discuss the consequences to the organisation or the operation if any of the risks identified should occur.
3. Assess the likelihood of the risks occurring.
4. Prepare an action plan for what to do in the event that the risks occur, as well as how you can work to prevent these risks occurring. Then enter the risks in what is known as a **risk matrix** (see Figure 1).

A fundamental distinction should be made between **external** and **internal** risks. External risks are risks over which the organisation has no control (e.g. the political situation in the country, the attitudes of the local authorities, natural disasters and so on). Internal risks are risks that you as an organisation can influence directly. These could, for example, be the risk of exceeding the budget, inadequate administrative routines, conflicts within the working group, or key personnel leaving the organisation. Both external and internal risks must be observed in the risk analysis. The risk of corruption – both external and internal—must always be included in a risk management plan.

**One helpful approach in this regard is to review various types of risk and discuss the situation in your organisations and working groups:**

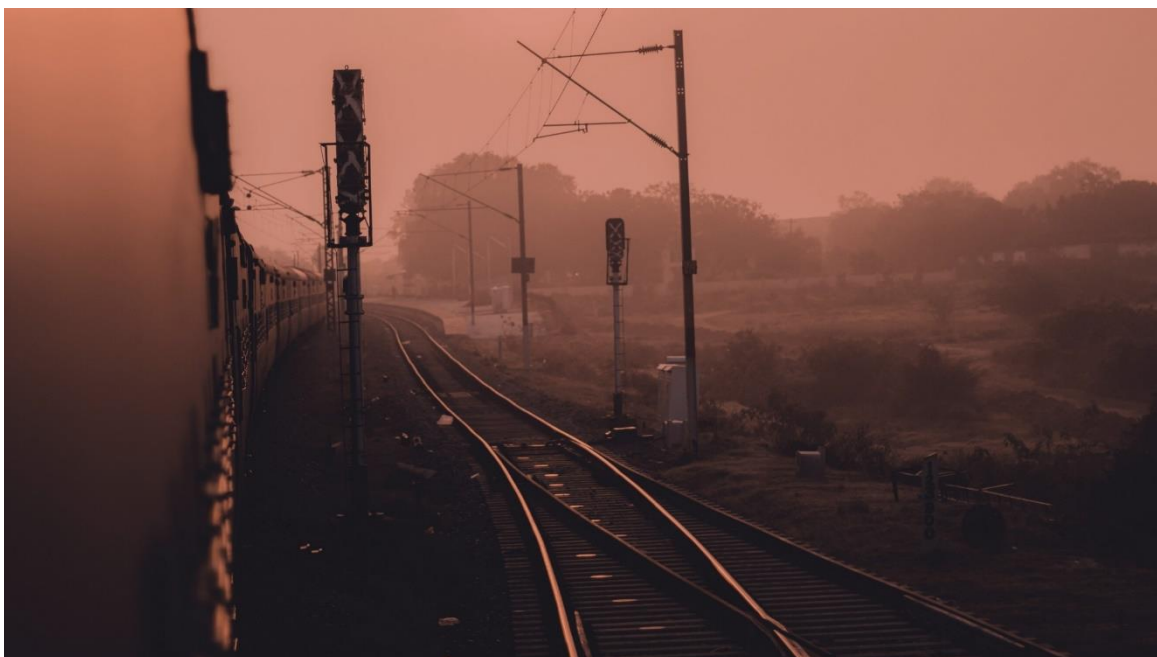
- **Disasters** (examples): Severe drought, armed conflicts, epidemic or pandemic.
- **Financial risks** (examples): Major change in exchange rates, bank crash, corruption at societal level or within the organisation. Break-in and theft at the office.
- **Staff risks** (examples): the project manager is not working full time on the project. The members of the project team are divided between different projects and/or working on other tasks. Someone has more than one role in the project. Internal disputes. Illness. Key personnel leave the organisation. Brain drain.
- **Legal risks** (examples): Problems registering the organisation. Difficulties obtaining various permits. Legal proceedings initiated against key personnel at the organisation. The organisation is not granted permits to carry out activities.
- **Security risks** (examples): The authorities impound the project/organisation material. Activities monitored by the authorities. No virus protection on the organisation's computers.
- **Organisational risks** (examples): Lack of support from the management and board, some skills not represented in the organisations. Inadequate administrative routines. Inadequate internal democratic structures. Discrimination against certain groups.

**Figure 1: Risk matrix**

Risk	Consequence	Likelihood (high, medium, low)	Action plan
1. Key personnel leave the organisation	Important knowledge about the operation is lost	Medium	Make sure that multiple people within the organisation have access to the important knowledge by taking care to document in detail, by arranging training for more people in the organisation, and by ensuring hand-over.

You can download tools for calculating risk factors from our website under [Method material](#).





# FOLLOW-UP PLAN

**Are you on track to do what you have set out to do? Read more about how you can assess what your operation has led to, document the results, as well as report the costs.**

## Plan ahead with your partner

To ensure that it is possible to establish if you are on the right track while the operation is actually under way, it is important to determine – as early as in the planning phase – how you intend to follow up on the operation over the course of the year, and who is responsible for following up on the different sections.

If you have a Swedish partner organisation, reach agreement with them at an early stage regarding how you are to remain in contact, which reports are to be submitted and when. This must be stated both in the application and in the agreement signed between the partner organisations. Follow-up can be performed via oral and written communication, reporting or visits. It is a good idea to keep a log of the activities. Collecting positive and negative experiences, minor changes and impressions makes it possible subsequently to establish a reliable image of what has been achieved over time.

## What kind of information should you collect?

Let the collection of information be based on your own observations, your reports, statements from the target group and – ideally – reports from someone positioned

outside the operation but able to observe the changes/results. Listening to a number of different perspectives will provide you with a more comprehensive image of the change and how it was achieved. This, in turn, increases the likelihood of your being able to extract useful learning from the follow-up.

Don't forget that the follow-up will sometimes require new activities and/or adjustment of the operation plan. It takes time, requires staff and a budget to conduct a survey, for instance, and to organise distribution of questionnaires, or to hold interviews with members of the target group and then analyse the results. So, remember to make sure to include your follow-up measures in the activity plan and budget, and to allocate responsibility for their completion to one or more people. In this way, the working group can continuously follow up on the results and check that you are on the right track.

A follow-up plan need not be particularly complicated. The following section presents an example of a simple plan.

**Figure 2: Follow-up plan**

Target area and/or goals	Expected change/indicator	How is this to be followed up? (method)	When is this to be followed up?	Who is to follow up?
1. Democracy and human rights.  2. Equality and workers' rights.	People active in the trade union movement have increased their knowledge and their capacity to organise rights-based actions and opinion-building campaigns.	Evaluation form and group discussion. Question: Has this course increased your knowledge and capacity to act and achieve the desired change? If so, describe how.	On conclusion of each study circle.	The circle leader.

## Starting point: create your baseline

In order to follow up at a later date on the changes to which the operation contributed, it is important to establish the starting point – or the **baseline** as it is often called. If, for example, the purpose of an operation is to reinforce your organisation, it is good to know how many members your organisation had when the operation was launched. If you do not know this, it is difficult to say whether any increase in membership can be attributed to a given operation.

One good idea is to use information you already collect; for example, if your organisation or party already maintains statistics about your membership base, it will not require a lot of resources to establish the baseline. The same applies if you want to study how the members of the party or the organisation perceive the status of internal democracy

before the start of the operation or a given activity. You may need to earmark resources in the application to conduct “before and after” interviews with the target group.

The context and problem analysis is important in establishing an image of the baseline, as is the mapping of stakeholders. If the objective has to do with encouraging certain stakeholders to behave differently, their original pattern of actions should be a part of the baseline. Another objective could be to have your organisation educate the target group (the rights holders) to enable them to conduct influencing work targeted at decision makers so that they, in turn, adopt a certain piece of legislation. The baseline here could be that the organisation has not held any courses of education, that the target group does not yet perform influencing work, and the decision-makers have not adopted the legislation.



# DOCUMENTATION AND PARTNERSHIP

**There are different ways to follow up on your project or operations. In this chapter you will find out what needs to be tracked, and what the partners in the collaboration need to check in about with each other.**

## How to follow up during the operation

Follow-up primarily has to do with staying up-to-date with how the project/operation is progressing. Making sure to keep the ultimate goal in sight at all times, and continuously evaluating what we are doing helps us to improve the everyday work on an ongoing basis. For this reason, it is also important to track the general political and social developments in the area. The responsibility of the Palme Center is to provide quality assurance of all operations and to follow up on the results of programmes. As a result, programme managers from the Palme Center will visit the operation while the work is under way.

One method the Palme Center uses to follow up and maintain a continuous dialogue with the partner organisations involves what are known as **dialogue meetings**. Contact your programme manager to find out more about dialogue meetings.

## What needs to be followed up?

- **Changes** resulting from the operation can be tracked in both the short and the long term, and it is by maintaining clear focus on the goal(s) that you can see whether you are on the right track. Intermediate objectives are one way to track the changes in the operation on a continuous basis. There may be unexpected positive and negative changes/results of the operation that it is important to note.
- **Finance** must be followed up to ensure that the resources are being used in line with the budget, and that the administration is functioning smoothly. A controller at the Palme Center regularly checks up on the finances and administration of the operations at each and every partner organisation.
- **The risk analysis** conducted at the start of the project needs to be updated and tracked throughout the programme period.
- Each project is included in a **programme** and contributes to results at this level. The Palme Center requests information about the contribution each project and partner organisation is making to the programme objectives.
- Make sure to follow up on the work with the **integrated perspectives** as well: equality and non-discrimination, environment and climate, anti-corruption and conflict sensitivity.

As mentioned previously, it is important to plan how the follow-up work is to be done at an early stage (i.e. to prepare a follow-up plan). Follow up on Results, Finance, the Risk Matrix, the contribution made by your operation to the programme and to the Palme Center's integrated perspectives.

## Issues to follow up on as the project progresses

It is a good idea always to keep the application up-to-date and to check through completed activities on a regular basis. The goals, indicators and activities in the application form the basis for the operation, and you should discuss any deviations with the Swedish partner organisation or the Olof Palme International Center.

### Maintain regular contact with regard to:

- The timetable and budget for the operation
- How well the administration is running
- The issue of whether you need special support
- Monitoring political developments in the area
- Ensuring that the follow-up plan is being executed

Other aspects on which it is important to follow up include holding strategic discussions on whether the goals of the operation can be reached with the current plan, or whether the basis needs changing.

How are you handling issues such as equality, the environment, conflict sensitivity and anti-corruption within the operation?

Before each report to the Palme Center, it is a good idea to discuss the questions asked about the activities carried out during the operation, goal fulfilment and lessons learned. A useful approach is to go through the follow-up questions under “Reporting changes and results” in the chapter “The annual report to the Olof Palme Center” further on in this handbook.

## The Olof Palme International Center’s code of conduct

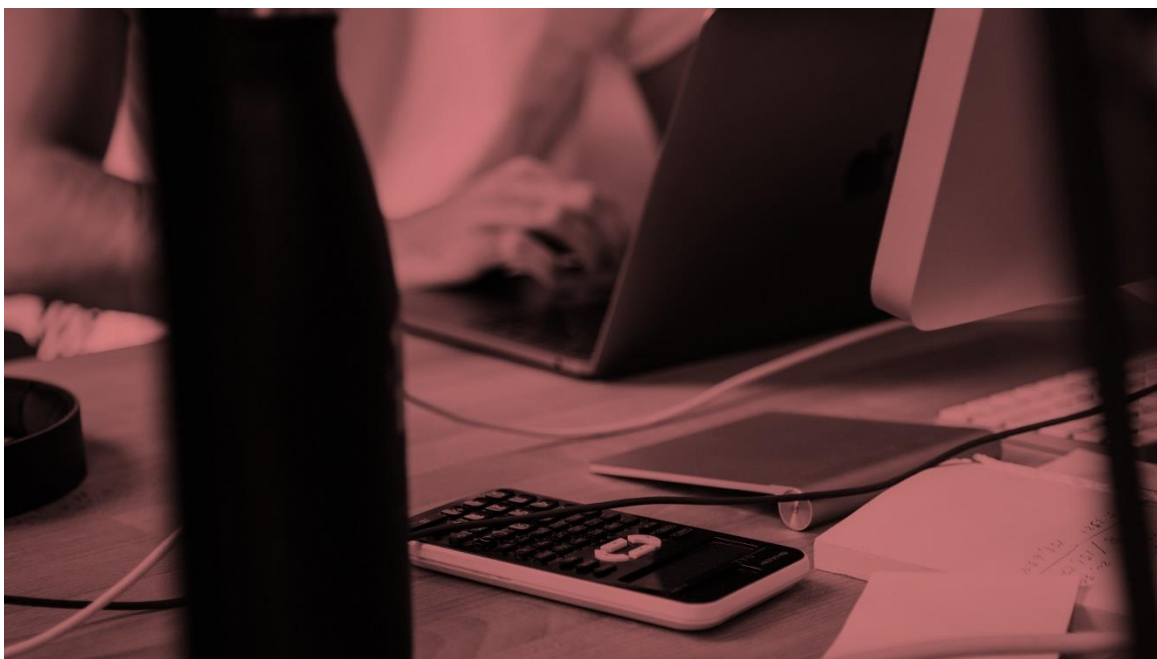
Following up on operations means that sometimes the partners in your particular collaboration, or all the organisations within a programme, will get together and evaluate the progress made. Anyone participating in these meetings needs to be aware of the Palme Center’s code of conduct.

The board of the Olof Palme International Center has adopted a code of conduct which applies, among other things, to the Palme Center’s representatives when travelling and working on commissions abroad. It encompasses everyone who works with support from the Olof Palme International Center, i.e. including partner organisations and any consultants they may commission.

The code should be viewed as a set of minimum regulations. As the code of conduct is attached as an appendix to the agreement, failure to comply with it can, in extreme circumstances, be considered breach of contract and grounds for terminating the operation.

The code of conduct also contains sections about discrimination, corruption, purchase of sexual services, sexual assault and harassment. Visit our website to read the full text of the Olof Palme International Center’s [Code of Conduct](#).





# FINANCES IN ORDER

**This section sets out the specific rules, regulations and requirements that apply to project support and core/organisation support financed by the Olof Palme International Center.**

You can access all the forms you need [on the Palme Center website](#). These forms are occasionally updated, so make a habit of always downloading from the website to make sure you have the latest version. The website also contains more detailed questions and answers.

## Financial management for core support /organisation support

Core support entails the Palme Center and, if appropriate, a Swedish member organisation, supporting an organisation's strategic plan – i.e. making a contribution to the operation as a whole. This means that the funds supplied are not earmarked for a specific project and the organisation is free to use them as it sees fit in order to achieve its overarching goals for the operation. In such cases, what the Palme Center requests is not a specified project budget, but a general budget for the entire organisation and an income budget.

### System audit

Before the Palme Center agrees to provide core support to a partner organisation, we normally perform a system audit. This type of audit analyses how the organisation works

by examining routines and systems within the organisation that are to guarantee the reliability of the work and the reporting. Depending on the size of the support, the system audit may be performed by an external, independent auditor or by controllers and programme managers at the Olof Palme International Center.

### **Budget changes during the year**

Changes in budget entries and total costs for individual programmes within the organisation that exceed 15 percent must be approved in advance by the programme manager. For changes in staff salaries, etc. the limit for such changes is 10 percent. Information about the above-mentioned changes and their approval must be presented in writing.

### **Financial reporting**

A partner organisation receiving core support must present a report on its financial position and activities over the past financial year. A complete financial report package consists of:

- **An audited set of financial accounts** (in the organisation's own format)
- **An auditor's report** in accordance with the Olof Palme International Center's audit instructions
- A **Management Letter** and, if appropriate, **Management Response**

## **Project support: budgeting**

It is, of course, impossible to know in advance precisely how large the costs of the operation will be. However, a reasonable estimate of costs and revenues must be completed before the application is submitted to the Palme Center. Preparing a budget is also one of the steps in planning the operation. Remember that there must be a clear link between activities and budget. This means that if an activity is a course of education, all costs that may be attributable to the course must be included in the budget (air fares, hotel accommodation, meals, other transport expenses, room hire costs, etc.). The budget must be presented in Swedish kronor (SEK), as this is the currency used for the project agreement. Budgets are divided up between costs in Sweden (applies if you have a Swedish partner organisation) and local costs (in the operation country).

### **Budget entries**

Examples of costs (budget entries) that may arise in a project include: food and accommodation in connection with seminars and courses, room hire charges for seminars and courses, fees for lecturers, travel expenses for participants and the project management, interpretation and translation costs, purchase of materials and administration of activities.

Do not forget to budget for follow-up and evaluation activities, and for an audit of the project.

Always use the most recently updated **budget form** from the Palme Center when preparing your budget. There is a set of instructions for the budget forms which explains each budget entry and what it may and may not include. For example, expert fees cannot be paid to members of the partner organisation and the Palme Center does not pay compensation for loss of income.

### **Division of costs (only applies if you have a Swedish partner organisation)**

The Palme Center requires that costs be divided between costs that the Swedish organisation has to cover in Sweden, and funds that are to be passed on to your partner organisation. This division makes it possible to establish an image of what proportion of the funds is actually paid to the partner countries.

This means that you need to plan your budget in close consultation with your partner organisation, as well as work together to prepare estimates of costs and agree on the division of responsibility in the budget and what share of the funds is to be passed on.

### **Project management**

The project may finance project management staff. In such cases, the person or persons in question must primarily work on executing the project activities. The project management costs must be explained in the application and must be reasonable. The Palme Center will want to know how many people are involved, and how many working hours are to be put into the project. Is it a full-time occupation for a part of the year, or perhaps a half-time position for the full year? What is the monthly salary for a full-time employee of the partner organisation, and how much of this is the project to cover? The partner organisation may be eligible for compensation for roles over and above that of project manager which are important to the project – a financial officer, for example. The size of the project management team is assessed on a case by case basis, and the costs must always be reasonable in relation to the scope of the project and the work input of the project manager or the financial officer.

### **Project administration**

Various peripheral costs inevitably arise in connection with running a project. These may be costs for the use of telephones and the internet, postage and packaging, etc. Project administration refers to the administration that you can clearly show is linked to the project. It is important to remember that when budgeting for project administration, you can only include the administration for the operation that is actually financed using funds provided by Sida via the Palme Center. There must be verifications in the bookkeeping that underpin these costs.

### **Expert participation**

For some types of course and knowledge exchange, it may be necessary to commission people with specialist skills. This may, for example, have to do with training circle leaders or running courses in negotiation technique. Local expertise should be used wherever possible. If you are applying for subsidy for this, you need to state the name of the person in question, what he/she will be doing, and how much time the expert will be devoting to the project. It is a good idea to describe the expert's skills and previous experience with the topic. The entry for expert assistance must be included in the project

budget and it must be explained both in the budget template and in the descriptive section of the application, under the “Budget” header. Remember that expert fees cannot be paid to members within the partner organisation.

## Equipment/Capital goods

In this context, “equipment” (capital goods) is taken to mean “goods for long-term use”, i.e. everything other than consumables such as books, notebooks and pens. Equipment can be furniture, computers, printers, cameras or vehicles. It may be permissible to purchase such goods for the project/operation, but such purchases must be approved in advance by the Palme Center. In your application, you must also explain why such purchases are required to meet the project goals. Is it possible to achieve the goal without purchasing this material?

Equipment with an acquisition value in excess of SEK 10,000 must be depreciated pursuant to the legislation in the country in which the goods are purchased and reported. Depreciation means distributing the costs of an asset over the course of its financial lifetime. In cases where capital goods retain some value when the project comes to an end, the goods must either be sold and the revenue repaid to the Palme Center, or the future ownership must be regulated in a new agreement drawn up in consultation with the Center. You must also agree on a plan for how the capital goods are to be used by the project before they are purchased.

## Budget follow-up

The project costs must be followed up on a regular basis. It is a good idea to do this monthly or immediately after each activity has taken place. The Palme Center does not make any requirements to use specific bookkeeping software. It is perfectly acceptable to use Excel spreadsheets or even hard copy format. In contrast, there may be other regulations which require organisations in certain countries to apply double entry bookkeeping, for example. If you notice that you have budgeted incorrectly, or if something unforeseen occurs that affects the project costs, you can request permission to redistribute your budget.

## Financial reporting on project support

A project must present a report on its financial activity from the most recent project year, i.e. 1 January through 31 December.

### A complete financial report package consists of:

- The **accounts in local currency/Expenditure specification in SEK** (Excel) form, signed by both the auditor and the person authorised to bind the company.
- An **auditor’s report** in accordance with the Olof Palme International Center’s audit instructions.
- A **Management Letter** and, if appropriate, **Management Response**.

When reporting on the operation, you must always “mirror” the approved budget and use the same headers as were used in the budget that was approved by the Palme Center when you started the financial year. The budget that applies is attached as an appendix to the partnership agreement. The only exception is if you have made adjustments during the budget year. In that case, you will have had a budget copy sent to you—and it is this budget that your report is to “mirror”.

In order to comply with the timetable and maintain a high level of quality in the report, it is essential to plan, maintain good communication and follow up on the project at regular intervals throughout the year. Do not forget that it often takes longer than you think to finalise the reports.

### **Two stage reporting (applies if you have a Swedish partner organisation)**

The local partner organisation submits its financial report, which is then examined and approved by a qualified auditor in the partner country. The report is subsequently sent to the Swedish partner organisation. In order to allow sufficient time for the responsible organisation in Sweden to review the report and pass it on to the auditor in Sweden, it must have arrived no later than 1 February after the end of each closed financial year

The verifications – i.e. the supporting documents for the financial report, receipts, etc. – do not normally have to be sent to Sweden, but can be kept by the recipient organisation. Please note that the verifications must be saved for seven years. In contrast, the audit documents (see under Audit below) must be attached to the report sent to the Swedish organisation.

The report from the Swedish organisation to the Palme Center must have been submitted no later than 1 March every year.

### **Audit**

Auditing involves the critical examination and evaluation of your report, and issuing a statement on the findings. The concept of auditing can also encompass investigating whether the operation is being run efficiently and fulfilling its goals.

All projects, irrespective of the sum involved, must be audited in connection with the financial reporting. The audit must be performed by a qualified auditor at least once a year. The auditor must also be independent of you and your partner organisation to guarantee that the examination can be performed independently of you as the client. This is an important part of the Palme Center’s system for financial management and control. The Palme Center must make sure that the audit can be performed in accordance with international standards – which is not a given in certain partner countries – so we have agreements with local firms of auditors in almost all our partner countries.

The Palme Center’s audit instructions must be followed for the audit of the annual report. You will find these instructions on our website under [Forms](#)

## Management Letter and Management Response

A management letter is another type of audit report that is less formally structured. It can contain a description of the observations made by the auditor, as well as recommendations for measures that the auditor considers necessary to rectify any deficiencies. Even though the auditor only reviews the project, a management letter often provides useful information about how the financial management system as a whole is functioning at the executing organisation(s). A management response is the organisation's answer to a management letter. If the auditor should recommend that you change some aspect(s) of your administration, the Olof Palme International Center will want to know what you intend to do and how you plan to take care of it.

## Cost-efficiency

Cost-efficiency is a measure of the capacity of the operation to achieve the stated goals by making the best use of the resources allocated. There are many ways to be cost-efficient. One way is to choose goods and services that offer good value for money, and to compare prices. Good planning often helps to keep prices down; air travel booked close to the date of departure can be twice as expensive as the same journey booked early. However, it is also a question of achieving results at a reasonable cost. If the operation fails to achieve its goals, it cannot be said to be cost-efficient, even if the activities were completed at low cost. This means it is important to view the costs of the operation in relation to what you believe you can achieve, as well as how many – and which – people the operation is targeted towards. When the programme managers at the Palme Center assess cost-efficiency, they look at aspects such as whether the costs of the activities are justified by the anticipated results. As a rule of thumb, the fewer people stated as the target group, the more important it is that these people are, or have the potential to be, key change players in the environment in which they are active.

You should run an assessment of cost-efficiency both during the planning phase of the operation and following the conclusion of the project. In the planning phase, the project groups can assess different options for achieving a given result.

### Questions you could ask include:

- What is the method that requires the fewest resources to achieve the desired goal?
- Are all activities needed to achieve the goal?
- Will we reach enough people?
- Will we reach the right people?
- Would it be better to train a small number of people, who can then teach others?

A justification of the budget can be included both in the budget template and in the “Budget” section of the application. For example, you could justify why you have chosen to hold training courses in a remote region with the associated high travel costs, rather than holding several smaller courses close to the capital city.



On completion of the operation, it is relevant to assess how well the goals were achieved and at what cost. Are the costs reasonable in relation to the level of goal fulfilment? Would we have been able to achieve greater goal fulfilment using the same resources in a different way? In this way, lessons learned can be applied in future projects.

## Financial midyear report for project support

When around half the year has passed and around half the planned activities have been completed, a midyear report consisting of a specification of costs based on the budget granted must be submitted to the Palme Center or your Swedish partner organisation. Please note that there are two sheets in the Excel template for the specification of costs which must be completed. You then need to submit this together with requisition no. 2, as this is a precondition for having the second half of the project funds for the year paid out.

You will find the template for the financial half-year report on the Palme Center's website under [Forms](#).

The midyear report is principally intended to show whether there have been any major deviations from your budget, or to demonstrate that everything seems to be going according to plan. It is also an important control point for the Palme Center, and if you have not used all the funds granted – or if you need to make changes to your budget or your operation – it is typically at this point that you have the chance to do so.

It is in no way odd if, as the project progresses, it transpires that your plans have to change for one reason or another. It may be that the budget proves to be inaccurate, or that some activities have to be discontinued on account of unforeseen circumstances. That said, do not make any changes until you have contacted your programme manager at the Palme Center and had them approved. If you implement changes that were not endorsed and approved in advance, this may result in your being obliged to reimburse your funding. The midyear report does not need to be audited.

## For the financial officer in the working group

The following section is intended specifically for the financial officer responsible for the project/operation.

### Separate bank account

The local partner organisation must deposit the project funds on a bank account, and the Palme Center strongly recommends opening a separate account. This account must be signed by at least two people together. Not having a separate account for a project complicates matters during reporting and auditing, and when calculating any interest received in the project.

## Interest

Interest on Sida funds must be specified and included in reports to the Palme Center. You do not need to repay any interest to the Palme Center while projects are under way as the interest can be used in the project instead. However, once the contractual period has expired, any interest received that was not used for the Sida-financed operation must be repaid to the Palme Center. For agreements signed under PAO, all interest must be repaid, regardless of the amount; for CSO agreements, however, you do not need to repay any sums of interest below SEK 500.

## Procurement of goods and services

When making large purchases of goods or services for the project, you may need to carry out a procurement. This procurement must be carried out in accordance with the procurement regulations from the Palme Center. These regulations also state the prevailing sum limits. If you purchase goods and services for more than SEK 75,000, you need to perform a price comparison, and a regulated procurement must be carried out if the sum exceeds SEK 284,000.

You will find the Palme Center's procurement regulations [on our website](#).

## If you do not use all the money

Project funds not used in a given year cannot always be carried forward automatically to the following financial year. You must first submit a written explanation and a new activity plan for the coming year and have it approved by your programme manager at the Palme Center.

Contact your programme manager as soon as possible if you notice that you will not be using your grant in full. If you send notification in good time, non-utilised funds can be redirected to other projects and we will not have to repay them to Sida.

## If you need to make changes to your budget

As we set a budget in the cooperation agreement, all major changes to the agreed budget must also be approved by the Palme Center. In this context, "major changes" includes deviation in the project management and administration budget line, regardless of the amount or deviation. It also includes deviations in other budget lines of more than 10 percent. If this is the case, contact your programme manager and justify why you want to make the change.

## Documents and receipts

Documents (i.e. invoices and receipts) that confirm the project costs must always be saved and presented. For cash payments where there is no invoice or receipt, you can write one yourself. Make it a habit to carry a receipt book with you at all times. It is important to have receipts signed by both buyer and seller. They must also state the date and purpose. All financial vouchers and other documents referring to the project must be kept for seven years from the date of the last payment. This is because the Palme Center and Sida are entitled to request and examine project documentation for seven years after the end of a project.

## **Promoting a formal economy**

The informal sector is widespread in many countries where the Palme Center and our member organisations are active. There is comprehensive evidence that the informal sector is an obstacle to development. One example is tax funds. If a country does not collect sufficient tax, there are no political opportunities to distribute a society's resources fairly. It is therefore essential that Palme Center projects promote a formal economy, and that we try to help "formalise the informal". We can do so on both a large and a small scale. For example, remember that expert fees may not be paid to members of the Swedish member organisation or the partner organisation, and that all fees and remuneration must be paid in accordance with legislation regarding salaries and taxes in the country in question.



# THE ANNUAL REPORT TO THE OLOF PALME INTERNATIONAL CENTER

**At the end of every financial year, the operation must submit a report about the results achieved, as well as changes made and knowledge gained during the year. The report also serves as a tool for improving the work going forward, as it can highlight problems and difficulties and deviations from your goals and plans.**

Reporting on the operation should be viewed as giving feedback to the participants in the operation, the target group, donor organisations and Swedish taxpayers. At the same time, reporting is also intended to help ensure that you develop as an organisation and have the tools you need to continue the operation without the support of the Swedish organisation.

## Deadline and content

The final day for submitting the annual report (which consists of a narrative/descriptive report and a financial report) is **1 February** for the partner organisations and **1 March** for the Swedish member organisations. No later than 1 February, the local partner organisation must submit its report to the Swedish organisation (or to the Olof Palme

International Center if you do not have a Swedish partner organisation), which then has a month to complete the narrative section and the financial report, and to perform the audit. The Olof Palme International Center recommends that the Swedish working group and the local partner organisation write the report together where possible.

The report is to present information about the application goals, intermediate objectives, if any, and the budget granted. Your project/operation is a part of the overarching programme and you therefore also need to state which of the programme goals/outcome areas and indicators (expected changes) your project/operation has contributed to, and how.

## The narrative (descriptive) report

The annual report consists of two parts, **a narrative (descriptive) report** centred on the approved application and the result framework, and **an audited financial report** based on the budget granted.

The purpose of the narrative report is to document changes, results and knowledge gained, and to provide the Olof Palme International Center with the information required for reporting to Sida.

You will find the report template on our website under [Forms](#). The template must be completed electronically by the executing organisation in the implementation country, with support from the Swedish member organisation (where possible).

### **Make sure to have the following documents available and use them when compiling the report:**

- The most recent approved version of the **application** for the period, including the budget, result framework – if any – and the most recently updated **activity plan** (if relevant).
- The **result framework** for the programme (appendix to the report template you will find on the website)
- **Other relevant protocols, internal follow-up report, travel reports, minutes from dialogue meetings, evaluations and documents containing project information** from this programme period
- **Risk matrix** and any **other action plans**

At the end of a multi-year contractual period, the narrative report template also contains questions concerning the entire contractual period. Otherwise, you can use the same template for the financial and the narrative reports.

The Olof Palme International Center often arranges training courses in reporting for our partner organisations. Contact your programme manager at the Palme Center for additional information. Upcoming courses will also be posted on [our website](#), under the respective Academies.

## Reporting changes and results

Working with democracy, human rights and peace involves working for a development that takes time. Changes in behaviour, structures and power relations are long-term processes that are also linked to societal development in general. At the same time, you naturally have a responsibility to report the results of your operation as accurately as possible to the members of your organisation and to the target group.

In addition, the Swedish people, who are financing the development work, want to know that their money is going to well-run operations, and the Palme Center and Sida must therefore be able to demonstrate how the funds are being used. Reporting is also important for yourselves, as it helps you to determine what works well and what works less well, and to improve the operation on an ongoing basis.

As mentioned previously, it is important to track developments throughout the entire operation, and to assess how the work is progressing. One good idea is to introduce a final activity in each financial year that centres on collecting and discussing the operation's successes and setbacks in consultation with representatives of the target group and your Swedish partner organisation (if relevant).

One of the more common follow-up questions has to do with what the target group did with its new knowledge, and whether the operation has resulted in any positive change for the target group.

### **It is useful to discuss questions about the results, such as:**

- What has the target group learned through the operation?
- How is the target group using its newly found competences?
- Can any changes be seen in the behaviour and relations among the target group as a result of the project/operation?
- Did this result in any change/improvement for the target group?
- What changes have taken place within the partner organisation as a result of the operation?
- What proof/evidence is there that these changes took place as a result of the operation?
- What were the key processes that led to the changes that have taken place?
- Is it likely that these changes will last? Why?
- Are there any unforeseen changes (positive or negative) that the operation can learn from?



Describe the changes that have taken place as a result of your operation, including “live” examples (case descriptions). Did the people who make up the target group become more active? Did they become members of the organisation, participate in demonstrations, demand their rights by writing protest letters, start pushing for changes in society? At this stage, it is also time to look at the indicators (expected changes in behaviour) you initially established for the operation, i.e. the “measurements” that were to be used to measure changes.

Plan time for a more open discussion about improvements.

**Here, you can ask questions such as:**

- What do we need to change?
- What do we need to do more of?
- What is the status of the indicators we originally established for the operation?
- Do we need to change the indicators? Add some? Remove some?

## Evaluation and learning

Occasionally, there may be cause to perform a more comprehensive evaluation of the working relationship, over and above the regular follow-up and annual reporting. This evaluation can be performed internally or by an independent, external assessor. An evaluation need not be performed at any specific time. It can be carried out while the operation is under way, on conclusion of the operation or several years later.

The Palme Center conducts evaluations for several reasons, but first and foremost to learn from experiences from the operation with a view to improving the international development work.

Evaluations can be carried out on the initiative of any of the partners, of the Palme Center or of Sida, and they are usually conducted with the assistance of an independent, external assessor. The ambition of the Palme Center is for programme managers, together with the member organisations and partner organisations, to be involved in formulating questions, to hold views on the choice of methods and to participate in data collection and analysis. Such participating evaluations are recommended to reinforce learning within the organisations.

The Palme Center has prepared a set of **evaluation instructions** that describe in detail how an evaluation can be conducted. Contact your programme manager for additional information.

One important aspect is to report on the learning you gained from the operation and how this will influence your future work as organisations. Take time in the working groups to reflect on your partnership, transparency, division of responsibility and efficiency during the year.

### For example:

- Were there any particular **difficulties** you encountered, and how did you overcome them?
- How has the **communication** between you and the partner organisation functioned during the year?
- Have you maintained open communication and did you take **joint decisions**?
- Is it time to adjust the **division of responsibility** in the working groups?
- How did you work to ensure that **women and other minorities** were given as much opportunity as men during the year?
- How well did you succeed in **communicating information** about the operation, activities and results to your target group and your organisation?
- How did you work to **include the target group and other players** affected in the planning, implementation and evaluation of the operation while the operation was under way?

## Project conclusion and local take-over

The phase-out of the working relationship – which the organisations should start discussing as early as when planning the operation – is an important partnership issue. A responsible phase-out makes a strong contribution to sustainable results and longevity in the partner organisation's operation planning. The operation is intended to contribute to lasting changes for target groups, and to help the partner organisation continue its work. The operation must naturally be targeted at helping the partner organisation to develop and acquire the tools to continue its work as a player for change in the long term, with or without support from the Swedish organisation. Before the working relationship is brought to a close, it is extremely important to work strategically so that the results become durable and the organisation is in a strong position when the financing is discontinued. The activity plan for the final year should have resources set aside for specifically reinforcing sustainability and sustainability, both in the results for the target group and within the organisation. In many cases, this involves a plan for assuring financial sustainability.

### **Suggestions for measures during the final year of the project include:**

- Within the project, include training courses in strategic planning and project management, for example.
- Strengthening the partner organisation's competences and capacity to apply for funding from local authorities and other organisations such as the EU.
- Identifying other potential partners and other types of possible activities that could generate an income.

The working relationship between two organisations need not come to an end simply because the specific project/operation has been concluded. Projects sometimes lead to other forms of working relationship, such as twinning programmes between two local authorities, or the partners continuing to maintain contact and utilise each other's skills and knowledge in other contexts.

The Palme Center has a strategy for local take-over of projects. Contact your programme manager for additional information. Make sure to prepare in good time.

It is also possible to apply for funding specifically for phasing out a project/a working relationship. [Contact your programme manager](#) for additional information.