

Ministry of Foreign Affairs and Trade

MANATŪ AORERE

**Manaaki**

***“Uplifting mana, through listening, supporting and empowering”***

**Activity Design Document**

ROUND TWO – Updated October 2020

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# Manaaki Activity Design Document

|  |  |  |  |
| --- | --- | --- | --- |
| Activity name |  | | |
| Name of NZNGO |  | | |
| Name of in-country civil society organisation(s) |  | | |
| Country |  | **Region/sub-region** |  |
| Duration |  | | |
| Start date  (month, year) |  | **End date**  (month, year) |  |
| New Zealand Aid Programme priority/priorities |  | | |
| Funding | | | |
| MFAT co-investment requested (NZD, excluding GST) |  | | |
| Co-investment from NZNGO (cash contribution, NZD, excluding GST) |  | In-kind contribution  (if any, value in NZD, excluding GST) |  |
| Total Activity budget (NZD, excluding GST) |  | | |
| High Level Statement/Activity Goal | What will this activity achieve/what does your vision of success (future state) look like? (250 characters maximum) | | |
| Activity summary  (max. 100 words) |  | | |
| Contact Person | | | |
| Name |  | Position |  |
| Email Address |  | Phone Number |  |
| Address |  | | |
| CEO/Contract Signatory Contact Details | | | |
| Name |  | Position |  |
| Email Address |  | Phone Number |  |
| Official use only: Activity ID |  | | |

# Explanatory Note

This Manaaki Activity Design template is for use by New Zealand non-government organisations (NZNGOs) invited by MFAT to submit a design following approval of a Manaaki Concept Note and successful completion of the Manaaki Due Diligence assessment.

The front section of the design is expected to be up to 19 pages only (2 page summary and up to 17 pages for sections 1-4) plus appendices (8-12 pages).

Please discuss your Activity Design with your MFAT Relationship Manager before starting to complete this template.

Please accurately and succinctly answer all questions. Indicative page limits have been provided.

# Strategic Case (4 pages maximum)

Provide an analysis of the context in which the Activity will take place. It should provide sufficient information for someone not familiar with the context and the local development needs to be able to understand the issues. Ensure evidence is provided and referenced.

## Development problem and opportunity

* Explain the problem (not the solution/s), including the underlying causes (the drivers), how well the problem is understood, and who is impacted.
* Explain the location/communities to be involved and why?
* Describe who identified the problem and why it is important (consequences).
* Why is it important to address this problem now?

## Development Context - social, economic and political

* Describe the economic, infrastructure, environmental, political and social conditions in your proposed area of work. Explain how these conditions might affect the results of your project.
* Describe how marginalised, vulnerable or excluded groups and remote populations – those that will benefit from the proposed Activity – were identified.

## Relevance to NZ Aid Programme objectives and developing partner country plans

* Describe how the Activity complements the plans and objectives of the partner communities and country (or countries) in which this Activity will be implemented.
* Explain how the Activity supports New Zealand Aid Programme priorities and aligns with the geographical and sector focus of Manaaki e.g.
* Alignment to International Cooperation for Effective Sustainable Development (ICESD)
* Alignment to Pacific Reset priorities
* Sustainable Development Goals
* Synergies with other activities/donors

## Related Activities

* Summarise how your organisation and the local civil society organisation partner have previously worked on this or related issues.
* If this is a subsequent stage to an existing activity describe any lessons learned and how these have been incorporated into this Activity design and explain why a subsequent phase is required. Explain how this Activity is additional to any previous work.
* Outline how this Activity will complement existing, previous or planned activities in the same location or sector) and describe how it avoids duplication of other activities.
* Describe any interest from other organisations or agencies for potential collaboration in the proposed Activity.

# Scope - activity design and description (6 pages maximum excluding appendices)

This section should explain the options considered, the intended Activity, what changes the Activity is expected to bring, the time frame of the Activity, and the resources required. A detailed implementation workplan should be provided in Appendix A in a format based on your systems and processes. A Monitoring, Evaluation, Research and Learning (MERL) framework should be provided in Appendex C.

## Options

* Describe the options considered to address the development problem, how they were assessed, who was involved, who was consulted.
* Describe the level of consensus in relation to reaching agreement on the Scope.
* Describe how the recommended option and its scope were reviewed, either internally or externally and by whom.

## Activities, outputs and outcomes

|  |  |
| --- | --- |
| **Activities and Inputs** | *Describe the activities and inputs being invested in to achieve the outputs.* |
| **Outputs** | *What products/goods/services will be delivered?* |
| **Outcomes** | *Identify who or what is expected to change, the type of change expected and when that change is expected to occur as a result of this project.* |

## Efficiency, effectiveness and assumptions

|  |  |
| --- | --- |
| **Efficiency** | *How will activities and inputs be delivered on time and why do you believe this is the most cost effective way to deliver them?* |
| **Effectiveness** | *How do the activities, inputs and outputs relate to outcomes and why do you believe activities will transfer into the required outcomes?* |
| **Assumptions, Interdependencies and Constraints** | *Clearly outline the assumptions you have made as well as the known interdependencies and likely constraints* |

## Participation

|  |  |
| --- | --- |
| **Participation** | *Describe the local community and its structures/networks. How might these support/enable or present obstacles to the Activity?*  *Describe how the local civil society organisation partner ensured local people, groups and/or communities (i.e. the marginalised, vulnerable or excluded groups and remote populations) that will benefit from the proposed Activity were engaged in and influenced the design and how this will strengthen the ability of these groups to engage and influence through delivery.*  *How are local communities going to be involved through different stages of the activity including in ways that will enhance localisation i.e. increased voice, capacity, capability, power and influence and in providing feedback?*  *How is feedback/participation from all gender groups going to be intentionally supported?* |

## Inclusive Development, Climate Change and Environment

|  |  |
| --- | --- |
| **Inclusive Development**  **Climate Change and Environment** | *Identify the needs and engagement of women and men, girls and boys, and gender diverse. Describe gender roles and barriers.*  *Explain how the activity delivery will support gender equality, engage people living with disability and remote, marginalised, vulnerable and/or excluded groups.*  *How will disaggregated data be collected*  *Discuss the potential impacts of climate change on this Activity and identify ways this impact will be avoided or mitigated.*  *Identify ways the proposed Activity will promote environmental integrity and sustainability, support adaptation to climate change, promote emissions reductions and/or improve resilience to natural disasters.* |

## Do No Harm

|  |  |
| --- | --- |
| **Do No Harm** | *What will be done to ensure that the activities will do no harm to the local population?*  *What are the mechanisms for ensuring open and honest dialogue between NZ and local NGO around delivery, effectiveness and localisation? (also ensuring safeguarding/PSEAH concerns can be raised)? Describe the robustness of the relationship between NZ and the local NGO.*  *How will you ensure that the activities will do no harm to the environment?* |

## Implementation workplan (Appendix)

|  |  |
| --- | --- |
| **Implementation Workplan** | *Attach the implementation workplan as Appendix A.*  *Ensure it is clear, logical and feasible with high level milestones; allows time for reflections on lesson learnt; aligns with the proposed outputs and scope; and correlates with the budget and resources proposed.* |

# Commercial Case - activity cost and value for money (3 pages maximum including summary budget page but excluding appendix B)

A detailed activity budget should be provided in Appendix B in a format based on the NGO applicant’s systems and processes. This budget should be in NZD.

## Explanation of Financial Management

* Explain the costs required to achieve the intended inputs, outputs and outcomes. Confirm the costs are sufficient to provide all the inputs of sufficient quality required for the delivery of planned activities and outputs and explain how this was tested and confirmed.
* Explain how you determined the total budget cost, including MFAT co-investment, NZNGO co-investment and NZNGO in-kind contributions (if any).
* Explain how the budget will enhance localisation and how local partners were involved in budget decision making – including providing transparency of the whole budget including NZ based costs.
* Explain how you have ensured that the budget is value for money, avoids waste, unnecessary inputs, or duplication both within the Activity and relative to other interventions.
* Explain how the budget will achieve results and be monitored against activity goals.
* Explain any pricing assumptions you have adopted.
* Explain whether the costs are market-based, discounted in any way or how they have been otherwise assessed to be fair and reasonable.
* Confirm that foreign exchange and inflation rates have been determined as a result of an assessment of these over the last three years.
* Explain whether and why MFAT support is required for this Activity i.e. would it happen without MFAT support?
* Present any risks and risk treatments in regard to the budget including how you will manage any cost over-runs, such as for foreign exchange rate fluctuations and inflation.
* Confirm that the budget meets all MFAT budget requirements (i.e. in regards to allowable management costs, sensitive expenditure, asset purchases as per Annex 1).

# 

## High-level Activity Budget Table Explanation (in NZD, excluding GST)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Year 1** | **Year 2** | | **Year 3** | **Total** |
| **Output:** [Enter text here] |  |  | |  |  |
| **Output:** |  |  | |  |  |
| **Output:** |  |  | |  |  |
| **Output:** |  |  | |  |  |
| **MERL costs:** |  |  | |  |  |
| **Common output costs:** |  |  | |  |  |
| **Management costs (New Zealand)** |  |  | |  |  |
| **Management costs (In-country)** |  |  | |  |  |
| **Total** |  |  | |  |  |
| **Funding Sources – list below** | | | **Contribution (NZD excluding GST)** | | | |
| MFAT co-investment requested | | |  | | | |
| NZNGO co-investment total\* | | | $ | | | |
| *NZNGO co-investment cash contribution* | | | $ | | | |
| *NZNGO co-investment in-kind contribution (if any, value in NZD)\*\** | | | $ | | | |
| **Total** (GST exclusive) | | | $ | | | |

\*At least sixty per cent of NZNGOs total co-investment must come from New Zealand sources.

\*\*Up to 30 per cent of NZNGOs total co-investment contributions may be in-kind, on discussion and agreement with MFAT.

# Management Case (4 pages maximum excluding appendices)

Set out the main issues and factors affecting how the proposed Activity will be delivered on the ground. A Monitoring, Evaluation, Research and Learning (MERL) Framework should be provided as Appendix C; a Organisational Chart showing management arrangements should be provided as Appendix D; and a Risk Management and Healthy and Safety Plan as Appendix E.

## Management roles and responsibilities

* Explain the governance arrangements, frequency of meetings and how decisions will be made.
* Explain the organisational chart and management arrangements.
* Present the over-arching roles and responsibilities of all New Zealand and local partners, including those who will support delivery.
* Confirm the implementation team, key roles and responsibilities.
* Outline the specific roles, responsibilities and accountabilities of the NZNGO, and value they will add throughout the Activity’s lifecycle e.g. specific expertise, support or resources that will be contributed.
* Comment on the local civil society partner’s organisational capabilities to carry out the implementation roles and explain how these capabilities were assessed.
* Explain how local capacity/capability building and/or organisational strengthening will occur and be resourced.

## Monitoring, evaluation, research and learning (MERL)

Explain how the MERL framework, which is essential for Activity management, will guide the collection and use of meaningful and timely information to:

1. Assess how well the Activity is performing
2. Provide evidence and learnings for decision-making and adaptive management (inflight adjustments)
3. Assess key contextual factors that impact on activity implementation and management.

A detailed MERL Framework must be provided in Appendix C (in a format based on the NGO applicant’s systems and processes). This should include:

* Activity logic diagram:
  + a diagram of the theory of change that visually depicts the outcomes the activity is seeking to achieve. It is also a key communications tool for engaging with stakeholders.
  + Also include a narrative of key assumption and risks underpinning the logic.
* MERL Table
  + Key results indicators, baseline and targets for tracking progress of outputs and outcomes in the logic diagram.
  + Other evidence (including research and evaluation) to address knowledge gaps, critical assumptions, etc.
* MERL Work Plan
  + Schedule of key monitoring, evaluation and research tasks to collect evidence.
  + Identifies how the evidence will be used to support Activity management, learning and adaptation.

## Risk management and safety planning

A detailed implementation Risk Management and Health and Safety Plan must be provided in Appendix E in a format based on the NGO applicant’s systems and processes.

In addition 4.3 should:

* Explain how you assessed Activity, health and safety (including safeguarding) and reputational risks.
* Explain the process to review and update risks in a timely manner to inform on-going implementation monitoring, decision-making and communication of risks.

## Communications and stakeholder planning

* Identify key stakeholders you will communicate with during Activity implementation.
* Present any public diplomacy opportunities you have identified in New Zealand or the targeted country that could be developed with MFAT e.g. press and media coverage, ‘announcables’, social media, events, communications and branding opportunities.

## Sustainability, ownership and handover management planning

* Describe how the Activity outputs and outcomes will be sustainable (maintained beyond the life of the Activity).
* Comment on the ability of the local CSO and/or partner to ensure sustainability of the outcomes beyond the Activity and how local capacity/capability building and/or organisational strengthening will enhance this.
* Define the strategy for management and future ownership of the Activity and any assets acquired.
* Describe the hand-over of responsibilities to officially confirm the end of MFAT funding, and any formal ceremony.

# Appendices

Please present Appendices in a format consistent with your NGO’s standard operating systems and processes.

The following Appendices are required at a minimum:

* Appendix A: Detailed implementation workplan (for years one and two)
* Appendix B: Detailed Activity budget
* Appendix C: MERL Framework
* Appendix D: Organisational Chart showing management arrangements
* Appendix E: Risk Management and Health and Safety Plan

Annex 1: Financial Guidance

1. **Co-Investment**

Co-investment is the financial contribution by both MFAT and NZNGOs to collectively invest in agreed development outcomes. It is a crucial value-add for both NZNGOs and MFAT to leverage their respective resources. The ability of NZNGOs to engage the public and leverage additional funds was a key part of the rationale for a dedicated NZNGO funding pool; and is consistent with the approach taken in PFID.

MFAT’s co-investment guidelines are that:

* At least 60% of NZNGO co-investment funding should come from New Zealand sources (this can include funding raised from: the public in NZ; NZ citizens based offshore; NZ based philanthropic organisations; income from NZ based services and NZ based private sector);
* Up to 40% of NZNGO co-investment funding can come from other funding sources, where additionality can be demonstrated;
* Up to 30% of the total co-investment can be considered for in-kind contributions (see below). However this should be discussed with MFAT at the earliest possible opportunity.
* Co-investment from local partners or project beneficiaries/target communities is allowed as this may demonstrate commitment to the project and increase sustainability of outcomes. However, the NZNGO should provide a strong rationale as to how the support is derived; why it adds to the work; and how the NZNGO ensured there was no pressure on in-country partners to contribute
* The level of NGO and MFAT co-investment required depends on the region of project implementation: Pacific (20%), South East Asia Least Developed Countries (25%) and Rest of World (33%)
* Co-investment can be paid upfront or pro-rated across all years. MFAT does not require a fixed/the same proportion of co-investment payments each year, but the spread needs to be agreed with MFAT and the co-investment cannot be applied in the final year only.
* In circumstances where co-investment (in cash or in-kind) expected to come from a third party can no longer be sourced, NZNGOs are expected to find alternative means to make up the shortfall.

1. **In-Kind Support**

## The acceptance of in-kind co-investment is at the discretion of MFAT. In-kind contributions can be provided by the NZ NGOs and/or incountry partners but they must directly contribute to the delivery of activity/outputs and outcomes. They may include:

* Use of plant and equipment
* Raw materials
* Skills/labour (staff time will be valued at pro-rata direct salary costs inclusive of leave entitlements, ACC as long as these reflect reasonable market rate)s
* Volunteer inputs (usually costed at the minimum wage except in exceptional cases at MFAT’s discretion, where the volunteer is providing professional services which would otherwise need to be sourced from the market).
* Overhead costs specific to the project (i.e. Communications, IT equipment, office and facilities).

In-kind support can be provided by the NZ NGO and/or in-country partners. Gifts received from the NZ community must be sent overseas to be Recognised Development Expenditure (RDE). The NGO should be able to provide particulars of goods or services sent and clear justification for inclusion in RDE for the activity.

1. **Foreign Exchange Fluctuations and Inflation**

When submitting a budget/costed workplan, partners should always factor in inflation and currency fluctuations having assessed these over at least the last three years. Foreign exchange gains and losses will be expected to be managed within the activity by scope changes.

1. **MERL**

MERL is an integral part of Partnering for Impact and as such partners must ensure sufficient funds are set aside for this. MERL costs should be provided as a separate costing in the budget.

1. **Overheads and Allowable Budget Percentages**

Components of MFAT’s *Accepted Budget Expenditure Policy* in relation to Partnering for Impact and Humanitarian budgets were updated in October 2020 to better align the description of management/ overhead costs and budget requirements with the wider aid programme (i.e. removing the former requirement to delineate up to 30% direct output support costs). However, the special provision that provides for overhead costs for in-country partners was retained for NGOs to recognise these costs on local partners and to support localisation, the growth of resilient and effective local NGOs and effective partnerships and engagement between NZ and in-country NGOs to address management issues.

1. **New Zealand based management overhead costs (range from 3-10% of the total activity)**

These are costs that are overhead for the wider entity that are not directly attributed to the activity such as the costs for corporate functions that enable the operation of the entity overall (e.g share of the time of the Chief Executive, Chief Financial Officer, Human Resources Manager) and a share of the entity’s costs which enable operation of the entity (e.g. rental of the head office, electricity etc). These overhead costs should be reasonable i.e. they represent an increase in management costs incurred to deliver this activity and/or how much time the entity overall spends on this activity compared to other services it delivers referring to the size of this activity relative to their organisation’s operations and funding.

1. **In-country management overhead costs (range from 3-10% of the activity)**

This may be if the NZ NGO has an in-country office (usually in the capital), and/or partner organisation office/s, from where Activities are co-ordinated and supported. This should include overhead costs of all in-country partners in-line with the description of corporate and other operational functions listed in point a) above. These may not necessarily be at the site where the Activity takes place.

1. **Other costs**

These are costs associated with managing the activity including the staff delivering the activity (e.g. project manager). Generally this additional time and therefore cost should be specifically identified as part of the Activity outputs. Where possible, these costs should be allocated to outputs. For those costs to deliver the activity that cannot be allocated, the budget/costed workplan should specify what those common output costs relate to (e.g. by staff position) and the part of the workplan, TOR or specifications being delivered to ensure there is no duplication with other output costs.

1. **Sensitive Expenditure**

Any items such as entertainment expenses and koha are considered sensitive expenditure and should be identified and explained in the budget. Sensitive expenditure cannot be funded unless approved in writing by the Divisional Manager, MFAT.

* MFAT does not pay for alcoholic drinks or for social functions. It will cover workshop refreshments or meals when they are an integral part of the activity.

1. **Miscellaneous Expenses**

The term ‘miscellaneous’ or contingency on its own will not be accepted as a budget item, it must always show in the details column what items are being charged under a miscellaneous heading.