

# Activity Planning Policy

## Operational Policy

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Unit Manager, Development Effectiveness

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### Processes based on this policy

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The following processes are based on this policy:

- a) [Develop, Appraise and Approve an Activity Concept](#)
- b) [Develop, Appraise and Approve an Activity Design.](#)

### Exceptions to this policy

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This policy does not apply in full to Contestable Funds, and Scholarships and Training modalities. Separate policies and processes apply to their appraisal, approval, monitoring and evaluation.

# Purpose

The Outcome of the concept identification and appraisal process is confidence that the proposed Activity is of sufficient quality to warrant the development of a detailed Design.

The Outcome of the Design process is a decision on whether or not to implement an Activity.

The planning process for an Activity covers all the steps from identification of a potential Activity through to the finalisation of contractual arrangements for implementation.

This policy outlines the mandatory rules and standards relating to the planning phase of all Activities including those undertaken with other development partners.

Where a partner is leading the Activity planning phase (identification and/or design) you may adapt the steps. However, MFAT quality standards must be met and financial authorities must be obtained at the appropriate level.

Where MFAT receives an Activity design from another partner, the process for Design Appraisal and Design Approval must be followed.

## General Policy Rules

### Phases and stages

The Activity planning phase is divided into two stages:

- Activity identification
- Activity design

All Activities go through an Activity planning phase before implementation, but if an Activity has been designed by another partner, MFAT's role in the planning phase may be limited.

### Roles and Responsibilities

An Activity has one Activity Manager (AM) at any point in the Activity cycle. Administrative tasks can be delegated or shared.

The AM is responsible for ensuring all Activity planning processes are completed and approvals submitted.

Unit Manager of the team managing the Activity at that point in time is accountable for ensuring completeness and quality, and approving key elements of activity management as per this policy.

### Larger, more comprehensive Activities preferred

MFAT's policy is to pursue a progressive shift from small, administratively expensive aid projects to larger, higher impact, more comprehensive initiatives. This must be considered throughout the planning phase.

Only Activities with a total expected cost (i.e. over all three phases of planning, implementation and completion) greater than \$500,000 should be approved, except as listed below:

### **Exceptions**

Activities with a total expected cost (i.e. over all three phases of planning, implementation, and completion) less than \$500,000 may be approved in the following cases:

- Head of Mission Funds
- Contestable and criteria-based funds explicitly aimed at small Activities
- Humanitarian Response Fund
- Research funds
- PIC Participation Fund
- Electoral Assistance (e.g. electoral observers)

## **Activity Transfer Process**

Responsibility for an Activity can be transferred from one team to another at specific times during the planning phase: after approval of concept; and after approval of design. The process for each is laid out below.

Transfer can also occur during implementation (see [Activity Implementation Policy](#)).

### **Concept to Design**

Once a concept has been approved, an Activity can be transferred to another Division or Post for design. Representatives from all teams expected to be involved in the design and implementation of the Activity should be engaged as early as practicable in discussions about the Activity (including discussion on the Activity's risk profile).

- Concept appraisal discussions or meetings (if held) must include representation from the proposed design team and the team responsible for the programme from which funding is sought, if different.
- The [Concept Note, Appraisal and Approval template](#) must record which Division or Post is likely to be responsible for design and implementation. It also records acceptance of the transfer by the designing team, division or Post if this is different from the one approving the concept.
- It is the responsibility of the team developing the Concept to seek financial authority, via the PAA, for any expenditure required to design the Activity from the appropriate Instrument of Delegation (IOD) holder in the team or division

responsible for the programme from which funding is sought (the funding team). See [PAA Policy and Guideline](#).

- Only the Divisional Manager of the designated design Division, or the Unit Manager or the Development Counsellor (DC) in the design team (or if no DC, the Head of Mission (HOM)), can accept responsibility for the design stage.
- Prior to the transfer of an Activity a [Responsibility Assignment Matrix](#) (RACI) may be completed and agreed by the Unit Managers of the respective teams. Use of the RACI is optional.
- The Unit Manager in the designated design team is responsible for ensuring that an AM is appointed and undertakes all tasks required to take the Activity through the design stage. This includes developing GFAs and/or contracts (if required) for design.
- The AM should prepare an indicative plan including timings and likely resource needs, and confirm it with their manager. Use of the [Activity Schedule](#) is optional.
- The Unit Manager of the funding team should be kept apprised of progress and any major risks and issues arising in the design of the Activity.

## **Design to Implementation**

Once a design has been approved, an Activity can be transferred to another Division or Post for implementation. Representatives from all teams anticipated to be involved in the Activity should be engaged as early as practicable in discussions about the Activity (including discussion on the Activity's risk profile).

- Design appraisal discussions or meetings (if held) must include representation from the proposed implementing team and the team responsible for the programme proposed for funding the Activity (if different).
- Design approval must record which team is likely to be responsible for implementation.
- It is the responsibility of the team developing the Design to seek financial authority, via the PAA, for implementation from the funding team. See the [PAA Policy and Guideline](#).
- If approved, it is the responsibility of the team developing the Design to develop GFAs and/or contracts required for implementation (see Appendix D).
- Only the Divisional Manager of the implementing Division, or the Unit Manager or the DC (or if no DC, the HOM) in the implementing team can accept responsibility for implementation of a design.

- Prior to the transfer of an Activity a [RACI](#) may be completed agreed by the Unit Managers of the respective teams. Use of the RACI is optional.
- The Unit Manager in the designated implementation team is responsible for ensuring that an AM is appointed and undertakes all tasks required to implement the Activity, including the decision on whether to transition or exit the Activity.
- The Unit Manager of the funding team should be kept apprised of progress and any major risks and issues arising in the implementation of the Activity.

## Activity Identification Stage

### Approach to identification

- The purpose of the identification stage is to identify concepts that warrant New Zealand Aid Programme investment in developing a detailed design.
- Not all Activities have an identification stage. MFAT may receive completed designs for consideration or MFAT may have already approved transition from an existing Activity to a new, follow-up Activity. In such cases, the design must still comply with and will be assessed against MFAT's minimum requirements and standards for design (see the Activity Design Stage section below). For more details on MFAT's approach to transition refer to the [Transition: Planning a New, Follow-up Activity Guideline](#).

### Concept notes

- An Activity concept note can be prepared by MFAT or by a partner.
- Concepts with a Whole of Activity value of \$500,000 or less can be documented, appraised and approved via a PAA.
- Concept notes should be informed by partner country development strategies or regionally-agreed strategies, and relevant evaluations, research and other analytical work.
- If insufficient information is available, commissioning targeted research or in-country analysis can be recommended, but initial concept approval should be sought before investing in additional analysis.

### When the concept note is drafted by MFAT

- The AM drafts the concept note.
- Use of the Concept Note section in the [Concept Note, Appraisal and Approval template](#) is mandatory.

- Appraisal of the concept note is not undertaken by the AM.
- The decision on who will appraise the concept note is made by the Unit Manager in the identifying team.

### **When the concept note is drafted by the partner**

- The use of the Concept Note section in [Concept Note, Appraisal and Approval template](#) is not mandatory.
- The concept note must contain sufficient information to meet MFAT standards (this may be an iterative process).
- The appraisal of the concept note is generally undertaken by the AM.

### **Concept appraisal and approval**

- The concept note is appraised to inform a decision on whether to proceed to design.
- For concepts with a Whole of Activity value of \$500,000 or less, appraisal and approval is via a PAA. The appraisal is conducted by at least two staff with technical, country and development expertise inputting to the draft PAA. The PAA is completed and submitted for approval by the AM.
- For concepts with a Whole of Activity value over \$500,000 the [Concept Note, Appraisal and Approval template](#) is used to appraise the quality of the concept and document concept recommendations and approvals. One appraisal document is completed by two or more staff (including the AM) with technical, country and development expertise.
- All appraisals includes creating an [Activity Risk Register](#) (ARR) and a [Partner Risk Assessment](#) (as soon as Partner is known).
- The Activity is also appraised using the [Environmental and Social Impact Policy](#) and the [Environmental and Social Impact Guideline](#) to identify potential risks and impacts and determine the need for further assessment or analysis. This is recorded in the ARR and in the Concept Appraisal and Approval recommendations.
- Concept appraisal should consider how the Activity enhances development effectiveness. See the [Development Effectiveness Policy Statement and Action Plan](#).
- For concepts proposing assistance to a partner government and/or the public investment priority in a partner country, use the [Use of Partner Public Financial Management Systems Guidelines](#) to appraise whether/how an activity might use partner government PFM systems in whole or in part including associated opportunities and risks.

- A **concept appraisal meeting** of at least three people including relevant specialists (e.g. technical, cross-cutting, monitoring and evaluation, financial, legal or country expertise) is required for:
  - a) all Activities over \$1.5 m; and
  - b) Activities over \$500,000 and up to and including \$1.5 m only when considering a new partner; new country; new Investment Priorities; or when significant differences of opinion are raised by appraisers.
- The appraisal meeting must include representation from the proposed designing and implementing divisions or Post where these are different from the division or Post responsible for the identification stage.
- The chair of the meeting and the approver of the concept are identified according to the value of the Activity and funding source, as set out in Appendix A: Concept Appraisal & Approval Thresholds and Responsibilities.
- If a concept note is submitted to the Minister<sup>1</sup>, the approved Ministerial Submission serves as initial approval of the concept. The PAA or Concept Note, Appraisal and Approval template is completed to ensure clarity on any further analysis required before proceeding to design.
- The approved PAA or Concept Note, Appraisal and Approval template serves as approval to proceed to design, or to further analysis if required.
- Where the designing division or Post is not the same as the identification division or Post, they accept and assume responsibility for design once the concept note is approved. This acceptance can be provided by a Unit Manager (or higher) in the designing team or a DC or HOM at Post.
- Approval of the concept does not constitute the financial authority necessary for the design stage (e.g. for a contracted design team) unless approval is via a PAA.
- Financial authority is sought after approval of the concept (via the Concept Note, Appraisal and Approval template) and is governed by the [Financial Delegations Policy for Vote ODA](#) Activities. It is the responsibility of the designing division or Post to obtain financial authority for design. See the [PAA Policy and Guideline](#) for details.

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<sup>1</sup> Ministerial approval is not required at concept stage, but it may be useful to consult the Minister on major new initiatives being considered.

# Activity Design Stage

## Approach to design

- The purpose of the Activity design stage is to produce an approved Activity Design Document (ADD) and obtain the financial authority to proceed to implementation.
- Activities must have a defined implementation period (usually 3 to 5 years) set out in the ADD.

## Activity Design Document (ADD)

- For the content of a standard MFAT ADD refer to the [ADD template](#). Alternatively an Activity may have several documents that between them constitute its ADD. All such documents need to be clearly recorded as forming the ADD.
- For partner-led designs, use of the MFAT template is not compulsory but the design must meet MFAT's minimum requirements.
- The minimum requirements for an ADD are:
  - A results framework or equivalent which includes a:
    - Results Diagram
    - Results Measurement Table
    - Monitoring and Evaluation Workplan.  
(See the guideline [Developing an Activity Design](#) for the format to use, the standards that apply and example.)
  - A description of the activities to be undertaken.
  - An outputs-based budget, linked to the Results Diagram (AMs may decide to request an inputs budget for value for money assessment).
  - A description of the proposed partners including information on capacity and risk of the implementing partner and management arrangements.
  - An explanation of environmental and/or social impacts and risks of the Activity and measures to avoid or mitigate these. Refer to the [Environmental and Social Impacts Policy](#).
  - A risk management framework.
  - A description of transition or exit planning.
  - Context and analysis; for example, alignment with partner and New Zealand policies and strategies, commentary on efficiency, effectiveness, sustainability and relevance of the Activity, existing monitoring and evaluation (M&E)



systems, data/information and M&E capability, application of lessons learned, stakeholder engagement, treatment of cross-cutting issues, etc.

- The primary ADD must include the Activity’s key outputs and intended outcomes.

### Example of ADDs

Examples of the primary ADD for different types of assistance are shown below:

Type of Assistance	ADD core documents
International specific purpose or pooled Fund	Fund Strategic Plan
Investment Priority Budget Support	Investment Priority Strategy
Core support to NGO or contribution to multilateral institution	Strategic Plan of partner organisation
Project-type intervention or Contestable Fund	Activity design
Scholarships and Training	Letter of offer (scholarships and training)
Technical Assistance	Terms of reference

### Design appraisal and approval

- The design is appraised to inform a decision on whether to proceed to implementation.
- For designs with a Whole of Activity value of \$500,000 or less, appraisal and approval is completed via a PAA. The PAA is completed and submitted for approval by the AM
- For designs with a Whole of Activity value over \$500,000, the [Appraisal of Activity Design template](#) is used to assess the quality of the design and document design recommendations and approvals. One appraisal is completed by two or more staff (including the AM) with technical, country and development expertise.
- The appraisal includes creating or updating the [Activity Risk Register](#) and a [Partner Risk Assessment](#).
- The Activity is also appraised using the [Environmental and Social Impact Policy](#) and the [Environmental and Social Impact](#)

[Guideline](#) to identify potential risks and impacts and determine the need for further assessment or analysis. A category is assigned.

- Design appraisal should consider how the Activity enhances development effectiveness. See the [Development Effectiveness Policy Statement and Action Plan](#).
- For designs proposing assistance to a partner government and/or the public sector in a partner country, use the [Use of Partner Public Financial Management Systems Guidelines](#) to appraise whether/how an activity might use partner government PFM systems in whole or in part including associated opportunities and risks.
- **Budget appraisal** must be performed by the AM (with budget advice obtained as needed) as part of the appraisal of the Activity design.
- A **design appraisal meeting** of at least three people including relevant specialists (e.g. technical, cross-cutting, monitoring and evaluation, financial, legal or country expertise) is required for:
  - a) all Activities over \$5 m; and
  - b) Activities over \$500,000 and up to and including \$5m only when considering a new partner; new country; new Investment Priorities; or when significant differences of opinion are raised by appraisers.
- The appraisal meeting must include representation from the proposed implementing division or Post, if these are different from the division or Post responsible for the design stage.
- The chair of the meeting and the approver of the design are identified according to the value of the Activity and funding source as set out in Appendix B: Design Appraisal & Approval Thresholds and Responsibilities.
- The approved PAA or Appraisal of Activity Design template serves as approval to proceed to implementation, or to further analysis if required.
- Where the implementing division or Post is not the same as the designing division or Post, they accept responsibility for implementation once the ADD is approved. This acceptance can be provided by the Unit Manager (or higher) in the implementing team or the DC or HOM at Post. However, the implementing division does not actually assume responsibility until after contracting arrangements have been finalised (negotiable).

- Approval of the design does not constitute the financial authority necessary for the implementation phase unless approval is via a PAA.
- Financial authority is sought after approval of the design and is governed by the [Financial Delegations Policy for Vote ODA Activities](#). It is the responsibility of the designing division or Post to obtain financial authority for implementation. See the [PAA Policy and Guideline](#) for further detail.

## Activity Results Framework

### Results Framework Policy rules

- All Activity designs need a results framework that meets the standards in this policy.
- For MFAT-led designs a results framework must include the following three components:
  - **A Results Diagram** which describes the Activity's goal and identifies the intended change occurring over time by logically showing the links between the Activity's outputs, intended short-term, medium-term and/or long-term outcomes
  - **A Results Measurement Table** which identifies how the intended change will be measured and monitored by using indicators, targets and baseline information. It is mandatory that, where relevant and appropriate, one or two indicators in the Results Measurement Table are selected from the list of Direct Results Indicators.
  - **A Monitoring and Evaluation Workplan** which details the implementation of the monitoring and evaluation tasks.

(See the guideline [Developing, Appraising and Approving an Activity Design](#) for the formats to use, the standards that apply and examples. See also the list of headline results indicators in the document [Direct Results Indicators](#))
- An Activity concept must include indicative outcomes before the concept note is approved.
- An Activity design must include a fully designed results framework and costs before the Activity Design Document is approved.
- For partner-led design, use of MFAT results framework templates is not compulsory but it must provide content in

accordance with the guideline [Developing, Appraising and Approving an Activity Design](#).

- Partner systems should be used where possible for monitoring and evaluation. Where partner systems are able to provide the information required demonstrating progress towards achieving the outcomes, their systems should be used. However, where partner systems do not provide the required information, a complementary monitoring and evaluation system should be set up to ensure the availability of information.
- Cross-cutting issues mandated by Cabinet – gender equality and women’s empowerment, human rights, and the environment (including climate change) - must be integrated into results frameworks. For specifics on integrating climate change as a cross-cutting issue, see the operational policy and guideline [Delivery & Tracking Climate Change Related ODA](#). For specifics on environmental and social impacts, see [the operational policy](#) and [guidelines](#) on Environmental and Social Impacts.
- The level and nature of monitoring and evaluation must reflect the nature, scope and scale of the Activity (in other words be fit for purpose).

## Appendix A:

### Concept Appraisal & Approval Thresholds and Responsibilities

These tables show who in the identifying division is responsible for chairing the concept appraisal meeting (if any) and for approving the Concept.

<b>Whole of Activity Cost</b>	<b>Chair of Concept Appraisal meeting</b>	<b>Approval of Concept</b>
Up to and including \$500,000	None – appraisal and approval via PAA	Unit Manager
Over \$500,000 and up to and including \$1.5 m	Unit Manager	
Over \$1.5 m and up to and including \$10m	Divisional Manager	Divisional Manager
Over \$10m		Deputy Secretary

Accepting the Concept Note is the responsibility of a Unit Manager in the designing division, or the DC (or if no DC, the HOM) if the Activity is to be designed at Post.

## Appendix B:

### Design Appraisal & Approval Thresholds and Responsibilities

The table shows who in the designing division is responsible for chairing the design appraisal meeting (if any) and for approving the ADD.

<b>Whole of Activity Cost</b>	<b>Chair of Design Appraisal meeting</b>	<b>Approval of Design</b>
Up to and including \$500,000	None – appraisal and approval via PAA	Unit Manager
Over \$500,000 and up to and including \$5 m	Unit Manager	
Over \$5 mil	Divisional Manager	Divisional Manager

Accepting the ADD is the responsibility of a Unit Manager in the implementing division, or the DC (or if no DC, the HOM) if the Activity is to be implemented at Post.

## Appendix C: Transferring Activities between Divisions

This diagram shows role and responsibilities for the transfer of Activities between divisions occurs during Activity planning.

