

Rapid review: The FCDO's Programme Operating Framework

Annotated bibliography

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1. Introduction

1.1 Overview

Following the merger of the Foreign and Commonwealth Office (FCO) with the Department for International Development (DFID) in September 2020 to form the Foreign, Commonwealth and Development Office (FCDO), FCDO launched its Programme Operating Framework (PrOF). The PrOF came into force in April 2021 as a key tool for embedding a common approach to programme management across the new department, covering both aid and non-aid programming.

This brief annotated bibliography summarises selected literature on good practice in aid programme management and operating frameworks that informed the Independent Commission for Aid Impact (ICAI) 2023 rapid review of *The FCDO's Programme Operating Framework*. ICAI's rapid review assesses the PrOF's effectiveness in supporting aid delivery across FCDO's diverse portfolio. This includes assessing the extent to which FCDO has incorporated good practice into the PrOF and the extent to which the PrOF has been implemented in the new department.

1.2 Approach

This annotated bibliography is based on a rapid survey of literature on aid programme management and operating frameworks. It focuses on operating frameworks and programme management in international development, and draws on good practice from the private sector. It provides a short summary of key publications and websites, drawing on authors/publishers' summaries and key areas of documents relating to the rapid review. It includes publications from:

- UK government and independent reviews of UK aid
- International development sector publications
- Private sector publications

2. UK government and independent reviews of UK aid

2.1 Smart Rules: Better programme delivery, Department for International Development, 2019 version, [link](#)

DFID launched the Smart Rules in June 2014. The Smart Rules establish an operating framework for programme management throughout the programme lifecycle, define accountabilities and decisions, and set out the compulsory processes. The Smart Rules are the main predecessor of the PrOF launched by FCDO.

This document is based around 10 principles and 37 mandatory Smart Rules. The Smart Rules also establish the role of the Senior Responsible Owner (SRO) as the person accountable for the design, delivery and closure of programmes. The Smart Rules aim to:

- help the SRO and programme staff to deliver results and address the underlying causes of poverty and conflict through adaptive and context-specific programming;

- maintain high standards of programme management and due diligence in a wide range of operating environments;
- enable staff to make evidence-based decisions, apply professional judgement, act proportionally, ensure a clear audit trail of decisions, and to be properly accountable to UK taxpayers.

The document refers to further guidance available as non-mandatory Smart Guides.

2.2 Rapid review of DFID's Smart Rules, Independent Commission for Aid Impact, 2014, [link](#)

ICAI conducted a rapid review of the relevance and effectiveness of DFID's Smart Rules in 2014, shortly after the launch of the new operating framework. It conducted desk research and interviews with DFID staff to better understand and assess the impact of the Smart Rules on programme management, and their capacity to support learning and effective aid delivery.

The review supports DFID's attempts to reduce bureaucracy and empower staff via a principles-based approach. It finds that the Smart Rules offer a strong set of philosophies to drive operational efficiency based on the principle of 'empowered accountability'. ICAI also praises DFID's efforts to clearly define roles and responsibilities within programme management.

ICAI finds that DFID staff generally received the Smart Rules well and they made it easier for them to understand and follow programme management expectations. The review applauds other positive initiatives, such as the launch of a Better Delivery Team (which became FCDO's Centre for Delivery), that strengthened roles for SROs, and improved capacity within the organisation.

The main recommendations concern improvements to the rules, making sure that they help to maximise impact, value for money and learning. More technical guidance and examples could facilitate the application of the rules and principles in the field. This review also recommends that DFID should implement an organisation-wide change process to better align programme delivery with the vision of the Smart Rules.

2.3 OECD's Development co-operation peer reviews, United Kingdom, 2020, [link](#)

This review by the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) assesses the performance of UK international development efforts, especially of its former development agency, DFID.

OECD DAC acknowledges that the UK's aid and development initiatives have a long tradition of being rules-based, focusing strongly on performance. References to the Smart Rules praise the effort to summarise hundreds of pages of programme management guidance and policies, and improve flexibility in programming. While described as a step in the right direction, it notes that DFID processes remain complex and onerous, especially for partners, who are most affected by heavy bureaucracy and procedures. The report explains how excessive time spent by partners on due diligence, detailed reporting and forecasting jeopardises programme delivery. OECD also regrets the lack of consultations of those affected by UK aid in the DFID approach to aid and programming, highlighting how partners felt like their role was restricted to being implementers.

The review applauds DFID's leading approach to learning and flexible programme management, while also expressing concerns over a growing culture of control and compliance that threatens

innovation. The report states that a clear ambition to take informed risks and to innovate is at odds with the checks and balances that are in place to identify and manage risks, particularly innovative or sensitive issues or working in the most difficult contexts.

The review concludes by presenting the upcoming operating model for the new FCDO (which had not yet published the PrOF at the time of this review) as an opportunity to draw from the strengths of past approaches and learn from their weaknesses.

2.4 FCDO Programme Operating Framework, Foreign, Commonwealth and Development Office, revised November 2022, [link](#)

The FCDO's PrOF is the subject of ICAI's 2023 rapid review of *The FCDO's Programme Operating Framework* (see [link](#)). The PrOF launched in April 2021 with periodically updates. It sets out 10 principles, and 29 rules, the key roles, responsibilities and governance for programming to ensure best practices and alignment with FCDO's priorities. It increases the responsibility of the SRO and establishes new roles of Portfolio Senior Responsible Owner, with responsibility for a country or thematic portfolio of programmes and policy initiatives, and Programme Responsible Owner (PRO) reporting to the SRO. A one-pager supports each rule explaining how to apply it in practice and refers to further PrOF Guides that build on the former DFID Smart Guides.

The PrOF aims to draw on established practices of project and programme management to support high standards of delivery and risk management in the new department. It is closely based on DFID's Smart Rules (see 2.1) and draws on the former FCO's Policy Portfolio Framework (not publicly available) with new additions, aiming to be "better than both".

2.5 Government Functional Standard GovS 002: Project delivery, Infrastructure and Projects Authority, revised 2021, [link](#)

This cross-government project delivery standard was launched in October 2018. It applies to portfolios, programmes and projects undertaken within or across government departments and their arms-length bodies. This standard is part of a suite of operational standards that promote consistent and coherent ways of working across government, and provides a stable basis for assurance, risk management and capability improvement. Standards may include both mandatory and advisory elements, with clear language used to distinguish between requirements, recommendations and optional elements.

The project delivery standard's purpose is to set expectations for the direction and management of portfolios, programmes and projects, ensuring value for money and the successful and timely delivery of government policy and business objectives. The standard covers governance, portfolio management, programme and project management, planning and control practices and solution delivery practices. It describes the SRO role and responsibilities for portfolio management and programme management that inform the PrOF's Portfolio SRO and PRO roles.

2.6 The Green Book: Central government guidance on appraisal and evaluation, HM Treasury, revised 2022, [link](#)

The Green Book is guidance issued by HM Treasury on how to appraise policies, programmes and projects. It also covers the design and use of monitoring and evaluation before, during and after implementation. The guidance is for all public servants concerned with proposals for using public

resources. The key specialisms involved in public policy creation and delivery, from policy at a strategic level to analysis, commercial strategy, procurement, finance and implementation, must work together from the outset to deliver the best public value. The Treasury's five-case model is the means of developing proposals holistically to optimise the social value produced using public resources.

2.7 Guide to developing the programme business case, HM Treasury, revised 2018, [link](#)

This document sets out guidance for senior managers and executives responsible for designing, delivering and approving programmes, including SROs, programme directors, programme managers and business case practitioners and reviewers. It defines a programme as a series of planned measures, related events and co-ordinated activities in pursuit of an organisation's long-term goals. The guide provides a framework for planning and a process for developing and gaining approval, which aims to be flexible and scalable, as well as a range of tools to apply proportionately to provide clarity in the decision support process. It also provides a clear audit trail for public accountability.

3. International development sector publications

3.1 ADS Chapter 201, Programme Cycle Operational Policy, USAID, revised 2022, [link](#)

Like the PrOF, USAID's operational model is one of the few aid agency operating models publicly available. The document is a chapter of the programming series from USAID's automated directives system (ADS), the online platform that encompasses all organisational policies and requirements.

The policy provides guidance and sets out the processes to support strategic decision-making, learning to inform programming, the design of programmes, and alignment with government strategic goals and plans. The content and ambitions of the chapter are in line with the global push for more effective and efficient aid delivery centred on evidence and learning. The chapter defines four principles and eight components as USAID's foundations of aid and development programming, with detailed guidance on programme delivery, which includes the definition of roles and responsibilities, risk management, processes and good practices.

USAID programme policy also emphasises the importance of collaborating, learning and adapting to interconnect the different components of the programme cycle. This echoes the FCDO PrOF approach, where feedback, learning and adaptation inform programme strategic thinking throughout the cycle.

3.2 OECD's Development co-operation peer reviews, United States, 2022, [link](#)

OECD DAC reviews USAID's development efforts, including its operating model and procedures. The report finds that heavy and complex policies and requirements have a strong negative impact on USAID's aid programming effort. This echoes OECD DAC's 2020 review of the UK. OECD regrets lengthy processes that prevent efficient programme delivery. They make it harder for an

organisation like USAID to align priorities with those of partner countries, which dampens its ability to respond to local needs.

3.3 OECD's Development co-operation peer reviews, Norway, 2019, [link](#)

OECD DAC reviews Norway's development efforts in 2019, commenting on effectiveness and capacities. It finds that an unstrategic and uncoordinated approach to decision-making drives ineffective programming and limits Norway's ability to maximise programmes' impact. OECD suggests that stronger governance mechanisms and a better articulation of objectives would increase programme effectiveness across its portfolio. Contrary to FCDO's approach, the focus of Norway's guidance and policy is at the project level. The peer review suggests that this undermines its ability to evaluate and demonstrate the full impact of its development programmes. OECD also expresses mixed feelings about Norway's addition of a do-no-harm approach in its risk management process to implement cross-cutting themes. The report finds that the new approach lacks precision and clarity according to staff and partners. This highlights the importance of clearly defining approaches and principles in operating frameworks to support programme consistency, coherence and effectiveness.

3.4 GEF support to innovation: Findings and lessons, Global Environment Facility, 2021, [link](#)

The independent evaluation office of the Global Environment Facility (GEF) evaluates GEF's efforts to promote innovations across its portfolio, looking at 99 completed projects to learn from past experiences. In line with the PrOF's aim, GEF found flexible and adaptive management is a key factor in improving project performance. The report addresses the need for development initiatives to adapt to rapidly evolving needs and contexts.

3.5 Applying the humanitarian principles: Reflecting on the experience of the International Committee of the Red Cross, Jérémie Labbé and Pascal Daudin, International Review of the Red Cross, vol. 97, p. 183-210, 2015, [link](#)

The humanitarian principles developed by the International Committee of the Red Cross (ICRC) provide staff with a moral framework to guide and support operational judgements. This article discusses the complexities of applying humanitarian principles in real-life situations. It highlights that the application of principles is based first on interpretation and not characterised by a one-size-fits-all approach. The research finds that a consistent application helped build trust and predictability with stakeholders, including staff and partners.

The article finds that ICRC's strong principle-based operational framework allows staff to easily navigate the need to balance consistency and adaptability. The article praises flexibility in the application of the ICRC framework, which allows for creativity and interpretation based on context and changes. On the other hand, the authors observe frictions between the immediate application of the principles and ICRC's longer-term strategic goals. They conclude that ICRC needs to learn how to better balance operational and strategic goals.

3.6 Programme and Operations Policies and Procedures, United Nations Development Programme, accessed 24 April 2023, [link](#)

United Nations Development Programme's (UNDP) Programme and Operations Policies and Procedures (POPP) is a public platform providing the operational standards and guidelines for programme and project delivery in UNDP. Documentation is scattered across different policy areas and business processes, setting out minimum quality standards, policies, processes, requirements and templates.

3.7 International development project management: Principles of best practice, Bond, 2016, [link](#)

Bond's Project Management Group designed this concise set of principles as a self-assessment tool for organisations or teams managing international development projects to review their project management practices. They designed the principles as a high-level reference guide, specifically with international development projects in mind, to ensure maintenance of best practice and quality throughout the project lifecycle and to increase chances of project success. There are 26 criteria across six principles relating to governance, process, participation, team and individual, decision-making and learning.

3.8 Programme DPro: Programme management for development professionals guide, PM4NGOs, 2019 update, [link](#)

PM4NGO's guide to programme management in development, first published in 2017, provides programme managers with advice, tools and guidance to assist them in more effectively fulfilling their role, whether that is at a local, regional or international level. The guide covers key stages of the programme lifecycle and provides detailed guidance on each aspect of programme management. While focused on non-governmental organisations delivering programmes, the guide sets out five principles of good programme management: well-governed, adaptive, participatory, integrated and comprehensive.

3.9 How to set up and manage an adaptive programme: Lessons from the Action on Climate Today (ACT) Programme, Katherine Cooke, Oxford Policy Management, 2017, [link](#)

This document by Oxford Policy Management (OPM) forms part of a series that illustrates how change happens in DFID's ACT initiative, which works in partnership with the governments of Afghanistan, Pakistan, Nepal and India to assist these countries in becoming more climate resilient by integrating climate adaptation into policies, plans and budgets. It describes ACT's methodology for operating adaptively within a complex and transient political environment; the parallel document focuses on ACT's approach to understanding and engaging in the political change space. OPM notes that traditional aid design models usually comprise linear, largely pre-planned initiatives, whereby the outcomes and path to achieving them are known from the outset. Such rigid methods are poorly suited to complex problems and contexts, where specific results emerge over time during implementation. A flexible development assistance delivery model can allow unanticipated reform areas at the project design stage to be tackled as they emerge on the political agenda.

The report's findings support PrOF's adoption of the principle of empowered accountability, noting that adaptive programmes require a heavy emphasis on contextual knowledge and building relationships. It also highlights the importance of supportive programme design mechanisms, communication channels and information flows, and on leadership styles conducive to adaptive programmes.

4. Private Sector publications

4.1 Enterprise risk management: Integrating with strategy and performance, Committee of Sponsoring Organisations of the Treadway Commission, 2017 update, [link](#)

The Committee of Sponsoring Organisations of the Treadway Commission (COSO) is an independent private sector-led initiative whose mission is to help organisations improve performance by developing thought leadership that enhances internal control, risk management, governance and fraud deterrence. The COSO framework, first published in 2004, is a good practice framework for risk management within organisations. It provides a comprehensive structure for how organisations can optimise their strategy and performance based on enterprise risk management good practice. A wide range of organisation types and sizes around the world have deployed this initiative to identify risks, manage those risks within a defined risk appetite, and support the achievement of their objectives. It encapsulates a broad perspective of internal controls that include organisational culture and how senior leaders demonstrate a commitment to core values. The COSO framework includes 20 good practices across five pillars that should be tailored to an organisation's context: governance and culture; strategy and objective-setting; performance; review and revision; and information, communication and reporting.

The 2017 update of the framework describes how the integration of a specific set of risk management practices can support growth and innovation. With a focus on operations, compliance and reporting, this framework connects sound risk management with improved strategy-setting processes, performance and transparency, and reduced inefficiency. The update also recognises the growing necessity to balance consistency with adaptability for organisations working across geographies. The framework provides a robust comparative structure to analyse the effectiveness and relevance of operating frameworks like the PrOF.

4.2 Compliance risk management: applying the COSO ERM framework, Society of Corporate Compliance and Ethics and Health Care Compliance Association, Committee of Sponsoring Organisations of the Treadway Commission, 2020, [link](#)

The Society of Corporate Compliance and Ethics (SCCE) and Health Care Compliance Association (HCCA) produced this guide to provide guidance on the application of the COSO framework in identifying, assessing and managing compliance risks. The guide aligns the framework with the compliance and ethics programme framework described in the US Federal Sentencing Guidelines (USSG) to create a powerful tool that integrates the concepts underlying each of these frameworks. The USSG identifies seven elements to effective compliance and ethics management: standards and procedures; governance, oversight and authority; due diligence in

delegation of authority; communication and training; monitoring, auditing and reporting systems; incentives and enforcement; and response to wrongdoing. In addition, USSG also requires organisations to periodically assess the risk of noncompliance and continually look for ways to improve their compliance and ethics programmes. The guidance also references the UK's Bribery Act 2010 and the International Organisation for Standardisation (ISO) guidance on compliance management systems (ISO 19600:2014), describing their alignment with COSO. This further supports the applicability of the COSO framework in a wide range of contexts and its position as a good practice framework.

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