



Investment Concept Template

This template provides a structure for an investment concept over \$10 million (GST inclusive) and/or high risk. It should be a maximum of 5 pages, plus annexes, (depending on the complexity of the program), and written in concise and plain language. Important related analysis or background can be annexed if necessary. Refer to the [DFAT Design and MEL Standards](#). Contact designmail@dfat.gov.au for advice.

Investment Concept Title:	
Start date:	End date:
Total proposed DFAT funding: AUD	Total proposed funding from all donor/s: AUD
Current program fund annual allocation: AUD	AidWorks investment number:
Initial Risk: <low/medium/high/very high>	Value: <low/medium/high> [low <\$3m / high >=\$100m]
Proposed design pathway: <Standard or specify the <u>ADAPt</u> pathway>	
Concept endorsed by DPC: Yes/No/NA	
Quality Assurance: < e.g. appraisal, peer review >	
Policy Approval: Delegate at Post: <name>	Delegate in Canberra: <name>

A. Development Context (What is the problem?)

- › Provide a brief situational analysis (political economy, gender and social inclusion, and climate analysis) of the development context, including the problem intended to be solved, and an assessment of partner government priorities and resourcing.
- › Overview of proposed investment (one paragraph).

B. Strategic Intent and Rationale (Why should Australia invest?)

- › Set out DFAT’s policy objectives for this particular country/sector/thematic issue.
- › Provide a rationale for why this development issue is a priority for the Australian development program, in consideration of *Australia’s International Development Policy*, country/regional Development Partnership Plan, and other relevant bilateral, regional and other strategies. Briefly outline how it meets relevant development principles (e.g. national interest and influence, impact on economic growth and poverty, Australia’s value-add and leverage, and performance).
- › Indicate if the investment is/is not ODA eligible (refer to the ODA eligibility checklist).
- › Synthesise the main lessons from any past DFAT or other donor engagement (as rationale for C).
- › Describe what success would look like.
- › Describe the level of ambition in relation to locally led development and localisation (as appropriate).

C. Proposed Outcomes and Investment Options (What?)

- › Identify preliminary end-of-program outcomes¹, described in broad but achievable terms, and development constraints.

¹ Refer to Standard 3 of DFAT’s [Design and MEL Standards](#). Note that end-of-program outcomes should be written as an end state, i.e. who or what is expected to change, by when. The type of change should cover a change in knowledge, behaviour or condition. Integrate gender in the overarching objectives and outcomes. Refer to [Guidance Note: Facility Investments](#) if considering a facility modality.

- › Identify what DFAT hopes this investment will achieve and who will benefit.
- › Indicate whether the investment will have gender equality as a significant or principal objective (as per the OECD DAC definitions), and/or state that a gender equality outcome will be included in the design (either at end of program outcome or intermediate outcome level).²
- › If the investment is valued at \$3 million or over, indicate whether the investment will have a climate change objective (significant or principal as per the OECD definitions). If the investment will not include a climate change objective, there must be a statement to explain why. The concept note should also consider how climate change, including climate and disaster risk, will be included in the design (either at end of program outcome or intermediate outcome level).
- › Identify where Australia proposes to invest and where we have chosen not to invest. Outline rationale for this choice. Include indicative budgets and assumptions on levels of partner resources and reform to ensure level of ambition matches resourcing.

D. Implementation Arrangements and Delivery Approach (How will DFAT deliver it and engage?)

- › Identify at least 3 options for how the investment will be delivered, type of delivery partner, what form it will take. Provide an initial value for money analysis of each option, including efficiencies (and savings) for DFAT management and administration including FTE (A-based, LES), staff time, specialist advisor roles and engagement.³⁴ Include brief assessment of benefits and risk of alternative options.
- › Outline proposed role of DFAT, implementing partners, local partners, including assumptions being made about DFAT staff, and capabilities.
- › Outline proposed governance arrangements with partner governments and other partners (if known).
- › Identify leverage opportunities for Australia in partner government policies, of other DFAT investments, other donor financing, or private sector partnerships.
- › Outline indicative budget, MEL and DFAT administration costs (if known) and DFAT FTE.

E. Risks

- › Outline the key strategic risks to meeting investment objectives.
- › Complete/update the Risk Factors Screening Tool and risk register (both available in AidWorks) to determine the overall risk rating for quality assurance pathway.

F. What are the next steps?⁵

- › Outline the proposed design process, including internal management arrangements, partner engagement requirements, timeframe, budget and technical inputs. Options to consider include the [Adaptive Design and Procurement Pathway \(ADAPT\)](#) which can include include concept to tender, design update, design extension, design-implement, multi-year strategies, and co-creation with the private sector. Contact designmail@dfat.gov.au for advice.
- › If the design process is leading to confirming existing partnerships or a partner led design, justification should be provided to the delegate as to why this approach is preferred and how Value for Money will be achieved through the planned approach. This should include how the requirements of the relevant

² New investments valued at \$3 million and over are required to include a gender equality outcome. Investments in a limited number of categories are exempt from this requirement. See the [International Development Programming Guide](#) for more information on exemptions.

³ *Aid modality* can be a flexible program, sector wide approach, facility, project, or humanitarian assistance. *Delivery partner/s* may include partner government, multilateral bank, UN, regional organisation, NGO, or commercial contractor, or combination. *Forms of aid* include technical assistance, budget support, grants, infrastructure, training, and cash transfers. Consider including independent M&E mechanisms, such as technical advisory groups, specialist advisers, and joint donor review missions.

⁴ If the proposed approach is a facility refer to [Guidance Note: Facility Investments](#) and ensure requirements in the [Checklist for Approving Facilities](#) are met.

⁵ See [DFAT Design and MEL Standards](#) and the [Investment Design Quality Assessment Tool and Scoring Matrix](#).

legislation will be met, including how the requirements of the Commonwealth Procurement Rules (CPRs) will be met.

- › Outline quality assurance, including Development Program Committee consideration, independent appraisal, and peer review steps. Contact designmail@dfat.gov.au for advice.