

The revision of the guidelines were prompted by the commitments made as part of the Accra Agenda for Action and the decision in the Programme Committee that sector budget support is the default modality for support to the public sector. In accordance with these significant policy changes, the guidelines provide more guidance to the processes of preparing and managing programme support (Part I), in addition to indicating the contents and templates for key documents (Part II).

The revised guidelines are the result of a process of consultation involving both colleagues in Copenhagen and at embassies. The Ambassadors' meeting in February 2009 provided key inputs to the revision of the guidelines and procedures concerning appraisals, programme documentation and HQ support to embassies during programming. At the aid effectiveness seminar in April 2009, the technical aspects of using sector budget support as default modality were discussed, which provided further guidance for the revision of the guidelines. Finally, the hearing in April and a discussion in the Programme Committee on 17 April 2009 provided valuable contributions to the finalisation of the guidelines.

The major changes to management of Danida programme support are:

i) More flexible requirements for identification of new programmes and new phases of support

The identification process as described in the previous guidelines is replaced by an analysis of the national sector context. A report documenting the analysis should only be prepared for new areas of Danish support.

ii) Sector budget support by default and use of country systems

The guidelines reinforce the principle of aligning as much as possible to the systems of the partner, based on an assessment of the partner systems and the risks involved. In preparation of new programme support (or new phases of on-going programme support) an assessment according to five of the ten budget support principles will have to be made: (1) sector/thematic strategy; (2) recent poverty reduction results and monitoring system; (3) certain aspects of public financial management; (4) the partnership situation at sector level, and; (5) existing joint financing arrangements in the sector, if any.

iii) Increased focus in programme support design

Programme support should be designed in a way that facilitates further alignment and simplifies the management. As a general rule, each Danish sector/thematic programme support should operate with a maximum of five implementing partners. Working with more partners will be possible, but this must then be justified in the concept note and explained in the programme documentation. The current rule of maximum three components and three sub-components still apply.

iv) Better preparation through use of Process Action Plans and VPA activity plan

The new guidelines re-emphasise the importance of planning the process of preparing new programme support (or new phases of on-going programme support). A process

action plan (PAP) must be submitted to the Under-Secretary for Development Policy and TAS when the preparation for new support commences, and not later than 18 months prior to the board presentation, and again when the programme is presented in the Programme Committee. The VPA activity plan, which is instrumental in the further planning process, will be adjusted to the new programme preparation process.

v) Timing of presentation to the Programme Committee

Presentation and discussion of a concept note in the Programme Committee one year prior to the board presentation is maintained. The meeting of the Programme Committee marks the transition from the preparation phase to the formulation and appraisal phase. In the preparation phase, the selection of partner and modalities is prepared, whereas the formulation and appraisal phase includes preparation of programme support documentation and appraisal of proposed programme support.

vi) Undertake appraisals earlier, more flexibly and where possible jointly

Greater flexibility is applied to appraisals in order to better facilitate alignment to national processes and harmonisation with other donors' procedures. Appraisals should be seen as a process rather than an appraisal mission only, and the entire programme documentation does not necessarily have to be elaborated prior to the appraisal. The scope and timing of the appraisal (between 12 and five months before presentation to the Board) will be agreed between the representation and TAS, in each case based on the above mentioned PAP and the VPA consultations. A summary of the appraisal recommendations (formerly annex 8A) must still be prepared, and presented to the Under-Secretary for Development Cooperation with copy to TAS, now five weeks prior to the board presentation.

vii) Clarify and focus contents of the programme support documentation

The guidelines put increased emphasis on using partner programme documentation, also for the Danish approval process. The former 'Programme Document' is replaced by a shorter, more concise 'Programme Support Document' describing only the core elements and the management of the Danish programme support. More detailed information should be found in national or joint documentation. If some essential information is not adequately covered by the partner's documentation, it will be included in the Danida / joint donor documentation.

viii) Clarify representation/TAS roles in partner-led sector reviews

When future programme support is designed, a review plan should be prepared as part of the programme documentation in order to establish the frequency and the framework for reviewing each of the programme support components. Reviews should be undertaken locally on an annual basis, while TAS participation should be sought every second year, and at least twice during a five-year programme phase. In partner-led sector reviews, the representation is responsible for coordinating the Danish participation and position with TAS only in an advisory role. In other types of reviews TAS will be responsible.

The guidelines are a tool for practitioners. As such they should be precise and clear. Although efforts have been made to meet this goal further clarification might be needed on certain aspects of the guidelines. You are therefore kindly invited to contact the Department for Quality Assurance through amg@um.dk if you have any queries or suggestions for further improvement of the guidelines.