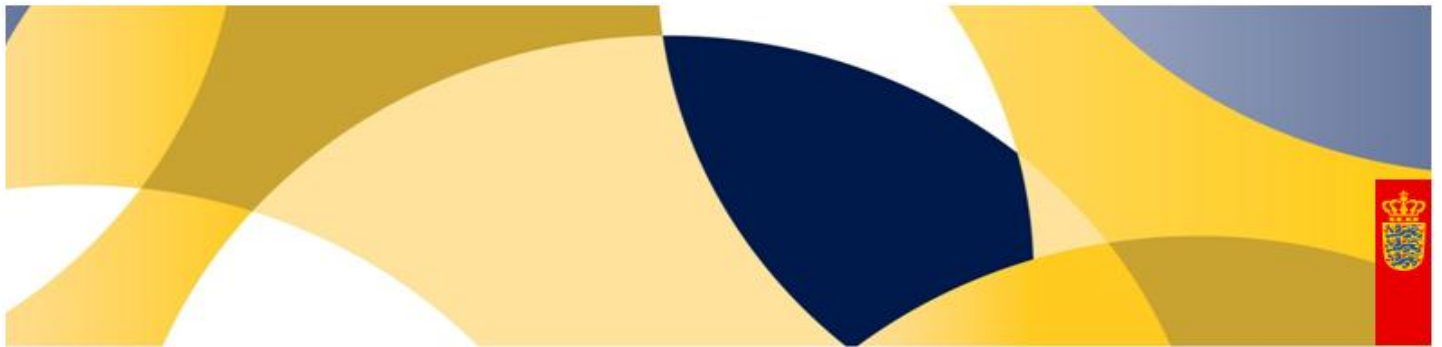


MINISTRY OF FOREIGN AFFAIRS OF DENMARK
Danida



GUIDELINES FOR PROGRAMME MANAGEMENT

September 2011



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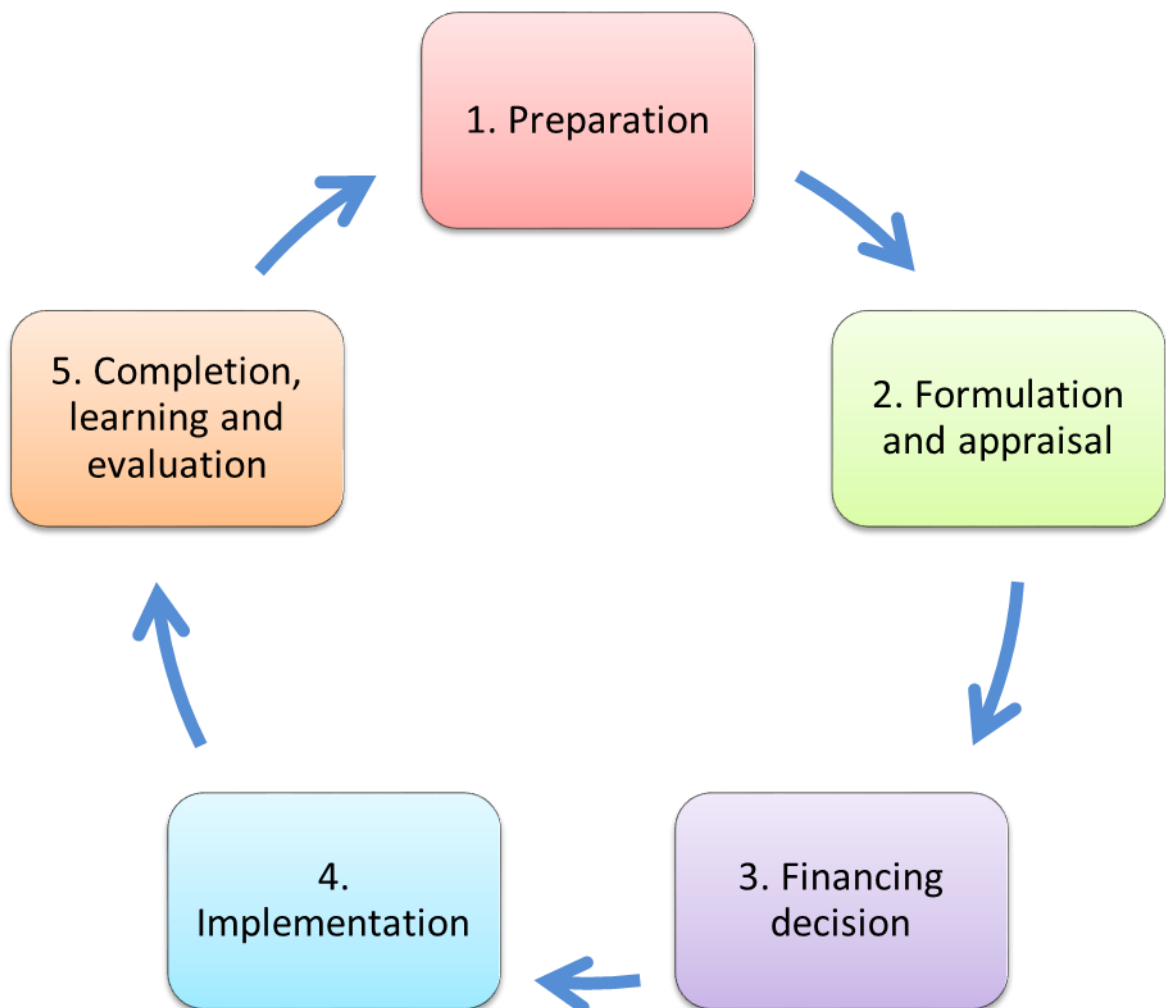
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Acronyms

BS	Budget Support
CRS	Credit Reporting System
DAC	Development Assistance Committee
DKK	Danish Kroner
EU	European Union
GPM	Guidelines for Programme Management
IAS	International Accounting Standards
INTOSAI	International Organisation of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
JFA	Joint Financing Agreement
KVA	Department for Quality Assurance
MDGs	Millennium Development Goals
MFA	Ministry of Foreign Affairs
MoU	Memorandum of Understanding
NGO	Non-Governmental Organisation
PAP	Process Action Plan
PCR	Project and Programme Support Completion Report
PDB	Programme and Project Database
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
PIU	Programme Implementation Unit
PPO	Project and Programme Orientation
PRSP	Poverty Reduction Strategy Paper
SBS	Sector Budget Support
TAS	Technical Advisory Service
ToR	Terms of Reference
UMF	Ministry of Foreign Affairs' Accounting system
VPA	Ministry of Foreign Affairs' Annual Business Plan

GUIDELINES FOR PROGRAMME MANAGEMENT

PART I



1. Introduction

The purpose of the Guidelines for Programme Management (GPM) is to provide tools and a framework of reference for the preparation, implementation and monitoring of Danish bilateral development assistance, including sector and thematic programme support, the Special Environmental Assistance, the Region of Origin Programme, The Danish Stabilisation Fund, the Neighbourhood Programme and projects receiving Danish support of DKK 5 million or more. General budget support is covered by specific Guidelines for the provision of budget support but is based on the same general principles as the GPM. Multilateral support, Danida Business Partnerships and Danida Business Finance are covered by separate guidelines.

The GPM primarily target the Representations and other MFA units responsible for Danish bilateral development assistance. As such, this guidance will also be relevant for other partners and for consultants involved in programme preparation and implementation. The GPM have three functions:

- Provide flexible guidance and a framework of reference for Danish Representations participating in joint programming processes and in dialogue with partners and co-donors regarding national programmes.
- Lay down the requirements relating to internal approval and administrative procedures of Danish development cooperation. **Mandatory requirements are highlighted with grey shading.**
- Provide templates and recommend contents for key documents in cases where partner formats and/or joint-donor formats are not appropriate.

The following terminology is used in these guidelines:

Partner planning framework:	An undertaking with specified objectives, strategy, budget, implementation mechanisms, etc. It could be sector-wide, involving several institutions, or be carried out at the level of a single organisation (public or non-public), or a joint support framework such as a civil society or private sector support facility.
Programme support:	(Danish) support for the national partner's programme, whether it be sector budget support, a sector programme or a thematic programme. A programme is usually a collection of components, projects and other related initiatives that are managed together for a longer time period in order to achieve specific results, broader user effects or impacts in society. Danish programme support is usually 3-5 years in duration and normally above 35 million DKK.
Project support:	A more limited type of endeavour often with a single partner, with fairly specific objectives/outputs, a defined timeframe and budget. In Danida the duration of projects are normally limited to three years and a budget below 35 million DKK.
Sector:	A national policy area benefiting from support. In this document it could also cover a sub-sector or a thematic area. It is often, but not necessarily, clearly delimited in terms of national institutions involved and expense items on the national budget.
Representation:	Embassy, representation or other MFA unit responsible for programme support preparation and implementation.

(Danish) Aid instrument:	The financing source related to a distinct budget line in the Danish Finance Act. In general the principles, terminology and overall programme cycle described in this document apply to all Danish bilateral aid instruments. Some aid instruments are subject to specific regulations due to accountability obligations. Examples include “Humanitarian Assistance”, “Regions of origin programme”, “Partnership for dialogue and reform” and “The Stabilisation Fund” and others.
Aid modality or type of aid:	Is the specific mechanism for transferring fund or channel resources to partner countries. General examples as applied in the OECD/DAC typology include general budget support, sector budget support, project support, technical assistance and debt relief etc.

The GPM is the overarching guidelines and methodological framework for Danida programme and project implementation. Assistance to specific thematic areas may have specific guidelines. The GPM are regularly updated but may not always reflect the latest versions of the technical notes and issue-specific guidelines that complement it. Users should therefore consult the specific guidelines also.

The GPM build on a number of general principles:

- In line with the commitments of the Paris Declaration and the Accra Agenda for Action, the GPM are designed with the aim for Danish assistance to strengthen the capacity of country and partner systems and align with the systems to the maximum extent possible in the implementation of the development assistance.
- The maximum alignment principle means that sector budget support (SBS) or core-funding is the default and preferred modality for support to public sector partners and in case of support to private non-profit organizations (e.g. CSOs, NGOs, private sector associations, unions) core funding is the preferred modality: Where full SBS or core funding of organizations is not possible the level of earmarking should be minimized as much as feasible. SBS and core funding are not relevant for support targeted at market based for-profit operators (e.g. financial service providers).
- Thorough and systematic assessment of the country and sector context to determine what represents the maximum feasible level of alignment and a clear justification provided for the proposed level of use of country systems.
- Clear and time-bound outline of the path towards further alignment towards SBS or core-funding in cases where full alignment is not possible from the outset.
- Support to partners’ programmes or planning frameworks preferably as a whole, or alternatively in part. The GPM outline how to assess the partner programme or planning framework, systems and capacity to determine the adequacy of the planning frameworks for full alignment. The key criteria concern i) the quality and feasibility of the programme or planning framework supported in its national context, ii) consistency of the programme or planning framework with the overall poverty reduction objective and strategic focus of the specific Danish programme support, and iii) implementation

capacity of partner(s), including management and administrative systems, capacity, efficiency and quality of governance.

- Active lead by the partners in the process of preparing the programme or planning framework using the partners' own resources and systems (donors may contribute in close consultation with the partner.). Implementation is always the sole responsibility of the partner, with donors lending support as requested

To supplement the GPM on the planning, management and funding decisions in Danish development assistance other relevant Danida strategies and policy papers describe the policy-level and technical considerations to make. See www.amg.um.dk. The "Technical Note on Programme Support Preparation" complements the GPM with guidance on certain issues and methods that can only be briefly addressed here.

The GPM are divided into two main parts: Part I accounts for the process throughout the programme support cycle, and is organised in five chapters: Preparation phase, formulation and appraisal phase, financing decision, implementation phase and completion phase. Part II contains recommended contents and templates to be used in programme management.

Responsibility for programme support process

Within the Ministry of Foreign Affairs, responsibility for undertaking each step in the programme cycle is assigned to different entities depending on the size of the appropriation and on the country of cooperation.

Preparation and administration of bilateral development assistance has been decentralised to the Representations in partner countries. In partner countries, the Representations are responsible for all steps of the programme cycle, except for the decision to move from the preparation phase to the formulation and appraisal phase (which pertains to Danida's Programme Committee), most appraisals (TAS), the appropriation (Minister, Danida's Board or Danida Appropriation Committee), and some reviews (TAS). For bilateral assistance to other non partner countries, the relevant unit in MFA is responsible.

In connection with the drawing-up of an Annual Business Plan ('MRS' from its acronym in Danish), the Representation may request advisory TAS participation in parts of the preparation process.

Responsibility for *appraisals and reviews* depends on the size of the appropriation and the country of cooperation. TAS is responsible for appraising and reviewing appropriations of more than DKK 35 million¹. In partner countries where the administration of development assistance has not been decentralised, TAS is in charge of appraising appropriations of more than DKK 20 million. Below these limits, the Representation (or the responsible MFA unit) should ensure that appraisals and reviews are undertaken by external consultants.

¹ However, in nationally-led sector reviews, the Representation is responsible for coordinating Danish participation, while TAS provides advice to the Representation.

The programme support cycle

Phase	Timing	Process	Links to document guidelines and templates
Preparation	Min. 18 months before Ministers approval	Planning of programme support preparation	GPM Part II: Template for PAP [link] *
		Sector analyses	Addressing Capacity Development in Danish Development Cooperation [link] Guide to Political Economy and Stakeholder Analysis at Sector Level [link]
		Analysis of budget support principles	GPM Part II: Assessment according to the ten budget support principles [link] * and Technical note on programme support preparation [link]
		Programme support design	Guidance note on Danish support for capacity development and Technical Assistance [link] and Technical note on programme support preparation [link]
	Min. 12 months before Ministers approval	Concept note and MFA Programme Committee	GPM Part II: Contents of concept note [link]
Formulation and Appraisal		Further definition of programme support	Guidance note on Danish support for capacity development Addressing Capacity Development in Danish Development Cooperation [link] Guidelines for technical assistance [link]
		Programme support documentation	GPM Part II: Contents of Programme Support Document [link]
	Finalised min. 6 months before Ministers approval.	Appraisal process	GPM Part II: Template for Summary of appraisal recommendations [link]
Financing decision		Project approval by Danida Appropriation Committee	Guidelines for Danida Appropriation Committee [link]
		Programme presentation for Danida Board	Guidelines for Board presentation [link]
		Programme approval by Minister	Guidelines for Ministers approval [link]
		Formal agreement with partners	Guidelines for Government Programme Agreement [link] and Nordic Plus Practical Guide to Joint Financing Arrangements [link]

Phase	Timing	Process	Links to document guidelines and templates
Implementation		Joint decision-making arrangement	GPM. Part II: Contents of ToR for Steering Committees [link]
	Max. 6 months after agreement with partner	Programme support inception	Nordic Plus Practical Guide to Joint Financing Arrangements [link]
		Planning, budgeting, reporting	GPM Part II: Template for Progress report [link]
		Accounting and auditing	General Guidelines for Accounting and Auditing [link]
		Review	GPM Part II: Assessment of Programme Support [link]
		Exit strategy	Climate Change and Environmental Screening Note - [link] (see also annex p. 59)
	Anytime in the programme cycle	Evaluation	See separate Guidelines for evaluation [link]
Completion	Min. 3 months before Completion	Completion report	GPM Part II: Template for Completion Report [link]

*) Documents that are not mandatory for appropriations below DKK 35 million.

Independent evaluations constitute a key mechanism for learning on what works and what doesn't work in different contexts and under different conditions as well as for documentation of results. They may be conducted at various stages of the programme cycle, e.g. towards the end of a phase of a programme or after completion of a programme.

The [Gender Equality Rolling Plan](#) must be annexed to the concept note, appraisal report and review aide memoire. [The Climate Change and Environmental Screening Note](#) (see also p. 59) is a mandatory annex to the concept note and the appraisal report. Stage gates in the programme cycle are approval of concept note in the Programme Committee, presentation of the appropriation note to the Danida Board and the Minister's final approval.

Overview of political priority areas

	To be considered in programme support preparation and management	Links to useful tools
Strategy for Denmark's Development Cooperation, Freedom from Poverty – Freedom to Change, 2010		
Political priority area	Growth and employment Where relevant	Strategic Framework for Growth and Employment (2011)
	Freedom, democracy and human rights Always	Democratisation and human rights (2009) Effective and Accountable Public Sector Management (2007) Strategy for Danish Support to Civil Society (2008) Strategy for Danish support to Indigenous Peoples (2004)
	Gender equality Always	Strategy for Gender Equality in Danish Development Assistance (2004) Strategy for Denmark's support to the international fight against HIV/AIDS (2005) Danida Gender toolbox (2008) The promotion of sexual and reproductive health and rights - Strategy for Denmark's Support (2006) Annex 3 (Gender equality plan)
	Stability and fragility Where relevant	Peace and Stability, Denmark's Policy for Interventions in Fragile States (2010) Strategy for Danish Humanitarian Action 2010-2015
	Environment and climate Always	Environment Guide (2009) Environmental Strategy (2011) (in prep). Danish Climate and Development Action Programme (2005) Guidelines for occupational health and safety (2004) Annex 4 (Climate Change and Environmental Screening note)

2. The Preparation Phase

Purpose, timing and responsibility

The preparation phase spans from the start of the planning of a new (phase of) programme support until presentation of the concept note to the MFA Programme Committee, which should take place no later than 12 months prior to the Minister's approval.

The purpose of the preparation phase is to establish the necessary foundation for taking and justifying the overall strategic decisions on the design of the envisaged programme support. The emphasis in this phase is on the analysis of the support area and overall design questions. The need to undertake new studies depends on the degree of previous knowledge and existing documentation.

By the end of the preparation phase, the following aspects of the programme support will have been identified:

- Objectives supported, national partners and partner planning frameworks, and intended final beneficiaries
- Envisaged results, targets and ways of measuring and monitoring at programme level
- Justification, approach and overall design of the support programme.
- Preliminary assessment of risks
- Indicative support modalities

The Representation is the unit responsible for all stages of the preparation phase.

Documents

The following documents are produced during the preparation phase:

- Process action plan for programme support preparation and formulation (→[Template in Part II](#)).
- Assessment according to the ten budget support principles (→[Contents in Part II](#)).
- Gender Equality Plan (→[Template in Part II](#)).
- Environmental Screening Note ([Template in Part II](#)).
- Concept note for presentation to the MFA Programme Committee (→[Contents in Part II](#)).

The preparation process encompasses the following steps:

1. Elaboration of a process action plan (PAP) planning all steps of formulation and appraisal
2. Analysing the sector, thematic or support area
3. Develop the programme support design including justification, and indicate the support modality
4. Concept note presentation to the MFA Programme Committee

The preparation phase always starts with a PAP and ends with the presentation of the concept note to the Programme Committee.

2.1 Step 1: Planning of programme support preparation, formulation and appraisal

The process of preparing and formulating the programme support should be thoroughly planned by the Representation. It should involve and build on continuous dialogue with partners and other donors. The pace of the local consultation and strategy processes is normally beyond the control of the Representation and not always in sync with the Danish formulation process. The Representation's planning should account for the partner involvement and the pace of the local processes. The analysis should be based on existing information to the extent possible, including a judgement of its usefulness for the process ahead. Any additional studies needed should be listed in the PAP for subsequent implementation.

As part of the planning exercise, it is recommended that the Representation draw up a one or two page PAP for the preparation of programme support above DKK 35 million, covering the period from the start of the preparation of a new phase or new programme support until the agreement with the partners has been signed.

The PAP should always be discussed with the relevant partners including national partners, other donors, and/or any joint-formulation group that may be set up for the occasion.

The PAP could include the following elements:

- A description of planned activities for the preparation and formulation, such as preparation of terms of references, analyses, studies, stakeholder workshops including dialogue with civil society, key meetings to be held, milestones for presentation of documents, approvals, etc.
- A clear definition of the various actors' roles and responsibilities
- Table indicating activities/outputs, timing and responsible unit (template in Part II)

The PAP may include narrative sections, elaborating on the context of the PAP, previous steps, expected outputs, and major causes of uncertainty relating to the timetable.

2.2 Step 2: Analysis of the sector or thematic area and its national context

The preparation should be based on analysis of the sector or thematic area in question, covering the themes listed below. It should build on the on-going dialogue with partners and other donors. Where information from existing studies or from the present Danish support is considered insufficient, the analysis needed to fill the information gap should be undertaken. This should as far as possible be done jointly with other donors and relevant national partners.

The need to prepare a separate document that consolidates the results of the analysis can be decided on a case-by-case basis. The document should be brief and include a summary of conclusions of specific studies as well as an outline of the main issues and strategic implications to consider for the design of the Danish support.

A separate document is mandatory when no previous Danish co-operation has been given within the envisaged area of support (sector or sub-sector). If not the analysis is only a recommended procedure. The report should be brief (max. 10 pages); it should synthesize the results from other more specific studies and outline the main issues and strategic implications to consider for the design of the Danish support.

The conclusions derived from the sector analysis and the implications for the Danish support should always be summarised in the concept note to the Programme Committee (see Part II).

Checklist for analysis of sector/thematic area

- The significance of the sector/thematic area for poverty reduction, for the national economy, for social and political development, etc.
- The sector/thematic area assessed from the perspective of end users/beneficiaries: Track record of service provision and/or other types of performance, including sustainability, governance and capacity issues.
- The challenges confronting the country within the sector/thematic area (e.g. in terms of achievement of MDGs, PRSP objectives, sector strategy objectives; or particular concerns regarding democracy, human rights and good governance, gender equality and environment and climate change).
- The development vision in the national and sector/thematic policy framework (including objectives and results, how the policy framework addresses capacity challenges and relevant cross-sector reform efforts, such as decentralisation, civil service reform, etc.) and the actual implementation.
- Domestic as well as external funding of the sector/thematic area, composition of relevant budgets and expenditures, degree of value-for-money being achieved.
- The sector/thematic area in light of the overall strategy for Danish development assistance and thematic strategies.

- The stakeholders that would support or resist changes in sector performance, their strengths, commitments and interests (see Guide to Political Economy and Stakeholder Analysis at Sector Level [link] Technical Note).
- The institutional and organisational set-up of the sector/thematic area, the change management and implementation capacity in the sector/thematic area and critical capacity constraints of all relevant development actors. [link]
- The map of existing and planned donor interventions, including their operational modalities, the quality of partnership and dialogue with national and sector/thematic partners, degree and quality of collaboration and harmonisation between donors.
- The risks pertaining to the sector and the Danish engagement in the sector

2.3 Step 3: Deciding and developing the programme support proposal

The aim in this step is to conclude on certain parts of the analysis and make decisions with regard to key elements of the proposed support. The tasks include:

- define the objectives for Danish support and the results envisaged (outcomes)
- decide on the design including components, partners, partner planning frameworks supported, support approach, and other design elements
- decide and indicate - based on an initial analysis - the modalities for support
- outline of the management set-up
- develop the preliminary risk assessment
- Preliminary overall budget.
- decide and outline the justification for the proposed support, incl. design and modalities

The concept note is the actual place to present and justify the decisions and analysis that result from completing these tasks (the issues are further elaborated in the Programme Support Document)..

Objectives, results, partners and partner planning frameworks to be supported

Objectives for Danish support should be determined based on the sector analysis, earlier experience in the sector, and the Danish priorities for development cooperation (incl. country strategy). In most cases, the objectives of Danish support should be aligned to the national sector objectives, but there may also be cases where Denmark supports a national partner with a purpose not directly linked to national strategies. The Danish objectives should always refer to a partner planning framework, i.e. a sector strategy, organizational strategic plan, multi-actor programme, or equivalent.

The results should be defined in and decided on based on the frameworks supported. In particular the causal chain of events leading to the desired change should be explained i.e. the intervention logic or theory of change that is plausible, meaningful, doable with the available resources.

The first selection of partners has normally been done during the analysis (step 2) but it may happen later, even during formulation stage. A partner institution is a national institution responsible for implementing the partner planning framework. Preferably, the partner planning framework should be supported in its entirety. However, the support may be ear-marked to specific objectives within the partner planning framework if the framework is considered too broad, or part of it is not in line with Danish priorities and policies. The contribution of each partner institution towards achieving the overall objectives should be clear and the outputs and outcomes that the partner institution is responsible for should be specified.

The structure of the programme support should avoid the imposition of roles and functions (e.g. in planning, reporting, monitoring) that are not within the ordinary duties and mandates of the organisation(s) in question (e.g. monitoring or reporting on other organisations' activities).

The partner institution should rely on its own management structure and implementation procedures. A preliminary assessment of the partner's implementation capacity should be undertaken during the preparation phase. This assessment will be further elaborated in the formulation and appraisal phase and will form the basis for including elements of capacity development (including technical assistance) in the programme support design. Strong partners who can ensure achievement of outputs even beyond the period of programme support are essential to ensure sustainability of the interventions.

Design of the proposed support

The decision on the proposed programme support requires striking a balance between several sometimes conflicting priorities. Such conflict could be between the need for assistance identified and the available resources at the representations, which often means that the number of relevant components or partners will have to be reduced. In order to ensure aid effectiveness and limit risks the overall concerns for the programme design are a clear strategic focus, manageable in terms of size and composition, and promotion of alignment and national ownership. The more specific principles to follow are summarized in the box.

Guiding principles for designing programme support

Denmark has focused its development cooperation to fewer countries. For country programming Denmark would normally elaborate a country strategy after a uniform format (see guidelines for country strategies [\[link\]](#)) This strategy is becoming less important as compared to the Joint Assistance Strategy

The EU recommends that EU member states are engaged in fewer sectors and has proposed a maximum of three major sectors for each bilateral donor. See EU Code of Conduct on Complementarity and Division of Labour [\[link\]](#), EU Operational framework [\[link\]](#).

The following operational principles should apply for the design process across sectors and thematic areas:

- The number of planning frameworks and partners should be limited in order to strike a balance between a manageable programme and a design that attempts to cover all aspects of the development objective. Some relevant planning frameworks and partners may not be included in the support if this would imply that the support becomes too difficult to manage and follow.
- Alignment to national frameworks and complementarity with work of other donors takes precedence over internal synergies in Danish support.
- To keep the programme support at a manageable level the following principles should be considered:
 - The number of partner planning frameworks supported should be limited to three.
 - Maximum three components and three sub-components in each component, while also respecting the limit on number of partners below.
 - The number of direct implementing partners should be limited to as few as possible, preferably not more than five. The main criterion is that the Representation is able to maintain an informed and focussed policy dialogue with each of the partners and follow developments relevant for results in each of the partner institutions. To limit the number of funding channels is typically not enough.
- Previous Danish support and involvement with a particular partner institution is an important factor in the choice of partners but a long-standing relationship should not in itself justify continued support in a new phase. The justification should be based on demonstrated results and positive change processes and the likelihood that the Danish support can continue to contribute to the positive developments in a new phase.
- The division of labour with other donors in the sector should also be considered. If other donors are already seen as effective partners to particular institutions that are relevant for the strategic objective promoted by the Danish support programme, the value-added of a Danish partnership with these institutions may be limited and hence not justify including them in the Danish programme support.

If a division of labour cannot be achieved, delegated cooperation is seen as the best alternative, albeit normally as a temporary arrangement until a full division of labour can be agreed. The Nordic Plus countries have approved each other's procedures for aid administration, which means that delegated co-operation can be entered into with these development partners without further analysis of the procedures. The same apply between the EU and some of its member countries.

In delegated cooperation, it is recommended that the delegating partner refrain from attending meetings with the national partner, receiving only monitoring information from the donor partner. However, the arrangement can be negotiated on a case-by-case basis. Danish participation in the appraisal process would normally be required. Nordic Plus Practical Guide to Joint Financing Arrangements should be used [\[link\]](#).

Indicate support modalities

The main task during the preparation phase is to make the best possible indication of the support modality which will be used. This first requires determining which modality is relevant to aim for and next to assess how more exactly the relevant modality should be designed in the particular case. Which modality is relevant in turn depends on the type of partner and partner planning framework being supported – particularly whether it is a public or private, and non-profit or for-profit partner.

The indications should be more final and detailed where the support is a new phase of an existing programme, or adequate analysis is already available, but more preliminary indications can be given if the preparation stage has focussed mainly on design and definition of new partners. The detailed assessment and definition of support modalities will be carried out in the formulation and appraisal phase.

The following outlines the broad principles for deciding on modalities - but the Technical Note on Programme Support Preparation should be used for detailed guidance [\[link\]](#).

Overall the core principle in Danish development assistance of making maximum use of country system to promote aid effectiveness means that SBS or core funding is the **relevant** modality to aim for in case of support to public sector partners. SBS specifically is relevant in case a sector wide planning and budget framework is in place while core funding is relevant for public sector partners represented only as individual entities in the national budget and planning framework. Core funding is the relevant modality (possibly through joint-mechanisms) for support to non-profit private organisations such as NGOs, CBOs, associations, etc. Other modalities than SBS and core funding are relevant for private for-profit and other market based organisations.

The relevance of different aid modalities – typical cases

A sector-wide partner planning framework typically exist in sectors dominated by a single or a few ministries with mandates over a substantial and clearly defined line and part of the national budget and sector plan such as health, education, roads, water etc. In these cases SBS is directly relevant for the support targeting the public sector partners. Some sectors/thematic areas consist of a multitude of actors, some public and some private, with no natural “lead ministry” (e.g. private sector, agriculture, environment, and good governance). They may include actors that coexist in a system of checks-and-balance, which need to preserve autonomy (including budget), or for-profit actors for which public funding might be considered inappropriate.

In the many cases where these sectors/thematic areas do not have a comprehensive sector strategic framework or programme or a clear “sector” line in the national budget then SBS is not the right modality – though core funding would be relevant for the individual public sector entities or NGOs as long as they have clear institutional plans and budgets. But it may be possible to provide SBS to one of the partners in the support programme e.g. Ministry of Environment while other modalities are used for other partners. SBS or core-funding are clearly not relevant for instance in case of financial service providers.

Where SBS or core-funding are found to be relevant the **feasibility** of using these in part or in full must be assessed based on the principle of maximum use of country systems. During the

preparation phase, a first indication should be made of the extent of use of country systems that is feasible. The detailed principles and approach are set out in the Technical Note on Programme Support Preparation but the overall basis is as follows:

- An analysis of the ten general budget support principles (see PART II). If not already available from the annual country assessment by the Embassy within the past two years, the assessment should be done as part of the programme support preparation. The conclusions must be presented in “Assessment according to the ten budget support principles” for all programme support appropriations above DKK 35 million (see Part II) and submitted with the concept note.
- Five of the ten principles for general budget support should be analysed with respect to the sector/thematic area supported or the relevant sub-sector or organisation. The box below lists the five principles to be assessed at sector level.

Budget support principles to be assessed at sector level to determine SBS feasibility*:

- The sector/thematic plan/strategy/programme and the commitment and capacity to implement it (Principle no. 3)
- The previous poverty reduction results in the sector/area and the monitoring/performance measurement system at sector/thematic level (Principle no. 4)
- Key aspects of PFM at sector/thematic level as a supplement to available general assessments (PEFA, etc.) (Principle no. 8)
- Procurement rules and practice in the sector broadly in accordance with international standards (normally assessed as part of the PFM-assessment) (Principle no. 6)
- The partnership situation at sector level and any existing joint financing arrangement in the sector (Principle no. 10)

*Besides the 10 budget support principles a stable macro-economic situation is a requirement for SBS in all cases as verified for instance by the partner country being “on-track with the IMF”.

There are no pre-set minimum standards at which the principles can be considered to be met. The feasibility of SBS is judged on the basis of an overall assessment combining the current level (e.g. quality of sector programme; standard of PFM; etc.), past performance and, in particular, the strength of national commitment and expected further improvements.

The analysis of the feasibility of SBS at sector level will often point to some concrete risks that either requires mitigation or use of a less aligned modality than SBS for some time. These risks should be highlighted (see Part II) as a preliminary risk identification and assessment.

In cases where the analysis leads to the conclusion that SBS or core funding are not fully feasible the focus should turn to determining the maximum level of alignment that is feasible. This should be done by identifying the specific elements in the (national) systems that are assessed as adequate and hence can be used even if the overall system cannot be relied on (e.g. national mechanism for funding transfers may be adequate even if the entire PFM system

cannot be relied on). Where any earmarking of the support is involved, this should as a principle match the structure of the partner budget.

Based on the above assessments, the Representation should:

- Conclude on the relevant modality
- Where SBS or core-funding is relevant indicate the feasibility of using SBS/core-funding from the outset of the support, or the extent to which country systems will be used
- Outline the further assessments needed to reach a final conclusion on level of feasibility of SBS, core funding or a less aligned modality to be made during formulation including to define safeguard measures and the specific level of alignment feasible
- If the Danish support rely on aid delivery mechanisms outside country systems Denmark will transparently state the rationale for this and establish additional safeguards and measures in ways that strengthen rather than undermine country systems and procedures.

The choice of modality should also take other donors' position into consideration. In certain cases it may be more strategic and effective for Denmark to join a less aligned donor basket if Denmark in this way is able to promote a joint move towards a more aligned use of country systems rather than Denmark providing sector budget support on its own. A clear justification that directly considers the risks should be presented.

The Representation will indicate the recommended modality and justify its choice in the Concept Note.

Programme Implementation Units

A PIU is a dedicated management unit designed to support the implementation and administration of a programme. According to the Paris Declaration's framework for monitoring, a PIU is parallel when it has been created and operates outside existing institutional and administrative structures of the recipient country at the behest of a donor. By subscribing to the Paris Declaration, Denmark is committed to abolishing parallel PIUs that manage cooperation with public-sector entities.

In certain cases where the support aims to develop a broader environment of non-public entities (e.g. civil society or private sector) it may out of concern for harmonization be desirable to work through a joint funding mechanism (e.g. a thematic civil-society basket or private-sector challenge fund).

If a PIU is required to undertake the administration of such a fund, it is important to observe the following:

- The PIU should have clear organisational attachment, most properly in a non-public local institution
- Organisational structures and procedures should be in place to ensure good governance and proper feedback of management information to donors and partners, including a clear separation of executive authority and oversight functions (e.g. through a board).
- If the PIU is placed outside national institutions, other means of strengthening national ownership should be pursued, for instance by establishing a national board or complementing the composition of the decision making body ensuring transparency and contributing to sharing of experiences at the national level.
- Joint funding with other donors is encouraged to promote a more effective and transparent administration of resources.
- An exit strategy should be considered, whether it be aimed at terminating the unit, maintaining it as a separate entity, or integrating it into national structures [[Link](#)].

Justification for Danish support, design and modalities

Overall the justification should explain why – from a Danish perspective – support should be provided to the sector/thematic area and the identified partners, and why it should be provided in the proposed way. It should also be argued why the support is justified in view of the particular risks involved and balance risks against the expected results.

A primary part of the justification should normally focus on the opportunity for Denmark to promote national or partner objectives and strategies for the sector or area which match the priorities for Danish development cooperation in a country.

A second part of the argument should focus on the broader strategic reasons, which may include: Why does the proposed way of providing the support represent the best way for Denmark to promote the expected results given Danish comparative advantages and aid effectiveness considerations? Why does it represent the maximum level of influence or impact of the Danish support? Why does it offer a cost-effective way for Denmark of providing support in view of the resources of the Representation?

Where significant risks are involved in the proposed support, why should Denmark engage in the support in spite of the risks?

2.4 The Concept Note

The purpose of the concept note is to present, to the MFA's Programme Committee, overall strategic considerations in the proposed programme support, as well as an updated process action plan for further formulation and appraisal. The Programme Committee endorse (or reject) the transition from preparation phase to formulation and appraisal phase. The Department for Quality Assurance of Development Assistance is secretariat for the Programme Committee. For details on the role of the Programme Committee see specific guidelines [Link]

The recommendations in the summary of the Programme Committee meeting will guide the appraisal process. The concept note must be presented by the Representation no later than 12 months before the programme support appropriation is due to be approved by the Minister. The concept note should be presented after the sector analysis, justification and programme support design have been defined, and the programme support has been sketched out, but before preparing the actual programme support documentation.

Based on the analysis undertaken during the preparation phase and previous experience in the sector, the concept note should include the strategic considerations, overall conclusions and outline of the proposed programme support, as well as posing a few strategic questions to guide the discussion in the programme committee.

The process action plan should schedule any additional preparatory studies, assessments or evaluations identified as necessary in the preparation phase, including those required in accordance with the Gender Equality Plan and the environmental screening process. Preparatory studies could also be needed for the assessment of specific technical, financial or institutional aspects of the envisaged programme support (e.g. studies regarding proposed, new

technologies, cost-benefit analyses, capacity development issues, environmental impact assessments, climate proofing etc). It should always be attempted to undertake such analytical work as a partner-led process and together with other donors.

Throughout the programming process, the annexes to the concept note will be further refined, and will constitute important documentation for the appraisal.

Details on the mandate of the programme committee, the content of the concept note and the mandatory annexes can be found in “Guidelines for Programme Committee for Bilateral and Multilateral Development Cooperation” which can be found here [\[Link\]](#)

PDB

An envisaged appropriation should be established in PDB either as sector programme support, a framework agreement or a project no later than at the time of presentation to the MFA Programme Committee using the initial registration sheet (GPM annex 1). The following document should be uploaded to PDB:

- Concept Note including annexes

Useful documents and guidelines for working with PDB are found on the MFA intranet.

Programming in Fragile States

When programming in fragile states understanding the political dimensions is extremely important . The activities typically have overall political stabilization as their goal and all efforts must be viewed in this perspective. See Supporting state building in situations of conflict and fragility [\[link\]](#).

There is often a need to support the struggle for political conflict resolution involving marginalized groups. It may require a willingness to engage groups that we perceive as illegitimate, but which must necessarily be engaged in negotiations if a conflict should be resolved in a sustainable manner. It is also harder to achieve results in fragile states and there will be relapses underway. This leads to increased risks. Such risks we must accept as a basic condition of engagement. We must also recognize that if we are to make a difference in the fragile states, it requires a strong and sustained effort. See Guidelines on transition financing building a better response [\[link\]](#).

A technical note on programming in fragile states has been prepared in 2011 offering additional guidance beyond the normal programme cycle described in the present document [\[link\]](#)

3. The Formulation and Appraisal Phase

Purpose, timing and responsibility

The purpose of the formulation and appraisal phase is to finalise the programme support design, as well as to prepare and ensure the quality of documentation needed for approval. The Representation is the unit responsible from the Danish side. MFA Technical Advisory Service (TAS) is responsible for quality assurance through appraisal of major programme support proposals, which is required before submission to the granting authorities.

A distinction is made between formulation of the partner planning framework – a national programme, joint-facility or other local mechanism supported- and formulation of the Danida programme support. The former is incumbent upon national authorities or other relevant national partners, whereas the latter is primarily a Danida or joint-donor responsibility, although it must be undertaken in close collaboration with national partners. This chapter specifies Danida's requirements for partner programme documentation and the content and appraisal criteria of the Danida Programme Support Document (template is found in Part II of the GPM).

The programme support formulation and appraisal phase starts just after presentation to the MFA Programme Committee and ends when the agreement(s) with partners have been signed.

At some state after the start of the formulation and appraisal phase and at least six months prior to the presentation to Minister, the appraisal process takes place. The exact timing depends on the situation and character of the appraisal, and there is no requirement as to how far the formulation of programme support documenttation should have advanced when the appraisal process begins. However, a programme support document should be available.

Documents

Templates and recommended contents are provided for the following documents produced during the formulation and appraisal phase:

- Programme Support Document (→[Contents in Part II](#))
- Summary of appraisal recommendations (→[Template in Part II](#))
- Note for Board presentation [\[link\]](#)
- Government Programme Agreement [\[link\]](#)
- Joint Financing Arrangements [\[link\]](#)

In addition, three key documents are presented for the appraisal in an updated version:

- I. Process action plan for programme support preparation and formulation (→[Template in Part II](#))
- II. Gender Equality Plan (→[Template in Part II](#))
- III. Environmental screening note [\[link\]](#)

The formulation and appraisal phase includes the following stages:

1. Further definition of programme support
2. Preparation of programme support documentation
3. Appraisal process
4. Presentation to the Board of Danida / Danida Appropriation Committee
5. Approval by Danish Minister for Development Cooperation and if necessary also the Finance Committee of the Danish Parliament
6. Formal agreement with partners

3.1 Further definition of programme support

Based on the decisions of the preparation phase regarding design and indicative modalities, the following additional assessments must be undertaken by the Representation, preferably jointly with other donors, before the preparation of programme support documentation and the appraisal process can be initiated:

- Detailed assessment to determine the exact level of alignment feasible to the sector or sub-sector/partners based on the principle of maximum alignment. The in-depth assessments should focus on key elements of the sector/thematic area such as: national or other plans, the monitoring systems, the public financial management systems, and the general partnership. The assessment should determine to what extent each of these can be aligned with in full, and if not which specific parts of each can be used. The Technical Note on programme support preparation [\[link\]](#) should be referred to for detailed guidance.
- Refinement of the objectives and envisaged results. The goals and targets should be clear and there should be a plausible intervention logic, which will ensure that the outputs will lead to the expected outcomes. The programme should have a solid baseline and indicators from the beginning, based on which programme achievements can be measured during implementation. To satisfy evaluation purposes and help ensure programme and project impact and usefulness for end-users, the identification of baseline information should also include possible indicators at outcome and impact level.
- A refined risk assessment allowing the identification of the support based on political, financial and operational risks, which includes consideration of the modality (SBS) and the main risk mitigation measures. The refined risk assessment will detail the analytical work carried out as part of the preparation phase. [Guidance for the risk assessment in the new technical note on risk management is under preparation]. See also [“Technical note on programme support preparation”](#).
- Stock-taking of current capacity in the sector/thematic area to implement the planning framework. This should enable the Danish support to build on the stakeholder analysis and the information on change management and implementation capacity obtained from the sector analysis (see the checklist in section 2.2 above). This is an essential basis for assessing the resources (leadership, management and staff time) and ownership that

the partner is likely to invest in capacity development and whether there is a real demand for specific support in the area to be included in the programme support. The assessment should preferably be driven by the partner organisation, and if such an exercise has been undertaken recently, its conclusions may be used instead (refer to “[Addressing Capacity Development in Danish Development Cooperation](#)”, “[Technical note on programme support preparation](#)” and “[Guidelines for Technical Assistance](#)” available at www.amg.um.dk).

Other work that may be needed for formulating the programme support documentation and the appraisal include studies identified as required in the Gender Equality Plan, the environmental screening note, and other relevant technical or financial studies. Any evaluations and any other documentation pertaining to the assessments and any additional studies undertaken should be made available for the appraisal process. The cost of additional assessments should be balanced against the cost of the new programme. Funds for preparation of new programmes are normally sourced from the local grant facility of the representation ([LGA](#)).

3.2 Preparation of programme support documentation

The programme support documentation consists of:

- The partner planning framework describing the rationale, intervention logic and contents of the partner programme.
- Where relevant, a Memorandum of Understanding (MoU) or Joint Financing Agreement (JFA) laying out the procedures and rules concerning donor support for the programme (in the following treated as part of national programme documentation).
- A specific Danish document describing the justification, design, risks elements and management of agreed support for one or more national partner planning frameworks: *The Programme Support Document*.

A Danida programme support appropriation will in some cases be directed towards more than one partner planning framework, e.g. a sector strategy, one or more institutional strategies, a joint-CSO or private sector support facility, or other. Each planning framework should usually be supported through separate components (sub-components) of the same programme support with clear reference in each case to which partner planning framework is targeted.

Early considerations on evaluation

Making evaluations useful requires considerations about when and how they should be conducted in each case. Consequently, in the preparation of a national partner programme or Danish programme support, it is important to reflect on this aspect jointly with other partners involved in the project or programme concerned (partner country as well as other development partners). Given the opportunity to document programme results according to the established result chain of outputs, outcome and impact, evaluations are crucial to learning. Ensuring adequate data for solid (impact) evaluations may require additional efforts from the outset. This might also save resources at a later stage.

Partner planning framework

The documentation of the *partner planning framework* supported – a national partner programme, institutional strategy, joint-facility, or other - could consist of a complete planning document and a MoU or a JFA linked to it. It could also be composed of several documents providing the necessary information (e.g. an overall strategy, a performance assessment framework, work plans and budgets, MoU).

It is important that the process of preparing a partner planning framework will be led by the partner (s). Apart from making funding available where needed, the Representation should, however, not refrain from participating in the donor-partner dialogue around the new planning framework, and should be ready to contribute with expertise upon request.

There are no specific Danish requirements regarding the form of documentation for the partner planning framework. As regards the contents, the aspects listed below must be adequately addressed. If some of them are not, the Representation must request the partner to do so either by revising or supplementing the existing programme documentation.

- Description of objectives, intervention logic, strategies, expected outcomes and outputs, including the resulting capacity in the sector to manage and deliver expected results.
- Indicators with baseline figures and targets established (disaggregated by sex if the database enables this) on several levels (i.e. objectives, outcomes, service delivery or regulatory outputs, capacity)
- Description of implementation mechanisms
- Where relevant approach, specific measures and objectives as regards the mainstreaming of gender equality, as well as opportunities and risks in relation to the promotion of democratization, human rights and good governance as well as to climate change and environmental issues (including disaster risk reduction) through follow-up on the Gender Equality Plan and the Climate change and Environmental Screening Note.
- Clearly described assignment of key roles, responsibilities, decision making body and procedures for management and donor-partner dialogue.
- Specification of financial management procedures to be used, if these differ from the partner's own rules.
- Key assumptions and risks
- Clear indication of inputs and resources, including a budget related to planned outputs, and the funding distributed by source.
- Credible procedures for annual work planning, monitoring, reporting and reviews
- Exit strategy

If the existing partner documentation does not come close to covering the list and there is no prospect of the partner elaborating a genuine programme and/or drafting adequate documentation in the near future, a component description will be needed if the Representation wishes to go ahead and support the sector/thematic area.

A partner planning framework will only rarely be developed at the same time as the preparation of Danish support for it. If the documentation has yet to be completed at the time of

preparation of Danish programme support, the latter may allocate funds to the process of finalising it, but not to the actual implementation of the plan

However, if the national process of preparing the documentation and approving the programme, as well as the donors' appraisal, can be finalised no later than 12 months after signing the government programme agreement, part of the Danish appropriation can be set aside as unallocated funds intended for the partner planning framework. The note for presentation to the Minister should specify requirements for the release of these funds. The amount of unallocated funds should never exceed 20% of the total budget for the programme support appropriation. Normally it would be 10 % or less.

Once the documentation has been finalised, appraised by the donors and approved by the national authorities or relevant boards, the unallocated funds can be definitively allocated to implementation of the partner planning framework; a decision that must be approved by the Under-Secretary for Development Policy. If the partner planning framework has not been finalised, appraised by the donors and approved by national authorities or relevant boards within 12 months as foreseen, the Representation should inform the Minister.

Programme Support Document

The Programme Support Document is a short reference document on the core elements of the Danish programme support. It is signed by the Representation and the national implementing parties (each party in as far as its own area of responsibility is concerned) and is annexed to the Government Programme Agreement.

The Programme Support Document is mandatory for all Danish bilateral appropriations.² It may be a joint donor document. If there is no other donor to take the lead in preparing the document, the Representation is responsible for this.

The Programme Support Document refers to the planning framework supported and, in certain cases, to joint arrangements that constitute the framework for the Danish programme support, including succinct descriptions of the poverty reduction goal, objectives, strategies, implementation modalities (including budget, activities, and programme management), and set-up for monitoring and evaluation of the planning frameworks supported. In addition, it presents the justification and the design of the Danish support in view of the risks involved and informs about Danish funding, the funding mechanism, possible conditions, joint management bodies, reporting, risks, and other donor-specific issues. Through the [Government Programme Support Agreement](#), the Programme Support Document is given legal standing and can be changed only according to agreed procedures.

The Programme Support Document should specify in a Review Plan how and when reviews are to be undertaken for the various components of programme support. Recommended contents of the Programme Support Document are indicated in Part II.

² In circumstances where the entire Danish programme support appropriation is provided as SBS, a Programme Support Document may not be necessary if the national partner programme documentation, and MoU or JFA and the Government Programme Agreement cover the documentation requirements.

In some cases, there may be a need to formulate a specific Danida component description, for instance: Where the Danish support targets only a few select and/or dispersed results in the partner's planning framework; if a component targets a variety of partners; where complex arrangements or processes of capacity development are linked to the component; if the quality of the planning framework supported is inadequate itself as basis for Danish support; or if the Danish support is not clearly based on a partner planning framework.

The contents required in a Danida component description are the same as indicated below for the documentation on the planning framework supported. If Denmark is the sole donor, the component description should adhere to the table of contents indicated in Part II.

3.3 The appraisal process

The overall purpose of the appraisal is to provide quality assurance of the programme support design and documentation, and ultimately to substantiate the granting authorities' funding decision. The appraisal process comprises all components of the programme support appropriation, including an assessment of the partner planning frameworks to be supported and of the design of Danish (or joint-donor) support. The appraisal process must remain flexible in order to enable the Representation to align it to national processes and harmonise it with other donors' procedures.

The first choice should be to aim for the appraisal to be a one-off event that addresses all proposed elements of the support. The appraisal includes a mission to the country in question and a draft programme support document should be prepared as the basis for any appraisal whether it is early or more advanced.

Where the national or joint-process runs in a different pace than the Danish support formulation, the appraisal may be a process of intermittent quality-assurance interventions. It could be composed of an early appraisal focused on the overall support strategy and design and e.g. mainly assessing one part of the support with a later desk study looking into another. Or it could be an early appraisal of strategic elements of the full support programme followed by a desk appraisal of the final support programme.

In certain cases, a single support component may be appraised separately, or the partner planning framework may be assessed separately from the appraisal of Danish or joint-donor support. In case a programme or a component is undergoing a reformulation after the appraisal, a new appraisal possibly in the form of a desk appraisal must be undertaken of the programme or the component. There are thus various ways to combine fieldwork with deskwork in addition to e.g. a video conference or other communication.

All bilateral Danida appropriations must be subject to an appraisal³, preferably jointly with other donors. TAS is responsible for this when the appropriation is above DKK 35 million in Danida partner countries and in other countries where aid administration is decentralised to the Representations, and when the appropriation exceeds DKK 20 million in the case of other

³ Special rules apply to humanitarian assistance, the Regions of Origin Initiative and Danida Business Partnerships and Danida Business Finance; cf. specific guidelines.

countries of cooperation. When joint appraisals are undertaken, TAS is responsible for the Danish participation. The Representation is responsible for appraisals below these thresholds, but the actual appraisal should be undertaken by external consultants.

The appraisal process must be finalised no later than six months before presentation of the programme support appropriation note to the Minister. Programme support expected to be presented to the granting authorities within a given calendar year will usually have to be appraised by the end of May in that same year. The Representation schedules and designs the appraisal process in close consultation with TAS through the process action plan and the VPA activity plan. An exceptional decision to carry out the appraisal as a desk study rests with TAS, and will primarily be warranted by a modest size and low complexity of the proposed programme support.

Terms of reference for the appraisal process are drafted by the Representation and finalised by TAS (possibly jointly with other partners) no later than three months before the appraisal mission

The specific scope of the appraisal will vary depending on the timing, among other factors. An early appraisal will focus on the partner planning framework, the preparatory analyses underpinning programme support formulation, any main elements of the support decided, and the justification and management set-up for the support. An appraisal carried out at a later stage should cover the full set of items below in adequate detail.

The appraisal must focus on assessing the following aspects, which should structure the report:

- Adequacy of the preparation process of the partner programme and of the proposed support for it in view of current guidelines, including the quality of analyses carried out, consultations with intended beneficiaries and stakeholders, and requirements for subsequent analytical work.
- Quality of the partner planning framework (s) to be supported as regards:
 - contribution towards poverty reduction, national sector objectives, relevant MDGs and relevant Danida thematic strategies
 - relevant sector-related technical criteria and international best practices;
 - clarity of envisaged results and the coherence of the goal hierarchy, intervention logic and result chain, indicators, assumptions,
 - feasibility considering the national and sector political, social, economic, legal and institutional context, ownership by key partners and stakeholders' interest; prior national experience; change management and capacity to reach envisaged results; financial, human and managerial resources available;
 - feasibility considering the findings of the Gender Equality Plan and the Climate Change and Environmental Screening Note previously prepared.
 - proposed partner management, including monitoring, performance assessment, reporting and oversight.

- Quality of proposed support as regards:
 - adherence to the aid effectiveness agenda, including alignment to national objectives and partner planning frameworks, use of partner structures, systems and procedures for implementation, scope of harmonisation with other donors, management for results, and level of proposed alignment in view of the assessments based on the ten budget support principles, and expected path for further alignment;
 - the proposed justification, and programme support design and the analysis behind it, considering strategic focus, avoidance of institutional complexity, and manageability in terms of size and the number of partners, capacity of partners to absorb and manage the support, sustainability and future exit scenarios;
 - measures to support the partners' efforts to address identified capacity needs in the sector and/or in partner organisation, and the possible demand for and capacity to manage and utilize technical assistance;
 - the proposed programme support management, including decision-making body, Steering Committee, review plan and other possible monitoring and reporting arrangements;
 - follow-up to the recommendations of the MFA Programme Committee.
 - the proposed programme support budget, including budget allocations, expected efficiency, and costing;

- Measure of risks involved – both relating to the achievement of the expected results (including with reference to the objectives of the partner planning framework) and to the level of alignment to the country and/or partner systems chosen - stating clearly whether they are deemed acceptable and whether relevant mitigating actions have been included.

This scope of work is valid for any appraisal process, but depending on the form (field/desk appraisal) and timing (e.g. before or after the preparation of the Programme Support Document), the emphasis will differ from one case to another. In addition the terms of reference must include all other elements necessary for announcing or tendering the assignment i.e. proposal for consultants profiles and estimates on the necessary time and reimbursables.

In appraisals carried out jointly between several donors, the contents will have to accommodate the requirements of all parties involved, but the Representation should seek to have the above aspects included. In the case of a separate Danida appraisal of programme support, the appraisal report should be a brief management paper of 10 to 15 pages excluding annexes.

When the appraisal is a process of more than one event, the appraisal report must account for the whole process. When a mission has taken place, a debriefing note presenting findings and recommendations will be presented to the Representation before the appraisal team departs from the country of cooperation.

The final appraisal report must be completed within two weeks after the end of the appraisal process. It should include the table shown in Part II, summarising the recommendations and presenting a process action plan (PAP) for the work required until the signing of an agreement

with partners. The PAP should be agreed with the Representation. Furthermore, relevant recommendations are included by TAS in the Gender Equality Plan.

The Representation assumes full responsibility for follow-up to the appraisal report before and after the programme support is presented to the Board. If an appraisal recommendation is not followed, the Representation must specify the reasons in the table summarising the recommendations (see Part II). A summary of appraisal recommendations and the Representation's comments is forwarded by the Representation to the Under-Secretary for Development Policy and TAS at least five weeks prior to the programme support appropriation being submitted to Danida's Board. The documents to be submitted by the Representation to the appraisal team depend on the timing and character of the appraisal. They will at least include:

- i. A registration checklist for characterizing the programme in PDB
- ii. Draft Programme Support Document
- iii. A review plan
- iv. A final risk assessment
- v. Minutes of the meeting in the MFA Programme Committee
- vi. Assessment according to the ten BS principles as submitted to the MFA Programme Committee
- vii. Updated Gender Equality Plan and national/sector gender analyses – if relevant
- viii. Environmental Screening Note and relevant environmental analyses – if relevant
- ix. Partner planning framework(s) (final or draft version)
 - x. Where relevant, additional national, joint donor or Danida preparatory documents
 - xi. Other relevant national or sector documentation, donor analyses, etc.
- xiii. Updated proposed PAP covering the period from the appraisal until signing of an agreement with partners

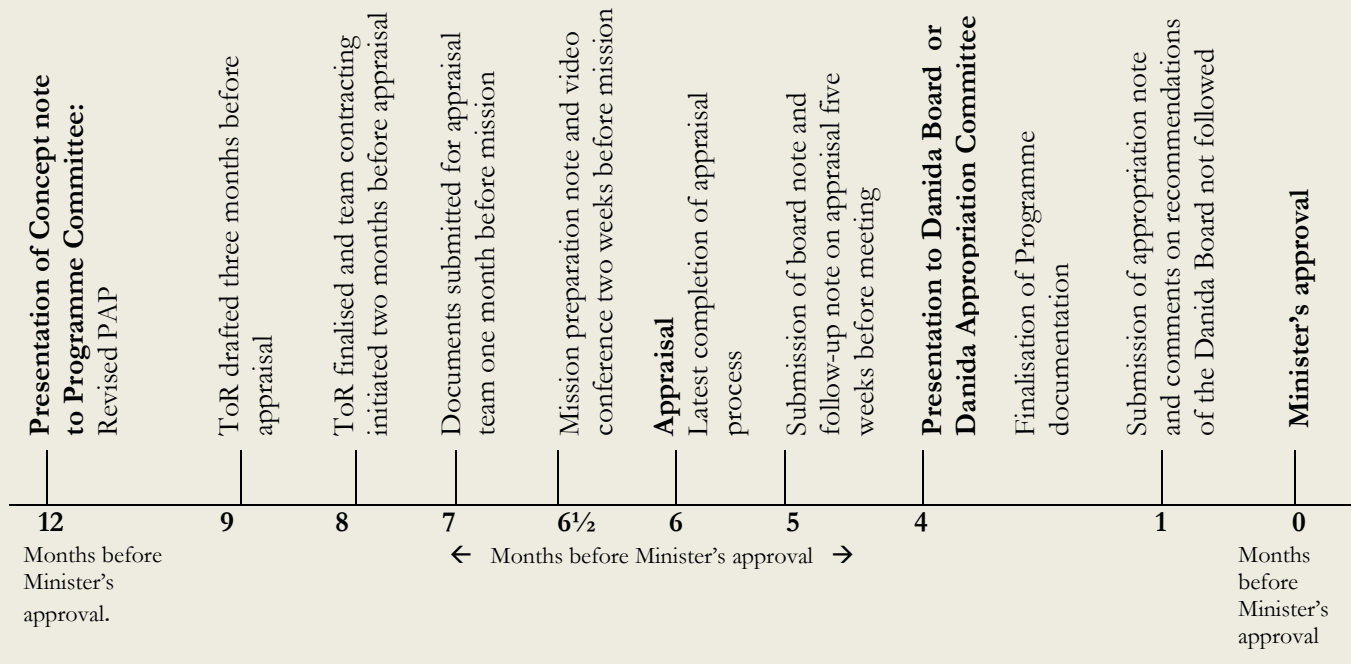
The documents for appraisal should be submitted to the appraisal team at least one month prior to the beginning of the appraisal process. The appraisal team prepares a mission preparation note and discusses it with the Representation at least two weeks prior to the mission.

PDB

In the formulation and appraisal phase, the Representation should register the programme according to the registration checklist and upload the following documents to the Programme and Project Database (PDB):

- Programme Support Document (draft, later final version)
- National programme documentation or component description(s)
- Final Appraisal Report

The Appraisal Process (Milestones):



4. Financing Decision

4.1 Danida appropriation procedures

The Danish Finance Act determines the overall allocation of resources to bilateral and multilateral development assistance. The Finance Bill process will allocate funds for all the Danish aid instruments as well as give the overall financial frames for bilateral programmes in partner countries. These are normally summarized for the next five year period in the publication “Priorities of the Danish Government for Development Assistance [[Link](#)]. Given these overall frames projects and programmes are programmed by the representations and responsible units.

The identification of new programmes is based on the Strategy for Denmark’s Development Cooperation and its five political priority areas and on the context in the partner country, including not least the partner country’s own development plans. The Policy Papers for Denmark's Relations with Partner Countries will among others analyze and identify where within the five Danish priority areas Denmark can best support the local development process and local priorities) taking into consideration division of labour issues between donors in the partner countries and the aid effectiveness principles (i.e. Paris Declaration, Accra Agenda and Busan outcome) This means that Denmark will be flexible and adapt to local conditions. A registration of all new interventions will ensure that the programme or project contribution to the implementation of the priorities of the strategy will be monitored (see Annex 1).

In order to reach a decision for financing new Danida projects and programmes will be assessed in two distinct advisory bodies: the Danida Appropriation Committee or the Danida Board. The Minister for Development Cooperation has the ultimate authority approve all programmes and projects above 5 million DKK. Detailed guidelines for the presentation of proposals can be found here [[Link](#)].

Responsibility for approving appropriations of Danish development assistance is assigned to different units within Danida depending on the amounts involved:

Amount	Approving MFA unit / authority
Up to DKK 5 million (not covered in these guidelines)	Representation/Responsible MFA unit
DKK 5 to 35 million	Danida Appropriation Committee
Above DKK 35 million	Board of Danida and Minister for Development Cooperation and Finance Committee. The latter, when the contribution is registered as a framework appropriation (<i>rammebevilling</i>) in the Danish Finance Act

4.2 Danida Appropriation Committee (projects between 5 and 35 million DKK)

An Appropriation committee has been established for the assessment of intermediate sized projects between 5 and 35 million DKK. The Danida Appropriation Committee comprises the Secretary of State for Development Policy (Chairman) and the Undersecretary of State for Development Policy (Vice-chairman). Members are the centre heads of Ministry of Foreign Affairs centers dealing with development assistance (AAAM, JT, GU, GS and PD).

It is the responsibility of the Representation/responsible unit to present proposals for all appropriations between 5 and 35 million to the Danida Appropriation Committee. The Danida Appropriation Committee will receive a presentation note similar to that of the Danida Board. All Appropriation notes have to be uploaded to PDB.

The final approval of intermediate projects is given by the Minister for Development Cooperation, who will base his/hers approval on the advice of the Danida Appropriation Committee. Guidelines for presentation to the Danida Appropriation Committee and the Danida Board are available on the MFA intranet [link].

4.3 Presentation to the Board of Danida (major programmes above 35 million DKK)

It is the responsibility of the Danida Board to advise the Minister for Development Cooperation on issues of strategic importance to Danish development assistance and regarding the appropriation of major programmes.

The Danida Board consists of 9 members appointed in their personal capacity including the Danida board Chair and vice chair [link to Danida board members]. Its members are traditionally appointed from a broad spectra of the Danish development community (including private sector, civil society, research institutions etc.), which ensures sound strategic advice to the minister, and constitutes a public “oversight” function regarding the Danish approach to development assistance.

The proposing Representation/responsible unit must present proposals for appropriations above DKK 35 million to the Board. The Representation /responsible unit should forward a Board presentation note to the Department for Humanitarian Action, Development Policy and Civil Society (HUC) and upload it to PDB by Monday three weeks prior to the Board meeting. A guide for presentation to the Board is available on the MFA intranet [link].

Programme appropriations of more than DKK 35 million that are registered in the Danish Finance Act (annual national budget) as framework appropriations (*rammebevilling*) should also be approved by the Finance Committee of the Danish Parliament. A guide for Appropriation for the Finance Committee is available on the MFA intranet [link]

The Department for Humanitarian Action, Development Policy and Civil Society (HUC) is secretariat for the Danida Appropriation Committee and the Danida Board.

4.4 Ministers Approval

The Danida Board and Appropriation committee has an advisory role only. Based on their advice the Minister approves the grant. For grants above DKK 35 million the minister will receive a brief appropriation note which will include information on the Board recommendations and how the Representation/responsible unit have addressed these. Based

on this the Minister will take the final decision of approval of the grant. It is expected that the scheduled period of 4 months (see timeline on page 31) between the presentations in the Danida Board or Danida Appropriation Committee and the Ministers approval could be reduced if there are no or very few comments.

4.5 Formal agreement with partners

Following approval by the Minister for Development Cooperation and – if necessary – the Finance Committee of the Danish Parliament, the Representation will enter into a Programme Support Agreement, typically with the Minister of Foreign Affairs, Minister of Finance or the minister responsible for the sector receiving Danish aid in the partner country. The Programme Support Agreement will make references to the bilateral Country Agreement, stipulating general terms of Danish development cooperation to the country, and to individual agreements to be signed by implementing partners (government entities, NGOs, etc.), within the frame work of the programme support agreement. Guidelines for Agreements on Development Cooperation can be found on the internet page for Aid Management Guidelines [\[link\]](#)

All agreements entered into by the Danish Government, the Danish Ministry of Foreign Affairs or the Embassy on behalf of Denmark on the one side, and the government of a partner country, a state entity in a partner country, a government of a donor country, an international organisation or a branch hereof on the other side, are to be considered international treaties, and should be registered and published accordingly (see guidelines for Agreements on Development Cooperation) [\[link\]](#).

The type of agreement to be signed with individual implementing partners within a programme depends on the support modality. In connection with budget support, sector budget support, basket-fund arrangements or joint project financing, it is recommended to use the Nordic Plus Practical Guide to Joint Financing Arrangements [\[link\]](#). Other templates have been developed for delegated cooperation [\[link\]](#) and for Danish bilateral agreements with implementing partner. [\[link\]](#). “Guidelines for Agreements on Development Cooperation” also apply for these agreements.

PDB

In the financing decision phase, the Representation should upload the following documents to the Programme and Project Database (PDB):

- Minutes of the Danida Appropriation Committee (uploaded by HUC)
- Minutes of Danida Board meeting (uploaded by HUC)
- Grant authorisation document(s) (uploaded by responsible unit)
- Ministers approval (uploaded by HUC)
- Programme Support Agreement and Agreements with Implementing Partner (uploaded by responsible unit)

Furthermore, the Representation should record commitments, enter CRS data and register weighted financial allocations to each of five political priorities, and to HIV/AIDS.

5. The Implementation Phase

Programme implementation is the responsibility of the national partner adhering to its own procedures to the extent possible and as agreed with donors. This chapter describes the requirements and guidelines in relation to Danish programme support aimed at ensuring good administrative practices and respect for regulations in the use of Danish public funds, while promoting the principles of aid effectiveness. The Representation is the MFA unit responsible for ensuring that these demands are met.

The following elements of programme support implementation are described in this chapter:

1. Programme support inception period
2. Joint decision-making arrangement
3. Planning, budgeting and reporting
4. Accounting
5. Auditing
6. Review

Documents

Guidelines and templates are available for the following documents to be produced during the implementation phase:

- Terms of reference for Steering Committee
(→[Template in Part II](#))
- Annual and Semi-Annual Progress and Financial Report
(→[Template in Part II](#))
- Assessment of Programme Support
(→[Template in Part II](#))

In addition, the Gender Equality Plan is updated in connection with reviews.

5.1 Inception period

It is considered good practice to include an inception period in all new Danida programme support and in programme support components within areas that have not been previously supported and where management routines and procedures have not already been set up. An inception period is therefore often not relevant when entering into an existing SBS or basket fund arrangement where procedures are in place.

The purpose of the inception period is to allow programme management to draw up the first annual work plan; formulate the details of the monitoring system and detailed procedures for programme management and accounting, if relevant. Furthermore, the terms of reference for the Steering Committee, if any, should be developed no later than during the inception period.

The final product of the inception period is an inception report prepared by the programme management of maximum 15 pages plus annexes, if any. The inception report is an important input for the subsequent review, future evaluations and it also serves learning purposes. The inception report may cover the entire Danida programme support, or only one component of it.

The paper may substitute for a progress report. An aggregated report at programme support level is not a requirement.

The inception period could last up to six months. The following documents should be produced or integrated into the inception report:

- A description of the (national) planning and monitoring system, (baseline data and targets for the indicators should already be in place at this stage).
- The first annual work plan and budget (see below).
- Detailed procedures of programme support management, if relevant in the form of a separate manual.
- Detailed financial management procedures, if relevant in the form of a separate manual.

As a guiding principle, the programme management procedures should be those of the partner and may vary between components of the same programme support. Only deviations from the partner's own systems should be indicated in an inception report, but the Representation should ensure that documentation of partner procedures are kept on file (e.g. the partner's accounting manual).

5.2 Joint decision-making arrangement

A guiding principle for Danish programme support is to make maximum use of partner systems. This implies that day-to-day management of programme activities is undertaken by the partner organisation.

In addition to the set-up for routine programme management, there must be an arrangement for joint consultation and decision-making between the partner organisation and Danida (and other donors where relevant) at programme support level. This should ensure that decision-making relating specifically to the donor input into the programme is transparent and formalised. Among the responsibilities of this forum are possible reallocations of funds between programme support components, use of unallocated funds and other decisions at programme support level.

The joint decision-making arrangement could take the shape of:

- a permanent partner-donor dialogue forum (possibly combined with reviews),
- a programme support Steering Committee (perhaps jointly with other donors), or
- agreements made by ad-hoc meetings or by exchange of letters.

The type of joint decision-making arrangement to be applied depends on the structure of the programme support and the mandate of participating partners. A guiding principle is that it should involve all relevant donors and partners, be transparent and formalised, and keep records of decisions taken. The arrangement for joint decision-making should be indicated in the Government Programme Agreement and the Programme Support Document.

In some cases, a permanent joint partner-donor dialogue will have a consultative nature, while important donor-partner decisions will only be taken on the occasion of regular joint reviews.

When Danish programme support consists of both a contribution to a joint donor fund and bilateral support, the joint partner-donor dialogue forum will rarely satisfy the need for a decision-making set-up for the separate Danish support, a specific arrangement should therefore be considered.

Steering Committee

A programme support Steering Committee may be established, if there is no existing forum for joint decision making. The Steering Committee may cover only Danish programme support, but should, whenever possible, function as decision-making entity for other relevant donor support as well.

However, an overall programme support Steering Committee is not normally recommended when the various programme support components are implemented by very diverse organisations, e.g. by a mix of public and non-public actors. In that case, Steering Committees at component level may supplement a decision-making arrangement at programme support level. If decision-making arrangements exist at several levels, the division of responsibilities between these should be clear.

The Steering Committee will normally be composed mainly of representatives of implementing organisations and of the Danish Representation (and representatives of other donors, if any). As a guiding principle, partner organisations involved in implementation should be represented by persons positioned at a higher level in the hierarchy than the level responsible for programme implementation.

A partner organisation should chair the Steering Committee and appoint a secretariat. The Representation should either be a member of the Steering Committee or be represented by another donor (delegated representation). Other forums composed of a broader array of stakeholders may be useful for discussions at the strategic level, but cannot replace the necessary joint decision-making entity.

The mandate of the Steering Committee should normally include:

- Approval of work plans and budgets.
- Monitoring of programme implementation.
- Approval of ToR for audits and of audit reports, as well as monitoring of audit follow-up.
- Approval of ToR for reviews. Endorsement of review recommendations.
- Commenting on TOR for evaluations and follow-up on evaluation recommendations on which the steering group has the mandate.
- Decisions regarding deviation from plans laid down in programme support documentation, including reallocations, changes in outputs, indicators, activity plans, etc.
- Approval of process action plan for preparation of any new programme support phase.

A Steering Committee should preferably be established during programme support preparation, thus enabling it to guide the preparation process. In any case, specific terms of reference should

be drawn up no later than during the inception phase. Template for terms of reference for a Steering Committee is presented in Part II.

Appropriation-related issues during implementation

When participating in Steering Committee meetings, the Representation should ensure that it has a clear understanding of its mandate. In general, the Representation is authorised to approve changes in programme contents up to the level of outputs, but not to alter the objectives of a component or of the overall programme support.

As for budget reallocations, a decentralised Representation has the following mandate:

- Approval of reallocations between components up to 10% of budgeted expenses (as registered in UM Finans) for the Danida programme support in that year.
- Approval of allocation of maximum DKK 10 million of unallocated funds for the Danida programme support in that year. Unallocated funds can only be allocated to new activities within existing components and objectives of the programme support.

Beyond these limits, the Under-Secretary for Development Policy should be consulted. Decisions regarding reallocations and use of unallocated funds should always be taken and documented in a Steering Committee or similar body.

In relation to the use of contingencies (budget margin), the Steering Committee (or similar body) can decide to cover unforeseen expenses for planned activities/outputs, e.g. increased upon extraordinary price increases, losses etc. Contingencies can be utilized for the above-mentioned reasons within the same component without limits. Should this be insufficient, the rule of allocation between components as described above must be adhered to.

Major changes in strategies and in aid modality involving sector budget support can only be agreed to by the Representation if these have been anticipated at the time of formulation and mentioned in the appropriation note to Danida's board. A review with TAS participation would normally be required to decide whether the prerequisites for a modality change are in place. In case the modality change has not been anticipated, such a decision requires the approval of the Under-Secretary for Development Policy.

5.3 Planning, budgeting and reporting

The annual planning and reporting process should be aligned with or fully integrated into the planning and reporting cycles of partner institutions responsible for implementing the partner programme. In the case of public institutions, such planning will normally be linked to the national budget preparation process.

Danida-supported activities should preferably be integrated into the partner institution's plan, incorporated into the partner institution's budget and, in the case of public institutions, reflected in the national budget (or, if relevant, in the budgets of involved local governments). In the case of (sector) budget support, Danish funds will by definition be fully integrated into the national budget.

A single plan and budget for the entire partner organisation, encompassing all external funding sources and own contributions, should be promoted. When a national partner programme

covers the activities of several institutions, a complete plan and budget composed of the various institutions' shares is recommended at an aggregate programme level.

Work planning and budgeting must be consistent with the budget items of the Danish appropriation. Therefore, to be able to align planning, budgeting and reporting to national systems, it is important to aim for such a match from the conception of Danish support.

Work planning and budgeting at activity level is primarily of concern to the programme management responsible for day-to-day implementation. The Representation in its capacity of overseer of Danish funds in a Steering Committee or other joint decision-making forum, should primarily focus on outputs and outcomes in both planning and reporting, as work plans, budgets and progress reports at output level should be submitted for endorsement in the Steering Committee or similar body. Separate planning and reporting documents should be avoided if partner procedures cover Danish-funded activities and are of an acceptable standard. If the partner institution is unable to produce output-based financial reporting, Danida should consider assisting the partner in developing this capacity.

The management (in charge of the organisation or of the programme) is responsible for planning, budgeting and reporting. For the purpose of Danida programme support, plans, budgets and progress reports are not required at an aggregate level comprising all components, if programme support components are implemented separately. The Danish minimum demand from each programme support component is one annual plan and budget, as well as one annual progress and financial report, but it may be necessary to request semi-annual planning and progress reporting or quarterly financial reporting in some cases. The exact requirements should be agreed with the partner organisations and aligned with the meeting frequency of the Steering Committee and indicated in the Programme Support Document.

Templates for progress reports are presented in Part II. Their use is mandatory for activities funded separately by Denmark, if the use of partner's procedures is not possible.

5.4 Progress monitoring

Danish development cooperation is focussed on results. Monitoring progress during implementation is important to ensure that the programmes and projects achieve what they have set out to do (also called success criteria related to outcome and outputs).

The day to day monitoring is done by the implementing partner. The Steering Committee is responsible for overseeing that activities lead to the expected outputs and outcomes. To this end it is important that the partner is capable of providing sufficient information and able to use SMART⁴ indicators and established baselines.

Progress reporting should always be balanced against the resources spent (physical progress reporting on activities and outputs against financial reporting) and it is the responsibility of the Steering Committee to discuss deviations and mitigating measures during the entire implementation phase.

⁴ (Specific, Measurable, Achievable, Realistic, Timebound)

For new types of interventions, mid-term evaluations might be a useful tool in assessing relevance and effectiveness etc. of these and help adjust the interventions.

5.5 Accounting

In order to produce reliable work plans and budgets, proper accounting must take place. The partner's procedures for financial management are used insofar as they comply with internationally acceptable principles and standards⁵. In cases of shortcomings, the partner's procedures must be strengthened as needed to ensure acceptable fiduciary standards.

The accounts must be kept in accordance with international standards, ensuring:

- That the Danish grant is entered into the accounts as income.
- That reporting on expenditures is of at least the same level of detail as in the grant budget.
- That all expenditures are documented by vouchers, original invoices and original, signed receipts.
- That a register is maintained of equipment and other assets financed from the grant.
- That acceptable control procedures are put in place, and that accounts are signed by responsible programme management.
- That the administration adheres to established written procedures.

The partner country's financial year should be followed. If the implementing partner's accounting period is different from that of the partner country, the programme can opt to use the accounting period of the implementing partner. This may entail that the first and last reporting period of a particular programme is shorter than 12 months.

Accounting as well as financial reporting should be conducted in the currency of the partner country. Any payments made in other currencies will be converted into local currency in the accounts at the time of transaction. It is important to note, however, that the Danish appropriation is in DKK, and the Representation should monitor currency fluctuations' influence on commitments and disbursements insofar these are made in other currencies. Currency fluctuations will result in increased or decreased expenditures within the ongoing programmes, but the balance of the grant will always be measured in DKK.

In the case of (sector) budget support or pooled funding, Danish funds are not kept separate from other donor funds, and hence there is no requirement of separate bank accounts. If there is earmarked funding, it is recommended to keep Danish funds (or pooled donors funds) in a separate bank account unless otherwise agreed.

In the case of (sector) budget support, the Joint Financing Agreement (or other agreement with the partner) will specify the conditions under which funds will be transferred.

⁵ International Public Sector Accounting Standards, IPSAS [[link](#)] or – for non-public partners – International Financial Reporting Standards, IFRS [[link](#)].

For earmarked funding, the conditions for transfer are:

- Satisfactory financial reporting has been submitted on previous periods
- No other accounts are unsettled with the same partner
- There is an approved work plan and budget for the period to be financed

The transfer of funds to the programme will be carried out on the basis of a written request from the relevant authorities to the Representation. The transfer can cover foreseen expenditures for up to six months. The transfer request must include information on the amount and the bank account into which the money is to be deposited. A copy of the bank statement with a reconciliation of the bank account will be attached to the request. A receipt should be submitted by the implementing partner to the Representation as soon as the funds have been received.

Whenever it is possible to calculate, interest accrued from bank holdings are returned to the Representation on an annual basis, immediately following the end of the foregoing fiscal period, for onward transfer to the Danish Ministry of Finance.

The accounting documents and records must be kept for five years after the completion of the programme. The documents and records shall be made available for control purposes to the Danish Auditor General and/or to the Ministry of Foreign Affairs or their representatives, upon request.

More guidance on requirements for accounting and auditing can be found in the “General Guidelines for Accounting and Auditing [\[link\]](#)”.

5.6 Auditing

Danish contributions to public sector institutions should preferably be audited by the supreme national audit institution. If that is not possible due to resource or capacity constraints, or if the recipients are non-public organisations, the Representation may appoint and pay for an external auditor of international repute. In some cases, there could also be a combination of the two. The supreme audit institution should preferably be involved in formulating the terms of reference and in selecting the external auditor.

The accounts must be audited annually in accordance with either International Standards of Auditing (ISA) or audit standards issued by the International Organisation of Supreme Audit Institutions, INTOSAI [\[link\]](#).

The annual audit must encompass – but not be limited to – inspection of accounting records, including examination of supporting documentation of the transactions, confirmation of cash and bank holdings, checking of bank reconciliation, direct confirmation of accounts receivables, and verification of physical inventories and fixed assets. The audit will also test compliance with the accounting manual and examine the procurement function.

DAC’s Guidelines on Harmonising Donor Practices for Effective Aid Delivery [\[link\]](#) include guidance on selection of a private sector audit firm and specimen terms of reference for external auditors of donor-supported projects and sector programmes. These should be used as

a reference when selecting the auditor and preparing the audit terms of reference. The Steering Committee must approve the specific terms of reference as well as the appointment of the auditor.

Other audit tools could be included, such as value-for-money audits, procurement audits and tracking studies. Such studies look beyond financial audits, and can be used to assess whether outputs and outcomes were achieved efficiently and effectively. Such audit tools are considered most effective when they are partner-led and undertaken jointly with other donors.

The final annual audit report, including a financial statement for the period audited and a memorandum of examination must be forwarded by the implementing partner to the Representation no later than six months following the end of the accounting period.

5.7 Review

The purpose of a review is to undertake a periodic joint donor-partner assessment of programme performance (results, progress, challenges, developments in risk factors, need for adjustment) and of developments in the programme context. The review also serves as a quality assurance of the overall monitoring. Against this background, the review issues recommendations on further programme implementation. The scope and procedures of a review depends on its character.

There are three distinct types of periodic reviews:

- A sector-wide review organised by the government partner as a special event within the annual cycle of the donor-partner dialogue
- A joint review involving the partner(s) and several donors contributing to the same partner planning framework.
- A separate Danida-partner review focusing on the implementation of the partner planning framework and on Danish support for this process

In addition, ad-hoc reviews of particular aspects (also called technical reviews) in preparation of periodic reviews can be undertaken on the initiative of partners, the Representation or other donors. Through the MRSprocess, the Representation may request TAS assistance to carry out or participate in such reviews.

All Danish-supported programmes must be reviewed annually, preferably as part of a partner-led process jointly with other donors. If nationally-led joint reviews are not established, Denmark will work for this. The entire programme support should preferably be reviewed together, though this may sometimes be impossible, e.g. when individual components are submitted to different review processes involving different partners. The review plan prepared during programme support formulation should ensure that reviews are undertaken for all components. The review frequency and participants are indicated in the review plan, and should ensure that TAS takes part in reviewing each component preferably every second year, and at least twice during a five-year programme support phase. TAS participation is not required in programme support below DKK 35 million in partner countries (DKK 20 million in other countries of cooperation).

The Representation is responsible for ensuring that reviews are undertaken, and will request TAS participation in accordance with the agreed review plan. TAS's role varies according to the type of review: In nationally-led sector reviews, the Representation is responsible for coordinating the Danish participation and position, while TAS (including TAS-recruited consultants) has an advisory role to the Representation. In other types of review, TAS is responsible for the Danish participation and position. In joint reviews the team leader may be a representative from another donor and TAS may accordingly not always be the team leader

In nationally-led sector reviews, the partner-donor dialogue forum or Steering Committee will usually approve the terms of reference for the review. When TAS participates, it should be consulted by the Representation during this process. In addition to the joint terms of reference, terms of reference must be prepared for TAS participation, unless otherwise agreed between TAS and the Representation. These ToR should detail the input expected from TAS (and possibly TAS-recruited consultants) and outline the main issues from a Danish perspective, including issues related to programme support management. These should be drafted by the Representation no later than three months before the review, and will be finalised by TAS.

In other types of review, the terms of reference are prepared jointly by the Representation and the partner, possibly together with other donors, where relevant in the joint Steering Committee. TAS must approve the final terms of reference.

A review must include the following elements:

- Sector development of relevance to the partner planning framework, including progress in relation to key sector indicators and target groups
- Assess follow up on recommendation from the last review
- Progress compared to plans within an agreed performance assessment framework or other relevant implementation plans and indicators including assessment of the set of output indicators registered in PDB
- Assessment of assumption and risks
- Partner programme disbursements and expenditures, as well as the relationship between physical and financial progress, (or in case the Danish funds are not integrated in the national systems the assessment should be made of the Danish programme).
- Programme management, including financial management
- Assessment of developments in the partner planning framework context, including assumptions and risks as formulated at programme inception
- Progress in capacity development
- Considerations of gender and environmental issues with reference to Gender Equality Plan and Climate Change and Environmental Screening note.
- The aid modalities applied and possibilities for further alignment.

These issues could – depending on the focus of the review – cover the entire programme support or be confined to specific components/themes. In nationally-led sector reviews, the Danish side should work to include these issues. Other aspects could also be addressed as relevant, but a limited number of specific concerns should be emphasised for the review in order to focus the recommendations. When new phases of support are being prepared, the preparation process should be reviewed as well.

In consultation with the Representation, TAS may recruit external consultants for review participation depending on the terms of reference and the tasks at hand.

The review will be based on the following documents to be forwarded to TAS at least three weeks before the review:

- Progress reports (including, where relevant, an account in relation to the partner's performance assessment framework),
- Financial reports
- Draft annual work plan and budget (including performance targets)
- A table indicating follow-up to the process action plan of the last review
- Up-dated risk analysis (table)
- Technical reports prepared for the review, if any.
- Any other studies which are considered relevant for the review e.g. PEFA reports etc.

This material should also be uploaded to PDB

The responsible TAS staff member must prepare a mission preparation note to be received by the Representation one week before the review team arrives. The mission preparation note outlines the main issues of concern within the frame work of the TOR for the review. This will remain an internal document, unless otherwise agreed.

The responsible TAS staff member should also organise a video conference with the Representation approximately one week before the review in order to discuss the main issues for the review and the programme on the basis of the terms of reference and the mission preparation note. As part of the preparation process, the responsible TAS staff member should check whether there are relevant recent evaluations that should be made use of in the review.

Review outputs

The findings, conclusions and recommendations of the review will be documented in a series of outputs, which may vary depending on the character of the review (joint or separate Danida).

The output of a sector-wide review and a joint review is normally a Joint Review Aide Memoire signed by the lead donor (and possibly the other donors) and by a high-level partner-government official. While the specific format and status may vary between sectors and countries, it is usually a negotiated decision document that does not necessarily reflect all concerns and issues raised by the Danish side. The subsequent follow-up to recommendations of a Joint Review Aide Memoire should be documented by the Representation.

This joint document may be supplemented by a TAS Review Aide Memoire signed by the team leader addressing additional issues indicated in the specific ToR of TAS. This document should be a brief management document of maximum ten pages and it should include a Process Action Plan as described above.

In the case of separate Danida-partner reviews, a TAS Review Aide Memoire signed by the Team Leader will be the main output. The recommendations included in such a paper should be presented to the Steering Committee (or similar body), preferably before the team leader departs from the country of cooperation. It should eventually be endorsed (or rejected) by the Steering Committee (or similar body), and subsequently be followed up by the same entity in keeping with the decisions taken.

The Review Aide Memoire should be a management document of maximum 15 pages and issue a maximum of ten recommendations. The document should include a Process Action Plan (PAP) outlining the main issues, targets and follow-up actions to be pursued by the Steering Committee, by the Representation or by national partners on the basis of the recommendations of the review. It is the responsibility of the Representation to document the follow-up of the Process Action Plan following the review.

All reviews with TAS participation must result in an additional internal Danida document:

The Assessment of Programme Support is a mandatory internal Danida document linked to the performance management framework of Danish Development Cooperation. It covers the same standard review issues as the other review documents, but from a Danish perspective. It provides an opportunity to record special Danish concerns that may not be covered by a joint Review Aide Memoire. The Representation prepares a draft version of this assessment prior to the review, which will be finalised by TAS during the review. The TAS representative and the Ambassador/Head of Representation must co-sign the final version, which must, upon completion of the review, be uploaded to PDB by the Representation.

If a review reveals major problems or success stories in a particular programme, a recommendation to conduct an in-depth evaluation may be made. Likewise, the review should check if ongoing monitoring is insufficient to document results from the interventions at various levels and recommend action if this is the case.

The Gender Equality Plan for the programme support will be updated by the team leader.

PDB

When implementation is initiated, the following actions are required in PDB:

- Change the status of the appropriation from 'preparation' to 'implementation'
- Update of the PPO text annually (upon instruction from KVA)
- Update of Programme Progress Indicators output targets annually. Three (preferably outcome) indicators for each programme above DKK 35 million and three (output) indicators for each component of programme support (annual instruction from KVA)
- Upload review reports (Review Aide Memoire)
- Upload inception report
- Upload progress reports
- Upload Assessment of Programme Support
- Register annual audit data in the accounting module (Programme Officers and Chief Financial Officer)

6. The Completion Phase

6.1 Preparation of exit strategy

When a decision is taken not to continue support for a partner programme beyond the current phase, it is actually too late to consider how cooperation should be phased out. The exit strategy should ideally be prepared at an earlier stage during implementation. The earlier the issues related to a phase-out are addressed by the Representation, the better the chances are of ensuring sustainability of the achievements. The scope of the exit strategy should match the volume of support provided, and a realistic timeframe should be set for the phase-out. A note outlining general considerations related to phase out has been prepared and can be found here [\[link\]](#)

As stipulated in the EU Code of Conduct on Complementarity and Division of Labour [\[link\]](#), the exit should always be undertaken in a responsible manner, including full participation of the partner country and good communication with all stakeholders throughout the process. The exit strategy should be discussed in the programme Steering Committee, or similar body, and during the last reviews of the programme support. It is considered good practice to actively promote that other donors take over the cooperation in case there is a need for this.

In some cases, the exit amounts to a transformation of cooperation with the country or within the sector from being primarily aid-related to becoming, for instance, more trade-related. In those cases, the exit strategy should take into consideration how best to pave the way for the new type of cooperation.

The issues to consider in the preparation of an exit strategy include:

- What will be the procedure for handing over equipment and works?
- What are the alternative resources available for activities to continue (user fees, revenue, grants etc)
- Could funding of continued support be obtained from other sources?
- If the sustainability is jeopardised by phasing out cooperation, can some activity areas be supported under other programmes?
- What are the human resource implications for the partner of the phase out.
- How should the partner ensure or strengthen capacity to sustain the activities supported or to uphold the achievements?
- Is there a need to refocus capacity development support in the remaining funding period in light of the phase-out?
- Is there a need to undertake reallocations between programme elements in order to ensure certain results before completion?
- Has there been sufficient focus on the last part of the results chain from outputs and outcomes for beneficiaries to potential impacts in society?
- Should specific communication efforts be considered to partner staff concerned and in order to facilitate dissemination of lessons learned and results obtained? Should an

evaluation of the programme be promoted to document results and collect lessons for use in future development cooperation?

It is recommended that the Representation ensure the preparation of a note describing the exit strategy, and take up discussions with partners in the relevant forums.

The present guidelines address phasing out of programme activities. A guidance note has been made for situations where, for one reason or the other, Danida plans an overall phasing out of bilateral development cooperation in a partner country (see [link](#)). Some of the general reflections and principles can however also be useful guidance for programme phase out/exiting.

6.2 Completion of programmes and projects

All programmes and projects which has a Danish bilateral contribution of more than DKK 500.000 must undergo a formal completion process with a Programme Completion Report (PCR). This applies to all bilateral and multilateral activities, sector programme support, other programmes and projects, activities funded by the Regions of Origin Programme, The Danish Stabilisation Fund, the Environment and Climate change fund and the Wider Middle East Initiative.

A large part of the Danish development cooperation is designed, monitored and evaluated jointly with other development partners. In these cases the PCR assess to what extent the Danish support has contributed to reaching the objectives defined in the project or programme document and summaries the most important lesson learned from all relevant sources

The completion process starts at least three months before the agreed programme/project support period ends(As defined in the appropriation note - e.g the programme support agreement), which ensures that key staff involved in the programme or projects will be able to contribute to the PCR-process.

The purpose of the completion phase is to ensure:

- That development results are documented and accepted by all involved parties.
- That documentation for the use of Danish funds in accordance with general principles for financial management of public resources is provided.
- That lessons learned are generated, discussed and integrated in future programming;
- That the process contributes to the overall Danish reporting on results;
- That the administrative, financial and technical closure of a programme or project is completed in a coherent work flow.

A programme can only be extended in time up to a maximum of 50 pct. of the original planned time frame All extension arrangements shall be confirmed by letter of exchange between the signatories of the programme / project agreement.

New phases of a programme will always be considered a new programme, which requires a new program documentation, and a new appropriation. Normally simultaneously implementation of two phases of the same programme should be avoided.

The Representation is responsible for ensuring proper completion of programme support.

(Separate guidelines for completion of programmes and projects has been elaborated [\[link\]](#))

Documents

The following documents are produced in the completion phase:

- Implementing partners final report
- Programme Completion Report (→[Template in Part II](#))

The completion phase includes the following:

- Implementing partners submit final reports on results and lesson learned to decision making arrangement (e.g steering committee at component and/or programme level).
- Based on implementing partners final reports the decision making arrangement assess the overall results and lesson learned. The conclusions are documented in minutes.
- The representations produce and upload the Programme Completion Report in PDB.
- The representation/department makes a financial closure of accounts including final audit

It is mandatory for the representation to ensure that the implementing partners final reports, the minutes from the decision making arrangement and the Programme Completion Report is available in the PDB.

6.3 Closure of accounts

When a programme is about to end, a final audit must be conducted. The audit will normally cover the latest year, but the period can in some cases be extended with a few months. When the audit has been received the representation must register the received accounts in PDB (accounting module) and fill out the cover note. Unspent funds must be returned before the account can be closed.

When interests and unspent funds have been returned and the final audited accounts, as well as the project completion report, has been received and approved, the programme can be closed in financial terms. Prior to the closure, it must be ensured that no more expenses (advisor salaries, audit fees etc.) will occur. The closure is done by using the Termination of Commitment form, entering the original commitment and total spending as in the approved final accounts in PDB. The calculated remaining amount will then be registered as a cancelled commitment.

6.4 Implementing partner's final report

The partners final reports documents the assessment of effectiveness and efficiency obtained by the donor's investment (Danish or joint), measured against the original envisaged results in the programme documentation. The report generates lesson learned and evaluates the prospects for continued sustainable progress.

The format for the final report should to the extent possible follow the format of the partner's own report format. However, the content of the report should comply with a minimum set of requirements presented in "Guidelines for Completion of Programmes and Projects".

The final report is submitted to the joint decision making arrangement three months before the letter of commitment expires (e.g. government agreement).

6.5 Danida programme/project completion report (PCR)

The PCR is a briefer document than the partner's final report. It is a Danida document and it summarizes the financial status of the programme/project, rates and assess the results of the investments at output, outcome - and if possible - impact level (development and immediate objectives) and highlights main lessons learned. It is made at the programme- or project-level and therefore there will be no individual Danida reporting for components in a major programme. The template for the PCR can be accessed here [link]

It is the responsibility of the representation/department to produce the PCR and upload the document in the Danish PDB system [link to guidelines and template]. The PCR is made based on the implementing partners final reports and the assessments at component and programme level provided by the decision making body and documented e.g. by minutes from relevant meetings. The PCR must be uploaded no later than six months after the expiration of the programme agreement. Often this will be done together with the financial closure of the accounts.

The Quality Assurance department will make the initial quality assessment of the PCR after completion and the Evaluation Department will at regular intervals undertake cross-cutting analyses of selected issues in the PCR's for accountability and/or learning purposes as relevant.

6.6 Evaluations

To complement the monitoring activities and the reviews a more comprehensive evaluation of the programme, sector or particular topics relevant to the activities may be carried out. Evaluations are in-depth analyses of results and processes focussing on relevance, effectiveness, efficiency, impact and sustainability of the activities supported (see the separate Danida Evaluation Guidelines at the evaluation website: <http://um.dk/en/danida-en/results/eval/reference-documents/>).

Evaluations serve to help document results (not least at outcome and impact level), but are also used as inputs to adjustment of ongoing activities; the preparation of new activities or the preparation of new phases of support and as such they can take place at all stages of the programme cycle. To help ensure that evaluations are useful, relevant and timely, embassies should discuss possibilities for (joint) evaluations with their partners and suggest topics and

projects/ programmes for (joint) evaluations to the Evaluation Department (EVAL). This can be done either in connection with the annual hearing on EVALs rolling evaluation programme (two year coverage) or on an ad-hoc basis.

Evaluations are conducted by independent, external consultants with EVAL acting as the commissioning body and evaluation manager. Where relevant, evaluations are conducted jointly with partner countries and/or other donors/development agencies. Evaluations commissioned by Danida are published at the evaluation website mentioned above, in DEREc (the OECD/DAC database on evaluations) and at other relevant web-sites e.g. of partners in the development process.

In some partner countries national capacity to conduct evaluations is emerging and Danida aim at making use of national evaluation capacity. Danida also supports the development of national evaluation capacity e.g. through cooperation with partner countries on specific evaluations and through limited support to capacity development in the form of scholarships.

When an evaluation has been finalized, a Follow-up Note is usually prepared and discussed in the internal Programme Committee dealing with development cooperation. The discussion of the evaluation in the Programme Committee serves a dual purpose: Firstly, to help promote internal knowledge sharing regarding findings, conclusions and recommendations of the evaluation and secondly to discuss the draft Danida/MFA comments to the evaluation (including the more specific implications and follow-up actions) as prepared by the responsible department and/or embassy/embassies.

The Follow-up Note is usually comprised of:

- a. a brief introduction
- b. overall findings, conclusions and recommendations of the evaluation
- c. Danida/MFA comments to the evaluation, its recommendations and issues for the future.

EVAL is responsible for initiating the process of developing the Follow-up Note. This is done by sending the final report and the draft follow-up note excluding the Danida/MFA comments to the relevant department or embassy, which then adds on a proposal for section c) of the note and returns the note to EVAL for presentation to the Programme Committee.

The Danida/MFA comments (section c) should include reactions to findings and recommendations (including whether MFA agrees or disagrees with these) as well as considerations for follow-up on individual recommendations and the evaluation at large. A specific department or embassy may be asked to coordinate the preparation of the Danida/MFA comments on behalf of all relevant entities. In case of doubt about who is responsible, the Undersecretary of State for Development Policy (Head of UVP) decides on which entity shall take the lead.

The Danida/MFA comment section of the Follow-up note may be revised by the responsible unit in view of the discussion held in the Programme Committee. Examples of follow-up notes can be found at the MFA Intranet under Programme Committee. Final versions of the management response are archived by EVAL.

A four-page summary in Danish is also prepared by the Evaluation Department and a short version of the management response (in Danish) is included in this summary. The relevant embassy or department is responsible for the preparation of the draft of the Danish version of the management response. The Chair of the Programme Committee ensures coherence between the English and the Danish short version of the management response. Final approval of the short management response in Danish is the responsibility of the State Secretary for Development Policy and the Minister for Development Cooperation .

The Quality Assurance Department is responsible for reporting (on an annual basis) to the Programme Committee concerning follow-up to evaluations completed within the past two years.

PDB

In connection with the completion of programme support, the following steps are required in PDB:

- Register final accounts
- Approve final accounts (Chief Financial Officer)
- Final report(s) from partner(s) and minutes of Steering Committee
- Enter Programme Completion Report no later than six months after the end of the programme or component phase

GUIDELINES FOR PROGRAMME MANAGEMENT

PART II

ANNEXES

Checklist for programme registration	1.
Template for Process Action Plan	2.
Template for Gender Equality Rolling Plan	3.
Environmental & climate screening note	4.
Contents of Assessment according to the ten budget support principles	5.
Contents of the Concept Note	6.
Contents of Programme Support Document and Component Description	7.
Template for summary of recommendation of the appraisal report	8.
Template for ToR for Steering Committee (or other joint decision making forum)	9.
Template for Annual and Semi-annual Progress Report	10.
Template for Assessment of Programme Support	11.
Template for Programme Completion Report (PCR)	12.

1. Checklist for programme registration

Initial registration in PDB is to take place when submitting the concept note and correct registration to be confirmed after appraisal.

J.nr.:	Title of programme:	Grant amount (DKK):	DAC sector code:
---------------	----------------------------	----------------------------	-------------------------

I. Danish political priorities and issues covered by the proposed programme:

- | | |
|---|---|
| <input type="checkbox"/> 1. Freedom, democracy & human rights
<input type="checkbox"/> Rule of law, well functioning legal systems
<input type="checkbox"/> Freedom, human rights, democratic development
<input type="checkbox"/> Fighting discrimination against marginalized groups incl. indigenous peoples
<input type="checkbox"/> Decentralisation, Public Financial Management
<input type="checkbox"/> Good governance in tax systems
<input type="checkbox"/> Political parties
<input type="checkbox"/> Free media
<input type="checkbox"/> Anti-corruption
<input type="checkbox"/> Children and young peoples' rights
<input type="checkbox"/> Civil society | <input type="checkbox"/> 3. Gender equality
<input type="checkbox"/> Women's freedom and equal rights
<input type="checkbox"/> Equal access to education
<input type="checkbox"/> Gender sensitive health care systems
<input type="checkbox"/> Sexual and reproductive health and rights
<input type="checkbox"/> HIV / AIDS
<input type="checkbox"/> Protection of women in conflict and disaster situations
<input type="checkbox"/> Women's participation in peace building |
| <input type="checkbox"/> 2. Growth and Employment
<input type="checkbox"/> Free trade, market access
<input type="checkbox"/> Local framework for market based growth
<input type="checkbox"/> Employment creation
<input type="checkbox"/> Youth education programmes, technical/vocational training
<input type="checkbox"/> Private property rights and consumer rights
<input type="checkbox"/> Increased productivity, improved value chains
<input type="checkbox"/> Access to new technology and innovative solutions
<input type="checkbox"/> Corporate Social Responsibility
<input type="checkbox"/> Tax systems, including international level
<input type="checkbox"/> Insurance schemes, micro-finance, safety nets | <input type="checkbox"/> 4. Stability and fragility
<input type="checkbox"/> International and regional capacity for conflict prevention, peacekeeping and reconstruction
<input type="checkbox"/> Civilian security, protection and demining
<input type="checkbox"/> Nation and peace building, and basic service delivery
<input type="checkbox"/> Fighting radicalisation and terrorism
<input type="checkbox"/> Humanitarian interventions
<input type="checkbox"/> Prevention of conflicts and disasters |
| | <input type="checkbox"/> 5. Environment and climate
<input type="checkbox"/> Energy
<input type="checkbox"/> Natural resource management
<input type="checkbox"/> Environmental management
<input type="checkbox"/> Climate change
<input type="checkbox"/> Disaster risk reduction |

II. Other areas addressed

Other, please indicate and justify:.....

III. Priority areas not addressed

- Gender (Gender plan will not be elaborated and attached with concept note)
 Environment & climate (Screening tool will not be elaborated and attached with concept note)

IV. Proposed aid modalities:

- | | |
|--|---|
| <input type="checkbox"/> General Budget Support
<input type="checkbox"/> Sector Budget Support
<input type="checkbox"/> Sector Programme Support
<input type="checkbox"/> Other type of support (above 35 mio.DKK)
<input type="checkbox"/> Project support (up to 35 mio.DKK) | <input type="checkbox"/> Joint Financing Agreement
<input type="checkbox"/> Delegated cooperation to other donors
<input type="checkbox"/> Danish managed support from other donors
<input type="checkbox"/> Technical Assistance
<input type="checkbox"/> Twinning arrangement |
|--|---|

V. Proposed funding, bilateral aid instruments:

- | | |
|---|---|
| <input type="checkbox"/> Bilateral country programme | <input type="checkbox"/> B2B programme |
| <input type="checkbox"/> Special environmental assistance | <input type="checkbox"/> NGO support, frame agreements (DK) |
| <input type="checkbox"/> Special climate fund | <input type="checkbox"/> NGO support, Mini-programmes |
| <input type="checkbox"/> Human rights and democracy | <input type="checkbox"/> NGO support, Humanitarian (DK) |
| <input type="checkbox"/> Neighbourhood programme | <input type="checkbox"/> NGO support, other |
| <input type="checkbox"/> Wider Middle East initiative | <input type="checkbox"/> Relief and humanitarian assistance |
| <input type="checkbox"/> Global frame for civilian-military cooperation | <input type="checkbox"/> Mixed Credit facility |
| <input type="checkbox"/> Regions of Origin programme | <input type="checkbox"/> Debt relief facility |
| <input type="checkbox"/> Research Grant | <input type="checkbox"/> Other funding: |

VI. Proposed funding, multilateral aid instruments:

- | | |
|--|--|
| <input type="checkbox"/> Support to UN system, Core funding | <input type="checkbox"/> Multilateral relief and humanitarian assistance |
| <input type="checkbox"/> Support to UN system, Programmes | <input type="checkbox"/> EU (through core budget funding) |
| <input type="checkbox"/> Support to World Bank Group | <input type="checkbox"/> EU through the development fund (EDF) |
| <input type="checkbox"/> Support to Regional Banks | <input type="checkbox"/> NGO, frame agreements (international) |
| <input type="checkbox"/> Multilateral Environmental Assistance | <input type="checkbox"/> NGO, Humanitarian (International) |
| <input type="checkbox"/> Multilateral Climate Assistance | |

*The supporting electronic procedure inside PDB is under preparation and is expected to be in place end of 2011
The above checklist will be revised during appraisal and PDB registrations changed accordingly.*

2. Template for Process Action Plan for programme support preparation and formulation

Title of programme support:

Date:

Activity/Output	Timing	Unit responsible	Status (Available / to be prepared)
Preparation phase			
Sector/thematic study		Representation/ Resp.unit	
Assessment according to the ten budget support principles		GoX/Partner, Joint donor, Representation	
Gender Equality Plan		Representation/ Resp.unit	
Environmental screening note		Representation/ Resp.unit	
Other preparatory studies (List the need for additional preparatory studies)		GoX/Partner, other donors, joint donor , Representation, resp.unit	
Concept note		Representation/ resp. unit	
Programme Committee Meeting (Min. 1 year before Board presentation)		KVA/MFA	
Formulation and appraisal phase			
Organisational capacity assessment(s). (List the specific capacity assessment activities)		GoX, other donors, joint donor, Representation	
Draft partner programme documentation / Component descriptions		Partner	
Draft Danida Programme Support Document		Representation/ resp.unit	
Appraisal process - Appraisal mission - Other appraisal activities			
Meeting of the Board of Danida and minutes		MFA/HUC	
Appraisal report		TAS or joint	
Final partner programme documentation / component descriptions			
Final Danida Programme Support Document		Representation/ resp.unit	
Board Presentation Note forwarded to the Board of Danida		Representation/ resp. unit	
Ministers cover for Appropriations		Representation/ resp. unit	
Formal agreement with partners		Representation/ resp. unit	

3. Template for Gender Equality Rolling Plan

The preparation of a Gender Equality Rolling Plan (GERP) is mandatory for all relevant Danish programme support. Preferably, the GERP should be developed in collaboration with the partner country and relevant donors. The GERP will be updated throughout the programme support cycle (preparation, formulation and appraisal, implementation and completion), accounting for the integration of gender equality aspects into key documents pertaining to these phases. The GERP will be annexed to the concept note, the appraisal report and review aide memoire, and, if relevant, to the Programme Support Document. Findings and results of the GERP should be included in the programme document concerned.

Exceptions:

- In programmes where gender equality issues are not assessed to be relevant, this should be adequately argued for in the concept note of the relevant programme, and documented in programme committee minutes.
- When a Memorandum of Understanding or Joint Finance Agreement and the Government Programme Agreement cover the documentation requirements, and gender equality aspects are sufficiently covered (meeting the same requirements as those of a GERP) a GERP will not need to be prepared.

Purpose:

- (i) serve as a reference guide to gender equality issues at international, national and sector level in the partner countries concerned; (ii) specify how gender equality will be addressed in partner programmes and in Danida programme support;⁶ and (iii) identify indicators to facilitate gender-conscious monitoring and evaluation.
- At the operational level, the GERP sets out a strategy for ensuring that women and men participate and benefit from the planned interventions by identifying specific gender activities and purposes to be built into the design of programme support. Finally, it draws up indicators to monitor implementation of identified activities.

The GERP template presented below is intended to facilitate the required mainstreaming of gender equality throughout the programme support cycle. The template is organised according to the stages of the programme support cycle, and includes an “action required” column indicating the information to be inserted into the GERP and/or other documents, as well as a column assigning responsibility for the step being taken.

Gender Equality Rolling Plan

Basic information	
Programme title	
Sector	
Country	
Budget (Danida’s contribution)	
Starting date and duration	

⁶ It needs to be specified how the programmes will contribute to ensuring men’s and women’s equal rights, equal access to and control over resources, and equal opportunities to achieve political and economic influence.

Phases in the programme cycle and documentation	Action required	Responsibility
Preparation phase GERP annexed to the concept note	Include the following information: <ul style="list-style-type: none"> ➤ Donor harmonisation and alignment in the area of gender. ➤ Availability of sex-disaggregated data. ➤ Assessment of major gender issues at national and sector level. ➤ Opportunities/constraints for addressing these issues. ➤ Gender Studies to be used/up-dated/prepared including Country Gender Analysis (Gender Toolbox booklet 4), Sector Gender Analysis (Gender Toolbox booklet 5). ➤ Proposed gender equality objectives/outputs to be addressed by the programme. 	The Danish Representation
Formulation and appraisal phase GERP and programme support document, partner document/ component description	<ul style="list-style-type: none"> ➤ Describe how gender issues will be addressed in the programme, Specify gender specific purpose, strategy, activities, expected outputs and financial allocations of planned interventions (Gender Toolbox booklet 5 provides examples of how to mainstream gender in selected sectors). ➤ List identified gender equality indicators aligned with national targets on gender. ➤ List how gender equality will be included in proposed monitoring and evaluation systems. 	The Danish Representation
Appraisal report	<ul style="list-style-type: none"> ➤ Include the scope of gender-specific work in TOR for the appraisal mission. ➤ Assessment of the proposed objective, strategy, activities and expected outputs as regards mainstreaming of gender in the programme. ➤ Revision of the draft programme document as needed. 	The appraisal team The Danish Representation
Implementation phase Review Aide Memoire	<ul style="list-style-type: none"> ➤ Assess whether gender has been considered in the preparation of action plans and in the reporting format as part of regular reporting and monitoring mechanisms. ➤ Assess progress achieved in addressing gender issues in the programme; achievements of relevant outputs/activities etc. ➤ Recommend changes as required. 	The Danish Representation The review team The review team
Completion phase Completion report	<ul style="list-style-type: none"> ➤ Document whether the programme has achieved its gender objectives using specific data. 	The Danish Representation

4. Climate change and environment screening note

Basic Information			
Programme title:			
Country/region:			
Estimated allocation:	Million DKK		
Brief description of the Programme support:			
Dates (expected):	Programme committee:	Appraisal:	
Screening of Country Climate Change Framework			
Assess the adequacy of policies and strategies to respond to climate change in the country and sector For OECD/DAC guidance document see [link] . If the issue is inadequately dealt with (indicated by a tick in the “no” box), please add comments and indicate further work to be undertaken (see also “next steps” section, below).			
<i>Issue:</i>	<i>Yes</i>	<i>No</i>	<i>Comments and further work to be done:</i>
1. Are the processes and impacts of climate change understood and documented (e.g. in national communications to the UNFCCC)?	<input type="checkbox"/>	<input type="checkbox"/>	
2. Is there a national climate change policy or strategy , including estimates of the economic costs of adaptation?	<input type="checkbox"/>	<input type="checkbox"/>	
3. Have nationally appropriate mitigation actions (NAMAs) been identified (e.g. targets for renewable energy production)?	<input type="checkbox"/>	<input type="checkbox"/>	
4. Has a national adaptation programme of action (NAPA) been approved identifying key sectors where adaptation is required?	<input type="checkbox"/>	<input type="checkbox"/>	
5. Are there effective and operational meteorological and disaster preparedness organizations ?	<input type="checkbox"/>	<input type="checkbox"/>	
Summarize the overall assessment of climate change impacts and responses:			
Screening of Country and Sector Environmental Framework			
Assess the adequacy of legislation, policies and procedures for environmental management and impact assessment in the country and sector. If an issue is inadequately dealt with (indicated by a tick in the “no” box), please add comments and indicate further work to be undertaken (see also “next steps” section, below).			

<i>Issue:</i>	<i>Yes</i>	<i>No</i>	<i>Comments and further work to be done:</i>		
1. Do national procedures and legislation for Strategic Environmental Assessment (SEA) and Environmental Impact Assessment (EIA) exist?	<input type="checkbox"/>	<input type="checkbox"/>			
2. Are there operational national environmental action plans or environment sector programmes ?	<input type="checkbox"/>	<input type="checkbox"/>			
3. Are there regularly updated state of the environment reports and environmental monitoring systems with indicators ?	<input type="checkbox"/>	<input type="checkbox"/>			
4. Is environmental management sufficiently integrated into the sector plans ?	<input type="checkbox"/>	<input type="checkbox"/>			
5. Is there sufficient institutional and human capacity for environmental management in the sector concerned?	<input type="checkbox"/>	<input type="checkbox"/>			
Summarize the overall impression of the Country and Sector Environmental Framework:					
Opportunities and risks of the programme related to Climate change and the environment					
Assess how climate change and environmental opportunities and risks will arise through the programme:					
<i>Will the programme ...</i>			Oppor- tunity:	Risk:	None:
1. ... have an impact on the pollution of soil, water or air as a result of emissions or discharges ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. ... lead to changes in land and resource tenure and access rights, including the rights of indigenous peoples ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. ... include activities within or adjacent to protected or environmentally sensitive areas ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. ... result in livelihood changes (including resettlement) that can increase or reduce the pressure on available natural resources?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. ... have direct or indirect impact on occupational health and safety ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. ... have direct or indirect impact on environmental health ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. ... have direct or indirect impact on climate change (e.g. through increasing or reducing emissions of greenhouse gases)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. ... have direct or indirect impact on the resilience of communities in the face of natural disasters ?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Summarize and explain climate change and environmental opportunities :	
Summarize and explain climate change and environmental risks :	
Identify requirements for undertaking an Environmental Impact Assessment (EIA). Categories are: [A] Full EIA required; [B] Partial EIA required; [C] No EIA required ⁷ .	
<i>Component Name:</i>	<i>Category A, B or C:</i>
1:	Select category:
2:	Select category:
3:	Select category:
Will national regulations and procedures for EIA be applicable to activities of the programme that have potential environmental impacts? – Yes <input type="checkbox"/> - No <input type="checkbox"/>	
When will the EIA be undertaken?:	
Next Steps – process action plan	
Need for further work during the preparation, appraisal and implementation of the programme arising from the climate change and environment screening:	
<i>Suggested activity:</i>	<i>Action needed Comments and elaboration:</i>
1. Assessment of Environmental Management in sector development plan.	<input type="checkbox"/>
2. Assessment of capacity for Environmental Management in the sector.	<input type="checkbox"/>
3. Prepare ToR for and conduct Country Analytical Work.	<input type="checkbox"/>
4. Prepare ToR for and conduct SEA(s) of sector policies or plans.	<input type="checkbox"/>
5. Prepare ToR for and conduct EIA(s) for programme support activities.	<input type="checkbox"/>
6. Initiate donor harmonisation in the sector on environmental assessment and management.	<input type="checkbox"/>
7. Other...?	
Signature of Screening Note	
<i>Place and date</i>	
.....	
(name)	
Danish Representation in	

⁷ Category A = Intervention is likely to have adverse environmental impacts that may be sensitive, irreversible, and significant in scale/scope; B = Intervention is likely to have negative impacts, but which are less significant, not as sensitive, numerous, major or diverse; C = The environmental risk of the intervention are of little or no concern.

5. Contents of Assessment according to the ten budget support principles

1. Assessment according to the ten principles at country level:

This can be a copy of the latest assessment (e.g. in the “Assessment of Country Programme” form or as an *ad hoc* exercise), if carried out within the past two years.

If the latest version is older than that, or non-existent, an updated or new assessment should be prepared.⁸

There are no particular requirements regarding form or comprehensiveness, but the situation regarding each principle should be explicitly assessed.

2. Assessment according to relevant principles at sector/thematic level

The following table indicates what to assess according to principles #3, 4, 8, 9, 10 as adapted to the sector/thematic level. Regarding the other principles, no sector-level assessments are required.

Assessment according to the budget support principles in the context of sector/thematic programme support

	Principle	Specific SBS related analysis	Comments
	Poverty reduction policies		
3.	Solid poverty reduction strategy and the will to implement it	<p>a. Assessment of sector/thematic plan/strategy/programme</p> <p>b. Assessment of commitment and capacity to implement it</p>	
4.	Positive experiences with development cooperation generally and budget support specifically, as well as ongoing documentation of concrete development results	<p>a. Assessment of recent poverty reduction results in the sector/area.</p> <p>b. Assessment of the monitoring/performance measurement system at sector/thematic level</p>	

⁸ The Guidelines for Provision of Budget Support include checklists and other useful information.

	Principle	Specific SBS related analysis	Comments
	Public financial management		
8.	Expert appraisal of quality and capacity in public financial management	Assessment of certain aspects of PFM at sector/thematic level as a supplement to available general assessments (PEFA, etc.)	This point will include principle #6 “Rules for procurement broadly in accordance with international standards”
	Partnership		
9.	Mutual observance of agreed obligations	Assessment of the partnership situation at sector/thematic level	
10.	Consensus among all budget support donors regarding approach (incl. rules for transfer and monitoring) and conditions for general budget support	Assessment of any existing joint financing arrangement in the sector	

As far as possible, information should be sourced from the sector/thematic analysis (see Part I, section 2.2) and other existing documents (national, donor). If there is readily available information on the situation regarding principles #1 and 2, referring specifically to the sector/thematic area at hand, this should be included.

There are no particular requirements regarding the form.

Approximate volume: Max 2 pages per principle assessed. The presentation must be sufficiently specific and comprehensive to substantiate the risk assessment below.

See the Technical Note for guidance.

3. Preliminary risk assessment

Major risks with implications for SBS effectiveness should be assessed and presented in relation to each of the 10 principles.

- Assess the *probability* and *potential seriousness* of each risk in terms of implications for SBS effectiveness

- Assess the prospects for each risk diminishing or increasing in terms of probability and seriousness over the period of the envisaged programme support
- Summarise the above assessments in an argued conclusion regarding the feasibility of SBS, choosing one of three options:
 - o SBS appears to be feasible from the outset of programme support (with or without appropriate safeguards⁹)
 - o SBS is likely to become feasible in the course of programme support
 - o SBS is not feasible at present and is unlikely to become so over the period of programme support

The conclusion may apply to the whole sector (or sub-sector, if this is the envisaged level of support), or it may distinguish between sub-sectors or in certain cases even individual organisations, for which the feasibility of SBS is found to differ. See the Technical Note for guidance.

⁹ Possible safeguards need not be specified at this point. They will be formulated during the formulation and appraisal phase.

6. Contents of Concept Note

The purpose of the concept note is to present the overall strategic considerations and choices regarding objectives, expected results, justification, strategy, partners, modalities and risks of the envisaged Danish support, as well as an updated process action plan for further programme formulation to be endorsed by the MFA Programme Committee. For a full description of the work of the Danida Programme Committee see [\[link\]](#) The concept note should not exceed 8 pages (excluding annexes), and must include:

1. Introduction

- A few strategic questions to guide the discussion
- Summary of conclusions regarding the envisaged support

2. Conclusions from preparatory analyses justifying the envisaged support

- Key experiences of previous support in the sector to consider for the future support.
- Strategic conclusions from the sector analysis in the light of overall Danida objectives and specific Danish priorities in the country supported (country policy paper), significance of the sector; key sector issues and opportunities; its stakeholders and their interests, change readiness and capacity; partner planning programme; other bilateral and multilateral donor support; expected special value-added from Danish support to the development process.
- A summary of the conclusions of the assessment according to the ten budget support principles regarding governance, development strategy, public financial management, and partnership

3. Preliminary overview of envisaged programme support

- Brief justification for the support, expected results and risks
- Brief outline of the support strategy and short description of design, including envisaged implementing partners, and their programmes, plans or other initiatives to be supported. Other alternatives considered for support
- Indication of envisaged support modalities including technical assistance and (if relevant) expected changes in support modalities in the course of implementation. Brief statement on further assessments to make during the formulation phase to reach final conclusions on modalities.
- A preliminary budget with indicative amounts per component
- The envisaged management structure of the proposed programme, as well as an assessment of the quality of indicators (monitoring system) and initial suggestions of key indicators of success and possibilities of documenting results at the outcome and impact level e.g. through early planning of impact evaluation.
- Relation to other donors' assistance and efforts undertaken to harmonise programme preparation and formulation
- Risks, assumptions and prerequisites in relation to the envisaged support

The concept note is presented with four mandatory annexes:

- a. Updated process action plan for further programming including analysis required before appraisal tasks ahead
- b. Assessment according to the ten budget support principles
- c. Gender Equality Rolling Plan
- d. Climate change and Environmental Screening Note

7. Contents of Programme Support Document and Component Description

The Programme Support Document (PSD) should contain sufficient information to serve as a strategic and management instrument for the Danish authorities [and the national partners]. It should normally not exceed 20-25 pages, referring to other more elaborate, and preferably nationally formulated, documents as needed (suggested length of each sections is indicated below).

Unless otherwise indicated, the sections set out below are mandatory contents of a Programme Support Document. However, in cases where multiple donors jointly provide support to a partner programme, the contents indicated below should serve as a reference in negotiations about a joint format. Other contents or sections may be added to the document, if relevant.

The same outline can be applied to a Component Description, albeit adapting the exact contents to the subject and situation at hand. A Component Description should be drawn up when adequate partner programme documentation is not available.

Cover Page

The cover page should include the following: country, title of programme support (component), national implementing partners, starting date and duration, total budget of overall programme support and of each programme support component. The cover page is signed by the national implementing partner(s) (each one vouching for its own area of responsibility) and the Representation.

Introduction [max. 1/2 page]

Emphasis on the background and process leading to the support.

Justification [1 page]

Brief explanation of the rationale for why - from a Danish perspective - support should be provided to the sector, thematic area and/or partners, and why it should be provided in the particular way proposed. It should argue why the support is justified in view of poverty reduction, the particular risks involved and refer to the expected results insisting on measurable outcomes. Particular attention should be made to explaining what difference Danish support is expected to make.

Summary of design [1-2 pages]

Summary of the overall approach behind the Danish support to promote the objectives and results, including: Strategic objectives of the support based on national and Danish development objectives targeted; rationale for the composition of components, partners and national framework(s) supported in view of the strategic objectives and justification; envisaged links and synergies between the components/sub-components in the national context; outline of how the programme support will be used in combination with other entry-points by Denmark to promote the achievement of the development results – e.g. policy dialogue, on-going following and monitoring of the support by the Representation, role of technical assistance, etc; outline of how

risks overall will be managed during implementation. The main elements and process of the exit strategy should also be outlined.

National sector context [Only for Component Description] [max 3 pages]

The contents should be based on findings and conclusions of sector assessments and analyses, policy papers, etc, and include:

- The significance of the sector in the national economic and social context, and specifically in the poverty reduction strategy of the country of cooperation;
- The institutional, political and social drivers and constraints in the sector and wider context;
- sector policies, legislation and programmes, and their relevance as part of the poverty reduction strategy;
- key sector institutions, their capacity and their core mandates, civil society groups, private sector, NGOs and other stakeholders;
- domestic inputs to the sector; sector investment plan and budget;
- donor involvement, donor coordination mechanisms and capacities;
- ongoing and planned reforms, effectiveness of previous and current policies and programmes;
- where relevant other issues like gender equality, environment, democratisation and respect for human rights;

Development objectives [max 1/2 page]

The development objective(s) of the programme support (i.e. the expected long-term or final outcome to which the programme support will contribute), relation to and consistency with national partner programmes and/or partner planning frameworks, PRS and Millennium Development Goal.

Immediate objectives [Max. 1 page per component]

Whereas development objectives are only defined at the level of the entire programme support, immediate objectives are to be defined at the level of each component. This section should describe the concrete outcomes expected of the components and the relationship between them.

For each component the following should be covered:

- the immediate objective (and expected outcome for the intended final beneficiaries);
- a summary of the partner programme pertaining to the component;
- the component strategy;
- national indicators at outcome level, including targets and baseline;
- reference to underlying national programme documentation or component descriptions and where relevant, to other donor support.

Description of component [Only for Component Description][max 3 pages]

- A brief summary statement of the component (aim, scope and levels of support, main contents);
- immediate objective (i.e. the expected concrete outcome) and link to overall development objectives (including linkages to PRS and Millennium Development Goals);
- strategy behind component activities;
- output(s) and an outline of activities, including capacity outputs resulting from joint activities of partners and e.g. Danish funded technical cooperation;

Specific measures to address other issues [max 1 page]

This section describes issues relating to democratisation, human rights and good governance, gender equality, environment and climate change, disaster risk reduction, and how these might be integrated into the activities. Where other issues are relevant, specific measures to address these will also be presented in this section. Special plans, such as a Gender Equality Plan and Environmental Management Plan should be annexed.

Budget [max. 2 pages]

This section should show the budget (for the whole programme period) of each national partner programme/component broken down by output¹⁰ and, to the extent possible, according to the implementing agency's chart of accounts (may be referred to an annex). See annex A for a proposed format.

There should also be a presentation of the total budget for the Danish programme support and for each national partner programme/component, for the programme period as a whole as well as for each calendar year, and if different, for each of the partner country's fiscal years. If possible, the budget table should account for the various sources of funding. See annex B for a proposed format.

The budget may show national funds and other sources, as well as Danish and other donor funds, any technical assistance, and a reserve for contingencies. The contribution from each source should be easily distinguishable.

Management and organisation [max. 2 pages]

This section describes the organisational set-up and management of the programme support and of its components. It specifies the responsibilities of national partners, Danish authorities and others, both at the level of each partner programme/component and at the level of the Danish programme support.

The section includes descriptions of:

- Structures of day-to-day management of the programme and of each component (i.e. organisation(s), authority, responsibilities, and tasks, composition and role of any Steering Committees etc.);

¹⁰ Not required for sector budget support.

- formal procedures for joint decision-making by partners, the Representation and possibly other donors, including role and use of any sector working groups.. If no overall Steering Committee is envisaged, the mechanism or process for inclusion of relevant partners in decisions on reallocations among components and possible utilisation of unallocated funds must be described;
- key administrative procedures;
- decision-making and approval procedure for revision and adjustment of the programme and of its components, including procedures and scope for budget adjustments.

Financial management and procurement [max. 3 pages]

The procedures for financial management and procurement should either be specified in the respective partner programme/component descriptions, or in an annex to the Programme Support Document. This section should specify to which extent partner systems are used, describing financial management and procurement procedures only when these differ from partner systems. The section should make clear where separate processes and safeguards are applied.

Monitoring, reporting, reviews and evaluations [max. 3 pages]

The section should describe the following:

- Overall organisational set-up of the monitoring system(s), including a clear description of division of responsibilities for the various elements of the system and for following up on monitoring information.
- Main sources of monitoring data;
- The reporting system of the programme support, including main contents, frequency and procedures (preferably using partner systems);
- A Review Plan indicating when and how each programme support component will be reviewed (including when TAS is participating);
- Monitoring of other relevant issues
- In the Component Description or partner programme documentation, more detailed information on the monitoring system can be indicated; if it is not, it must be annexed to the Programme Support Document.
- Considerations on evaluation of the activities.
- Exit strategy

Key assumptions and risks [max. 2 pages]

This section provides a summary of the risk assessments made during the programme support preparation and formulation. It assesses key risk factors (political, financial and operational risks) and describes important assumptions. In addition, possible conditionalities – to be met during implementation or before certain support elements can be initiated – are presented. A risk mitigation plan should be stated, clearly indicating who is responsible for following up on the various actions. As regards the conditionalities, procedures to be followed in the event of noncompliance should be presented.

The assessment comprises key assumptions and risks in the following areas:

- Commitment and potential participation of sector stakeholders, including any areas where divergent opinions or disagreements exist
- institutional arrangements of the programme (if these involve a range of partner institutions, a more elaborate analysis of risks and assumptions is needed)
- factors at national and sector level (macro-economic conditions, general political situation, national policy framework, sector budget situation)
- accountability issues (financial, political, administrative and local procurement)
- sustainability, replicability and capacity development issues (financial, institutional, technical and local procurement)
- Vulnerability towards natural disasters (see Hyogo framework for action on disaster risk reduction [link](#))
- risks and assumptions related to the achievement of programme objectives

Annexes:

- The budget for the whole programme support period, broken down by component and by output. See annex A for a proposed format
- The total budget for the programme support and for each component, for the programme support period as a whole as well as per calendar year, including the national contribution and contributions from other donors. See annex B for a proposed format
- The partner and joint programme documentation referred to as the basis for the Danish support
- Possible component descriptions.
- Possible gender equality plans, environmental management plans and other special measures to ensure attention of other relevant issues.
- Other information deemed necessary for proper decision-making and/or management of the programme
- A process action plan for further alignment of the programme support (if not integrated in the Programme Support Document)

Annex A

Proposed format for output-based budget presentation¹¹

Components and outputs	Budget in DKK million
Component A	
Immediate objective	
Sub-component A.1	
Output A.1.1	
Output A.1.2	
Contingencies (normally not exceeding 5 % of the above)	
Sub-component A.2	
Output A.2.1.	
Output A.2.2.	
Output A.2.3.	
Contingencies (normally not exceeding 5 % of the above)	
Component B	
Immediate objective	
Output B.1.1.	
Output B.1.2.	
Output B.1.3.	
Contingencies (normally not exceeding 5 % of the above)	
Technical assistance	
Sub-total	
Unallocated funds (normally not exceeding 10 % of total)	
Other costs (reviews, etc.)	
Grand total	

¹¹ In this presentation, 'outputs' are to be aggregated to a level where the number per sub-component does not usually exceed five. More details can be provided in component descriptions.

Annex B

Proposed format for programme budget by component and by calendar year¹²

	2011	2012	2013	2014	2015	Total
Component A						
- Denmark						
- Partners						
- Others						
Component B						
- Denmark						
- Partners						
- Others						
Component C						
- Denmark						
- Partners						
- Others						
Technical assistance						
- Denmark						
- Others						
Subtotal						
Unallocated funds						
Other costs (reviews, etc.)						
Grand total						

¹² The budget must also be presented according to the partner country's fiscal year, if this differs from the calendar year.

8. Template for summary of recommendations of the appraisal report

The final appraisal report¹³ must include this table summarising the recommendations regarding the further preparation of the programme support. All major recommendations of the appraisal report requiring action from the Representation must be specified in the left column below, and the table must be signed by the team leader/TAS representative and received by the Representation no later than 14 days after the end of the appraisal process. “N.a.” is indicated in case there are no recommendations regarding the issue concerned.

The right column is filled in by the Representation, when the final programme support document has been prepared, and the table must be forwarded to the Under-Secretary for Development Policy and TAS as soon as possible, and no later than five weeks before the planned presentation of the programme support appropriation to Danida’s Board, i.e. two weeks before the request for inclusion of the programme on the Board’s agenda is forwarded to HUC.

Title of programme support	
File number	
Appraisal report date	
Board meeting date	
Summary of possible recommendations not followed (to be filled in by the Representation)	

¹³ This table is only mandatory for programme support appropriations when TAS is involved in the appraisal, but may also be useful in smaller instances of programme support, when the appraisal is undertaken by external consultants.

Overall conclusion of the appraisal

Recommendations by the appraisal

Follow up by the Representation

1. Adequacy of the preparation process of the partner programme and of the support

1.1

1.1

1.2

1.2

2. Quality of the partner planning framework and its alignment to national and sector strategies

2.1

2.1

2.2

2.2

3. Consideration of relevant Danida thematic strategies

3.1

3.1

3.2

3.2

4. Proposed programme support design including justification, strategy and partner choices.

4.1

4.1

4.2

4.2

5. Adherence to the aid effectiveness agenda

5.1

5.1

5.2

5.2

6. Measures to address identified capacity needs in the partner organization

6.1

6.1

6.2

6.2

Recommendations by the appraisal	Follow up by the Representation
7. Management, monitoring, reporting, steering committee arrangements	
7.1	7.1
7.2	7.2
8. Budget	
8.1	8.1
8.2	8.2
9. Identified risks and risk mitigation	
9.1	9.1
9.2	9.2
10. Follow-up to the recommendations of the MFA Programme Committee	
10.1	10.1
10.2	10.2
11. Other recommendations	
11.1	11.1
11.2	11.2

I hereby confirm that the above-mentioned issues have been addressed properly as part of the appraisal and that the appraisal team has provided the recommendations stated above.

Signed in..... on the
Team leader/TAS representative

I hereby confirm that the Representation has undertaken the follow-up activities stated above. In cases where recommendations have not been accepted, reasons for this are given either in the table or in the notes enclosed.

Signed in.....on the.....
Ambassador/Head of Representation

9. Template for terms of reference for Steering Committee (or other joint decision-making forum)

1. Background

Background linking the Steering Committee (SC) to the programme support.

The SC is the formal mechanism for joint decision-making concerning [name of programme support/component] between the [partner institution], the Danish Representation in [name of country], and [names of possible other donors].

Any other background information relevant to the SC.

2. Mandate and scope

[To be adapted to the specific mandate and scope described in the programme support document and government programme agreement].

The SC decides on the overall priorities of the programme in accordance with the programme support document, government programme agreement, and other legal documents. Where deviations from the programme support document are considered necessary, the SC takes the decisions. The SC cannot alter overall programme objectives, but may recommend changes in immediate objectives.

The mandate of the SC includes [approval of major planning documents, progress reports, work plans, budgets, audit reports, and decisions regarding major implementation issues such as procurement, technical advisers, short-term consultants, studies, etc.].

3. Composition

Members of the SC are:

- [representatives of partner institution(s)]
- [representative of the Danish Representation]
- [representatives of other donors involved in the programme, if relevant]

Resource persons, who may be asked to participate in the meetings, are:

- [programme management]
- [other relevant resource persons, e.g. from partner institution, university, civil society, the Representation, component managers and technical advisers]

A good size SC is around 6 members. Too few members will limit the value of exchange of views and too many will impair good functionality.

4. The specific tasks of the SC comprise:

- Strategic decisions to ensure the continued coherence between the programme support and sector development
- Decisions concerning deviations from the programme support document

- Endorsement of Review Aide Memoires and ensuring follow up, including decisions concerning proposed reallocations among components
- Approval of timing and ToR of reviews and commenting on ToR for evaluations
- Ensure follow up on reviews and evaluations
- Approval of [annual work plans and budgets, revised semi-annual plans and semi-annual budgets, semi-annual requests for funds¹⁴] presented by programme management
- Monitoring of overall progress of the programme with a special focus on indicators, delays, problems and bottlenecks [approval of progress and financial reports, decisions on follow-up activities presented by programme management]
- Overseeing the implementation of particular Danida policy issues as identified in the programme support document
- Overseeing audits [approval of the terms of reference for the annual audit, overseeing follow-up on recommendations in the annual audit report presented by programme management]
- Approval of revised job descriptions for technical assistance
- Approval of terms of reference for short-term consultants, if relevant
- Decisions on local procurement issues

5. Working procedures

- The SC meetings will be chaired by [highest ranking official from partner institution]
- [Programme management] will act as the secretariat for the SC
- Procedures for joint decision-making [decisions are made by consensus]
- Frequency of meetings [e.g. the SC meets corresponding to frequency of progress reporting (quarterly or twice a year) or according to needs, but extraordinary meetings may be called at the request of any member]
- Standard annual agenda for the SC including scheduling the approval of the annual audit report, the annual work plan and budget, review of progress reports and other milestones.
- Notice and procedures for announcing meetings [e.g. the secretariat will announce the meetings with at least two weeks' notice. All documentation for the meetings (plan/budget, reports, proposals for adjustments, etc.) shall be distributed to the members at least one week in advance together with a draft agenda]
- Procedures for documenting decisions [e.g. the secretariat is responsible for drafting the minutes of the SC meetings and distributing these to all participants within a week after the meeting. The SC approves the minutes at the next meeting]

¹⁴ These and other documents must be presented by the programme management in a brief, concise and executive form to facilitate the strategic decision making by the SC.

10. Template for Annual and Semi-Annual Progress Report

The specific format of the progress report may vary. Separate planning and reporting documents should be avoided if partner procedures cover Danish-funded activities. In joint arrangements, the contents indicated below should serve as a reference in negotiations with partners and other donors about a format for joint reporting. If joint arrangements cannot be established and the reporting is separate for Denmark, the templates indicated below should be used, or adapted to the partner institutions' own reporting. The templates indicated below may apply both for reporting at the level of the programme support, and at the level of individual components.

Progress reports must be based on and clearly reflect the agreed documentation for the programme, i.e. partner programme documentation or component descriptions, the government partner agreement, approved annual work plans, decisions of the Steering Committee (or similar body), recommendations of reviews, etc.

The annual progress report should preferably include:

- An assessment of the development of the national framework during the past year
- (This issue may be covered in other national documents (PRS annual reports or similar), in which case they may not be included in progress report)
- Progress as compared to the defined (original and revised) output targets for the reporting period, including brief explanations of problems encountered and how these have been handled
- Progress to date compared to output targets for the entire programme period
- Reporting on expenditure as compared to budgets
- Reporting on the linkage between output and expenditure
- Specification of recommended changes and adjustments (including budget re-allocations) for approval by the relevant authorities

Proposed Format for Annual Progress Report and Financial Report

Programme:	[Name of programme support]
National Partner(s): [institution(s)]	[Contact details]
Programme Manager: [name]	[Contact details]
Reporting period:	[Month/year to month/year]:

Components:	Implementing agency/agencies [name and contact details]:
[x]	
[y]	
[z]	

Programme support starting date	[Month/year]
Completion date (expected)	[Month/year]
Previous reports	[List dates for submission]

Executive summary

- Key developments in the national environment, including the strategic framework since the last report.
- Summary of progress compared to objectives since the last report.
- Summary of progress compared to objectives since the beginning of the programme (phase).
- Summary of the development in output/expenditure since last report.
- Summary of the development in output/expenditure since the beginning of the programme (phase).
- Problems encountered and suggested solutions.
- Critical issues, incl. previous decisions not followed-up.

1. Assessment of the development of the national environment, including the strategic framework, since the last report

[Brief assessment, which may be based on relevant reporting instruments such as the PRS reports or other local reporting mechanisms, or assessments and recommendations made in connection with the sector review].

2. Progress compared to immediate objectives since the last report

Key annual outcome and (if possible) impact indicators	Progress

3. Progress compared to immediate objectives since the beginning of the programme

Key outcome and impact indicators	Progress

4. Progress during the year compared to output targets and budget for the year

	Output target	Output result	Budget	Expenditure	Comments (incl. reasons for possible delays)	Proposed action
Component 1						
Output 1						
Output 2						
Technical Assistance						
Contingency						
Sub-total						
Component 2						
Output 1						
Output 2						
Technical Assistance						
Contingency						
Sub-total						
Component 3						
Output 1						
Output 2						
Technical Assistance						
Contingency						
Sub-total						
Total						

5. Progress to date compared to output targets and budget for the entire programme period

	Output target	Output result	Budget	Expenditure	Comments (incl. reasons for possible delays)	Proposed action
Component 1						
Output 1						
Output 2						
Technical Assistance						
Contingency						
Sub-total						
Component 2						
Output 1						
Output 2						
Technical Assistance						
Contingency						
Sub-total						
Component 3						
Output 1						
Output 2						
Technical Assistance						
Contingency						
Sub-total						
Total						

6. Status of outstanding issues and follow-up on decisions made by the Steering Committee (or similar body)

Issue	Decision (incl. timeframe agreed for follow-up)	Responsible	Status on follow-up

Most recent quarterly financial report to be attached.

Proposed Format for Semi-Annual Progress Report and Financial Report

Programme:	[Name of programme support]
National Partner(s): [institution(s)]	[Contact details]
Programme Manager: [name]	[Contact details]
Reporting period:	[Month/year to month/year]:

Components:	Implementing agency/agencies [name and contact details]:
[x]	
[y]	
[z]	

Programme support starting date	[Month/year]
Completion date (expected)	[Month/year]
Previous reports	[List dates for submission]

Executive summary

- Summary of developments in output/expenditure since last report.
- Problems encountered and suggested solutions.
- Critical issues, incl. previous decisions not followed-up (e.g. recommendations by reviews).

1. Progress during the six months period compared to output targets and budget for the year

	Output target	Output result	Budget	Expenditure	Comments (incl. reasons for possible delays)	Proposed action
Component 1						
Output 1						
Output 2						
Technical Assistance						
Contingency						
Sub-total						

Component 2						
Output 1						
Output 2						
Technical Assistance						
Contingency						
Sub-total						
Component 3						
Output 1						
Output 2						
Technical Assistance						
Contingency						
Sub-total						
Total						

2. Status of outstanding issues and follow-up on decisions made by the Steering Committee (or similar body)

Issue	Decision (incl. timeframe agreed for follow-up)	Responsible	Status on follow-up

Most recent quarterly financial report to be attached.

11. Template for Assessment of Programme Support

This form should be completed in connection with reviews with TAS participation of programme support above DKK 35 million.¹⁵

The assessment is a supplement to the Review Aide Memoire. Its purpose is to ensure that key problems are highlighted in a short format, and that decisions are taken to address these. The document is used to generate performance information for the management of the Representation and a basis for rating the programme in the annual Assessment of the Country Programme.

The form should be drafted (in English) by the responsible desk officer at the Representation prior to the review in order to serve as part of the briefing of the incoming mission. The final form must be signed by the Head of Representation and co-signed by the TAS representative at the end of the review.

Country:	
Name of programme support:	
File number:	
Time frame for current phase:	
Grant amount:	
Period covered by the review:	
Last assessment made (date)	
Team leader:	

Rating a/ Satisfactory: Progress largely according to plan (>95 pct.) No need to adjust plans and strategy.

Rating b/Less satisfactory: Embassy management attention needed. Adjustments to plans and/or strategy are being addressed.

Rating c/Unsatisfactory: MFA management attention needed. Relevance/sustainability of the activities is endangered. Major adjustments/reorganizations are necessary.

Overall principles for rating:

- Ratings in **Part A refer to status** and in **Part B to the advance of change** of the parameter in question.
- Assessments of progress should be **based on achievements in terms of results** (output indicators) rather than in terms of activity implementation.
- Assessments justifies the ratings** and should concentrate on the changes accomplished, refraining from factoring in expected or promised improvements.
- If issues are deemed irrelevant, please indicate this with 'not applicable' (n.a.).
- Only one of the ratings (a,b, or c) can be applied.

¹⁵ Support for Poverty Reduction Strategy through General Budget Support should be assessed in the form "Assessment of Country Programme".

f. When rating b or c is applied, follow-up actions should be mentioned under section E.

The form distinguishes between assessments of the general partner country context (Part A) and assessments of Danish-supported activities (Part B). The assessment should not automatically equate changes in the sector with the effects of Danish support. The national context may well be difficult, even deteriorating, while the Danish-supported programme is assessed in a positive manner, as long as it is well targeted in pursuit of the objectives of improving the situation in the given sector, and provided it responds flexibly to the challenges posed. Conversely, the national sector context could be favourable, while the Danish-supported programme has, for a number of reasons, demonstrated serious shortcomings.

A. CONTEXT

Principles for rating:

In this Part A, ratings should reflect an assessment of the status of the national context and the extent to which changes of national policies, strategies etc. are needed. Less satisfactory or unsatisfactory ratings refer to a need for follow-up actions at the national level (e.g. policy dialogue, harmonised approaches, etc.).

1. Sector policy

This focuses on the overall national sector approach.

Rate the partner country's national strategy for the sector, based on an overall assessment of:

(i) relevance, (ii) consistency, and (iii) the existence of well-defined targets and indicators.

Rating	a [] b [] c []
Assessment of the national sector strategy	¹⁶

2. Willingness of the government partners to pursue and implement strategies

This focuses on how the government partner approaches development cooperation.

Give an overall assessment of the government's partner¹⁷ efforts to: (i) coordinate development assistance within the sector/area of intervention, and (ii) ensure that strategies are both institutionally and financially integrated into the national systems.

Rating	a [] b [] c []
Assessment of the	

¹⁶ I cases where the programme is composed of several different components guided by different strategies, the comment should elaborate in detail on each component.

¹⁷ Partners will in many programmes be the Government but can also be NGO's and private sector organisations

government's efforts	
----------------------	--

3. The approach of other donors to sector programming – or programming within the area of intervention

Assess the approach of the 3-4 most important donors in the sector/area of intervention from the optic of promoting harmonisation and alignment within the sector (i.e. donor coordination, joint reviews, regular meetings with the government).

Rating	a [] b [] c []
Assessment of harmonisation and alignment within the sector	

4. Assessment of eligibility for sector budget support

Comment briefly on the Representation's latest assessment according to the ten principles of budget support with special reference to the sector/area of intervention, covering in particular the five principles where specific sector budget support-related analysis is required see section 2.3 in the first part of this document: (Item 3) Sector strategy, (Item 4) previous poverty reduction results and monitoring system, (Item 8) public financial management, (Item 9) partnership situation and (Item 10) existing joint financing arrangement in the sector.¹⁸

Rating	a [] b [] c []
Assess the current conditions (opportunities and constraints) for granting sector budget support	

B. PROGRAMME

Principles for rating:

This section refers to the partner programme(s) receiving Danish support or to programme support components based on component descriptions¹⁹. In this Part B, ratings should be

¹⁸ See further guidance in "Technical note on programme support preparation".

¹⁹ Component descriptions being required i.a. where there is no well-developed partner programme on which to base the

based on progress in terms of achieving results. They should not seek to estimate the state of affairs as measured against an ideal situation, but must reflect *the overall change occurred since the last review*.

5. Fulfillment of objectives

Assess the progress towards fulfilling the immediate objectives of the partner programme/ component. If a significant change in the context has an impact on the programme, this should be specified in section 9 and 10 below.

Rating	a [] b [] c []
Assessment of the progress towards achieving immediate objectives	

6. Fulfillment of indicators defined to measure the progress of the partner programme/component

Assess the extent to which the annual targets have been met. If there is any need to review/identify new indicators and annual targets, this should be specified below under section 10 (*The full table of programme and component progress indicators as registered in PDB to be attached*).

Rating	a [] b [] c []
Assessment of progress towards meeting the targets	

7. Assess follow-up on recommendation from latest annual review and evaluations (where relevant)

Rating	a [] b [] c []
Assessment of how the programme has implemented or rejected the recommendation from the latest reviews	

Danish support or where Denmark does not support the partner programme broadly.

8. Assessment of risk management

Assess whether there has been a change in the “risk & assumptions” elements indicated in the partner programme documentation, the programme support document and the component descriptions (if any). If new major risk elements are identified, these should be listed, and risk management measures should be informed under section 10 (follow-up).

--

9. Summary of areas where follow-up/decisions are necessary

Clear proposals for action should be given regarding issues rated b or c, setting out the time limits and units responsible for the follow up (programme staff, Representation, or Ministry of Foreign Affairs).

Issue no.	Follow-up	Deadline	Responsible unit.

Signed in:

date:

TAS representative

Ambassador/Head of Representation

12. Templates for Programme Completion Report (PCR)

A more detailed explanation can be found in the guidelines for completion reporting including formats for minor projects [\[link\]](#).

PROGRAMME OR PROJECT COMPLETION REPORT ²⁰ (Activities more than 5 mio. DKK)

File Number _____

1. BASIC DATA

Country	
Name of Programme Support	
Financial Act account number	
DAC purpose code	
Programme support period	Planned: _____ Actual: _____
Total Danish contribution (DDK)	Planned: _____ Actual: _____
Programme manager	
All partner organisations	
Other development partners (donors)	

2. FUNDING DATA/

Component (name)	1	Funding modalities applied during programme/project implementation:	
Total Danida funding	Planned	Actual	
Total undisbursed			
Component (name)	2	Funding modalities applied during programme/project implementation:	
Total Danida funding	Planned	Actual	
Total undisbursed			
Component (name)	3	Funding modalities applied during programme/project implementation:	
Total Danida funding	Planned	Actual	
Total undisbursed			

²⁰ The grey shaded areas represent information that eventually will be generated from PDB, UMF and other central sources. In an interim period this information will need to be filled in manually.

3. SUMMARY OF PROGRAMME SUPPORT/PROJECT ACTIVITIES

Description of programme (to be copied from the most recent Programme and Project Orientation (PPO))

4. RESULTS OF PROGRAMME/PROJECT INVESTMENT

Rating system:
a/ Satisfactory: Actual achieved results are largely according to what was described in the programme support document or project document.
b/ Less satisfactory: The achieved results are less than expected. Adjustment to plans and strategies are being addressed by the partner in order to ensure sustainability.
c/ Unsatisfactory: The expected results have not been achieved. Relevance and sustainability of the activities can be questioned. Partner has to consider major adjustments and reorganisation in further implementation of the activities.

4.a Fulfillment of development objective

Bilateral assistance: Assess and rate the extent to which the programme support/project has achieved the development objective as defined in the programme support document/project document.

Multilateral assistance: Assess and rate the extent to which the core contribution or support to a trust fund has achieved the development objective as defined in the programme documentation.

Development objective			
Indicator 1	Indicator text:		
	Baseline:	Target:	Result:
Indicator 2	Indicator text:		
	Baseline:	Target:	Result:
Rating	a [] b [] c []		
Assessment of effectiveness and efficiency/comments to rating			
Sustainability/Capacity building/Out-standing issues	Discuss how the partner government will ensure sustainability of the investments made during programme implementation		
Lessons learned			

4.b Fulfillment of immediate objective

Bilateral assistance: Assess the extent to which the programme support/project has achieved the immediate objectives as defined in the programme support document/project document.

Multilateral assistance: Assess the extent to which the support has achieved the immediate objectives as defined in the programme documentation.
 More indicators can be include if need be.

Immediate objective 1			
Indicator 1	Indicator text:		
	Baseline:	Target:	Result:
Indicator 2	Indicator text:		
	Baseline:	Target:	Result:
Indicator 3	Indicator text		
	Baseline:	Target:	Result:
Rating	a [] b [] c []		
Assessment of effectiveness and efficiency/comments to rating			
Sustainability/Capacity building/Out-standing issues	Discuss how the partner government will ensure sustainability of the investments made during programme implementation		
Lessons learned			

Immediate objective 2			
Indicator 1	Indicator text:		
	Baseline:	Target:	Result:
Indicator 2	Indicator text:		
	Baseline:	Target:	Result:
Indicator 3	Indicator text		
	Baseline:	Target:	Result:
Rating	a [] b [] c []		
Assessment of effectiveness and efficiency/comments to rating			
Sustainability/Capacity building/Out-standing issues	Discuss how the partner government will ensure sustainability of the investments made during programme implementation		
Lessons learned			

All relevant documents produced as part of the completion process, including implementing partners final reports and minutes from steering committess are available in the PDB under the

PDB File number :

YES

NO

I hereby confirm that the PCR is based on and reflects the conclusion of the programme partners assessments (Final reports and minutes from decision making bodies/ steering committees meetings).

Signed in..... on the
Ambassador / Head of Department