**Introduction**

The Strategic Sector Cooperation (SSC) Initiative – launched in January 2015 - provides funding for partnerships between Danish public authorities and their counterparts in strategically important developing countries and growth economies.

The Initiative focuses on the framework conditions that can help partner countries respond to concrete development challenges. The policy framework is the Danish strategy for development aid and humanitarian assistance, “The World 2030” (2017), and the Danish Government’s Strategy for Economic Diplomacy (2018).

The Initiative has a triple purpose of 1) promoting sustainable development in the partner country through conducive framework conditions, 2) contributing to stronger bilateral relations, and 3) opening doors for the Danish private sector by engaging it in delivering solutions to the SDG challenges in partner countries.

The SSC Initiative entails two closely linked elements:

1. Strategic Sector Cooperation (SSC) projects between Danish authorities and partner authorities addressing sector challenges identified by the partner authority and within areas where Denmark has relevant experience and expertise to offer.
2. Posting of sector counsellors with strong sector expertise to Danish embassies with SSC projects. They are responsible for coordinating the SSC projects locally and for promoting wider strategic sector partnerships.

The Danish authorities contribute with experts that share knowledge, lessons learned and provide input to policy reforms in partner countries.

The Danish Ministry of Foreign Affairs (MFA) contributes with development funds and long-term experience with development policy and cooperation, diplomatic network, strong knowledge of country contexts and of Danish companies and trade and investment promotion.

**Current status**

The first objective of the Initiative is to contribute to **inclusive, sustainable growth and development** **in partner countries by supporting conducive framework conditions for the fulfilment of the SDGs**. Based on hands-on experience in establishing framework conditions that promote sustainable growth, Danish authorities contribute with sector expertise on

policy development, planning, regulations, standards, and enforcement. This is the core of the Initiative.

To mention a few examples of SSC Projects:

In **Kenya**, where food safety is a serious challenge affecting health and export opportunities, a national food quality system is being developed under the National Food Safety Coordination Committee. Inspired by the Danish food control system, work is ongoing to change the approach from control of food products to control of the food business operators. The SSC Project also show cases the benefits of a multi-stakeholder approach. Through pilot activities in the Clean Milk and Clean Horticulture Hubs in Nyandarua County, private sector stakeholders and authorities from the central and county level engage with each other to demonstrate how food safety can be enhanced throughout the value chain.

In **Vietnam**, skilled labour with strong technical and soft skills as well as inter-personal competencies are in high demand by industries. The SSC project is looking to reform the vocational education system to help meet that demand by introducing the dual system of alternating between school-based education and training at the workplace. The dual system will enable an efficient and effective dialogue between education and industry to secure coherence in skills and attitude among the skilled labour.

In **India**, the SSC Project seeks to help strengthen water management in the City of Udaipur. The focus is on drinking water, wastewater, and rehabilitation of the river that runs through the city. A concrete initiative is to develop a business case for a waste to energy treatment plant. The applied models and principles are being documented for possible replication under the Indian Smart City programme and fed into the ”Urban Lab for Sustainable and Smart Cities” in Panjabi, Goa.

The second objective of the Initiative is to strengthen and expand **relations between Denmark and partner countries**. The rationale is that SSC projects provide platforms that can help pave the way for wider engagements within the sector and beyond.

Developments in 2018 confirm this rationale. Embassies point to cases where the trust and mutual understanding gained through the SSC project has led to more strategic sector-wide partnerships, to a broadening of the range of key stakeholders - such as ministers and parliamentarians - accessible to the Embassy, support for international candidatures, and opportunities for raising issues at high-level bilateral meetings in the margins of international meetings.

There are also examples of SSC projects becoming a steppingstone for high-level visits such as from **Indonesia** in May 2018 where the minister was accompanied by a 35+ delegation from media, state owned utilities within oil, gas and electricity, as well as the private sector.

The third objective of the Initiative is to **engage the Danish private sector in delivering solutions to the SDG challenges** in partner countries motivated by improved framework conditions. In order to facilitate the engagement of Danish companies, sector counsellors share networks and sector insights on market potentials, investment needs and business opportunities with colleagues in the Danish Trade Council, business organisations and companies.

There are clear signs that the SCC projects can and will create new long-term opportunities for commercial cooperation and export of Danish technology. Again, in 2018 many study tours have displayed Danish solutions including technology and commercial offerings through company visits and workshop presentations, notably in areas such as renewable energy, waste-to-energy, water management, food, health, and smart cities. A different example of private sector engagement is found in **Myanmar**, where representatives of the Danish private sector are directly involved in the project through the Confederation of Danish Industry and the union LO/FTF Council who implement the capacity building activities aimed at improving social dialogue. The embassy also draws on the labour market insight and contacts gained from the project in its Trade Council support to Danish companies.

Overall, partner countries have highlighted the great flexibility of the SSC Initiative, the value of the peer-to-peer relations (as opposed to hired consultants) and the absence of ties to procurement of products or services from Denmark. The Danish authorities’ ability to draw on experience relevant to local challenges and their ability to understand barriers and challenges that affect development of for example regulative or policy issues in a sector is greatly appreciated. Partners have expressed that this is unique and a key motivational factor for their willingness to engage, initiate, and invest their resources in SSC projects with Denmark – referred to by one partner as “minds over money”.

**Danida Fellowship scholarships and research cooperation**

Scholarships and research grants, that pave the way for even deeper and stronger partnerships are managed by the Danida Fellowhip Centre (DFC).

In 2018, DFC implemented 35 different learning programmes for altogether 382 participants from 17 SSC projects in 11 countries. Course providers were Danish institutions of higher learning, research or consultancies. Some programmes were tailored for SSC participants – such as a seven week “Water Sector Governance – the Danish Model” course provided by the University of Copenhagen for 23 participants from China, Kenya, South Africa, and Turkey and a six week “Occupational Safety and Health” course provided by the University of Aalborg for 24 participants from Bangladesh, Vietnam, and Myanmar.

Likewise, in 2018 10 research programmes related to the themes/sectors of SSC projects in eight countries were granted support. Examples are “Salmonella Control in the Colombian Pig Industry”, “Port Efficiency and Public Private Capacity in Ghana”, and “Optimizing Brazil Health Care with Telemedicine”

**Facts and figures**

In 2018, there were 29 SSC projects involving eight different Danish authorities in 14 different countries and an annual budget allocation of DKK 68 million. 25 sector counsellors were posted to embassies. In August 2018, an enlargement process was launched. 12 new projects were pre-selected to undergo inception in 2019. The enlargement process will also add one new Danish authority, four countries, and 11 sector counsellors.

The eight involved Danish authorities are the Ministry of Climate, Energy and Utilities, the Ministry of Education, the Ministry of Employment, the Ministry of Environment and Food, the Ministry of Health, the Ministry of Industry, Business and Financial Affairs, the Municipality of Copenhagen and the Municipality of Aarhus.

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| Main Events in 2018 | |
| Dialogue meetings between MFA and sector ministries | Throughout the year |
| Sector counsellor seminar in Copenhagen | June 2018 |
| Inter-Ministerial Session at Annual Ambassador’s Meeting with line ministries | August 2018 |
| Launch of the enlargement process | August 2018 |
| Initiation of recruitment of new sector counsellors | December 2018 |