

## **Strategic Framework for the Danish Neighbourhood Programme 2017-2021**

The present note presents the overall strategic framework for the Danish Neighbourhood Programme (DANEP) 2017-2021 covering Ukraine and Georgia. The framework is complemented by and put into practice through individual country programmes for Ukraine and Georgia.



**October 2017**

## **1. Purpose, Vision and Theory of Change**

The strategic framework for Danish Neighbourhood Programme (DANEP) is based on the understanding that a peaceful and stable Europe with freedom and progress for its citizens depends heavily on the development of democratic societies with accountable governments, vibrant civil societies, free media, well-functioning markets, sustainable economic growth and conflict resolution mechanisms across the continent.

The European Union (EU) plays an important role as a driving force for reforms. Denmark supports the strong EU commitment to the Eastern neighbourhood region and an EU that speaks with one voice in the region. EU is by far the biggest partner in terms of assistance to the region through financial instruments such as the European Neighbourhood Instrument (ENI), the financial arm of the European Neighbourhood Policy (ENP), contributing to strengthening EU-relations in the region and bringing tangible benefits in areas such as democracy and human rights, rule of law, good governance and sustainable development. The Danish bilateral assistance through DANEP aims at complementing the EU's assistance through targeted and flexible interventions. At the same time, the framework focuses on ensuring that the countries supported have the capacity to counter Russia's negative influence in the region and attempts to undermine the democratic reform processes.

The strategic framework and this phase of DANEP is built upon the new strategy for Denmark's development and humanitarian cooperation (2016), the Sustainable Development Goals (SDGs) as well as relevant trade and commercial interests. The Peace and Stabilisation Fund modality may also come into play from 2018.

DANEP has been, and will continue to be, an integral and important part of Denmark's foreign policy, seeking to promote a peaceful and prosperous Europe through bilateral relations and assistance within the framework of the ENP.

The new strategic framework is guided by the following principles:

- National demands/priorities in the targeted countries;
- Danish foreign and security policy interests, including potential commercial interests;
- Value added of Danish engagement;
- EU neighbourhood policies and priorities;
- Challenges, risks and opportunities in the neighbourhood region;
- Lessons learned and comparative advantages of DANEP so far.

Danish foreign and security policy interests in the region are important markers in the strategic framework. They are assessed to be in line with the priorities as set out in the ENP of the EU. More specifically, the strategic framework and the subsequent "translation" into the new phase of DANEP seek to promote, with various emphasis, the following foreign and security policy- as well as commercial interests:

- *Values* – human rights and democracy, peace and stability through development cooperation, humanitarian support and monitoring missions;
- *Economic diplomacy and market opportunities* – enhanced economic diplomacy to promote commercial relations while furthering sustainable solutions, e.g. within strategic areas like energy efficiency, renewable energy and green technology;
- *Public Diplomacy* – a strong and credible Danish and European image in the region.

Based on these suggested priorities, the theory of change of the DANEP programme framework is: ***If*** Denmark provides support to engagements specifically focusing on reforms and activities related to enhancing democracy and human rights and sustainable and inclusive economic growth, ***then*** the targeted countries will see improvements in their reform processes for democratic and economic development aligned with their association agreements with the EU, eventually ***leading to*** more peaceful and stable countries, contributing to the UN SDGs, and paving the way for future opportunities for cooperation with Denmark beyond traditional development assistance.

Based on the theory of change, the programme will focus on two major thematic objectives aligned with Danish policy priorities and the needs identified in the two targeted countries:

- 1) **Promoting human rights and democracy.**
- 2) **Strengthening sustainable and inclusive economic growth.**

## **2. Strategic Choices and Programme Design**

The Neighbourhood programme was initially launched in 2004 and until 2017 around 2.7 billion DKK has been committed to countries in the European neighbourhood region. In the third phase from 2013-2017 seven priority countries were included as well as regional/thematic programmes: Albania, Bosnia-Herzegovina, Kosovo, Ukraine, Belarus, Moldova and Georgia. New interventions were formulated on a yearly basis and consequently the portfolio grew during each phase. Currently, the Neighbourhood programme has 30 ongoing programmes above 5 million DKK and 13 projects below 5 million DKK, in addition to secondments.

Following the reductions of the development budget in 2015 it was decided not to continue the neighbourhood support to Albania, Bosnia-Herzegovina, Kosovo, Belarus, and Moldova, and exclusively support Georgia and Ukraine.

The DANEP framework builds on the lessons learned from the past experience, including the evaluation of the current DANEP strategy (2008-2017).

The evaluation found DANEP to be strategically relevant, addressing key needs in the region and in alignment with EU policies and priorities. In addition, it found

that the programme has been particularly successful in supporting the public administration, institution building and economic growth.

There were, however, also room for further improving the framework by enhancing the focus as well as setting realistic targets aligned with the needs and the context in which it is implemented. The evaluation found that DANEP was particularly successful when focusing on longer-term interventions of continued Danish support to the same sub-sector and when it was aligned with larger reform processes associated with the EU accession. The evaluation also concludes that the programme has promoted Danish values but to a lesser extent Danish interests. It was recommended that economic diplomacy and the involvement of Danish competences should be further developed.

Based on the policy framework and the lessons learned, this phase will be geographically and thematically more focused. In addition, the two country programmes will consist of larger and fewer development engagements cover as a minimum 3-4 years each. For the next five years, DANEP will concentrate exclusively on Ukraine and Georgia where the reform processes are ongoing and where the alignment with the EU is advancing along with the reform initiatives. These countries are on the one hand marred by conflict and challenged by Russian involvement, which requires attention to enable democratic development. On the other hand, both countries have expanding investment opportunities and options for enhanced economic and commercial cooperation with Denmark and the EU. Therefore the next phase will also be supporting specific initiatives where Danish competences are put into play to the extent that the Danish procurement regulations allow. This will serve to further strengthen economic diplomacy between Denmark and the two targeted countries.

As mentioned, the programme will have two thematic areas aligned with the framework objectives focusing on: (i) democracy and human rights, and (ii) sustainable and inclusive economic growth. To ensure a lean design and emphasis on areas where Denmark can make a difference, the programme has been further focused to selected sub-themes. The focusing is based on:

- The identified needs in the two countries contextually, politically, technically, and financially;
- Sub-themes where Denmark has a clear comparative advantage and can make a real difference;
- Options for future Danish involvement beyond development assistance
- Sub-themes where there are opportunities for enhancing the role of youth and women in the democratic and economic development of the two countries;
- And sub-themes where using a Human Rights Based Approach (HRBA) will make a real difference.

The programme will focus explicitly on the ongoing reform processes that support the democratic and economic transition processes of Ukraine and Georgia. Consequently, major sub-themes include:

Decentralisation. The processes of decentralisation play a key role in both countries. With the decentralisation reform process, political, administrative and fiscal authority is devolved to the local level. The support to the reform process varies in the two countries. The Danish input will allow for a targeted approach, focusing explicitly on needs that are currently not met with support and that are in line with Danish priority areas. This includes:

- Supporting local level service delivery, not only to the citizens but also to small and medium size enterprises as well as allowing for economic development in small and medium sized towns and promoting growth in the two countries beyond the major cities. This is furthermore expected to enhance the tax revenues and increase the service level.
- Providing support to decentralised units of other line agencies to allow for e.g. improved service provision to young people in terms of career advice and linking young people's career path with the needs of the business sector.
- Enhancing women's role in the political system by further strengthening local level democracy and women's representation at decentralised level. This will also include support to gender budgeting processes as well as gender sensitive service delivery.

Human rights. Human rights constitute a core element in the programme. While both countries have come far, there is a need to ensure that the duty bearers are held to account and that the voice of the rights holders is heard. Focus will in particular be in two areas:

- Given the rural-urban divide in the two countries and the now substantial fiscal decentralisation (implemented and/or planned), the programme will focus on ensuring that there is outreach to the local level as well as an enhanced focus on political participation and access to justice and services at the decentralised level for all, with special emphasis on women, youth and minorities.
- Under the sustainable growth pillar of the programme, support will be provided to social dialogue with specific emphasis on human rights and the rights of employees as well as on strengthening the voice and participation of more excluded business communities.

Growth and employment. The programme approach to growth and employment focuses on the sustainable and inclusive aspects of the otherwise rapidly evolving business environment reform agenda. The programme will seek to support the development of an inclusive labour market that addresses issues such as youth employment and gender discrimination. It will support business and entrepreneurship development for job creation. In particular, in the light of the EU alignment process and the Deep and Comprehensive Free Trade Agreement (DCFTA), there is a substantial need for advisory services for businesses in remoter areas and for smaller enterprises and marginalised business communities, otherwise

without access to assistance. This segment is at risk of undermined competitiveness given the many regulatory and technical changes introduced by the reform agenda and the EU approximation process. By focusing on supporting improved social dialogue, a well-functioning and inclusive labour market as well as enhanced support for businesses, the programme aims at improving the business environment and creating more decent jobs and sustainable growth, particularly for youth and women.

Energy. The energy sector offers an entry point highly prioritised in both Georgia and Ukraine where Danish competences can be brought into play. To stimulate green growth and energy independence, a two-pronged approach is devised with focus on creating an enabling environment for sustainable energy solutions while at the same time promoting direct Danish investments into the sector to assist the countries in reaching their strategic goals for energy efficiency and renewable energy solutions. By using previous Danish expertise and competences in investing in Ukraine and Georgia through the Investment Fund for Developing Countries (IFU), the programme will be able to support small and medium sized business opportunities. With a gearing of between six and eight times, the Danish funds will be able to leverage the level of investment to the countries many-fold the amounts that Danida will eventually allocate for the initiative and de-risk the investments. By earmarking such funding to the energy sector, the programme will stimulate investments in renewable energy and energy efficiency and thus contribute to sustainable growth and at the same time prepare the grounds for increased Danish investment in the two countries.

Civil society and media. The design of the programme is well aligned with the already identified support to civil society and media. In light of the focus on decentralisation and reform processes, the efforts of the civil society and media outlets/organisations will focus on local level capacity development of civil society, strengthening media literacy, and the quality of media content which will contribute to the democratic discourse and increased governance transparency. The media support will be a much needed support for enhancing decentralised oversight of the duty bearers.

Three specific sub-themes will be addressed specifically for Ukraine, which will contribute to democratic, as well as economic, development in the country:

- Anti-corruption. While Georgia has come far in combatting corruption, it remains a major obstacle for the reform processes in Ukraine. Continued support to combatting corruption will thus contribute to holding the duty bearers to account and at the same time ensure a safer and more attractive investment climate for investments in the country. In light of the increased fiscal decentralisation, this support will in particular focus on the decentralised level supporting the decentralisation reform process and the local level business climate. Denmark is lead donor on anti-corruption in Ukraine and can through DANEP further cement this role in a follow-up to the current EU Anti-Corruption Initiative (EUACI) programme.

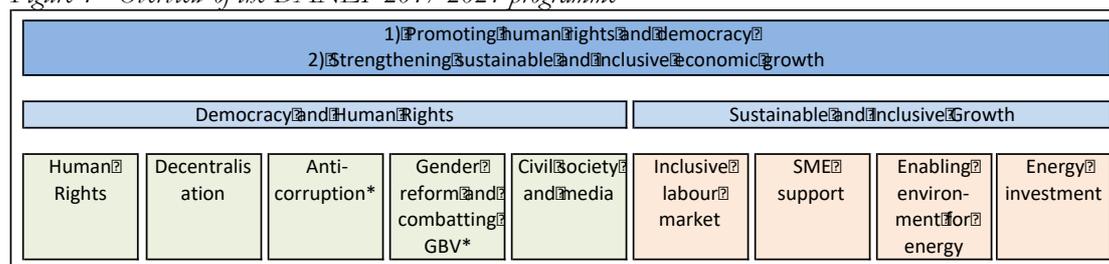
- Gender reform. The multiple reform processes in Ukraine require an enhanced focus on gender issues. Denmark can play a unique role in supporting gender mainstreaming in particular in relation to decentralisation reform, which Denmark is already supporting and enhance the gender dialogue in the reform programme. Through this process, Denmark can communicate its key focus on gender equality and women’s empowerment and focus on areas, which are currently donor orphaned.
- Fighting Gender Based Violence in Eastern Ukraine. In light of the need to bridge the gap between humanitarian and development funding and the current fragilities in Ukraine, a specific intervention aimed at addressing sexual violence and gender-based violence in Eastern Ukraine is suggested included in the programme. In this area, Denmark can play a lead role in line with Danish priorities.

The framework is designed to explicitly focus on the key SDGs relevant to the contexts of the two countries. Specifically, Denmark will contribute to meeting the following SDGs in the two countries:

- SDG 5 – Gender equality
- SDG 7 – Affordable and clean energy
- SDG 8 – Decent work and economic growth
- SDG 16 – Peace, justice and strong institutions
- SDG 17 – Partnerships for the goals

The priorities, engagements and contribution to the SDGs will thus be close to similar in the two countries supported but with a stronger engagement and financial footprint in Ukraine. An overview of the programme is presented in Figure 1 below.

Figure 1 - Overview of the DANEP 2017-2021 programme



\*Only in Ukraine

The individual engagements have been selected based on the following criteria:

- The engagement must contribute to and be aligned with DANEP overall objectives and values;
- The engagement must be aligned with the European Neighbourhood Instrument and Policy;
- Alignment with the SDGs 5, 7, 8, 16 and/or 17;
- Prioritising engagements where there are mutual benefits for Denmark and the two respective targeted countries in terms of improving economic and

public diplomacy and in line with this where there are good opportunities for enhanced political dialogue;

- Prioritising engagements that have been effective in meeting objectives through past DANEP support;
- Prioritising engagements where there are opportunities for enhancing the role of youth in the democratic and economic development of the two countries;
- Ensuring engagements that sufficiently address the need for women's empowerment and gender equality;
- Ensuring engagements already have or will have the potential to be implemented using a HRBA including being participatory, accountable, non-discriminatory, and transparent;
- Supporting areas that are not already well covered by other development partners.

### **3. Partner Selection**

The partners selected for implementing the identified development engagements have been chosen based on a careful assessment of their ability to deliver the desired results. Key criteria for identifying partners include:

- Partners that have a track record of delivering results effectively and efficiently in cooperation with Denmark in the past. This in effect also means that Denmark will continue supporting partners that are already engaged in the Neighbourhood Programme, where the interventions are aligned with the programme framework and results are satisfactory;
- Partners with built-in modalities that have proven effective in similar circumstances elsewhere;
- Partners that ensure that the programme can be implemented in a lean way limiting the transaction costs of the Ministry of Foreign Affairs of Denmark (MFA) as well as for the beneficiary institutions in Ukraine and Georgia;
- Partners that have a sound implementation arrangement in place ensuring proper monitoring and evaluation (M&E) and risk management;
- Partners that understand and apply modalities that are geared to become sustainable beyond the DANEP programme period.

### **4. Secondments**

Secondments are used to support Danish interests and priorities in the countries covered by the Neighbourhood programme, as well as an instrument to strengthen international monitoring missions. In addition, secondments are used to promote the work in selected multilateral organisation and to ensure that Danish competences come into play.

As the Russian aggression in the region possess new security policy challenges for Europe and the neighbourhood countries, it has become an important factor for the Danish interests in the region and for allocation for resources via secondees.

The European Neighbourhood Department (EUN), and the Danish Embassy in Kiev will maintain contact with the secondees in order to include their knowledge from the countries and the organisations and add value to the work of the Ministry both in regards to the policy level and the development cooperation. On a yearly basis and if feasible a seminar is organised for all secondees with the aim of sharing experience and creating networks.

The positions are by default short-term – from one to two years with few possibilities for extension – demand-driven, and closely discussed and consulted with the receiving organisations.

Secondments will continue to be part of DANEP with a particular focus on Ukraine and Georgia. Until an improvement in the crisis-situation in Eastern Ukraine is seen, the main part of the secondments are provided to the Organization for Security and Co-operation in Europe's (OSCE) Special Monitoring Mission to Ukraine following the Danish obligation to OSCE.

In Georgia support to the European Union Monitoring Mission to Georgia will continue to be a priority.

A few secondees will also be posted in other Eastern neighbourhood DAC listed ODA recipient countries or in headquarters of multilateral institutions incl. EU in accordance with Danish interests and identified needs. Monitoring of conflicts will have a special priority. The programme is expected to support up to 25 secondments annually according to the Finance Act.

## **5. Communication and Public Diplomacy**

The programme will have a multi-pronged approach to communication focusing on communicating results at multiple levels in Denmark, Ukraine and Georgia. Resources have been allocated to develop a detailed plan for the two country programmes, outlining communication and public diplomacy opportunities, responsibilities, target groups, and timelines.

The communication approach is closely linked to the type of engagements supported. Where Denmark will be part of large joint EU initiatives the communication will be in partnership with the EU. This communication will, as with the other communication, serve to inform decision-makers in Ukraine and Georgia, citizens in the two countries as well as the Danish population about the progress of the joint initiative. With the joint EU programmes, the communication will be particularly important vis-à-vis the recipient population, who, through this strategy, will have an improved understanding of the joint EU support provided and its contribution to democratic and economic development.

For engagements where Denmark plays a more direct active role, the implementing partners will be asked to provide a detailed outline of a communication strategy specifically focused on the Danish engagement. This is expected to include e.g.

special attention to attracting investors to the two target countries or specific communication opportunities linked with the broader advocacy work towards gender equality and women's empowerment in the countries.

For the programme as a whole, the European Neighbourhood office (EUN) in close partnership with the Embassy of Denmark in Ukraine will be managing overall communication thus aligning political, development and humanitarian communication. A specific strategy will be developed for this process aimed at: (1) communicating key results to the public in Denmark, and (2) ensuring that Denmark's engagement is understood and appreciated by decision-makers and beneficiaries in Ukraine and Georgia. For a full overview see the communication strategy framework in Annex A).

## **6. Risk Management**

At the overall contextual level, there are two major risks to which the programme will need to relate. First and foremost, the programme is heavily oriented towards the ongoing reform processes in Ukraine and Georgia. Thus, a key assumption for the programme is the continuation of this process, but with the risk that the political commitment to continue the reform process will dwindle. To mitigate this risk, the programme engagements are thus depending on the continued strong policy dialogue by Denmark and by Denmark's continued commitment to the policy dialogue of the EU vis-à-vis the Government of Ukraine and the Government of Georgia. The Association Agreement and the DCFTA will continue to be key elements in this dialogue.

Similarly, at the overall contextual level, major risks relate to the ongoing conflicts in Ukraine (the ongoing Russian-backed insurgency in the Donbas region and the Russian illegal annexation of Crimea) and in Georgia (related to the breakaway regions of Abkhazia and South-Ossetia). In particular, the conflict in Donetsk and Luhansk may escalate, which will impact the economy as well as the ability to operate in the East. The programme is designed to allow for development activities across the countries. In Georgia, this means attention to ethnic minorities in rural settings and areas bordering Abkhazia and South-Ossetia. In Ukraine, it means that the programme must be able to entail elements of specific support to the East and that it should be able to cope with changes in fragility and conflict.

Programmatically, all the engagements will have separate risk assessments and management arrangements. Either responding to joint donor approaches or separately for the engagements where Denmark is lead. For a more detailed assessment, see the risk management matrices in the two country programmes.

EUN will monitor the developments in the risk scenarios of the two countries with inputs from the Embassy of Denmark in Kiev. Furthermore, all implementing partners will be asked to develop risk management strategies on this and report on a regular basis to EUN. Finally, the external monitoring and evaluation support under the programme (the M&E agent. See Annex B) will also report on changes in the risk scenario and the effectiveness of risk response.

## **7. A Phased Framework Approach and Management Arrangements**

The programme framework covers five years and commitments are made on a yearly basis through the Danish Finance Act as it has not been possible to ensure one commitment to the new five year programme. This means that the programme engagements will be phased in as funding becomes available. At the same time, there are already existing engagements that will continue to be implemented in the first years of the new programme. The programme is designed to ensure a gradual transfer to the new DANEP phase or a phase-out where this is deemed relevant. See Annex C for an overview of the phase out/in of different engagements.

This phased programme approach influences the design and quality assurance of the programme but also allows for enhanced flexibility. For the first three programme years, development engagements have been formulated with beneficiaries and implementing partners. These will be launched and signed once the Danish finance bills for 2017, 2018 and 2019 have been approved (for 2017 engagement documents will be signed already this year).

For the engagements planned for 2020 and 2021, indicative development engagements have been formulated based on the present context and needs. However, as the situation is expected to change over time, resources will be allocated to assist with the finalisation of the formulation of these engagement documents in early 2019 together with the beneficiaries and implementing partners (where feasible and relevant this will be based on the recommendations of review reports). The programme mid-term review will undertake a *de facto* post-appraisal of these last development engagements as part of the mid-term review, taking into consideration the changes in the context and major stakeholders in the two countries. These engagements will be signed once the Finance Act for 2020 and 2021 has been approved.

See Figure 2 below for overview of the phased programme framework approach as well as approval and quality assurance process.

Figure 2 - Phased programme framework approach

Year	2017	2018	2019	2020	2021
<b>Engagement phase</b> in/out	Civil Society phase in, UA and GE	Human rights phase out, UA	Human rights phase in, UA		Civil Society phase in, UA and GE
	Media phase in, UA	Gender reform and combatting GBV phase in, UA	Anti-corruption phase out, UA	Anti-corruption phase in, UA	Media phase in, UA
	Labour market reform phase in, UA and GE	Enabling energy environment phase in, UA	Decentralisation phase out, UA	Decentralisation phase in, UA	
		Energy investment phase in, UA and GE	IFU/UFA phase out, UA		
		Human rights phase in, GE	SME support phase in, UA		
		Decentralisation phase in, GE	Young entrepreneurs IFAD phase out, GE	SME support phase in, GE	
			Energy efficiency NEFCO phase out, GE	Enabling energy environment phase in, GE	
<b>Programme design process</b>	Overall framework		Final design of engagements for 2020, 2021		
	Country programmes UA and GE				
	Full engagements 2017, 2018, 2019				
	Indicator engagements 2020, 2021				
<b>Approval and quality assurance process</b>					
	Appraisal and approval of full framework package	Mid-term review of selected individual engagements from DANEP 2013-2017	Mid-term review of full DANEP 2017-2021 programme framework and approval of 2020 and 2021 engagements	Mid-term review of selected individual engagements from DANEP 2017-2021	Mid-term review of selected individual engagements from DANEP 2017-2021
	Phase in	Phase out			

Denmark’s engagement related to DANEP and the policy dialogue will be administered and coordinated by EUN. With more strategic, fewer and longer engagements in the new DANEP, focusing on supporting the reform processes in Ukraine and Georgia, the possibilities for synergies and linkages between the policy dialogue and the development cooperation have become more apparent.

The policy dialogue will be closely coordinated in accordance with the other Danish instruments and actors in Ukraine and Georgia, which among others include stabilisation funding (with the Stabilisation department in the MFA), private sector business support (with the Embassy of Denmark in Ukraine), humanitarian funding (with the Humanitarian Department in the MFA) as well as other development funding under the EUN.

Key mechanisms for the policy dialogue for Ukraine and Georgia are first and foremost the relevant EU fora for policy dialogue facilitated by the EU delegation and/or the EU Special Advisory Group on Ukraine (SGUA). SGUA was

established in April 2014 to support Ukraine in the implementation of the Association Agreement. It plays a key role in the EU dialogue with the government of Ukraine with focus on the reform agenda and enhanced coordination among EU member states and other donors. EUN will continue to participate in the ad-hoc dialogue with SGUA and participate actively in the bi-annual meetings.

Through bilateral political consultations e.g. in connection with visits of the Minister for Foreign Affairs, the policy dialogue and the bilateral development assistance will be linked and discussed.

The Embassy of Denmark in Kiev will support EUN in the planning and implementation of DANEP in particular in Ukraine and in terms of donor coordination, monitoring, and alignment with national priorities. In this context, the Embassy may within available resources participate with EUN in Steering Group meetings, primarily in Ukraine, but also in Georgia if this can be coordinated with planned visits to this country. The Embassy will participate in donor coordination meetings in Ukraine within the prioritized areas of DANEP like anti-corruption, decentralisation, rule of law, and energy, and will provide EUN with targeted reports on the country context, sectoral developments and risks relevant for programme implementation.

The programme will be managed in accordance with Danida's Aid Management Guidelines under the auspices of the EUN in the MFA. The fact that Denmark does not have decentralised representations with development budget oversight authority in the two countries means that the programme will have to rely on implementing partners' management and monitoring arrangements. Consequently, all funding will be provided through institutions, which have financial, procurement and monitoring capacity in accordance with international standards. In practice, this means that all funds will be channelled through:

- 1) Danish state institutions or non-governmental organisations or sub-contracted companies
- 2) Delegated partnerships with like-minded development partners
- 3) Multilateral organisations

All partners will report on progress to EUN on a quarterly or bi-annual basis in accordance with signed partnership agreements. Denmark will agree to use partner reporting if and when the reporting adheres to the standards required by the Danida Aid Management Guidelines. In addition, all partners will be required to report on communication activities and public diplomacy.

To the widest extent possible, Denmark will seek representation in the programme steering committees to partake in the oversight of the implementation of the programme. This will be combined with regular monitoring visits by the EUN.

In support of the monitoring process, funds will be allocated for an M&E agent for external monitoring and evaluation support to undertake regular monitoring visits,

assess the context, risks and communication opportunities, and report on progress to EUN (see Annex B for details). The agent will also ensure proper monitoring and evaluation at the programmatic level of DANEP.

## **8. Budget**

The budget of a total of DKK 860 million is designed to cater for the needs and demographics of the two countries and taking into consideration the current management setup, where the programme is managed in Denmark and with no Danish representation in Georgia. Consequently, 70% of the country specific funding is allocated for Ukraine and 30% for Georgia. Around 48% of the country specific budget is allocated to democracy and human rights and 52% for sustainable and inclusive economic growth.

To cater for the lean management arrangement and allow for sufficient collection of evidence to inform programme management and provide inputs to the communication and public diplomacy, a total of DKK 9 million (1% of the budget) has been allocated for these activities, including: (i) the midterm review; (ii) development engagement formulations in 2019; (iii) required technical assistance for communication and public diplomacy; and, (iv) external monitoring and evaluation support (M&E agent).

Finally, roughly 18% of the budget has been allocated for strategic secondments throughout the programme period. The budget is presented below.

Year/Country	Ukraine					Georgia				Reviews, TA, Comms. and M&E	Secondments	Total (DKK mill.)
	Demo. & HR		Sust. Growth			Demo. & HR		Sust. Growth				
2017	Civil Society	Media	Inclusive labour market			Civil Society		Inclusive labour market				2017
DKK mill.	30	30	19			30		19		2	30	160
2018	Gender reform and GBV			Energy environment	Energy investment	Human Rights	Decentralisation		Energy investment			2018
DKK mill.	15			20	35	15	24		30	1	35	175
2019	Human Rights		Inclusive labour market	SME Support	Energy investment			Inclusive labour market				2019
DKK mill.	30		12	20	66			9		3	35	175
2020	Anti-corruption	Decentralisation						SME Support	Energy environment			2020
DKK mill.	59	40						24	15	2	35	175
2021	Civil Society	Media	Inclusive labour market	SME Support	Energy investment	Civil Society		SME Support				2021
DKK mill.	20	20	23	30	7	19		20		1	35	175
<b>Total (DKK mill.)</b>	<b>244</b>		<b>232</b>			<b>88</b>		<b>117</b>		<b>9</b>	<b>170</b>	<b>860</b>

Democracy and HR Ukraine: 244  
Democracy and HR Georgia: 88  
Democracy and HR Total: 332

Sustainable Growth Ukraine: 232  
Sustainable Growth Georgia: 117  
Sustainable Growth Total: 349

Ukraine Total: 70 476  
Georgia Total: 30 205

## **Annex A – Communication strategy framework**

This communication strategy framework covers the entire DANEP programme 2017-2021, including the country level support in Ukraine and Georgia. The strategy framework is indicative and a more thorough communication strategy will be developed by DANEP during the inception phase of the programme.

For the programme as a whole, the EUN office in close partnership with the Embassy of Denmark in Ukraine will be managing overall communication thus aligning political, development and humanitarian communication.

### **Purpose**

The communication strategy for DANEP serves four purposes:

- 1) Communicate the results to the Danish citizens to ensure transparency and accountability of the use of the Danish development funds
- 2) To enhance the knowledge of Danish citizens of the political and societal developments in the DANEP countries
- 3) Communicate the DANEP results to the Ukrainian and Georgian citizens to ensure transparency and accountability of the Danish support to the two countries
- 4) Ensure an informed policy dialogue with the governments of the two DANEP countries

### **Messages**

The messages of the programme will be concise and relate specifically to the specific cases where Denmark or Danish funded partners have played a clear role. While the communication strategy is for the DANEP programme, communication will also target interventions where there are complementary Danish activities, such as stabilisation or humanitarian funded programmes.

Five types of messages are foreseen:

- 1) *Basic factual messages* concerning the individual programme and development engagements. This may include messages at engagement launch with information on engagement objectives, partners, funding level etc., as well as information about conclusions of key steps in the engagement or programme cycle. It may also include fact sheets underlining the Danish financial and technical contributions
- 2) *Major achievements* will be communicated immediately once documented. This could be Danish contribution to policy achievements such as changes to legislation or downstream achievements such as number of jobs generated in rural areas
- 3) *Thematic and policy priority messages* where there is specific focus on Danish policy priorities that needs to be communicated. For DANEP this will include specific thematic messages related to e.g. women's role in local politics, GBV, youth employment or Danish investments in Ukraine and/or Georgia
- 4) *Individual case stories* (personal or topical) that will exemplify the work undertaken in individual engagements (or sub-engagements) under the programme
- 5) *Response to crisis situations* or negative changes to risk scenarios. Details of such response to be developed as part of the full DANEP communication strategy

## Strategy framework

The programme will have a multi-pronged approach to communication focusing on communicating results at multiple levels in Denmark, Ukraine and Georgia. The communication approach is closely linked to the type of engagements supported.

Where Denmark will be part of large joint EU initiatives the communication will be in partnership with the EU. With the joint EU programmes, the communication will be particularly important vis-à-vis the recipient population, who, through this strategy, will have an improved understanding of the joint EU support provided and its contribution to democratic and economic development.

For engagements where Denmark plays a more direct active role, the implementing partners will be asked to provide a detailed outline of a communication strategy specifically focused on the Danish engagement. This is expected to include e.g. special attention to attracting investors to the two target countries or specific communication opportunities linked with the broader advocacy work towards gender equality and women's empowerment in the countries.

## Stakeholder responsibility

The different stakeholders in the programme will play roles according to their level of engagement and authority in the programme. Common for all stakeholders is that they should be (or be made) aware of their role in communicating the key messages of the programme. There are broadly three categories of stakeholders involved in the communication, which the EUN should engage and agree with on strategic communication:

- 1) *Internally in the Ministry/embassies.* Within the organisation, different departments will play different roles in accordance with the internal mandates in the Ministry. In the case of DANEP there are three entities of particular importance:
  - a. *The Embassy in Kiev.* The Embassy will be able to attend key events of the programme and communicate major results locally and engage with partners on the communication strategy. Similarly, the Embassy also has accreditation to Georgia and should include specific DANEP communication action points when visiting Georgia
  - b. *Other departments engaged in Ukraine.* This in particular concerns the Humanitarian and Stabilisation offices. EUN will agree with these departments on common communication efforts for the two countries targeted.
  - c. *The communication department.* EUN will ensure to feed in communication for overall reporting on MFA progress.
- 2) *Implementing partners.* The cooperation between EUN and implementing partners on the communication side will depend on the modality of the individual engagement. The following summary provides an overview of the nature of the cooperation:
  - a. *The EUACI programme.* The EUACI programme is unique as it is the only intervention, which the MFA implements directly through its own project office – the EUACI office. The EUACI is developing its own communication strategy under the auspices of the EUN, and will serve as a cornerstone for DANEP communication. This will include communication of specific results as well as broader communication on developments in the sector

- b. *Implementation through DEA.* EUN will together with DEA identify a common communication strategy approach to ensure that there is attention to the authority-to-authority cooperation between Ukraine and Denmark. DEA will be required to report on any significant public diplomacy opportunity. In addition, options for joint communication opportunities between the Ministry of Foreign Affairs and the Ministry of Energy in Denmark will be sought
  - c. *Implementation through IFU.* IFU already has a communication strategy and EUN will ask for a special addendum to this to promote the DANEP related Danish investments in Ukraine and Georgia
  - d. *Delegated partnerships with other donors.* Where there is a delegated partnership arrangement, Denmark will have to first and foremost rely on the communication strategy of the lead donor and the implementing partner. However, the EUN will use its role in the Steering Committees to emphasise communication and seek opportunities for utilising documented results as part of the DANEP overall programme communication (this includes U-LEAD in Ukraine through the EU, civil society support in Georgia through Sida, and SME support in Georgia through implementing partners.
  - e. *Implementation through multilateral organisations.* These projects will have individual communication strategies as part of the institution's communication. However, the EUN will require the partners to design individual annexes with specific reference to the Danish support (this includes ILO and UNDP in Ukraine and Georgia; UN Women in Ukraine and the Council of Europe in Georgia)
  - f. *Implementation through tender procedures.* In cases where the DANEP programme will tender out implementation, the bidders will be asked to specifically relate to communication as part of their proposal and submit a communication plan during the inception phase of the programme (support to SME development in Ukraine)
- 3) *Partner institutions.* In most of the DANEP engagements support is provided to state institutions to enhance their capacity to deliver according to their mandate. This support is provided through implementing partners (except for EU ACI), and thus the communication will have to be agreed through the agreement with the implementing partner. However, Denmark will also use its policy dialogue with the state institutions (formally and informally) to identify and agree on mutual communication points and options for joint public diplomacy efforts as feasible.

### Public diplomacy opportunities

The final communication strategy is still to be developed and should take into consideration the already obvious communication opportunities that the programme provides. All the individual engagements have expected results that contribute directly to Danish policy priorities such as gender equality, human rights and growth that needs to be communicated to the major target groups. The strategy should start by looking at the results matrices, but also consider the ripple effect of the Danish support.

Examples of opportunities include, but are not limited to:

- Danish investments in renewable energy in Ukraine and Georgia through IFU. The investments are expected to (a) facilitate additional investment in the two countries of

multiple times more than the Danish funds, (b) increase the employment in the countries, (c) reduce CO2 emission and improve the environment, and (d) provide the basis for future enhanced Danish private investments in the DANEP region

- The Danish leadership in anti-corruption in Ukraine is expected to increase the national and international businesses interest in further investing in the country and improve Ukraine's standing on the doing business index
- The Danish support to decentralisation in Georgia as well as Ukraine is expected to ensure that a significant number of women will become engaged in politics and be represented at the local councils during the course of the programme
- Minorities in Georgia will have a significantly enhanced role in local government and be sure to access social and business services at local level in the future
- XX no. of young people in Ukraine and Georgia will have started their own businesses through the Danish supported support to SMEs

### **Next steps**

The above is indicative only. A more thorough communication strategy will be developed by DANEP. This will include detailed public relations and work plans based on thorough engagement with partners and with clear delineation of roles and responsibilities of partners as well as division of labour within the Danish MFA and also the M&E agent of the programme. In addition, a crisis communication response plan will be developed to address major negative changes to programme risk scenarios.

## **Annex B – Role and responsibility of the DANEP M&E agent**

### **1. Objective**

The objective of the DANEP M&E agent is to ensure proper monitoring and reporting of the DANEP programme and provide inputs to the monitoring and communication process of EUN and by that assist EUN with its monitoring and communication responsibilities as laid down in grant documents and agreements and as per Danida Aid Management Guidelines.

### **2. Scope of Work**

The M&E agent works for and under the auspices of the EUN in the Ministry of Foreign Affairs of Denmark. The scope of work of the M&E agent will enable:

- (a) A detailed assessment of progress of individual development engagements under DANEP based on the DANEP partners' reporting and field mission assessments
- (b) An overview of overall progress of the DANEP programme against the DANEP objectives and thematic theories of change in the programme

The M&E consultant will undertake four major areas of work:

- Undertake desk review of programme and context related documents
- Undertake field missions to verify programme progress on the ground
- Participate as observer in selected partner steering committee meetings
- Identify and produce inputs to EUN reporting and communication on DANEP

A list of key tasks include, but will not be limited to:

1. Review and assess progress and annual reports received from programme partners and provide feedback and inputs to EUN on possible changes to progress and risks that the EUN will need to include in the dialogue with the partners, as well as identify opportunities for public diplomacy, which the partner of the MFA should pursue;
2. Participate as observer in selected partner steering committee meetings with specific instructions from EUN prior to such meetings. After each meeting the consultant will draft short note of key points from meeting and participate in debriefings with EUN as required;
3. Alert and update EUN on changes case of suspicion or documented irregularities in project implementation of any implementing partner or beneficiary;
4. Provide assessment of partner work plans, budgets, and risk management and recommendations for possible reallocations for EUN approval;
5. Undertake dialogue with implementing partners on *ad hoc* issues as and when required;
6. Overall assessment of risk situation and management requirements by partners and EUN and provide recommendations for such;

7. Ensure that financial and narrative completion reports are received timely and in line with Danida Aid Management Guidelines standards;
8. Undertake annual monitoring visits to Ukraine and Georgia in consultation with programme partners;
9. Prepare and draft case stories and related communication briefs on the results of the programme for EUN to use as part of its communication strategy;
10. Liaise with the Embassy in Kiev and assist with programme related meetings if and when required;
11. Undertake annual assessment of political and related contextual development related to the DANEP objectives in the two countries;
12. Provide annual workplans for the M&E agent for EUN approval.

### **3. Outputs**

Major outputs include:

- Briefing and debriefing notes in connection with preparation and participation in steering committee meetings;
- Short mission notes from annual monitoring missions;
- Written and oral questions/comments and recommendations on partner reports;
- Annual programme reports based on progress report received from the partners (max 10 pages, excl. annexes – using a format agreed with EUN);
- Annual contextual assessments of Georgia and Ukraine (max 10 pages per country);
- Case stories and related briefs on results for public diplomacy purposes.

### **4. Timing, reporting and financial proposal**

The assignment will start 30 December 2017 and end 31 December 2021 with the option of extending the contract for another two years.

## Annex C – Phasing of DANEP engagements

Development Engagement	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Ukraine</b>									
Civil Society, UNDP (already approved)									
Media, Sida (already approved)									
Civil Society, CISU									
Human Rights, UNDP									
DED 1.1 Human Rights									
EU-Danida Anti-Corruption Initiative									
DED 2.1 Combatting Corruption									
EU Decentralisation, U-LEAD									
DED 3.1 Decentralisation									
DED 4.1 Gender Reform, GBV and Conflict									
Trade Unions, IF									
DED 5.1 Inclusive Labour Market									
DED 6.1 Business Development Support, SME									
Renewable Energy and Efficiency, DEA/EBRD									
DED 7.1 Enabling Environment for Energy Invest.									
Ukraine Investment Facility (UFA), IFU									
DED 8.1 Energy Investment									
European Fund for Southeast Europe (UA+GE)									

<b>Georgia</b>									
Civil Society, Sida (already approved)									
DED 1.1 Human Rights and Ethnic Minorities									
DED 2.1 Decentralisation									
DED 3.1 Inclusive Labour Market									
Youth in Abkhazia, DRC									
Young Entrepreneurs, IFAD									
DED 4.1 Business Development Support, SME									
Energy Efficiency, NEFCO/GE Min. of Energy (NIRAS)									
DED 7.1 (UA) Enabling Environment for Energy Invest.									
DED 8.1 (UA) Energy Investment									

Legend	
DANEP formulation 2017-2021 (2025)	
Current support	