

Ministry of Foreign Affairs – Department for Green Diplomacy and Climate (GDK)

Meeting in the Council for Development Policy on 1 June 2023

Agenda Item No. 2

- 1. Overall purpose:** *For discussion and recommendation to the Minister*
- 2. Title:** Framework Programme on the Strategic Sector
Cooperation with the Ministry for Climate, Energy and
Utilities 2023-2027
- 3. Amount:** DKK 118.46 million (2023-2027)
- 4. Presentation for Programme Committee:** 7 February 2023
- 5. Previous Danish support presented to UPR:** No, this is the first presentation to UPR.

Framework Programme with Ministry of Climate, Energy and Utilities (MCEU)

Key results:

- 1) Strengthened framework conditions and institutional capacity to promote climate change mitigation, adaptation and resilience through green transition in the energy sector and improved meteorological services.
- 2) Enhanced Danish green diplomatic engagement in support of climate mitigation, adaptation and resilience through green transition in the energy sector and improved meteorological services.
- 3) Platforms have been created by Danish embassy, trade council and others for enhanced private sector engagement in green transition in the energy sector and improved meteorological services.

Justification for support:

- The programme supports Denmark's commitment to reduce emissions and increase climate resilience globally recognising that combatting climate change is a global challenge and responsibility.
- The current energy crises affects developing countries the most and the situation stress the need for developing conducive framework conditions in the energy sector that can drive the green transition forward. Combined with increasingly unpredictable weather and lack of sufficient early warning mechanisms the pressure on vulnerable countries and the poorest people have increased. Improved meteorological services strengthen communities adaptation and resilience.
- The programme delivers on the Government's intention for the strategic sector cooperation to be a core instrument for delivering the Danish priorities on the green transition, support Danish climate diplomacy and bilateral relations, and to engage the Danish private sector in green solutions and investments.

Major risks and challenges:

- National elections results in changes in political priorities conducive to the green transition and climate adaptation measures.
- Partner authorities' internal processes delay implementation

Objective

To promote a socially just green transition and to contribute to sustainable growth and resilient development for people in partner countries.

















Environment and climate targeting - Principal objective (100%); Significant objective (50%)

| Indicate 0, 50% or 100% | Climate adaptation | Climate mitigation | Biodiversity | Other green environment |
|-------------------------|--------------------|--------------------|--------------|-------------------------|
| Egypt | | 100 % | | 100 % |
| Turkey | | 100 % | | 100 % |
| China | | 100 % | | 100 % |
| Kenya | | 100 % | | 100 % |
| Brazil | | 100 % | | 100 % |
| Colombia | | 100 % | | 100 % |
| Ghana | 100 % | | | 100 % |
| New project (DMI) | 100 % | | | 100 % |
| New project (DMI) | 100 % | | | |
| New project (DEA) | | 100 % | | 100 % |

| | Total thematic budget: [million] |
|-------------------|----------------------------------|
| Egypt | 16.625.230 |
| Turkey | 9.215.403 |
| China | 3.615.538 |
| Kenya | 16.206.044 |
| Brazil | 13.333.330 |
| Colombia | 13.333.330 |
| Ghana | 13.333.330 |
| New project (DMI) | 9.833.332 |
| New project (DMI) | 1.500.000 |
| New project (DEA) | 9.833.332 |
| Communication | 640.131 |
| Reviews, learning | 1.000.000 |
| Unallocated | 10.000.000 |
| Total | 118.469.000 |

| | | | | | | |
|-------------------------------|----------------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|---------------|
| File No. | 2023-3365 | | | | | |
| Country | Global | | | | | |
| Responsible Unit | GDK | | | | | |
| Sector | 23110 – Energy policy and administrative management 43060 – Disaster risk Reduction | | | | | |
| <i>DKK million</i> | 2023 | 2024 | 2025 | 2026 | 2027 | Total |
| Commitment | 16.77 | 29.14 | 30.39 | 26.75 | 15.39 | 118.46 |
| Projected Disbursement | 16.77 | 29.14 | 30.39 | 26.75 | 15.39 | 118.46 |
| Duration | July 2023 - July 2027 | | | | | |
| Finance Act code | §06.38.02.14 | | | | | |
| Head of unit | Elsebeth Søndergaard | | | | | |
| Desk officer | Lone Bøge Jensen | | | | | |
| Reviewed by CFO | Rasmus Tvorup Ewald | | | | | |

Relevant SDGs

| | | | | | |
|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
|  No Poverty |  No Hunger |  Good Health, Wellbeing |  Quality Education |  Gender Equality |  Clean Water, Sanitation |
|  Affordable Clean Energy |  Decent Jobs, Econ. Growth |  Industry, Innovation, Infrastructure |  Reduced Inequalities |  Sustainable Cities, Communities |  Responsible Consumption & Production |
|  Climate Action |  Life below Water |  Life on Land |  Peace & Justice, strong Inst. |  Partnerships for Goals | |

DRAFT Framework Programme on Strategic Sector Cooperation
with Ministry of Climate, Energy and Utilities and its agencies (2023-2027) Framework
Programme Document

Table of content

| | |
|---------------------------------------------------------------------------------------|------------|
| Explainer – Strategic Sector Cooperation and SSC 2.0 | iii |
| 1. Introduction..... | 1 |
| 2. Context, lessons learnt, strategic considerations and justification | 2 |
| 2.1. <i>Context - Danish priorities and role of SSC.....</i> | <i>2</i> |
| 2.2. <i>MCEU - international strategy and core competences.....</i> | <i>6</i> |
| 2.3. <i>Results and lessons from previous phases</i> | <i>7</i> |
| 2.4. <i>Alignment with SSC's principles and global results.....</i> | <i>10</i> |
| 2.5. <i>Alignment with Danish cross-cutting priorities and aid effectiveness.....</i> | <i>11</i> |
| 3. Framework programme objectives and Theory of Change. | 11 |
| 4. Results framework..... | 14 |
| 5. Emerging project portfolio: Context and design features | 16 |
| 6. Budget | 17 |
| 7. Governance and management arrangements | 18 |
| 8. Financial management, planning and reporting | 20 |
| 9. Monitoring, learning, and risk management..... | 20 |
| 10. Closure and exit..... | 21 |

Abbreviations

| | |
|----------|-------------------------------------------------------------------------|
| AMG | Aid Management Guidelines |
| APR | Annual Progress Report |
| COP | Conference of Parties |
| DEA | Danish Energy Agency |
| DEPP | The Danish Energy Partnership Programme |
| DETI | Danish Energy Transition Initiative |
| DFC | Danida Fellowship Centre |
| DGBP | Danida Green Business Partnership |
| DKK | Danish Kroner |
| DMDP | Danida Market Development Partnerships |
| DMI | Danish Meteorological Institute |
| DSIF | Danish Sustainable Infrastructure Finance |
| ELK | Evaluation, Learning and Quality (MFA department) |
| EUMETSAT | European Organisation for the Exploitation of Meteorological Satellites |
| FP | Framework Programme |
| GHG | Greenhouse Gasses |
| GP | Guiding Principles (SSC's) |
| G20 | Group of 20(also G7, group of 7) |
| HIRLAM | High Resolution Limited Area Model |
| HRBA | Human Rights-based Approach |
| IFU | Investment Fund for Developing Countries |
| ILO | International Labour Organisation |
| IRENA | International Renewable Energy Agency |
| JETP | Just Energy Transition Partnerships |
| MCEU | Ministry of Climate, Energy and Utilities |
| MEAL | Monitoring, Evaluation, Accountability, and Learning |
| MFA | Ministry of Foreign Affairs |
| MoU | Memorandum of Understanding |
| NDC | Nationally Determined Contribution |
| ODA | Official Development Aid |
| PANT | Participation, accountability, non-discrimination, transparency |
| PMG | Programme Management Group |
| QA | Quality Assurance |
| RFI | Results Framework Interface (MFA's) |
| SDGs | Sustainable Development Goals |
| SMG | Strategic Management Group |
| SOFF | Systematic Observations Financing Facility |
| SSC | Strategic Sector Cooperation |
| ToC | Theory of change |
| UN | United Nations |
| UNDRR | United Nations Office for Disaster Risk Reduction |
| USD | United States Dollar |
| UWC | United Weather Centre |
| WHO | World Health Organisation |
| WMO | World Meteorological Organization |

Explainer – Strategic Sector Cooperation and SSC 2.0

Box A: What is a strategic sector cooperation (SSC)? A SSC:

- Is a peer-to-peer, long-term cooperation between a Danish sector authority or municipality and one or more authorities in a developing country, mainly focused on technical assistance.
- Tackles selected challenges of capacity in the partner country institutions, which the Danish authority's core competences are relevant for addressing – but may likely not tackle all partner capacity constraints.
- Consists of 1) project-cooperation between the Danish and partner authority, and 2) a Sector counsellor and a part time local staff member stationed at the Danish Embassy to facilitate the project and ensure linkages and synergies between partners and agendas of sustainable development, climate diplomacy, multilateral initiatives, and green private solutions.
- Uses instruments such as seminars, workshops, training courses, analyses, study tours, networking and contacts, and direct engagement of experts for drafting or commenting on regulations, policies, guidelines, or processes.
- Provides inputs mainly consisting of Danish authorities' staff time for analysis and studies, travels, external consultancies, and expenses for workshops/seminars, trainings.
- Works through projects that are run in phases, commencing with a 1-year inception phase (max. DKK 1,5 million) for in-depth needs assessment and project design with the peer authority, followed by up to three phases of each 3-years; each phase with a budget of up to DKK 10 million.
- Contributes to three global outcomes: 1) Strengthen partner countries' capacity to develop, implement and enforce conducive framework conditions for green transition and selected development priorities e.g. sector specific laws, policies, tools and plans; 2) Increased climate ambitions and ambitions for green transition and sustainable development through strong bilateral relations and green diplomacy; and 3) Enhanced engagement of the Danish private sector in identifying sustainable development solutions and opportunities for the promotion of green financial investment. The three outcomes mutually support each other. A conducive framework makes higher climate ambitions more realistic, and high climate ambitions also provide a momentum for improving framework conditions. Similarly, private sector engagement both enhances implementation of framework conditions and attainment of climate ambitions and at the same time benefits from a conducive policy environment.

Box B: What is the SSC 2.0 Framework Programme? A framework programme:

- Gives the Danish authority responsibility for developing and managing a portfolio of projects over a 4-year period, based on agreed objectives, outcomes/results, budget, and governance and management structures. It is a shift from single-projects to a programmatic approach.
- Aims to provide stronger strategic, programmatic, and development focus as well as improve cross-learning and ensure a leaner administration. Places all SSC projects under a single agreement, according to one consolidated work plan, annual progress report, and accounting.
- Is composed of projects founded on the needs and demands of the recipient countries matched with the Danish authority's international strategy and core competences; as well as the 1) priorities of Danish climate policy, development cooperation and foreign policy. 2) Danish bilateral or regional interest, including Africa as a priority and 4) Danish commercial interest.
- Defines objectives, results, budgets, and governance mechanisms for the Danish authority's development and management of its project-portfolio
- Develops and adds new project phases and new projects during the 4-year period, encompassing projects at various stages.
- Boosts synergies to the global Danish climate diplomacy and at the Embassies, as well as strengthening the green private sector engagement. Strengthens integration of the Danish Fellowship Centre engagement across the authority's project portfolio allowing for a more strategic approach to the development of new sector specific courses

1. Introduction

This document outlines the Framework Programme (FP) with the Danish Ministry of Climate, Energy and Utilities (MCEU) and its agencies under the Strategic Sector Cooperation (SSC). The SSC is an instrument launched in 2015 for engaging Danish authorities in cooperation with partner authorities in developing countries to improve framework conditions for a green, inclusive transition and key development priorities.

The FP covers the period 2023-2027, with a budget of DKK 118,469,000 and is the first FP with the MCEU under the 2021 SSC 2.0 guidelines. It replaces single-project agreements between Danish authorities and the Ministry of Foreign Affairs (MFA) with 4-year strategic framework agreements. The funding is subject to annual Parliamentary approval (as described in paragraph 6 budget).

The FP is guided by the Danish Government's policies, The World We Share, Long-term Strategy for Global Climate Action, and Action Plan for Economic Diplomacy. The FP focusses the partnerships on green transition challenges in partner countries. The FP targets areas where MCEU and its agencies, Danish Energy Agency (DEA) and Danish Meteorological institute (DMI) through its core competencies (Box 1) can contribute to important positive change.

In line with the 2021 SSC guidelines, the FP has distinct focus on Denmark's bilateral green diplomacy efforts and the Danish private sector's engagement in dialogue, solutions, and investments within sustainable energy and meteorological services.

The SSC supports Denmark's commitment to reduce emissions and increase climate resilience globally recognising that combatting climate change is a global challenge and responsibility. To give greatest effect the programme focuses on developing countries where emissions are high or projected to increase - and on countries significantly affected by the effects of climate change. The SSC programme focuses on transformational impact that aims at improving the enabling environment.

Finally, the FP comes at a time with increased global pressure on the natural resources and a need for both mitigation and adaptation measures. The increasing energy insecurity and pressure on the global energy market underline the pressing need for increased deployment and integration of green energy approaches. These include renewable energy, energy efficiency and better long-term energy planning to promote energy security globally. Together these measures will strengthen the green transition of the global energy sector. With climate change and unpredictable weather patterns,

Box 1: MCEU core competencies mobilized under the FP:

Danish Energy Agency (DEA)

Based on lesson learned from the experience of more than a decade of bilateral cooperation in the energy sector DEA has identified five key areas of supporting a green transition in partner countries that also constitute the pillars of the Danish energy transition.

- Long-term energy modelling and scenarios - based on long experience of DEA in developing scenarios and modelling in Denmark
- Integration of renewable energy – DEA works with Energinet, the Danish national transmission system operator for electricity
- Wind power – offshore and onshore - promotion of renewable energy
- Energy efficiency in industry and buildings - with a focus on industry, surplus heat and efficiency of buildings
- District heating

Danish Meteorological Institute (DMI)

Four key areas are at the center of DMI international development activities

- Strengthening climate modelling and projection for improved climate information services
- Refining of weather models for improved forecasting
- Development and strengthening of early warning systems
- Supporting meteorological services to strengthen their strategic role as data and information provider to public and private entities

reliable meteorological services like climate modelling and projection, weather modelling and early warning are urgently needed to enhance adaptation, especially in countries particularly vulnerable to climate change. The FP addresses both mitigation and adaptation. However, support for the green transition in the energy sector (mitigation) constitutes the main part of the FP as the DEA already has a large project portfolio and a solid experience of bilateral cooperation to build on. The FP will introduce new government-to-government cooperation between DMI and the meteorological institutions in two countries (adaptation) and possible preparation of a third project. After having gained experience with bilateral cooperation the ambition is that the number of DMI projects will increase in future programme agreements between UM and the MCEU.

The FP document describes the focus, guiding considerations, and management mechanisms for the programme and will be the basis of an agreement between the MFA and MCEU and its agencies (2023-2027). It will include a number of projects (listed in Table 2 and detailed in annex 1). Four of them are on-going in various phases (Turkey, China, Kenya and Egypt) and three are new projects currently being developed (Brazil, Colombia and Ghana). The FP allows for three new projects to be prepared and start implementation during 2023-2027. It is envisaged that DEA may start preparation for a new project in 2024 and that DMI may start the same process in 2024 and 2026.

2. Context, lessons learnt, strategic considerations and justification

2.1. Context - Danish priorities and role of SSC

The climate crisis is rapidly accelerating, and the impacts are now visible everywhere, including through record-breaking temperatures, and increased floods and wildfires. The number of disasters has increased by a factor of five over the past five decades, and economic losses have increased sevenfold with average daily losses of USD 383 million. [The World Bank](#) estimates that global climate change will push up to 132 million people into poverty in the period 2020 to 2030. Towards 2050, it is concluded that 213 million people will migrate because of climate change. The combination of the Covid pandemic and the current energy crisis means that 70 million people who recently gained access to electricity will likely lose the ability to afford that access. In developing countries, where energy and food make up a large proportion of household budgets, the [rising energy prices](#) have contributed to an increase in the number of people living in extreme poverty. Further, climate change is contributing to humanitarian crises worldwide, for instance 12 of the 20 countries most vulnerable to climate change had a humanitarian appeal in 2020 ([UN, 2020](#)).

Combined with increasingly unpredictable weather and lack of reliable weather data the pressure on vulnerable countries and people have increased. A [report](#) from the United Nations Office for Disaster Risk Reduction (UNDRR) and the World Meteorological Organization (WMO) warns that half of the countries globally are not protected by multi-hazard early warning systems (2022). This was followed by a pledge from the UN Secretary General that everyone should be covered by early warning systems within five years ([2022](#)). The situation is even worse for developing countries on the front lines of climate change. Early warning systems are a proven means to reduce harm to people and damage to assets ahead of impending hazards, including storms, tsunamis, droughts, and heatwaves, to name a few. Early warning systems and other measures of adapting e.g. farming to local climate change impact require access to high-quality weather data.

The FP targets specific areas where SSC can contribute to climate change mitigation and adaptation. Based on political support and institutional demand from partners the FP promotes climate mitigation, adaptation and resilience through green transition of the energy sector and use of advanced

meteorological and climate modelling and early warning systems. In both areas the FP will provide technical assistance that builds on Danish experience.

Acceleration of the global transition towards low carbon energy. Energy is central to nearly every major challenge and opportunity the world faces today. Be it for jobs, security, climate change, food production or increasing incomes, access to energy for all is essential. Transitioning the global economy towards clean and sustainable sources of energy is one of humanity's greatest challenges in the coming decades. A green transition of the energy sector is not only a transition towards a more sustainable energy supply, it is also a transition towards greater energy security and independence of importing fossil fuels. The share of green jobs within renewable energy has grown at a global level in the period 2012 to 2022 and 12 million are now employed in renewable energy related jobs. A [report](#) from International Renewable Energy Agency (IRENA) and the International Labour Organisation (ILO) (2021) also concludes that more jobs will be created through a green energy transition than will be lost. However, this requires that socio-economic impacts from the green transition are considered in a holistic planning.. The green transition of energy systems involves a shift of resources between competing industrial sectors and economic interests. Stakeholders in this process have varying degrees of political and economic power. Understanding how political economic factors influence this transition is crucial to effective policy formulation and facilitation of transitions to sustainable energy systems. When a new phase or project is formulated under this FP an analysis of the political economy and the poverty and human rights situation is part of the back ground analysis.. It will be actively used in the dialogue with the partners..

Better weather data will allow for better adaptation and enhanced resilience. Provision of relevant and timely climate data and meteorological forecasts will allow for better adaptation and enhanced resilience of livelihoods to a changing climate as well as better preparedness and responses to weather hazards. Further, it will inform decision-making at all levels (farmers, private sector, civil society, academia, local authorities, national authorities), thus enabling better and more timely response strategies. In this way, disaster prevention measures become more effective, which help save lives, reduce damage to infrastructure and assets, reduce crop losses, and increase agricultural productivity. Better weather data can play an important role in anticipatory actions thus contribute to bridging the humanitarian-development nexus, both reducing the need for humanitarian assistance and facilitating timely delivery of humanitarian assistance. Lastly, reliable weather data also provides a critical role in green energy planning for both solar, wind and hydro energy. Meteorological and climate data are thus critical for socio-economic development and effective green transition.

The poor and vulnerable are significantly affected by lack of reliable energy and lack of sufficient meteorological and climate information services. As shown in the project presentation in annex 1, all partner countries have significant numbers of poor and vulnerable people. Inclusive economic growth based on adequate, reliable, and competitively priced modern energy can effectively boost a society's prosperity and thereby reduce poverty. In addition, a majority of poor and vulnerable people rely on agriculture or fishing as primary sources of income. Their safety, resilience and productivity would benefit from reliable and timely weather data as well as knowledge of the long-term effects of climate change in their local area. The FP contributes to poverty reduction by improving key conditions for poor people's opportunities, choice, and ability for voice and influence. It is the poor and vulnerable - with weak resources and powers – who depend most on fair, rules-based, and effective public systems for compliance, respect for standards and rights to access and participation. The FP's enables a more level playing field for all citizens by supporting the creation of transparent and rules-based systems. Thereby reducing scope for influence and access based solely on power and resources. In the dialogue with partner authorities, holistic planning is in focus. This ensures evidence-based knowledge about least-cost power sector development, job creation, cross sectoral links (e.g. mining), national value chains, strengthening of local communities, protection of livelihoods through improved early warning systems, agricultural

planning and education. Direct poverty reducing effects are observed when a more reliable energy supply leads to improved access to cleaner energy reduces indoor pollution that disproportionality affects children living in low-income housing ([WHO](#), 2018). Similarly, energy efficiency measures for social housing can contribute to poverty reduction of low-income households. The World Bank Groups Country Climate and Development Reports demonstrate how countries can simultaneously pursue development and climate objectives e.g. in Ghana the report recommends enhanced early warning systems. These and other reports can support the SSC projects background analysis as they demonstrate how to prioritize the most impactful actions that can reduce greenhouse gas (GHG) emissions and boost adaptation, while delivering on broader development goals ([WBG, CCDDR](#)).

At the project level the FP will address poverty applying a multi-dimensional poverty perspective and, ensuring a focus on a Human Rights Based Approach including do-no-harm.

DEA are focusing on i) available and least cost-resources; ii) access and security of supply of electricity for all people; iii) engagement and influence on decision making processes; and iv) personal health. Each item is unfolded in the bullets below:

- i) Assessments of available and least cost-resources: The approach includes assessment of all available resources of electricity generation and a Cradle-to-grave assessment of the resources and applied technologies. The assessments also include externalities of the electricity production such as particulate pollution. The combination of a Cradle-to-grave assessment and analysing externalities provides guidance on the true cost of energy, which is relevant for the society as a whole.
- ii) Opportunities and choices: DEA has focus on ensuring that all population groups, including low-income groups, have access and security of electricity supply. (long-term energy planning and framework conditions for renewable energy).
- iii) Access to information, transparency and influence on decision making processes for all people is part of the consultation processes when drafting key reports, such as the technology catalogues and energy outlooks reports.
- iv) Personal health is relevant for low-income groups living in congested areas with a high degree of particulate pollution caused by fossil fuels. The SSC programme promotes personal security by limiting local pollution by assessing the true costs of fossil fuels, including externalities, and by replacing fossil fuels with clean renewable energy.

Box 2 – Example of energy poverty in Egypt

More and more people are facing energy poverty as a result of the significant rise in global energy prices. As an example, 85% of electricity production in Egypt is based on natural gas. Egypt is traditionally an exporter of natural gas hence regional export prices will influence the domestic prices for consumers. This development pushes people into energy poverty. Renewable energy has the ability to mitigate both climate change and energy poverty. For new installations, solar and wind energy are the cheapest resources of energy across all energy types according to the IEA. The DEA is supporting Ministry of Electricity and Renewable Energy in Egypt to do power sector planning for variable renewable energy, integration of fluctuating renewable energy in the electricity sector and mitigating barriers for wind energy. By providing the right capacities and access to Danish how-know, the project will enable Egypt to deploy more low-cost renewable energy, reduce overall costs of the electricity and thereby reduce energy poverty.

The Human Rights Based Approach (HRBA) is based on four principles i.e. non-discrimination, participation and inclusion, transparency and responsibility. These are integral parts of good governance in Danish government and thus also part of how the DEA implements its international partnerships e.g.:

- i) Non-discrimination: e.g. ensuring that increased security of supply, increased access and least cost electricity sources are made available for all and that no-one is left behind (i.e. no groups are worse off).
- ii) Participation and inclusion: e.g. public hearing processes for society (businesses, NGOs, educational institutions, local communities and interest groups).
- iii) Transparency: e.g. open and public tenders with transparent and equal access to information.
- iv) Responsibility: e.g. tenders and contracts have options for complaints and information on who to contact.

Based on the MFA how-to-notes on energy, poverty and human rights, the DEA prepared a paper to describe how the how-to-notes can be implemented into work plans of the individual projects of the DEA department of Global Cooperation. This paper will function as a guideline going forward and will be updated along the way as feedback from the country teams is received. It is therefore not a static set of guidelines, but a living document that aims at improving the contribution to poverty reduction and implementation of the HRBA. Similarly DMI will develop socio-economic tools and sector specific approaches for integrating the human rights based approach and update this based on experience gained for the first 2-3 projects.

The FP is guided by the Danish Government's ambitions to engage in the green transition. It directly responds to Denmark's Strategy for Development Cooperation's *The World We Share* by "*strengthening the Danish SDG7 leadership and energy cooperation on green transition in developing countries, including promoting renewable energy and energy efficiency. This applies particularly to growth economies with high emission levels. The international cooperation on energy under the strategic sector cooperation will lie at the heart of the efforts to promote green transition and underpin Danish climate diplomacy*" and "*contribute to preventing and reducing the risk of loss and damage due to the impacts of climate change*". The FP follows the Global Climate Action Strategy's commitment for Denmark to cooperate with other countries in energy transitions with a focus on renewable energy, energy efficiency. Further, the FP also follows the strategy's focus on adaptation and resilience in developing countries, with a focus on emerging economies, including contributing to preventing and reducing the risk of losses and damage as a result of climate change and the need for using future climate scenarios in investments and planning. Finally, it supports the Action Plan for Economic Diplomacy's aim to introduce more SSCs and emphasizes the role of Danish private sector's green solutions and investments in the green energy transition.

The FP delivers on Government's intention for SSC to be a core instrument in achieving its priorities on the global green transition - and to engage the Danish private sector in green solutions and investments. The SSC projects closely interact with Trade Council. In line with the strategy, the FP focusses the SSC on sustainable energy and meteorological services, where Denmark – through MCEU's core competencies in DEA and DMI, the private sector, NGOs, green investors, Denmark's climate diplomacy – is well placed to promote change by contributing with expertise and technology. It supports partners in developing countries and growth economies to tackle their own legislative, regulative, and policy challenges and needs. The FP has climate change adaptation and climate change mitigation as principle objectives and thus is a Rio marker 2. It directly aligns with SSCs' focus on delivering on the Paris Agreement and the Sustainable Development Goals (SDGs) by promoting a socially just green transition, and sustainable growth and resilient development in the partner countries.

The Sustainable Development Goals (SDGs) guides the FP. The FP directly targets SDG 7 (affordable and green energy) and SDG 13 (Climate Action). Through actions targeting these SDGs, the program will also indirectly contribute to SDG 1 (Poverty Reduction). The table 1 below illustrates how the programme will address the targeted goals:

| Table 1 Contributions to SDG's (core goals 7, 13, 1) | |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Goal | How? |
| Goal 7 on affordable and green energy | <ul style="list-style-type: none"> By increasing the share of renewable energy in the global energy mix as well as improving the global energy efficiency [target 7.2 and 7.3] |
| Goal 13 on climate action | <ul style="list-style-type: none"> By strengthening resilience and adaptive capacity to climate-related hazards and natural disasters and integrate climate change measures into national policies, strategies and planning [target 13.1, 13.2] |

| | |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Goal 17 on Partnership for Goals | <ul style="list-style-type: none"> • By providing capacity building and exchange of knowledge |
| Goal 1 on poverty (indirectly) | <ul style="list-style-type: none"> • By improving access of poor and vulnerable to basic service and reducing exposure of the poor to climate related extremes [target 1.4, 1.5] |

2.2. MCEU - international strategy and core competences

The FP is part of MCEU's overall international engagement,

which contributes to the Danish Government's green priorities and the green transition, including Denmark's overall climate goals and the goals in the Global Climate Action Strategy. As such, the FP follows from DEA's international strategy (Box 3), highlighting its role in contributing to the SDGs and climate goals in the Paris Agreement to promote a more climate-friendly and sustainable development in the world. Further information into MCEU's role in climate diplomacy is given in box 4. DMI will update their general strategy during 2023, including strategic directions for their international work by then. DMI's international development work will be based on the WMO Meteorological Value Chain and Country

Hydromet Diagnostics. This will be used as the entry point for capacity assessment of and dialogue with partners regarding core adaptation plans and strategies. DMI's international engagement will build on the domestic experience and capacities, which will include sharing of technical knowledge. Where possible, DMI will explore opportunities for complementing the capacity development activities with joint research projects to strengthen the knowledge base of the interventions. DMI has applied for research financing for one such research project in Ghana.

Box 3: DEA's international strategy and projects:

Key elements of the strategy are to:

- Accelerate global reductions of CO2 emissions.
- Identify green paths where partner countries can maintain economic growth and a high security of electricity supply.
- Strengthen the capacity of central partner institutions through sharing of Danish experiences, know-how, technical solutions and regulatory frameworks.
- Engage with the Danish transmission system operator, Energinet, as a close partner in several of the partnerships, as well as engaging with the Danish embassies, which play a vital role locally.

Projects: -Three levels of engagement from Official Development Assistance

- Strategic Sector Cooperation – 3-year programs of 10 million DKK (Egypt, Kenya, Turkey, China, Brazil, Colombia + one new project)
- Danish Energy Partnership Programmes (DEPP) – 5-year programs of 60-100 million DKK (South Africa, Ethiopia, Indonesia, India, China, Mexico, Vietnam)
- Danish Energy Transition Initiative – (app. 1-year/ DKK 1 million) engagement (currently Pakistan and Algeria)

See annex 2 for more information on DEA's international engagement.

Box 4 MCEU role in climate diplomacy

MCEU will continue to strengthen the effects of bilateral programs on Danish green diplomacy efforts. Examples from earlier SSCs include:

- Support to just energy transition partnerships (JETP), a modality of innovative funding that supports heavily coal-dependent emerging economies to achieve climate change mitigation in a socially just manner.
- Denmark has been invited as a G7+ member in Indonesia, South Africa and Vietnam.
- Engagement in G20 climate related actions - in its capacity as G20-president, India has, arising from the SSC activities, invited Denmark as a guest to contribute to the work streams on issues related to climate, environment and energy transition.
- In China, the SSC has paved the way for diplomatic engagements with China, i.e. participation in the China Council for International Cooperation on Environment and Development (CCICED).
- In Ethiopia, the SSC played a significant role in the Minister for Development and Global Climate Policies' visit in February 2023, following the peace Accord. As part of the negotiation of the normalization of Danish-Ethiopian relations, the SSCs on energy and water were reopened.

The FP is a step-up in MCEU's well-established engagement with MFA. Going forward, the engagement will be more strategic, further systematized and concretized. It will be reinforced through synergies with MCEU's other international engagements, with for instance The Danish Energy Partnership Programme (DEPP) and the Systematic Observations Financing Facility (SOFF).

2.3. Results and lessons from previous phases

Box 5 highlights some examples of key results of SSC projects that have also supported Danish climate diplomacy and introduced green technological solutions provided by the Danish private sector. They stem from specific SSC projects that work with framework conditions for a green energy transition. Climate diplomacy and private sector engagement are more difficult to attribute to SSC projects in their early phases as this usually involved an indirect effect arising from a better informed and improved access to policy makers by the agencies and embassy officials and/or trade council. This type of access has been founded on trust and acknowledgement of competences in long term technical working relations and political dialogues. In the examples in box 5 Danish engagement started with an SSC in the energy sector .

| Box 5 MCEU selected examples of results |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| In Turkey the SSC project has supported the drafting of a heating law, based on Danish principles. The draft law has been an inspiration for the amendment to the geothermal Act, including articles with the aim to promote district heating, partly inspired by Danish regulation. The amendment is expected to be approved by Parliament in 2023. In Parallel the embassy has raised awareness of the Turkish market among Danish technology providers like Danfoss, Grundfos, Logstor and Aalborg Energie teknik. |
| In China a Sino-Danish Clean Heating Expert Panel group was established with both Chinese and Danish experts. The group accelerated knowledge exchange between sector experts from government agencies, utilities and academia (DTU, AAU, HOFOR, VEKS, Tsinghua University, Harbin University, Xi'an University, China District Heating Association and international experts). The cooperation is acknowledged at ministerial level and during ministerial delegation visits. The Sino-Danish Clean and Renewable Heating Cooperation Centre, a virtual platform which hosts best practice cases from Denmark and China on various solutions for clean district heating. Several Danish companies are interested in developing cases to the platform. |
| In Indonesia a long-term partnership with the energy authorities at the Island of Lombok focusing on energy planning and energy outlooks has resulted in local government increasing target for green electricity (60% in 2023) and carbon neutrality above national regulations (net zero emissions in 2050 in all sectors). The ambition was presented at COP26. The now finalized SSC cooperation in Indonesia prompted increased demand from the partner authority for additional cooperation under a Danish Energy Partnership programme with Indonesia (2020-2025). Denmark has also taken on the role as co-chair of the new Friends of Indonesia Renewable Energy group that was established as part of the UK COP26 chairmanship and has participated in the preparation of the G20 summit in Bali 2022. |
| In India, a Centre of Excellence for Offshore Wind and Renewable Energy was established and inaugurated by the Indian and Danish energy ministers. The center is a knowledge hub within Ministry of New and Renewable Energy and brings together industry, public authorities and civil society in order to facilitate an accelerated realization of the Indian offshore wind potential. The center is part of the Indian-Danish Green Strategic Partnership. |
| In Kenya, a high-level policy dialogue between the two countries has been established enabling bilateral discussions on coal phase out and paving the way for further discussions with Kenya on the Beyond Oil and Gas Alliance which Kenya is set to join as the first African country. |
| In Egypt, the SSC supported the preparation of an Offshore Wind report as a first step in assisting the Egyptian authorities in creating an Offshore Wind development strategy. The report was presented at COP27. The European Bank for Reconstruction and Development has asked DEA to take on a leading role in a USD 600 million renewable energy program to phase out 5 Giga Watt of fossil energy replace it with 10 GigaWatt of renewables |

MCEU's overarching asset of the SSC work is the productive partnerships developed on long-term energy planning, renewable energy and energy efficiency. The strong relationships and consolidated networks in partner countries are key foundations for MCEU's next step under the FP of working with the authorities on green transitions of the energy sector. Other key results include partners' readiness to reform and learn from Danish approaches for greener energy planning, especially the Danish model of collaboration - across authorities, industry, universities and public sector - with transparency and information sharing across the entire energy sector. Lessons from previous SSC projects have shown that the combination of a Sector Counsellor at the Embassy, DEA technical collaboration, and external consultants, can provide a flexible and efficient package of support in long-term partnership for transformational change. Box 6 outlines key lessons that will inform MCEU's FP.

Box 6: Lessons learned from the energy SSC

- The cooperation leads to best results when using a flexible approach, that allows work plans and activities to adapt to changing request from partners
- Strong relationship building on mutual trust has been key to provide the information and data needed for DEA to deliver proper advice on developing host countries energy sectors, hence the longer time a program is running the higher probability of making an impact. Having a thorough inception phase and a realistic perspective of being able to continue the cooperation in a second and third phase is essential.
- Scoping a SSC program from another program modality, e.g. DETI, provides challenge when going from an activity-oriented program to a scoping-oriented phase (inception). Having the flexibility in the inception phase to also include concrete activities with direct benefit of the partner helps build trust and interest.
- It is crucial to tailor projects to the specific country and sector context in order to link up with national partner processes, for best partner engagement, delivery of results, and use of Danish skills and know-how from the public and private sectors.
- Essential that all the embassy and Danish commercial interest in the country have a realistic understanding of the nature of the green commercial results to expect by engaging in a SSC; SSC may at best contribute in the form of wider branding of Danish knowledge and solutions, network building, knowledge sharing, and market information.

The FP will have mechanisms for cross-project Quality Assurance (QA) and sharing of lessons on approaches and knowledge, so its impact becomes more than the sum of the projects. This includes groups that have experience on working on cross- project sessions and comparative analysis of projects for learning and synergies on green diplomacy, green commercial solutions, poverty and HRBA, and involvement of non-government and private sector actors. The background analysis on poverty and political economy will be used more actively for policy dialogue and updated when projects start a new phase (every third year).

DMI aims to build long-term collaborations with meteorological institutes in developing countries that are particularly vulnerable to climate change. However, this kind of bilateral cooperation is new to DMI and therefore no prior results or lessons learnt exist. While this is a new strategic area, DMI has over the years engaged in a number of projects, primarily research related, with meteorological services in the developing world.

DMI thus has a critical number of staff with solid knowledge on the fundamental challenges for meteorological agencies in developing countries. The challenge primarily related to limited observation networks and lack of IT capacity, which in turn limits the meteorological models that can be applied. DMI is also engaged in a number of international networks and organizations (WMO, UWC, HIRLAM, EUMETSAT, etc.), and have extensive knowledge and experience with international cooperation and projects.

DEA's approach to capacity development, as described in annex 5, has been successively developed and tested through bilateral energy government-to-government engagements in over 15 countries. There will be a continued emphasis on results in the capacity development approach and a close link to an enhanced communication on impact stories that can contribute with inspiration and “power of the example” across the project portfolio. The FP will increase the use of knowledge products developed by multilateral development institutions including those supported by Denmark through multilateral channels (e.g. IEA, World Bank ESMAP, IRENA, IISD, UNEP-DTU Partnership, CTCN, WRI, etc.).

The identification of new projects stem from embassies' initial evaluation of relevant policies supporting mitigation and adaptation and exploration of demands and needs for capacity building in relevant institutions of the energy sector or metrological services sector in the host country. Together with the country desk in the MFA and the Trade Council, GDK evaluates the requests against the following criteria: 1) prospects for contributing to the Danish climate policy, priorities of Danish development cooperation and foreign policy. 2) Danish bilateral or regional interest, including Africa as a priority and 3) Danish commercial interest. The consolidated long list is subsequently presented to the MCEU, who will prioritize the list in accordance with their internal criteria of contributing to climate mitigation and adaptation as well as relevant green commercial interest. Finally, the embassy is asked to validate the interest of potential partners in the host countries. The minister for development cooperation and global climate policy approves the choice of country.

Box 7 outlines the MCEU approach to selection of countries and partners.

Box 7: MCEU's approach to selection of countries and partners. Selection of suitable countries and national partners that can benefit from Danish experience and based on specific needs, priorities and capacity of the country, informed where relevant by a background analysis and a one year inception phase for new projects and reflection over progress and lessons learnt for 2nd and later phases. The selection is guided by the following process and criteria:

- Process: Initially countries are assessed through desk studies and meetings with the Danish embassy in the country. The aim is to evaluate the potential for a successful engagement by focusing at i) the technical potential, and ii) the political will and access to relevant stakeholders in order to make impact. In addition, drawing on experiences from international organisations present in the country, e.g. IRENA or IEA, is likewise an option to create a full picture of the working environment in the country and the likelihood of success. When a country is selected an SSC Inception phase is conducted to provide a more thorough analysis of the likelihood of making an impact. This analysis is conducted jointly between the DEA, the Danish Embassies and the partner authority. By the conclusion of the Inception phase a final project document, work plan, background analysis, budget and Terms of Reference for the SSC Steering Committee have been prepared and are filed to the MFA for remarks and approval. It is thereafter recommended to the Strategic Advisory Group to approve the country as a new SSC partnership country.
- Criteria: i) Potential for CO₂-reduction (main criteria); ii) Level of capacity at partner authorities (the better the outset, the more impact from technical assistance); iii) Stated political will to clean energy transition (official policy, climate targets (e.g. NDC), political announcements, etc.); iv) Political access (access to high-level, access to relevant authorities, buy-in from partners); v) Political setup (level of bureaucracy, cooperation between governmental institutions and decision makers, etc.); vi) Other Danish ODA-activities in the country with likely synergies; vii) Engagement from international organisations in the country with likely synergies; viii) Interest from Danish businesses in the country.

2.4. Alignment with SSC's principles and global results

The FP aligns with the SSC global vision to promote a socially just green transition and to contribute to sustainable growth and resilient development for people in partner countries. The FP's objective supports **SSC's global intermediate objective⁵**, through its focus on the green transition of the energy sector and inclusive metrological services through stronger legislative frameworks and institutional capacity of partner authorities.

The FP focusses on **areas where Denmark has special strengths** and shows international best practice, by building on MCEU's core competencies as shown in box 1. The FP's three outcomes - defined in the FP Results Framework (section 4) and FP Theory of Change (section 3) - align with the SSC's three global outcomes, as further described below.

The FP's outcome 1 addresses **SSC 2.0's global Outcome 1** (*strengthening partner authorities' capacity to develop and implement conducive regulatory, legislative and institutional framework for the green transition*), through 1) projects selected with a view to ensure the best relevancy of MCEU's core competencies to support significant change towards climate mitigation, adaptation and resilience through green transition in the energy sector and improved meteorological services, given the country context, and 2) selection of partners with core mandates to maintain the institutional frameworks for the energy sector and meteorological services, showing clear priorities to green transitions, and clear demand for MCEU's support and collaboration.

The FP's outcome 2 addresses **SSC's 2.0's global Outcome 2** (*increased climate ambitions and ambitions for green transition via bilateral relations and green diplomacy*), by ensuring the SSC projects feed into initiatives by Embassies, MFA and MCEU to promote Denmark's bilateral climate diplomacy and agendas on sustainable energy and meteorological services. Annex 1 highlights how the FP forms part of such wider Danish country-level priorities and engagements in the individual countries. To this end, the SSC projects will be used for sharing knowledge, networks, results, and lessons gained from the partner authority collaboration and broader energy sector and meteorological services engagements bilaterally and multilaterally. Embassies and sector counsellors will play the main roles in transfer of knowledge and building relations. The projects will also feed into MCEU's global climate diplomatic actions

The FP's outcome 3 addresses **SSC's global 2.0's Outcome 3** (*Danish private sector's engagement in sustainable and green solutions and investments*), 1) by promoting framework and market conditions that enable a level-playing field in markets for green solutions where Danish companies can offer best-practice solutions; and 2), by promoting country-level dialogue, networking and sharing of knowledge between the projects, Danish companies and business associations.

The counsellor will liaise and coordinate directly with DEA and DMI and facilitate and support the Danish authority in the identification, development and implementation of the SSC projects. Sector counsellors will be anchor-points for the transfer of knowledge and networking between projects, embassies, Trade Council, and business- and development cooperation instruments (incl. Dansk Industri, DSIF, IFU, etc.). The sector counsellor will facilitate contacts and in-depth knowledge about the relevant framework conditions to be shared with colleagues at the embassy and the DEA and DMI. The sector counsellor will build and maintain a broad sector network.. Specific SSC contributions from DEA, DMI and sector counsellors in support of embassy diplomatic outreach activities or Trade Council events will be agreed to in work plans of the SSC project. The initiatives under outcome 3 and 1 will interact to jointly reinforce the promotion of the SSC and FP vision of countries' socially just, inclusive, and green transition. The sector counsellor is posted on diplomatic terms and refers to the ambassador.

2.5. Alignment with Danish cross-cutting priorities and aid effectiveness

MCEU will integrate gender concerns in the inputs and dialogue with partners. This will entail ensuring that all initiatives on improving the framework conditions examine and deepen the understanding of the presence of gender-related issues. When relevant the SSC will propose actions that maximise opportunities for gender equality. Both energy transition and better meteorological services are areas where a gender perspective can substantially increase the impact of the SSC. Women are key to

analysis of energy use at the household level and especially in poorer areas women plays an important role in the transition to cleaner and renewable fuels. Women are in many countries the backbone of the agricultural sector and meteorological services are more effective when they also work through channels that reach women decision makers. This is an area where MCEU tools and approaches can benefit from experiences of the Danish MFA and potentially also the Danish Fellowship Centre.

The FP will make use of current and evolving MCEU's tools and methodologies for mainstreaming the cross-cutting priorities. The FP will mainstream human rights and gender using MFA's tools and principles and DEA's newly developed approach to poverty and HRBA. DEA and DMI are currently developing their approach to poverty and HRBA, which is expected to be ready during 2023. Since relevant HRBA issues, opportunities, and entry-points are always context- and partner specific, project-specific assessments will be made to decide focus and approaches. As such, the FP will 1) introduce steps in the project preparation and QA process to ensure assessment of relevant poverty and HRBA issues and opportunities and define initiatives to address these, and 2) apply relevant HRBA screening tools (generic ones to be developed by MFA). Project documents will have sections describing approach to poverty, gender, and HRBA.

Aid effectiveness of the FP is centred on ownership, alignment and harmonisation. Ownership is promoted by projects' direct focus on strengthening national legislative and institutional systems, ensuring country leadership. Moreover, all projects are based on partner authorities' demands and ownership. The project work plans and engagement by DEA and DMI experts will be based on partners' needs and requests. MCEU will together with the sector advisor at the embassy ensure harmonisation through dialogue, agreement, and transparency on plans and inputs to ensure projects are based on country level donor cooperation at sector level. Synergies also exist with multilateral organizations and fora where Denmark participates actively (e.g MCEU in IRENA and in NDC Partnership and MFA in ESMAP). Based on experience, new constructive project partnerships can be created in the margin of ongoing projects with embassies' assistance. For instance, in Egypt the European Bank of Reconstruction and Development sees DEA as the preferred partner in its capacity building efforts on renewable energy integration and transmission system planning.

3. Framework programme objectives and Theory of Change.

The **overall long-term objective** of the FP is to promote a socially just, inclusive and green transition and contribute to climate change mitigation, sustainable growth and resilient development for people in partner countries through SSC in areas of i) sustainable energy and ii) meteorological services.

The **immediate objective** of the framework programme is to strengthen framework conditions and institutional capacity of partner authorities to promote climate change mitigation and adaptation and resilience through green transition of the energy sector and use of advanced meteorological modelling and early warning systems that build on Danish experience.

As noted in Box A, the Strategic Sector Cooperation has three outcomes, defined from the onset of the establishment of the SSC, and further developed over time. The three outcomes are different in nature. Outcome 1 is the principal outcome of SSC and the basis for unfolding the following two outcomes. All three outcomes combined deliver the programme objective of the framework programme, but outcome 2 and 3 cannot stand alone and must support the green transition and development priorities of outcome 1.

The FP is guided by the Theory of Change (ToC), which aligns with the SSC's global ToC: If MFA/MCEU through DEA and DMI/ Embassies select countries for the SSC where ENS/DMI's core competences, supplemented by Danish climate diplomacy and Danish private sector, can contribute to tackling challenges related to climate change with a focus on energy transition especially on long term energy planning, renewable energy and energy efficiency and on meteorological services especially in climate modelling and projection, weather modelling and forecasting, and early warning systems, this contribution will in turn create conditions that will reduce poverty.

And if MCEU (DEA/DMI) and relevant Embassies in these countries identify relevant partner authorities with commitments to respond to these challenges by working towards inclusive climate change mitigation and adaptation through green transition in the energy sector and improved meteorological services and overcoming framework and institutional capacity weaknesses that hamper them in leading such transitions;

Then framework conditions will be improved, climate ambitions will be increased through the diplomatic action and the resources and capacities of the private sector will be mobilised.

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| And if outputs are supported that relate to improving long term energy planning, use of renewable energy and greater energy efficiency as well as improved meteorological modelling, climate information services and early warning systems | And if outputs are supported that enhance approaches and build partner capacity for replicating green and climate change resilient and climate change mitigation transition measures, | And if this is done through enhancing the capacity of partners to engage with the private sector in stakeholder consultations, transparent approval processes etc. |
| And if , MCEU (DEA/DMI) use its core competences, best practice knowledge, and learning-based capacity development approaches to address partners' weaknesses and support policy, institutional and technical measures where there are gaps | And if the Danish embassies in the relevant countries engage in active climate diplomacy bringing lessons and best practice solutions to the national level | And if private sector and investors can offer green transformative solutions related to renewable and energy efficiency as well as provision of meteorological services. |
| And if , this is done through sharing experience on medium and long-term green transition in the energy sector and meteorological services that enhance climate resilience. | | And if , Danish Embassies, Trade Council, and sector counsellors supported by MCEU (DEA /DMI), collaborate and share knowledge and networks on green market issues and opportunities for green investments and commercial solutions in the energy sector and provision of meteorological services |
| And if , a multi-dimensional poverty approach and human rights principles are integrated into every area of the cooperation, including the process itself, the technical work areas and the dialogue with partners | | |
| Then , the outcome of strengthened framework conditions and institutional capacity to accelerate the green transition in the energy sector and meteorological services that enhance climate resilience will be achieved. | Then , Danish bilateral technical and diplomatic initiatives will enhance the replication of green energy transition approaches and meteorological services to the regional and national level. In this way, higher and well-founded inclusive climate related ambitions at country level will be enhanced on paper and in practice. | Then , the exposure of green and sustainable solutions provided by Danish private sector actors in the green transition of the energy and meteorological sectors could be increased in the partner markets |
| And then the energy sector and the provision of meteorological services will have moved forward on climate change mitigation, adaptation and enhanced resilience through stronger framework conditions and institutional capacity of partner entities to adopt new approaches in: i) long term energy planning, ii) integration of renewable energy, iii) wind power – offshore and onshore, iv) energy efficiency, v) district heating as well as vi) climate information services, weather modelling and forecasting, and early warnings systems. | | |
| And then , the energy and meteorological agencies and utilities will have improved their governance to act as duty-bearers, and the rightsholders will have access to information to better claim and exercise their rights. | | |

And then a long-term contribution has been made towards a socially just, inclusive and green transition and to sustainable growth and resilient development for people in partner countries in areas of energy and meteorological services.

And then Denmark and partner countries jointly can contribute to the fulfilment of the SDGs and the Paris Agreement, for a green transition and sustainable development, and strengthening the global cooperation on climate change mitigation and adaptation.

Note: the cause effect chain is not linear with for example climate diplomacy and engagement of the private sector both supporting green transition and improved framework conditions but also benefitting from them.

The **critical assumptions** moving from inputs to outputs are:

- Partner authorities and others are ready and able to absorb and make best use of expertise and support from Denmark
- Partner authorities give full access to necessary data
- Partner authorities and others with the support of the trade council, if relevant, are able to access and understand the value of Danish knowhow and technology that they find relevant and competitive

The critical assumptions moving **from outputs to outcomes and impacts** are:

- There is institutional and political stability in the relevant partner authorities to ensure that capacity transferred is made use of and sustained
- There is a continued policy commitment at national level and in the relevant partner authorities to achieving the targeted climate and SDG goals
- Larger scale investment financing is mobilised, where required, to complement institutional strengthening and demonstration projects.

The critical drivers moving **from outputs to outcomes and impacts** are:

- Political national and global commitments such as the NDCs lead to improved incentives for green transition
- Partner authorities have the capacity to create the relevant frameworks to accelerate the green transition using best practise and a least cost approach.
- The FP inspires and catalyses good governance and institutional strength
- Opportunities for export provide incentives for Danish companies to invest time and resources in responding to market opportunities.

4. Results framework

Monitoring and reporting of the FP will be based on the results framework below. The FP indicators, approach to aggregating project level results, and roles will be finally developed in a Monitoring, Evaluation, Accountability and Learning (MEAL) Plan for approval by the Programme Management Group (PMG). To supplement the monitoring based on indicators, a concept for outcome harvesting will be developed and tested during the FP, with special focus on capturing broader results related to climate action, a green, inclusive and just transition, and green commercial contributions (these could inform the mid-term review of the FP). All projects do not have to contribute to every output or even outcome. DEA and DMI have different core competencies and hence their SSC projects will have different focuses; DEA focus on mitigation (energy transition), while DMI focus on adaptation (meteorological services).

The overall SSC strategy aims at 3 global results within 1) cooperation on framework conditions and technical lessons learned in order to accelerate the transition to renewable energy, 2) diplomacy and 3)

private sector). Outcome 1 is the core outcome of the programme, whereas Outcome 2 and outcome 3 are derived from outcome 1. Thus, it is important to appreciate that the primary aim of the programme is a change in framework conditions (outcome 1). It is expected that achieving outcomes on climate diplomacy (outcome 2) and involvement of the private sector (outcome 3) will both support the change in framework conditions but also benefit from such change. The implementing agencies (DEA and DMI) are primary responsible for delivering results on outcome 1. The embassies, trade council and the implementing agency (DEA and DMI) have a shared responsibility of successful implementation of outcome 2 and 3. Contributions from the agencies are dependent on the level of activity of the embassy. The below table is generic hence not all projects will need to contribute to every output or potentially even to every outcome.

| | | | |
|---------------------|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Programme | | Framework Programme on Strategic Sector Cooperation with Ministry of Climate, Energy and Utilities and its agencies (2023-2027) | |
| Programme Objective | | To strengthen framework conditions and institutional capacity of partner authorities to promote climate change mitigation and adaptation and resilience through green transition of the energy sector and use of advanced meteorological modelling and early warning systems that build on Danish experiences and in the long term support reduction of poverty. | |
| Outcome 1 | | Strengthened framework conditions and institutional capacity to promote climate change mitigation, adaptation and resilience through green transition in the energy sector and improved meteorological services. | |
| Outcome 1 indicator | | Policy, regulatory, procedural or capacity obstacles for enhancing green energy transition and improved meteorological services have been addressed | |
| Baseline | Year | 2023 | Partner authorities in 6 countries are facing institutional obstacles for green energy transition and 1 partner country for providing meteorological services. |
| Target | Year | 2027 | At least one prioritised framework-related obstacle suitable for SSC intervention has been addressed in each of the 7 partner authorities as reported and evidenced in the annual report for 2027 |
| Outcome 2 | | Enhanced Danish green diplomatic engagement in support of climate mitigation, adaptation and resilience through green transition in the energy sector and improved meteorological services. | |
| Outcome 2 indicator | | Number of Danish diplomatic outreach activities by Danish diplomatic actors that successfully use knowledge or networks supported by information arising from the FP's work on green transition in the energy sector and improved meteorological services. | |
| Baseline | Year | 2023 | 0 |
| Target | Year | 2027 | The programme has contributed with technical knowledge to 30 outreach actions (such as high-level meetings and policy dialogue events) which at least 4 of them, have engaged authorities and organisations beyond the SSC partner authorities—as reported and evidenced in the annual report for 2026 |
| Outcome 3 | | Platforms have been created by Danish embassy, trade council and others for enhanced private sector engagement in green transition in the energy sector and improved meteorological services. | |
| Outcome 3 indicator | | Number of events carried out by the Danish embassy trade council and others, linked to and informed by the framework partnership work, that provide opportunities for showcasing Danish knowhow and technology related to green transition in the energy sector and improved meteorological services. | |
| Baseline | Year | 2023 | Limited platforms for Danish private sector engagement |
| Target | Year | 2027 | The programme has contributed with technical knowledge to 10 workshops arranged by the Danish Embassy, trade council and others with participation of 1-3 Danish companies in each. The programme has contributed with technical knowledge to 10 visits arranged by the Danish Embassy, trade council and others each with participation of at least 1 Danish company or industry organisation |
| Output 1.1 | | Long term energy planning has improved | |
| Output indicator | | A comprehensive power sector model has been developed/enhanced in the partner institution and several power sector scenarios has been developed for political purposes and possibly also led to the development of Energy outlooks [target: in two thirds of those countries where this output is planned at project level] | |

| | |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Output 1.2 | The potential for an increased share of renewable energy |
| Output indicator | Policy, institutional and technical measures ¹ for greater renewable energy potential have been implemented [target: in two thirds of those countries where this output is planned at project level] ² |
| Output 1.3 | The potential for increased energy efficiency has increased |
| Output indicator | Policy, institutional and technical measures for greater energy efficiency been implemented within buildings, industry or through district heating [target: in two thirds of those countries where this output is planned at project level] ³ |
| Output 1.4 | The potential for improved meteorological services has increased |
| Output indicator | Policy, institutional and technical measures for improved meteorological services [target: at least 2 measures across the projects where the FP aims at this output] |
| Output 2.1. | The awareness of partner countries of the value of updating and fulfilling NDC targets on mitigation and adaptation has increased (arising from the diplomatic outreach activities which are informed by the FP) ⁴ |
| Output indicator | NDC targets on either mitigation or adaptation have been updated and revised where appropriate (arising from the diplomatic outreach activities which are informed by the FP) [target: at least 4 of the 9 countries] ² |
| Output 2.2. | The effectiveness of the whole of government Danish initiative to promote climate diplomacy through green transition in the energy sector and improved meteorological services has increased (arising from information and policy briefing material provided through the FP). |
| Output indicator | Meetings held with key public, private and civil society organisations that document how information on how climate targets can be reached and extended has been shared and responded to target: at least 3 meetings in each of 9 countries] |
| Output 3.1. | Partner awareness of private sector know how and technology in green transition in the energy sector and improved meteorological services has increased. |
| Output indicator | Partner authorities have made changes in the framework conditions that open up for an increased participation of the private sector in green transition in the energy sector and improved meteorological services [target: at least 4 of 9 countries] |
| Output 3.2. | Awareness of Danish private sector know-how and technology in green transition in the energy sector and improved meteorological services |
| Output indicator | Export relevant workshops carried out by the Danish embassy trade council and others held with participation of Danish private sector target –more than 2 workshops and participation of at least 3 Danish companies in each of 9 countries] |

Notes: 1) The above monitoring framework will be complemented by an outcome harvesting that will use evaluation techniques to capture wider results and communicate them 2) A main thrust of the Paris Agreement are the NDCs that provide a pathway for increasing global solidarity based on national circumstances. The NDCs are an important mechanism for deepening ownership and commitment for combating climate change and a key entry point for Danish climate diplomacy.

5. Emerging project portfolio: Context and design features

The FP is founded on a set of individually tailored projects that will evolve over the FP period, as new phases and projects develop, but which share certain features with respect to contexts and designs, and all draw on (one or more of) MCEU's core competencies (Box 1), as relevant and demanded by the partner to address critical challenges related to sustainable energy and meteorological services.

| Table 2 Projects under the SSC FP | | | | | | | |
|-----------------------------------|--------------------|----------------|--------------------|-------------------|----------------|-----------------------|------------------|
| # | Responsible Agency | Country /phase | Project objectives | Partner authority | Thematic focus | Adaptation/mitigation | Project document |

¹ Measures can be at policy, institutional or technical level. In general they will be advisory and linked to capacity development - the type of intervention varies between the projects and the intention here is to look for evidence that the advice and capacity has been put to use in one form or another i.e. not just measuring that an activity such as a workshop or training course has been held but also that there are signs that some of what is advocated or learnt is being put into practice

² Too early or too ambitious to quote actual RE share increases per country – this target will need to be confirmed, further quantified and adjusted up or down depending on the later project designs

³ Too early or too ambitious to quote actual energy intensity reductions per country - this target will need to be confirmed, further quantified and adjusted up or down depending on the later project designs.

| | | | | | | | |
|---|-----|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------------------|
| 1 | DEA | Egypt Phase I (2020-2023) Phase II (2024-2027) | Accelerating the green transition in Egypt through exchanging experiences in energy system planning and operational integration of variable renewable energy (VRE). | Egyptian Ministry of Energy and Renewable Energy (MoERE) Egyptian Ministry of International Cooperation (MoIC) | Increased capability in power sector planning for variable renewable energy; Enhanced power system ability to integrate renewable energy generated in the power system in a cost-effective way; Assessment and review of options for wind project development. Governing and registration of an energy management system with an energy efficiency register (monitoring, reporting and verification system MRV). | Mitigation | Available |
| 2 | DEA | Turkey Phase III (2023-2026) | Support the MENR during the transition of the energy sector in Türkiye focusing on energy modelling to make best use of the renewable energy sources and assist the MENR in enabling deployment of low carbon and energy efficient, economic viable district heating and cooling. | Ministry of Energy and Natural Resources of the Republic of Türkiye (MENR) | District Energy Energy Planning and modelling | Mitigation | Available |
| 3 | DEA | China Phase I (2020-2024) Phase II to be integrated in new DEPP 3 | Support for NDC goals for decarbonising heating and scale the clean heating ambition in future Five-Year Plans. To assist Chinese government agencies and other stakeholders in developing relevant strategies, policies and solutions to improve the integration of renewable energy and energy efficiency in the heating sector. | National Energy Administration. Other partners: China Renewable Energy Engineering Institute and Ministry of Housing, Urban and Rural Development | Integration of renewable energy and efficient energy planning in the heating sector | Mitigation | Available |
| 4 | DEA | Kenya Phase I (2022-2024) Phase II (2025-2028) | Kenya continues its low carbon energy transition supporting sustainable development targets through least-cost long-term energy planning and optimized infrastructure development. | Ministry of Energy | Long-term Energy planning Integration of variable renewable energy | Mitigation | Available |
| 5 | DEA | Brazil Phase I (2023-2026) Phase II (2026 -2029) | Strengthened institutional capacity at national level in the fields of offshore wind development, long-term energy planning, including technology catalogue, and integration of variable renewable energy in the system. | Ministry of Mines and Energy (main partner) and their office of Energy Research Office Other partners: Brazilian Electricity Regulatory Agency, the National Electric System Operator and Brazilian Institute of Environment and Renewable Natural Resources | Offshore wind development Long-term energy planning Integration of variable renewable energy | Mitigation | Submission for SMG Q2 2023 |
| 6 | DEA | Colombia Phase I (2023-2026) Phase II (2026-2029) | Strengthened institutional capacity at national level in the fields of offshore wind development, long-term energy planning, including technology catalogue, and integration of variable renewable energy in the system. (tentatively) | Ministry of Mines and Energy (MME) Other partners: Energy Planning Agency, National grid operator, Commission on Electricity and Gas Regulation | Offshore wind development Long-term energy planning Integration of variable renewable energy | Mitigation | Submission for SMG Q2 2023 |
| 7 | DMI | Ghana Phase I (2023-2026) Phase II (2026-2029) | Strengthened Capacity of GMET to support the socio-Economic development of Ghana through provision of relevant and timely climate data and forecasts within xx sector. | Ghana Meteorological Agency (GMET) | Oceanography and coastal protection Numerical weather prediction Climate modelling and risk indicators Early warning systems | Adaptation | Submission for SMG Q2 2023 |

| | | | | | | | |
|----|-----|------|------------------------|--|----------------|------------|--|
| | | | | | Remote sensing | | |
| 8 | DEA | open | | | | Mitigation | |
| 9 | DMI | Open | | | | Adaptation | |
| 10 | DMI | Open | (only inception phase) | | | Adaptation | |

6. Budget

Figures in the indicative budget below are preliminary and subject to Parliamentary approval. This budget overview reflects the expected support as indicated in the 2023 Finance Act and approved by the Danish Parliament in Q1 2023.

| Budget MCEU SSC framework programme 2023-2027 (DKK) | | | | | | | |
|-----------------------------------------------------|------------------------------------|-------------|------------|------------|------------|------------|------------|
| Project title, phase | Period | Total | 2023 | 2024 | 2025 | 2026 | 2027 |
| Egypt Energy, phase I + extension 2022 | 2020-Q2 2024 (including extension) | 6.625.232 | 4.100.477 | 2.524.755 | | | |
| Egypt Energy, phase II | Q3 2024-Q2 2028 | 9.999.998 | | 1.666.666 | 3.333.333 | 3.333.333 | 1.666.666 |
| Turkey, energy/research, phase III | Q1 2023-Q2 2026 | 9.215.403 | 2.430.731 | 3.392.336 | 3.392.336 | | |
| China, energy - district heating, phase I | 2020 - Q2 2024 | 3.615.538 | 1.474.725 | 2.140.813 | | | |
| Kenya, Energy, phase I | Q2 2023-Q2 2025 | 6.206.045 | 2.459.025 | 3.747.020 | | | |
| Kenya, Energy, phase II | Q3 2025 - Q2 2028 | 9.999.999 | | | 3.333.333 | 3.333.333 | 3.333.333 |
| Brazil phase I | Q3 2023-Q2 2026 | 9.999.998 | 1.666.666 | 3.333.333 | 3.333.333 | 1.666.666 | |
| Brazil phase II | Q3 2026-Q2 2029 | 3.333.332 | | | | 1.666.666 | 1.666.666 |
| Colombia phase I | Q3 2023-Q2 2026 | 9.999.998 | 1.666.666 | 3.333.333 | 3.333.333 | 1.666.666 | |
| Colombia phase II | Q3 2026-Q2 2029 | 3.333.332 | | | | 1.666.666 | 1.666.666 |
| Ghana phase I | Q3 2023-Q2 2026 | 9.999.998 | 1.666.666 | 3.333.333 | 3.333.333 | 1.666.666 | |
| Ghana phase II | Q3 2026-Q2 2029 | 3.333.332 | | | | 1.666.666 | 1.666.666 |
| New country (DMI) | | 9.833.332 | | 1.500.000 | 3.333.333 | | 1.666.666 |
| New country (DM only inception) | | 1.500.000 | | | | 750.000 | 750.000 |
| New country (DEA) | | 9.833.332 | | 1.500.000 | 3.333.333 | 3.333.333 | 1.666.666 |
| Projects total | | 106.828.869 | 15.464.956 | 26.471.589 | 26.725.667 | 24.083.328 | 14.083.329 |
| Communication | | 640.131 | 65.000 | 170.000 | 170.000 | 170.000 | 65.131 |
| Reviews, learning, outcome harvesting | | 1.000.000 | | | 1.000.000 | | |
| Unallocated | | 10.000.000 | 1.250.000 | 2.500.000 | 2.500.000 | 2.500.000 | 1.250.000 |
| Other total | | 11.640.131 | 1.315.000 | 2.670.000 | 3.670.000 | 2.670.000 | 1.315.131 |
| Total | | 118.469.000 | 16.779.956 | 29.141.589 | 30.395.667 | 26.753.328 | 15.398.460 |

All SSC projects will be implemented in phases, initiated by an inception phase (developing the SSC project proposal); 1st phase, commencing the collaboration; 2nd phase, consolidation and further development; and 3rd phase, concluding and ensuring a proper exit and sustainability, in total corresponding to 10 years engagement (SSC Administrative Manual chapter 3). Table 2 summarizes the projects in the FP. They will be basis for the development and approval of new phases and projects according to the governance mechanisms described in section 7. Annex 1 gives further information on the projects.

The FP has allocated 10 million as unallocated funds in the programme budget, leaving SSC projects' entire budgets to be allocated to specific outputs. Unallocated funds can be mobilized to support: 1) interventions within FP's results framework, when an unforeseeable and strategic opportunity arises during program implementation; 2) additional costs of already planned activities, 3) support ad hoc activities to promote outcome 2 or 3; 4) covers financial gaps between planned and actual expenditures when existing projects enters the FP as of 31. June 2023 and; 5) support end of project activities or bridging arrangements to other programmes (DEPP) for the third phase SSC in Turkey or the SSC in China that may enter DEPP in 2026. Unallocated funds can only be applied within the existing partner countries and within DMI's or DEA's pre-defined thematic areas. DMI and DEA submit a brief application to the Strategic Management Group (SMG) for approval. The application will follow the format already used by DEA under the DEPP programmes. The format includes brief description of the intervention, update result framework, description of the partner, budget, etc.

The FP is financed by Official Development Assistance (ODA), and as such abides by the OECD DAC ODA definition, which states that official aid promotes and specifically targets the economic development and welfare of developing countries. As such, the allocation of SSC funds for outcome 3 must always have the realization of outcome 1 (green transition and development) as the prime objective.

For activities that support the identification of sustainable development solutions and opportunities for the promotion of green financial investments (outcome 3), it is important to note that project funds cannot be disbursed to private companies, Danish or other. Companies can participate in program/project activities but must cover all costs related to their own participation. However, consultancy companies contracted to deliver technical inputs to the program/projects are exempt from this ground rule. The procurement of consultancies must follow the procurement guidelines that apply to the Danish partner authority.

7. Governance and management arrangements

The management arrangements of the FP will follow the rules applying for SSC (Guiding Principles, the Administrative Manual and the Financial Annex), in addition to MFA's Aid Management Guidelines. MCEU is overall responsible for implementing the FP, working closely with Danish Embassies and MFA. MCEU and MFA will engage at two levels in the governance and management of the FP:

Strategic Management Group (SMG), has the mandate for guiding the FP's strategic direction, address relevant sector developments, and issues emerging from programme management in regard to objectives of the SSC framework. The SMG will approve proposals for using unallocated funds provided in the programme budget. The SMG will guide and advise about maximizing the impact of bi- and multilateral engagement in support of Denmark's international climate diplomacy. MCEU and MFA have already established a well-functioning SMG which for several years has been guiding the full portfolio of energy government-to-government projects implemented by the MCEU and DEA. The project portfolio consists of the Danish Energy Partnership Programmes (DEPP), individual SSC projects and Danish Energy Transition Initiative (DETI). The SMG is composed of high-level representatives from MCEU and MFA, with the Chair rotating between MCEU and MFA. The SMG meets twice a year in April/May and in October/November. The TOR for SMG will be under revision in order to allow for DMI membership and include the SSC framework agreement in the TOR

Programme Management Group (PMG) is responsible for monitoring the FP implementation and progress based on annual progress report, financial report and a FP budget and work plan, which are compiling the information from project reports approved and submitted by the steering committees for the individual projects. The PMG approves new projects, new project phases, and phasing out, in accordance with this FP, as well as approving use of unallocated funds provided in the existing projects entering the FP as of June 2023. New phases and new projects will be assessed and approved based on the focus and considerations defined in this FP document. The project documentation will be guided by the AMG guidelines and will include description of objectives, partners, results frameworks, risks, ToC, budgets, work plans, background analysis. A well-functioning PMG has for years been monitoring the full project portfolio of MCEU/DEA in support of the SAG. The PMG is composed of MCEU and MFA senior staff involved in FP management and implementation with MCEU as Chair. The PMG meets bi-annually, as follows: In February/March, to review the annual progress report and financial expenditure report, and address deviations and challenges in implementation of individual projects; in October/November, to review and approve next years' programme planning and budget and to review the capacity and contributions of all involved stakeholders. The TOR for PMG will be revised in order to allow for DMI membership and include the SSC framework agreement in the TOR

DEA is the secretariat of both SMG and PMG and will organize and facilitate all meetings and together with DMI follow-up of the SMG and PMG.

As defined in SSC's Administrative Manual/Guiding Principles, **Project Steering Committees** for the individual projects are composed of the DEA or the DMI, the Danish Embassy and the partner authority.

The Sector Counsellor acts as Secretary. The Project Steering Committee is co-chaired by the Danish Ambassador/Deputy and a high-level partner representative. MCEU/DEA/DMI is responsible for operational management, and administration of the individual projects.

The main decisions of the individual projects are made locally in the Project Steering Committee where partner authorities at technical and high-level are represented. National non-public stakeholders may participate as relevant in project steering committees.

A mechanism (a task force or meeting structure) will be established at embassies to jointly monitor, share lessons, and coordinate activities in support of each of the FP's 3 outcomes. That mechanism will be responsible for monitoring progress, agreeing, and coordinating activity plans, and compiling monitoring data for results reporting relevant to the three FP outcomes at project/country level. It will monitor the continuing validity of assumptions and review the risk management matrix. It will be chaired by the Embassy and include DEA/DMI, Sector Counsellor, Trade Council, relevant Embassy diplomatic/development staff and other relevant members identified. It will meet on a needs-basis that ensures timely input to annual progress reports and work plans.

The FP will establish processes for systematic sharing of knowledge and lessons. There will be regional meetings (virtual) between MCEU, MFA and relevant Embassies with focus on sharing information and knowledge on issues, challenges, and opportunities, across all three FP outcome areas. Generally during implementation, MCEU will facilitate relevant opportunities for Embassies to engage at high-level with partner authorities; and in connection with Danish high-level visits to the countries, MFA/Embassies will engage with MCEU early-on regarding relevant opportunities in connection with such visits; all will explore opportunities through DFC to enhance learning outcomes. The sessions will also cover sharing of lessons regarding integration of HRBA and stakeholder engagement.

8. Financial management, planning and reporting

MCEU will follow the MFA Guidelines for Financial Management and the SSC Annex on financial implications for a Danish Authority engaging in Danish officially financed Development Assistance. Budgeting and financial accounting and reporting to MFA will be at program level in similar format as the FP budget (see Chap. 6) and at project-level, including output-based financial reporting at project level. MCEU should be able to provide accounting for use of inputs including staff time at output-level. The funds will be disbursed by MFA to MCEU annually in one tranche based on approved reporting. Standard best-practice accounting procedures apply. Disbursements are subject to approval by the granting authority in the fiscal year in which the payment is made.

MCEU will provide an **Annual Progress Report (APR)** that assesses the FP's progress, developments, risks, and lessons in relation to the FP Results Framework, Theory of Change, and a synthesis of progress across the outcomes and outputs in the individual projects, structured in terms of outcomes and main areas of work defined under the FP with input from specific embassy and Trade council. The report will address assumptions to the Theory of Change, risks, and learning, as basis for any adjustments to individual projects. The narrative FP annual reports are prepared by MCEU in close cooperation with Sector Counsellors and the Embassies. The Annual Progress Report is main basis for discussion of progress in the PMG and SMG and MFA's reporting on Results Framework Interface (RFI).

9. Monitoring, learning, and risk management

MCEU is responsible for **monitoring** of the projects under the FP based on the three FP outcomes, the project specific results frameworks, risks matrix, and guided overall by Danida Aid Management

Guidelines (AMG) with input from specific embassy and Trade council. MCEU will ensure internal quality assurance systems for preparing project documents, annual and mission reporting on new and on-going SSC projects. MCEU will establish an outcome/output-based monitoring system adequate for meeting the monitoring, learning and reporting requirements across the SSC projects and FP results framework. MCEU will be responsible for reporting on the RFI. Monitoring will be based on the MEAL plan, which will be developed by MCEU and include final results frameworks, roles, and approach to aggregating project level results for the FP.

MFA will commission a **mid-term review** of the FP in 2025 with focus on progress towards results, lessons learned; organizational management capacity of MCEU and partner authorities; and lessons on cooperation and dialogue with main relevant private sector actors; and implementation of programme monitoring and learning system; operationalization of the HRBA and poverty reduction in the capacity development efforts. The mid-term review will also revisit the result framework and targets. The exact timing of the mid-term review should be flexible and take account of there being sufficient information and sufficient time to implement changes if any arising from the review

Annex 3 describes the **main risks** facing the FP. MCEU will annually review and update the risk assessment for discussion in the PMG and SMG meetings if needed. The main contextual risks that all projects share is the risk of delays and changes after national elections and new priorities of incoming governments. The mediation measures is a high level of flexibility in project implementation and a long time horizon (up to ten years) that builds trust in technical relations and between the participating institutions that allows continuation of capacity building at the technical level. Covid restrictions on travelling and meetings could result in project delays as was the case during 2020-2021. Mediating measures will contain of increased use of online meetings and workshops. Risks at the level of the individual projects will be identified and monitored based on the project documents.

MCEU and the Embassies will collaborate with **Danida Fellowship Centre (DFC)** to maximize results of the FP and support joint identification of learning needs, co-creation of opportunities, and coordinated or joint evaluation of results (e.g. via outcome harvesting). MCEU and the Embassies will collaborate with DFC to ensure that learning opportunities, research-to-policy support and networking initiatives offered by DFC, and research project funding managed by DFC, are leveraged by and remain supportive of the individual projects, including by integrating relevant DFC initiatives as part of these projects. Such learning initiatives will include the HRBA approach.

To this end, MCEU will ensure that possibilities for relevant collaboration are considered under the individual projects and discussed across the FP annually in the PMG, and that DFC is included as relevant in the formulation of new phases under each project, and the evaluation of such phases upon their conclusion. Decisions on collaboration are made at project level, with Sector Counsellor as initiators..

10. Closure and exit

The process for closure and exit and/or transition to other forms of partnerships will follow the procedures defined in the SSC guidelines and Danida's AMG. All projects are likely to end at the end of a third phase, corresponding to approximately 10 years, but can be ended any time decided by the SMG.

Any project entering phase 3 should include, as part of the project documentation for approval, an outline strategy for transition that ensures sustainability of main project results after project completion. The strategy should describe how results are planned to be sustainable within the partner authority systems. For example through focus on particular partner reform processes that the partner is committed to sustain, and relevant plans for how project results will be transferred to be managed by the partner. It

should also describe how the SSC project's synergies with the wider Danish engagement in the country will be sustained, for instance, through contribution to other Danish aid and business instruments and/or further commercial or investment cooperation in that country. If relevant, the partners can continue to participate in open activities offered by DFC and possibly other activities such as thematic networks or access to learning resources.

One year before the termination of the FP, the PMG - and later SMG - should assess and agree on the possible next phase of FP. A final FP results report based on AMG's format should be submitted by MCEU for discussion and approval by the SMG. The closure of accounts should follow the principles in the AMG.

The cooperation in Turkey and China will exit during this FP. In Turkey attention was given to upscaling long term modelling and district heating. Phase 3 will focus on consolidating progress in these areas so that the approaches introduced can be replicated, scaled up and sustained once the cooperation ends. Similarly in China, after many years of cooperation across various areas there is a strong focus on a fewer range of issues including district heating. In both cases, the last phase will also focus on ensuring a lasting partnership based on mutual exchange and a good example of this is the MCEU engagement in China Council for International Cooperation on Environment and Development which is highly relevant for climate diplomacy and potentially extends beyond the SSC and its timescale.

Box 8 Exit strategies

The exit strategies will be tailored for each situation – common elements are likely to include:

Policy dialogue

- Focus on developing the policy dialogue with partners to promote common long-term positions on climate diplomacy and energy transition

Capacity development

- Design and time capacity development and the level of ambition so that the necessary capacity to replicate, upscale and sustain the approaches are in place before the end of the cooperation.
- Ensure capacity development tools are institutionalised through transfer of manuals and training materials, including training of trainers into partner systems of human resource development e.g. among public administration training units or universities or business associations.

Long term partnership

- Seek post SSC partnership centred on mutual information exchange and common positions through bilateral and international channels e.g. on common membership organisations such as IRENA
- Explore deeper forms of partnership such as setting up a mutual helpdesk function and personnel secondment and exchange.

In general, MCEU will place increasing attention on identifying the exit strategy and scenarios in each of the countries they work with. This will be done at an early stage of project design with greater detail presented in later phases. As experience is gained on exiting, the lessons learnt and approaches will be consolidated and documented by MCEU. This guidance will then be easily accessed by those involved in the programme in the same way as the guidance is provided on political economy, poverty reduction and use of the HRBA. Some of the strategies and approaches to exiting projects are summarized in box 8

Table of content

| | |
|-------------------------------------------------------------|-----------|
| Annex 1: Project descriptions | 2 |
| Annex 2: Partner Assessment | 18 |
| Annex 3: Risk Management | 21 |
| Annex 4: Plan for Communication of Results | 24 |
| Annex 5: Approach to Capacity Assessment | 26 |
| Annex 6: Proces Action Plan for Implementation | 28 |
| Annex 7 DRAFT TOR for SAG and PMG | 31 |

Annex 1: Project descriptions

In accordance with the SSC guidelines, the below summarises the project contexts and key design features.

Egypt - Phase 1, Egyptian-Danish Strategic Energy Sector Cooperation (ongoing project)

Egypt – Phase 2, Egyptian-Danish Strategic Energy Sector Cooperation (future)

| | |
|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project Title | Egyptian-Danish Strategic Energy Sector Cooperation |
| Project period | July 2020 – December 2023 (to be extended) |
| Country | Egypt |
| Main sector development issues | <p>Energy context highlights</p> <ul style="list-style-type: none"> • Egypt is the largest consumer of oil and gas on the African continent. More than 90% of its energy is based on fossil fuels, and the country expects a continuous increase in demand due to growth in both population and economy. With no mitigation measures, it is expected that the country's CO2 emission will double by 2050. • Egypt has ambitions to decouple CO2 emissions from economic growth and to cut its emissions by 33% in 2030 (compared to business as usual) through a series of initiatives aiming to decarbonize the economy. The country has good potential for increasing renewable energy production and introducing energy efficiency measures e.g in industries. • Focusing on production of electricity, Egypt's NDC stipulates that by 2035, 42% of its electricity should be generated by renewable energy, which will require immense improvements to the institutional and legal framework as well as human and institutional capacities. • <p>Poverty, vulnerability, inequality – and role of climate change and natural resource degradation</p> <ul style="list-style-type: none"> • The poverty rate in Egypt in 2020 was 29,7 %.. Structural reforms and social protection measures are being implemented in rural areas focusing on health, education, employment and infrastructure. • Egypt ranks 129 out of 156 countries in the 2021 Gender Gap Report by the World Economic Forum. There are significant gender gaps particularly on Economic Participation and Opportunity. Unemployment rates are significantly higher for women than for men, particularly in the private and production sector and in managerial positions. Further, due to social norms, women are subject to harassment and violence, and often struggle to obtain their political, economic and social rights – in particular women with disabilities, elderly women, single/divorced women, rural women, and migrant and refugee women. • Poor rural communities and women employed in agriculture are particularly vulnerable to climate change and to the degradation of natural resources affecting livelihoods, health and food security. • The SSC activities with Egypt indirectly addresses poverty by creating an enabling environment for more affordable renewable energy which will be a benefit for new and existing businesses. By this, more jobs will be created. Second, the project will support a cost efficient approach to electricity production based on renewable energy which will lower the overall consumer cost of electricity. Lowering the cost of electricity will have a positive impact of poor and vulnerable people's economic latitude. <p>Political economy and main sector</p> <ul style="list-style-type: none"> • Egypt is facing severe economic challenges partly due to the government's lack of focus towards securing inclusive growth, attracting foreign investments and in general strengthen Egypt's macro-economic stability. • The dire economic situation is exacerbated by COVID-19 and the war in Ukraine. • Egypt's Vision 2030 Strategy, which includes a pillar on renewable energy, aims to address some of the above-mentioned challenges. |

| | |
|---------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | |
| Thematic focus | <p>Establishment of an enabling and competent environment for implementation of NDC's related to mitigation and green transition through capacity building and support on regulatory and institutional development.</p> <p>Strengthening of institutional capacities, including ability to conduct long term planning, develop and implement road-maps and strategies and facilitate market demands on the green transition.</p> |
| National partner authority (recipient country) | <p>Egyptian Ministry of Energy and Renewable Energy (MoERE)</p> <p>Egyptian Ministry of International Cooperation (MoIC)</p> |
| Other partners to include, incl. Danish authorities | <p>Egyptian New and Renewable Authority (NREA)</p> <p>Egyptian Energy Transmission Company (EETC)</p> <p>Egyptian Electricity Holding Company (EEHC)</p> <p>Egyptian Energy Regulator Authority (EgyptERA)</p> <p>Energinet supporting the DEA on advisory services</p> <p>Forsyningstilsynet (potentially) supporting the DEA on advisory services</p> |
| Objective | The Strategic Sector Cooperation within energy and climate between Denmark and Egypt has the objective of accelerating the green transition in Egypt through exchanging experiences in energy system planning and operational integration of variable renewable energy. |
| Main possible or expected components (outcome areas) | <p>Outcome 1: Increased capability in power sector planning for variable renewable energy. Training and capability development in application of tools; analysis of topical areas related to variable renewable energy, scenarios for variable renewable energy uptake and submission of Renewable Energy Outlook.</p> <p>Outcome 2: Enhanced power system ability to integrate the renewable energy generated in the power system in a cost-effective way. Output 2.1: Danish and European experiences with liberalisation of power markets are transferred to Egyptian partners and Output 2.2: Methodologies developed for short term forecasting of variable renewable energy, provision of ancillary services and securing stability and flexibility of the power system</p> <p>Outcome 3: Options for wind project development in Egypt assessed and reviewed Output 3.1: Assessment of prerequisites for performance evaluations of selected Zafarana sites. Output 3.2: Review of requirement for wind resource assessments, including offshore wind resources.</p> <p>Outcome 4: Increasing Energy Efficiency in the Energy sectors of Egypt. Output 4.1: Development of a centralized register for large consumers with a contracted installed capacity of more than 500 kilo-Watt to report data on energy and energy efficiency. Output 4.2: Development of an energy management governance programme.</p> |
| Considerations about how "greening" would be addressed | All activities under this programme has the sole objective of greening the energy sector both on the demand and the production side. |
| Significant outstanding questions or critical steps in the process | The programme was initiated in 2020 but suffered from a delay due to COVID-19. Expected project extension of app 1 year. On the operational and technical side, there is an outspoken interest and commitment from partners. Bureaucracy and red-tape imposed on the project by Egyptian Ministry of International Cooperation has added to the delay. On the operational and technical side, there is an outspoken interest and commitment from partners. |
| Previous results and lessons learned | A number of tangible deliverables have been successfully completed together with the partners. The SSC program has further obtained a significant interest from other international organizations and |

| | |
|---------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | donors who have reached out to the DEA, suggesting an interaction to coordinate and potentially cooperate with the objective to exploit synergy and complementarity. |
| Danish priorities, interests, and coherence | A fruitful and successful strategic sector cooperation with our Egyptian partner will have a conducive effect also on the bilateral cooperation between Denmark and Egypt in general. Providing positive outcomes and success stories of the joint efforts under this partnership will reinforce the good diplomatic relations on which the Danish Embassy can leverage in relation to other activities. It is expected that the improved bilateral relations will pave the way for Danish private sector involvement in the Egyptian energy sector. |
| New phases | Continuation in Phase 2, most likely within the same themes and outputs. |
| Main other relevant instruments, engagements, and initiatives managed by the Embassy | |
| Instrument | Main relevant linkage to SSC project (in a few words) |
| DGBP/DMDP | |
| DSIF | Funding and support on potential studies and activities related to the SSC |
| TC | Connecting the dots between demand from SSC partners and Danish private sector |
| IFU | Maintain a close dialogue on relevant developments under the SSC |
| Bilateral development programme/project | |
| SDG facility grants | Can support projects focusing on but not limited to sustainability, environmental rights and women's rights, predominantly supporting civil society actors. |

Turkey - Phase III, Strategic sector cooperation focusing on energy modelling and district heating in Turkey (ongoing project)

| | |
|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project Title | Strategic sector cooperation focusing on energy modelling and district heating in Turkey (phase 3) |
| Project period | 2023-2026 (phase III) |
| Country | Turkey |
| Main sector development issues | <p>Energy context highlights</p> <ul style="list-style-type: none"> • Dependency on (imported) fossil fuels, and efforts to diversify energy imports. Limited focus on decarbonisation. Political priority that initial carbon reduction efforts will be led by energy efficiency measures and further expansion of renewable energy sources. • Significantly increased share of renewable energy in power production over the last decade. Increased energy demand has caused steadily increasing carbon emissions from all sectors and especially from the energy sector since 1990. • Turkey has ratified the Paris Agreement and set a net zero emission target for 2053. Updated NDC's and National Energy Plan for reaching net zero goal with e.g solar and wind. Renewables to account for 74.3% of new power capacity to be commissioned. <p>Poverty, vulnerability, inequality – and role of climate change and natural resource degradation</p> <ul style="list-style-type: none"> • Turkey experiences climate changes in terms of drought, forest fires, heavy rainfall and landslides. In addition, earthquakes, deforestation and air and sea pollution are posing a risk to the population. • Large regional differences in income and economic development and poverty is still widespread. State subsidies ensure 'affordable' services such as heating, clean water, waste disposal etc. During the energy crises the government has increased the level of subsidies in the energy sector to a level where subsidies cover 80% of the natural gas bills of consumers and 50% of their electricity bills. Changing the subsidy structure provides a potentially important entry point for achieving energy efficiency and linking the subsidy structure to broader cross sectoral change policy and priorities eg. for social policy. |

| | |
|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> Expanding natural gas grid to all provinces has reduced energy poverty and air pollution from indoor burning of coal and other polluting combustibles, thereby increased standards of living, particularly in colder climate zones. <p>Political economy and main sector</p> <ul style="list-style-type: none"> Changing the level and distribution of subsidies to household gas consumption and other basic services poses a political risk to the government. The high inflation and rising energy prices challenge the state, the municipalities (subsidies), the investors (loans and return on investment) and the consumers (prices). The high level of energy imports also negatively affects the overall balance of trade. Further, due to an uncertain economy financial institutions limit access to financing and especially long-term loans. |
| Thematic focus | District energy efficiency and Long-term energy modelling and scenarios |
| National partner authority (recipient country) | <ul style="list-style-type: none"> Ministry of Energy and Natural Resources of the Republic of Türkiye (MENR) Presidency for Energy Efficiency and Environment (D3E) Directorate General for Energy Affairs (GDEA) |
| Other partners to include, incl. Danish authorities | Danish Energy Agency; Danish Embassy in Ankara; Danish companies (Danfoss, Logstor, Grundfos etc.); selected Turkish municipalities; national federation of municipalities, social housing cooperation, social investment banks, potential Turkish heat producers and building owners in areas with high building density (owners of multi storey buildings), universities with specialties in similar fields. |
| Objective | Support the Ministry of Energy and Natural Resources during the transition of the energy sector in Turkey focusing on energy modelling to make best use of renewable energy sources and assist the Ministry of Energy and Natural Resources in enabling deployment of low-carbon and energy-efficient, economically viable district heating and cooling. |
| Main possible or expected components (outcome areas) | <p>Outcome A: Support Ministry of Energy and Natural Resources in developing relevant policies, strategies and solutions for district heating deployment.</p> <p>Outcome B: Increase institutional capacity of the Ministry of Energy and Natural Resources in national energy planning and modelling to enhance the next five-year national energy plan.</p> |
| Considerations about how “greening” would be addressed | Potential resources of geothermal energy, municipal waste, biomass and surplus heat from power plants and industries are explored for district heating deployment, in combination with energy efficiency measures. |
| Significant outstanding questions or critical steps in the process | <p>The third phase of the SSC is based on well-established long-term working relations and high confidence. Energy modelling and energy planning are areas of cooperation with new working relations between Directorate General for Energy Affairs and the Danish partners.</p> <p>Ministry of Energy and Natural Resources is planning to launch an amendment to the existing geothermal Act, including articles to promote district heating. This is partly inspired by Danish regulations. The amendment is expected to be approved by Parliament in 2023. However, assistance to policy development (further regulation, incentives etc.) may be needed.</p> |
| Previous results and lessons | <p>The SSC project has contributed to the draft of a new heat law which has been an inspiration for the above-mentioned amendment to the geothermal Act. Further, the project has assessed the economical viable potential for district heating and has provided a basis for doing a similar exercise again in 2025. In addition, district heating planning is initiated in two selected pilot municipalities to guide Turkish municipalities.</p> <p>The project has developed a Roadmap for offshore wind, but in phase III the project will not continue working along this track, due to decreasing interest from the Turkish partners. The lesson learnt is that in order to be able to implement demand-driven programs, it is necessary to adjust the workflow and be flexible.</p> |
| Danish priorities, interests, and coherence | <ul style="list-style-type: none"> Overall, very strong interest in close cooperation between Denmark and Turkey. Strong diplomatic relations between the two countries and the local authorities in Turkey. |

| | |
|---------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> The SSC project is profiling Denmark to counterparts at the Ministry of Energy and Natural Resources, MFA in Turkey and local authorities. The SSC leads to increased media and press exposure of Denmark in Turkey. Turkey's ratification of the Paris Agreement, a climate law in the making, as well as relevant action plans provide opportunities for green diplomacy, including increased cooperation under the SSC scheme. |
| Main other relevant instruments, engagements, and initiatives managed by the Embassy | |
| Instrument | Main relevant linkage to SSC project (in a few words) |
| DGBP/DMDP | |
| DSIF | |
| TC | Dialogue with important Danish technology providers like Danfoss, Grundfos, Logstor and Aalborg Energie teknik upon request from Turkish partners. Danish companies have supported raising awareness activities within district heating & cooling. |
| IFU | |
| Bilateral development programme/project | |
| | |

China – Phase 1 – Clean Heating (on-going)

| | |
|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project Title | Strategic Sector Cooperation on Clean Heating in China |
| Project period | July 2020-June 2024 |
| Country | China |
| Main sector development issues | <p>Energy context highlights</p> <ul style="list-style-type: none"> China's urbanization, modernization and rapid economic growth fuelled by fossils has brought significant environmental pollution, which threaten public health, economic development and negatively affects the climate. Air pollution caused by the extensive use of coal has a negative impact on public health as PM10 and PM2.5 particles affect the cardiovascular and respiratory systems. China has a continued dependency on coal creates significant challenges to its green transition and positions China as the world's largest emitter of CO₂ accounting for up towards one third of global GHG-emissions. <p>Poverty, vulnerability, inequality – and role of climate change and natural resource degradation</p> <ul style="list-style-type: none"> Energy poverty worsen other dimensions of poverty. Providing clean, reliable and affordable heating is a cornerstone of sustainable and modern energy for all. Heating system improvements can support efficiency and the development of renewable energy capacity and infrastructure accordingly. Hence, clean heating and energy efficiency goes hand in hand and reduce poverty while having positive climate impacts. <p>Political economy and main sector</p> <ul style="list-style-type: none"> Per the World Bank, China's GDP growth has averaged at 9 per cent a year since the country began its economic reform in 1978. The rapid economic has led to significant improvements in health, education and other services. China's growth has been based on investment, low-cost manufacturing and an economy with a high carbon intensity. This has led to economic, social and environmental imbalances. Addressing the challenges requires a shift from low-cost manufacturing and high carbon intensity to a low carbon intensity. A clean energy sector and particularly clean heating is essential to achieve this transition. |
| Thematic focus | Integration of renewable energy and efficient energy planning in the heating sector |

| | |
|---------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| National partner authority (recipient country) | National Energy Administration (NEA), China Renewable Energy Engineering Institute (CREEI), and Ministry of Housing, Urban and Rural Development (MoHURD). |
| Other partners to include, incl. Danish authorities | The Danish embassy and Danish companies in the sector. |
| Objective | <p>The project has a three-folded objective:</p> <ul style="list-style-type: none"> • To support China in achieving its 2030 carbon peak and 2060 carbon neutrality goals, for which decarbonising heating is essential, and scale the clean heating ambition in future Five-Year Plans. • Supporting the developing a clean heating sector in China based on renewable and clean energy sources based on the Danish regulatory and methodological approach to energy planning. • To assist Chinese government agencies and other stakeholders in developing relevant strategies, policies and solutions to improve the integration of renewable energy and energy efficiency in the heating sector. |
| Main possible or expected components (outcome areas) | <p>Outcome A: Strengthened Sino-Danish district heating and energy efficiency knowledge transfer between relevant institutions and organizations in order to understand and overcome market and policy barriers to promote clean energy supply Empowering a CREEI and local decision makers with proven tools and knowledge to make holistic heat planning that include assessment of long-term socioeconomic and environmental impacts of potential supply options</p> <p>Outcome B: Enhanced heat sector policy exchange with CREEI and other relevant parties to increase energy efficiency and the share of renewable energy in the 14th Five Year Plan and beyond Extending key research entities capacity to evaluate energy policies to cover sustainable district energy by working with Danish experts to produce input for policy notes, guidance documents and analyse key issues concerning stated policies. The research institutes provide input to NEA and MOHURD.</p> <p>Outcome C: Established enabling and conducive environment for the development of district heating using renewable energy and local resources, emphasizing and directly valuing the socioeconomic benefits of reduced emissions and air pollution Expanding CREEI's local level engagement regarding sustainable district energy to maximize the impact of the new tools and guidelines on local level implementation and investment decisions for district energy</p> |
| Considerations about how “greening” would be addressed | The project's principal emphasis is on greening, as developing clean and renewable heating is an essential part of energy and green transition. |
| Significant outstanding questions or critical steps in the process | The project is on-going and under implementation with high demand from partner's side. |
| Previous results and lessons | <p>Early results include:</p> <ul style="list-style-type: none"> • The establishment of a Sino-Danish clean heating expert panel group, key to accelerate the knowledge exchange between sector experts from academia and utilities. • The development of a GAP Analysis, discussed with the expert panel group and local staff of Danish companies with district heating interests, deepening mutual understanding of challenges for clean and efficient heating |

| | |
|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Danish priorities, interests, and coherence | <ul style="list-style-type: none"> Strengthening the Sino-Danish bilateral cooperation through policy exchange and development of regulatory framework by facilitating cooperation through the Embassy of the of Denmark in China Synergies between the Clean Heating SSC and other Sino-Danish energy sector cooperation Strengthening of Academic and research cooperation through professional networking and the Sino-Danish Clean Heating Expert Panel with participants from DTU, Aalborg University, Danish District Heating Association, Tsinghua University, Harbin and Xian Universities, China District Heating Association Helping to shape framework conditions in the largest district heating market in the world by drawing on valuable knowledge from the Danish private sector, in accordance with Regeringens Handlingplan for Økonomisk Diplomati |
| Main other relevant instruments, engagements, and initiatives managed by the Embassy | |
| Instrument | Main relevant linkage to SSC project (in a few words) |
| Sector Counsellor | Facilitate concrete activities that strengthen the link between SSC clean heating, the green transition in China and Danish business interests. |
| TC | Close cooperation with local staff of Danish district heating equipment suppliers. Brings in cases and reports/presentations through vast network among heating companies, experts and partners. |
| DEPP | Contributes to coordinated climate diplomatic efforts. |
| Climate diplomacy | Synergy with commercial partners. |

Kenya - Phase 1, Kenya-Denmark Strategic Sector Cooperation on Energy (ongoing project)

Kenya - Phase 2, Kenya-Denmark Strategic Sector Cooperation on Energy (future)

| | |
|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project Title | Kenya-Denmark Strategic Sector Cooperation on Energy |
| Project period | 2022-2024 |
| Country | Kenya |
| Main sector development issues | Energy context highlights <ul style="list-style-type: none"> A reliable grid supplied with affordable renewable energy sources is a foundation for Kenya to fulfil its development agenda on sustainable economic growth, jobs, poverty alleviation, education and health. Kenya is aiming towards a 32% GHG emissions reduction by 2030 and has a target of 100 percent renewable energy in its power sector by 2030 as well. Having vast renewable energy resources (mainly wind and solar), Kenya is in a unique position to fulfil these targets. Uptake of renewable energy resources is still low with affordability being a main challenge across the country. The key challenges that Kenya faces with regard to achieving its development goals and enhancing the low-carbon energy transition are identified as: <ul style="list-style-type: none"> Projected doubling of electricity demand by 2030¹ Government ambition of universal access to electricity²/connectivity level of 99%³ in 2030 Stable and efficient power system operations and infrastructure |

¹ Least Cost Power Development Plan 2021 – 2030 (April 2021). The most ambitious scenario “Vision” expects an increase from 11,760 GWh to 25,809 GWh.

² A highly prioritized area of the Kenya National Energy Policy 2018 is universal access to electricity in Kenya focusing on connecting households to the electricity grid.

³ Least Cost Power Development Plan 2021 – 2030 (April 2021). The most ambitious scenario “Vision” assumes 99% connectivity in 2030

| | |
|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> o Integration of variable renewable energy <p>Poverty, vulnerability, inequality – and role of climate change and natural resource degradation</p> <ul style="list-style-type: none"> • According to the World Bank, Kenya was making strong economic progress prior to the Covid-19 pandemic, with real GDP growing at an annual average rate of five percent which saw extreme poverty decline from 45.2 percent in 2009 to 34.4 percent in 2019 • Nevertheless, despite having lifted around 400,000 people out of extreme poverty from 2020 to 2021, more than 18 million Kenyans are still living in extreme poverty and remain highly vulnerable to economic shocks, e.g. food, fuel and electricity price increases, etc. • The SSC activities in Kenya relating to energy planning and integration of renewable energy sources are supporting the Ministry of Energy's ambition to reduce electricity prices. Kenya is on the way to 100% access to energy partly due to a huge investment in expanding the electricity system with the help of international donor funding. The main development challenge is related to poor people's financial ability to purchase the electricity. Thus to make the access to electricity useful for low-income groups it is necessary to plan and implement a power system that leads to reduced prices (i.e. utilise the huge resources for low cost solar and wind). This is done through energy modelling of the whole power system based on levelised cost of electricity for all available sources as well as optimised planning of infrastructure to avoid bottlenecks and costly investments in transmission and distribution networks. |
| Thematic focus | Energy planning and integration of variable renewable energy |
| National partner authority (recipient country) | Kenyan Ministry of Energy and Kenya Power (monopoly on power distribution) and KETRACO |
| Other partners to include, incl. Danish authorities | Energinet is involved with regards to integration of renewable energy. |
| Objective | Kenya continues its low carbon energy transition supporting sustainable development targets through least-cost long-term energy planning and optimized infrastructure development. |
| Main possible or expected components (outcome areas) | <p>Outcome A: National capacities for energy modelling and long-term energy planning are enhanced to support continued least cost and low carbon power sector development</p> <p>Focus on capacity building in MOE with the involvement of relevant government stakeholders on selected models and tools for conducting long-term energy planning, demand-side projections and modelling exploring least cost pathways for Kenya's national energy system planning supporting economic growth and sustainable development.</p> <p>Outcome B: Improved regulatory framework, operational procedures and flexibility in the power system supporting cost-effective security of supply with a rising share of electricity from variable renewable energy sources</p> <p>Focus on how to best and most efficiently optimize the utilization and integration of Kenya's variable renewable energy capacity, including wind and solar in particular.</p> |
| Considerations about how "greening" would be addressed | <p>By supporting Kenya in expanding its energy sector in a cost-efficient manner through renewable energy sources, Kenya is able to avoid emissions from additional fossil fuel based power capacity (primarily heavy fuel oil).</p> <p>Likewise, the better Kenya is able to integrate existing variable renewable energy resources, the less power from existing fossil fuel plants need to be generated.</p> |

| | |
|---------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | Finally, if Kenya is able to showcase to other countries in the region that a green power sector expansion is both reliable and affordable, other countries may be more strongly encourage to follow a similar path. |
| Significant outstanding questions or critical steps in the process | Inception phase happened swiftly, but currently activities are slightly delayed due inauguration of the new government following the election in August. The expectation is for activities to start on the ground in Kenya during November 2022. |
| Previous results and lessons | Not relevant as the project has just been initiated. |
| Danish priorities, interests, and coherence | <ul style="list-style-type: none"> • Denmark and Kenya maintains a strong bilateral relationship. Kenya is an important actor across the region. Not only on energy, but broader on security, democracy, health, etc. • Denmark has a wide array of energy sector interests in Kenya. Both public and private investment partners are already present in Kenya and engaged in concrete projects. • Kenya's political priorities on issues around mitigation, energy access, adaptation and resilience are matching Denmark's political priorities. |
| New phases | Continuation in Phase 2, most likely within the same themes and outputs. |
| Main other relevant instruments, engagements, and initiatives managed by the Embassy | |
| Instrument | Main relevant linkage to SSC project (in a few words) |
| TC | Trade Council is present in Kenya providing support to a number of Danish energy companies |
| IFU | Has significant investments in Kenya's energy sector and will be informed of relevant priorities and projects |
| Bilateral development programme/project | Large bilateral country programme on adaptation and resilience as well as on green biogas. Ongoing efforts as well on energy access. |
| SSC food security | Creates SSC coordination environment and establishes Denmark as a sustainable actor in Kenya |
| SSC circular economy | Profiles Denmark as a green role model |

Brazil - Phase 1, Brazilian-Danish Strategic Sector Cooperation (future)

Brazil - Phase 2, Brazilian-Danish Strategic Sector Cooperation (future)

| | |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project Title | Brazilian-Danish Strategic Sector Cooperation |
| Project period | 01.08.2023-31.07.2026 (tentatively) |
| Country | Brazil |
| Main sector development issues | <p>Country climate/environmental context highlights</p> <ul style="list-style-type: none"> • Brazil has a vast experience and expertise in energy transition and has a well-established renewable based electricity mix. However, the expansion in the energy demand, transmission and distribution challenges over a continental country and, certainly, the effects of climate change on hydrological cycles has put Brazil's energy sector under significant stress in recent years. • In spite of Brazil already having developed experiences in hydropower, onshore wind and solar power and the management of all of these sources throughout the system and across vast distances, there is an increasing demand on Brazil to diversify its energy matrix and increase energy security. • Some of the solutions on the horizon to mitigate Brazil's challenges encompass fields where Denmark has pioneered and currently excels, such as Offshore |

| | |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>wind energy, long-term energy planning and integration of renewable energy as well as green hydrogen.</p> <p>Poverty, vulnerability, inequality – and role of climate change and natural resource degradation</p> <ul style="list-style-type: none"> • The COVID-19 pandemic has had significant impact on Brazil's economy and poverty rates. In 2021, about 28.4 percent of Brazilians (or 60.5 million individuals) were poor. The north and northeast regions had higher poverty rates than the country: 43.2 and 46.3, respectively. These are also the regions with lowest access to electricity, including large areas not being connected to the grid. • Brazil has one of the highest inequality rates and the poorer populations are also more vulnerable to climate change events. <p>Political economy and main sector</p> <ul style="list-style-type: none"> • Brazil has demonstrated large political buy-in, a willingness to invest time and resources in the work and high degree of engagement from management as well as desk officers and specialists. • The Brazilian authorities already have a high capacity of trained personnel and a very functioning energy sector that enable the cooperation to achieve great results. • On 1 January 2023 President Luiz Inácio Lula da Silva took office. DK and EU have big expectations to president Lula strengthening ties to Latin America and being a strategic partner in the Global South – also in relation to the climate agenda. On inauguration night Lula signed a decree to re-establish a national action plan to prevent and control deforestation in the Amazon. Brazil has offered to host COP30. • The new government has reinforced the country's high ambitions on clean energy transition. In addition, there is a large consensus in Congress to diversify Brazil's energy mix and increase energy security. |
| Thematic focus | <p>Based on the DETI cooperation and the dialogue with partners during the inception phase the following thematic areas are expected to be main drivers in the coming SSC cooperation:</p> <ul style="list-style-type: none"> • Offshore wind development • Long-term energy planning • Integration of variable renewable energy <p>Underlying topics include exploring potential partnership on power-to-x. New or modified demands may be identified throughout the inception phase (2022-2023)</p> |
| National partner authority (recipient country) | <ul style="list-style-type: none"> • Ministry of Mines and Energy (MME) (main partner) • EPE – Energy Research Office (part of MME) • ANEEL – Brazilian Electricity Regulatory Agency • ONS – National Electric System Operator • IBAMA - Brazilian Institute of Environment and Renewable Natural Resources |
| Other partners to include, incl. Danish authorities | <ul style="list-style-type: none"> • Royal Danish Embassy in Brazil |
| Objective | <p>Strengthened institutional capacity at national level in the fields of offshore wind development, long-term energy planning, including technology catalogue, and integration of variable renewable energy in the system. <i>(tentatively)</i></p> |
| Main possible or expected components (outcome areas) | <p><i>Not applicable yet</i></p> |

| | |
|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Considerations about how “greening” would be addressed | The overall objective of the programme is to assist green energy transition in Brazil. |
| Significant outstanding questions or critical steps in the process | <p>The inception phase has the objective to identify and select the future work streams of the SSC cooperation. At this point we need clarification on the three topics from the DETI cooperation (offshore wind development; long-term energy planning; and integration of variable renewable energy), as well as other issues relevant for the partners, such as power-to-x.</p> <p>The change of government in Brazil has resulted in changes amongst senior management in the energy ministry and other partners. During the coming months, focus will be on outreach to the new team in order to ensure their ownership and engagement.</p> |
| Previous results and lessons | - |
| Danish priorities, interests, and coherence | <ul style="list-style-type: none"> • Brazil is the fifth largest country in the world, both in terms of population and size. As such, Brazil is crucial for the global green transition and mitigating climate change. • The Brazilian challenges in regards to green transition matches Danish core competencies from a long experience of green transition in Denmark. • The cooperation is therefore in line with the Danish government’s development strategy that puts Denmark in the front line of the fight against global climate change. • With the SSC project, Denmark enables Brazil to develop its green energy sector faster, and indirectly enables Brazil to higher their climate ambitions for the better of global GHG emission reductions. • The SSC project aims directly to assist Brazil in its ambition to green energy transition and security of supply by developing its energy mix with more and different green energy technologies, as well as using the energy more efficiently by planning. • The project therefore directly supports the Danish development priorities by assisting to the achievement of numerous UN development goals. |
| Main other relevant instruments, engagements, and initiatives managed by the Embassy | |
| Instrument | The Energy SSC has relevant linkages to the SSC programme on Digitalisation, IPR and Innovation, as digital solutions can support the green transition. Possible joint activities or synergies include digitalisation of the port in Ceará to support onshore and offshore wind development. |
| Etc | Project on Political Climate Leadership with network for sustainable action amongst politicians in Brazil “RAPS” and University of Copenhagen. The project consists of training, a delegation visit to Denmark and video productions that focus on the importance of environmental consciousness and sharing of experiences on political action within climate and environment |

Colombia - Phase 1, Colombian-Danish Strategic Sector Cooperation (future)

Colombia - Phase 2, Colombian-Danish Strategic Sector Cooperation (future)

| | |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project Title | Colombian-Danish Strategic Sector Cooperation |
| Project period | 01.08.2023-31.07.2026 (tentatively) |
| Country | Colombia |
| Main sector development issues | <p>Energy context highlights</p> <ul style="list-style-type: none"> • Around 65% of the Colombian electricity consumption comes from hydroelectric power, while thermal power accounts for 32% of energy consumption. Green energy is therefore part of the political DNA in Colombia. |

| | |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> • However, especially in recent years, energy shortages - even major blackouts - and huge spikes in energy prices due to low output from the installed hydro-electric power are becoming an increasing concern in the country. Climate change and ever more prolonged droughts and natural phenomenon like El Niño are affecting the energy production from hydropower in Colombia negatively and the future projections points to serious challenges. • Therefore, more deployment of variable renewable energy sources, such as wind and solar will also be necessary in order to reach the National Determined Contribution target of greenhouse gas reductions of 51% towards 2031 as well as to cover the growing energy demand of 21-28% by 2050 (According to National Energy Plan 2020-2050). • Fortunately, Colombia has great potential for solar and wind power. Alone for offshore wind, Colombia has a world-class technical potential of 50 GW near the Caribbean coastline, characterized by some of the world's best and most stable wind-speeds for offshore wind. <p>Poverty, vulnerability, inequality – and role of climate change and natural resource degradation</p> <ul style="list-style-type: none"> • Inequality and relative poverty remains extremely high in Colombia, with local populations and indigenous communities being more exposed to climate change and natural resource degradation, deforestation and drought. They are also more vulnerable when it comes to the social effects of big energy infrastructure projects. • The hydro-power plants in Colombia have been massively criticized for not adhering to basic environmental standards and therefore having a huge detrimental effect on ecosystems and biodiversity. The new government (as of 7 August) has therefore promised not to build more mega-hydro projects in the future, leaving a big gap in the supply of future energy demand. • Moreover, the big hydro projects have a negative impact on local communities. This is also true for onshore wind, which has some serious side-effects for local communities, as onshore wind in Colombia needs to be placed in areas inhabited by indigenous peoples, especially in La Guajira. • Thus, several of the planned onshore wind energy projects, all in indigenous peoples areas, are hit by massive delays of several years, and to this day it is still uncertain when – if ever – these projects will be finished. <p>Political economy and main sector</p> <ul style="list-style-type: none"> • Improving access to energy is an important step in reducing inequality and poverty in Colombia. Almost 30% of the Colombian population lives for less than 5.5 USD per day. Despite the overall strong economy, the COVID-19 crisis plunged Colombia into recession in 2020. Around 2.5 million jobs were lost, and the unemployment rate increased by 50 percent in 2020. • With the global prospects of phase-out of fossil fuels, the government needs to diversify its export to ensure continued economic growth. In 2018, Colombia ranked fifth largest net exporter of coal in the world. While Colombia exports 92% of the coal it produces, fossil fuel exports of oil and coal account for 42% and 14% of total exports. Moreover, it is crucial to build better livelihoods for the populations living in the mining areas, as after thirty years of mining in La Guajira, 65% of the population find their basic needs unmet. |
| Thematic focus | <p>From the DETI cooperation the following thematic areas are expected to be main drivers in the coming SSC cooperation:</p> <ul style="list-style-type: none"> • Offshore wind development • Long-term energy planning • Integration of variable renewable energy <p>However, new or modified demands may be identified throughout the inception phase (2022-2023)</p> |

| | |
|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| National authority partner (recipient country) | Ministry of Mines and Energy (MME) (main partner) Energy Planning Agency (UPME) National grid operator (XM) Commission on Electricity and Gas Regulation |
| Other partners to include, incl. Danish authorities | Energinet Royal Danish Embassy in Bogotá |
| Objective | Strengthened institutional capacity at national level in the fields of offshore wind development, long-term energy planning, including technology catalogue, and integration of variable renewable energy in the system. <i>(tentatively)</i> |
| Main possible or expected components (outcome areas) | <i>Outcomes are to be defined as part of the inception process.</i> |
| Considerations about how “greening” would be addressed | The overall objective of the programme is to assist the Colombian energy transition into a clean one. |
| Significant outstanding questions or critical steps in the process | The inception phase has the objective to identify and select the future work streams of the SSC cooperation. At this point we need clarification on the three topics from the DETI cooperation (offshore wind development; long-term energy planning; and integration of variable renewable energy), as well as other issues more relevant for the partners. The current Colombian government took office in August 2022 and has at this point not presented its energy policies in detail. It is expected that the main topics from the DETI cooperation continues, but the new government could have a change of priorities going forward. |
| Previous results and lessons | The partners and DEA have collaborated for the past year under the Danish Energy Transition Initiative, a project mechanism under the Danish Ministry of Foreign Affairs. The collaboration has demonstrated a significant demand from the partner's side and relevance of DEA's know-how on green energy solutions. |
| Danish priorities, interests, and coherence | <ul style="list-style-type: none"> Colombia has one of the strongest economies in South America and has potential to influence the Latin American energy transition, contributing to the realization of the Paris Agreement and the Glasgow Pact. During recent years, Colombia has evolved into the “green front runner” of Latin America, setting very ambitious goals on climate change and GHG emissions and, remarkably, putting action behind the policies. Thus, in the short period from 2019-2024 Colombia's share of wind and solar energy will increase from close to zero to an impressive 12% of the electricity generation. The first major (onshore) wind energy projects are already built, with more under construction, and with Vestas as a supplier of more than 50% of the turbines needed. The cooperation is fully in line with the Danish government's development strategy, putting Denmark in the front line of the fight against global climate change. Through technical assistance, Denmark can support Colombia to accelerate its green transition and become a driving green force in the entire region. |
| New phases | Continuation in Phase 2, most likely within the same themes and outputs. |
| Main other relevant instruments, engagements, and initiatives managed by the Embassy | |
| Instrument | Main relevant linkage to SSC project (in a few words) |
| TC | Strong links to the Danish energy and wind sector, potential for off-shore wind, energy efficiency and other related areas. |
| IFU | IFU has proposed to send an advisor to Colombia to explore possible projects, including on energy |

| | |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| SSC on urban planning | Synergies between SSC on energy transition and ongoing work on sustainable cities, including on energy efficiency. |
| DI | Dansk Industri has, together with ANDI and FIP, a project on inclusion of local communities in energy infrastructure programmes. |
| Collaboration between Esbjerg and Barranquilla | Development of an MoU between Esbjerg and the port city Barranquilla on just transition from black to green energy. |
| Human Rights Defenders programme | Through a joint EU initiative Denmark is supporting two human rights activists, one based in regions affected by big energy infrastructure projects. |
| | |
| | |
| | |

Ghana – inception phase and Phase 1, SSC on Climate and Meteorology in Ghana (future)

Ghana –Phase 2, SSC on Climate and Meteorology in Ghana (future)

| | |
|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project Title | SSC on Climate and Meteorology in Ghana – Inception Phase |
| Project period | 01.10.2022 -30.09.2023 |
| Country | Ghana |
| Main sector development issues | <p>Country climate/environmental context highlights</p> <ul style="list-style-type: none"> - Ghana has experienced significant economic growth for a number of years. However, 2022 saw the Ghanaian economy tumble with wild currency fluctuations and an increase in energy prices. - Agriculture is the backbone of Ghana's economy, providing employment to 45% of its workforce and contributing to 21% of GDP. Agriculture in Ghana is characterized by a low level of diversification, which makes farmers more vulnerable to crop failure - Deforestation is high and spatially concentrated in areas of high poverty, with land use change from forest to agriculture causing about 92% of deforestation. - Ghana also has a significant blue economy, which it plans to expand. The development of the blue economy, however, is threatened by climate change. - Ghana's high population growth and increased demand for natural resources makes environmental degradation an increasingly pressing concern <p>Poverty, vulnerability, inequality – and role of climate change and natural resource degradation</p> <p>Ghana ranks 111 out of 181 countries in the ND-GAIN index for climate vulnerability (Score 44 of 100). Over the last 30 years, Ghana has experienced the effect of climate change with an increase in total annual precipitation and more erratic rainfall patterns, longer periods of Harmattan (hot desert winds) and desertification as the main current effects.</p> <p>The effects of climate change in Ghana are projected to increase in the future with severe socio-economic impacts. A World bank report suggest that poverty rates could increase by at least 1 to 2 percentage points by 2050 (or up to around 1 million people), due to climate change.</p> <ul style="list-style-type: none"> - Access to water resources is likely to decline in the future. Water levels in the Volta Basin is projected to fall by 24% by 2050 and 45% by 2100 due to reduced rainfall and increased evaporation - Half of Ghana's 550 kilometer coastline is vulnerable to erosion and flooding as a result of sea-level rise - 13 percent of the population is estimated to be affected by drought |

| | |
|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>The most vulnerable populations will experience the biggest economic impact of climate change. The most vulnerable populations are to a larger degree inhabiting disaster exposed areas and they are dependent on natural resource based incomes such as farming or fishing.</p> <p>Gender inequality means women are more vulnerable to climate change In Ghana, women constitute 52% of the agricultural labor force and produce 70% of subsistence crops. In addition, they depend on water and crops due to their responsibilities in the household. They are hampered in their adaptive capacity to climate change due to various factors, including inaccessibility of financial resources, a lack of information and technology, and unfavorable land tenure systems</p> |
| Thematic focus | For the first phase of the SSC in Ghana GMET and DMI have identified Climate Projection and Information Services as the main thematic area. |
| National partner authority (recipient country) | Ghana Meteorological Agency (GMET) |
| Other partners to include, incl. Danish authorities | <p>Meteorological and Climate data are relevant for a wide range of stakeholders incl. Other ministries, authorities, Development and humanitarian organizations, sector specific interest organizations. The project will make a stakeholder mapping and invite interested parties to provide inputs to the project result – particularly the climate atlas.</p> <p>The project is in dialogue with other DK/Ghana Sector Cooperation projects, including Water Management, Maritime and on statistics about potential synergies and value adding through data sharing.</p> <p>GMET and DMI have submitted a research proposal to the Danida Fellowship Center to improve regional and national climate modelling for West Africa and to strengthen research capacity of GMET. The proposal has been submitted in partnership with University of Ghana, Kwame Nkrumah University of Science and Copenhagen University.</p> <p>The project will contribute to Ghana's National Adaptation Plan project, the national framework for climate services, and Ghana's NDC's on adaptation.</p> |
| Objective | Strengthen GMET's capacity to deliver timely and relevant authoritative meteorological and climate information services in support of the socio-economic development of Ghana (Working title) |
| Main possible or expected components (outcome areas) | <p>Main Project Outcome</p> <p>Strengthen Climate Projections and Climate Information Services</p> <p>The project will develop a Climate Atlas for Ghana based on the DMI Klimaatlas for Denmark. Klimaatlas.dk.</p> <p>The Climate Atlas will provide information down to local level on the impacts of climate change. The climate atlas will provide decision makers, interest groups, development organizations and others with key information useful for adaptation and planning activities and for identifying future climate risks and exposure.</p> <p>Other Key Areas</p> <ul style="list-style-type: none"> - Strengthen Marine and Aviation forecasting - Competency development of GMET weather forecasters - Support to GMET strategy development and execution |
| Considerations about how "greening" would be addressed | To be defined during inception phase |

| | | |
|---------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| Significant outstanding questions or critical steps in the process | Conduct Stakeholder Analysis and develop background document | |
| | Development of Project document for phase one. | |
| Previous results and lessons | No previous DMI SSC or development projects in the last ten years. | |
| Danish priorities, interests, and coherence | <p>As part of the Danish government's international climate strategy 'A Green and Sustainable World', the Danish Meteorological Institute aims to contribute to climate adaptation in countries vulnerable to the impacts of climate change. The SSC initiative is seen as a fit for purpose structure to engage in long term partnerships where DMI can play a role as peer advisor to GMA.</p> <p>Denmark has contributed with 25 DKK to the UN Trust Fund programme "Systematic Observation Financing Facility (SOFF) which aims to improve observation networks in Least Developed Countries (LDC's) and Small Island Developing States (SIDS's). DMI is collaborating with Tanzania Met Authority and UNDP to ensure increased network coverage in Tanzania.</p> | |
| Main other relevant instruments, engagements, and initiatives managed by the Embassy | | |
| To be filled out by the Embassy | | |
| Instrument | Main relevant linkage to SSC project (in a few words) | |
| DGBP/DMDP | | |
| DSIF | | |
| TC | | |
| IFU | | |
| Bilateral development programme/project | | |
| | | |
| Etc | | |
| Etc | | |
| | | |
| | | |
| | | |

Annex 2: Partner Assessment

Brief presentation of MCEU

The Danish Ministry of Climate, Energy and Utilities is responsible for national and international efforts to prevent climate change. Through visionary green leadership, they aim at achieving the Danish Government's target to reduce Danish greenhouse gas emissions by 70 percent by 2030. The Ministry consists of the Department, the Geological Survey of Denmark and Greenland, the Agency for Data Supply and Efficiency, the Danish Meteorological Institute, the Danish Geodata Agency, the Danish Energy Agency and the associated independent bodies the Danish Energy Regulatory Authority, Energinet.dk and the Danish Council on Climate Change.

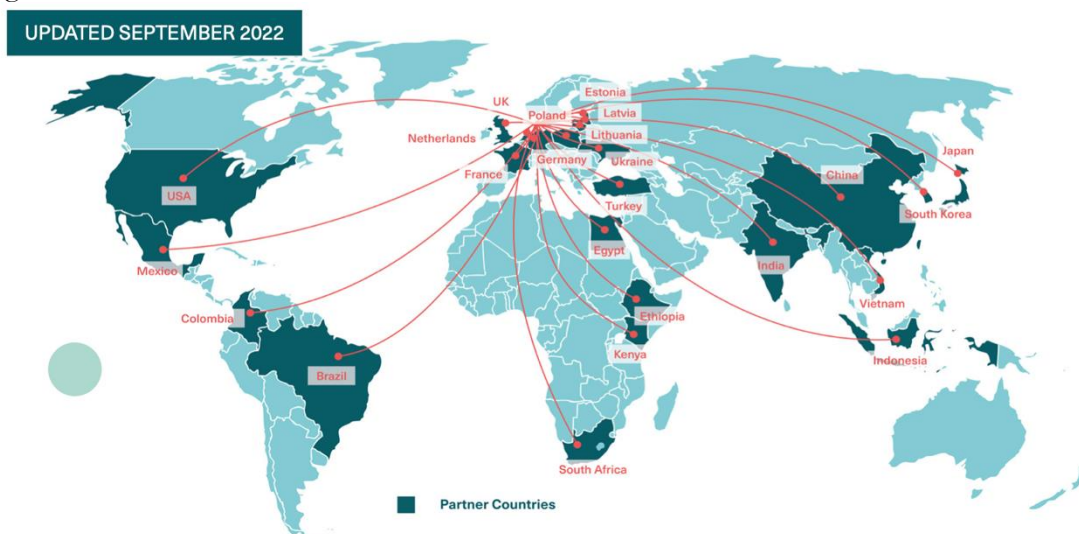
The transition of the Danish energy system and mitigation of greenhouse gas emissions delivers global impact. The Danish Ministry of Climate, Energy and Utilities works as part of international collaborations to create shared solutions to common problems.

MCEU's SSC FP will focus on areas where Denmark has special strengths and shows international best practices to tackle international problems of the green transition, by building on MCEU agencies' (DEA and DMI) core competencies (see below). These can help address some of the global challenges. MCEU's agencies have expert knowledge within MCEU's mandate, and the relevant core competencies to the SSC are available. In addition, the Danish transmission system operator, Energinet, is a close partner in several of the partnerships.

Danish Energy Agency (DEA)

The Danish Energy Agency is responsible for tasks linked to energy production, supply and consumption, as well as Danish efforts to reduce carbon emissions. The Agency is also responsible for supporting the economical optimisation of utilities that in addition to energy includes water and waste. DEA is also responsible for user conditions, supply obligation, as well as water supply and waste management. The Danish Energy Agency was established in 1976, and is an agency under the Ministry of Climate, Energy & Utilities.

The Danish Energy Agency share best practices from decades of green transition in Denmark through government-to-government cooperation with 24 partner countries (see below map). The purpose is to accelerate global reductions of CO2 emissions.



DEA's international development cooperation is anchored in the Centre for Global Cooperation where around 90 people are working with one or several of the 24 partner countries. The people at Global Cooperation are specialists within Long-term energy modelling and scenarios, Integration of renewable energy, on- and offshore Wind power, Energy efficiency in industry and buildings and District heating.

DEA cooperates with governments in order to contribute to their reduction of carbon emissions and to assist in their energy transition to become a low-carbon economy. The approach is adapted to local circumstances in close dialogue with the partners with the focus to reach a long term and viable green transition. Five key areas have been important for the Danish energy transition and today, they contribute to building a strong foundation for green transition in DEA's partner countries. These core competences are:

- Long-term energy modelling and scenarios - based on long experience of DEA in developing scenarios and modelling in Denmark
- Integration of renewable energy – DEA works with Energinet, the Danish national transmission system operator for electricity
- Wind power – offshore and onshore - promotion of renewable energy
- Energy efficiency in industry and buildings - with a focus on industry, surplus heat and efficiency of buildings
- District heating

Danish Meteorological Institute (DMI)

Danish Meteorological Institute is the Danish government's mandated provider of weather forecasts for the kingdom of Denmark, including Greenland and Faroe Islands. DMI employs around 300 staff. The Forecast operation provides meteorological monitoring 24 hours a day and play an essential role in providing information to the Danish public, other public entities such as the agency for disaster management, the Danish defence as well as the maritime and aviation sector.

DMI is the designated government advisor on climate change, providing climate information services to the Danish public authorities from municipal to national level. DMI has a large research department comprising more than 70 researchers. DMI is a leading meteorological agency within climate research, weather models and remote sensing. DMI is engaged in a long range of international cooperation and networks including; WMO, EUMETSAT, ECMWF, IOC, IPCC, UNFCCC, Ecomet, Eumetnet, Nordmet, UWC-West, NAMCON, ROMSAF, Hirlam, and ACCORD.

The partnership with Ghana Meteorological Agency is the first international development project in the last decade. Previously DMI has been involved in various international development projects, including with GMET, where the impact from the previous cooperation (1997-2004) is still visible through the weather models they use as well as their data management systems, amongst several other things.

In addition to the partnership with GMET, DMI is currently starting up a project with Tanzania Metrological Authority for support to expansion and maintenance of the weather observation network in Tanzania. This partnership is part of the WMO lead Systematic Observation Financing Facility (SOFF) initiative. In SOFF, DMI is coordinating with the other Nordic Metrological agencies in the SOFF project with a specific focus on strengthening the East African Observation Network.

DMI's international development cooperation is anchored in the department for Politics, Strategy and Communication, where a Senior Project Manager is coordinating the partnerships. The projects draw

on the expertise from DMI's technical departments, which ensures a strong link between DMI's domestic and international efforts.

Successful application of weather and climate services depend on a functioning meteorological value chain. DMI's international development work will be based on the WMO Meteorological Value Chain, as illustrated below, which will be used as the entry point for capacity assessment of and dialogue with partners as well partner countries core adaptation plans and strategies.



Four key areas are at the center of DMI international development activities

- Strengthening Climate modelling and projection for improved climate information services
- Refining of weather models for improved forecasting
- Development and strengthening of Early warning systems
- Supporting Met Services to strengthen their strategic role as data and information provider to public and private entities

Annex 3: Risk Management

Contextual risks

| Risk factor | Likelihood | Background to assessment | Impact | Background to assessment | Risk response if applicable / potential effect on development cooperation in context | Combined residual risk |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| The political situation and priorities on green transition of the energy sector and improved meteorological services could change e.g. after elections | Moderate | Each country is different, but they are generally not unstable, and elections have recently been held – nevertheless it is still possible. | Major | The programme is built on current planning and levels of priority- if this changes the original outcome will not be achievable | The background analysis for each SSC is a risk mitigating tool that pre-identifies country specific risks and proposes mitigation measures. Flexibility in work programme and the long term perspective of projects allows partners to focus on more technical capacity building in times of less political support | Moderate |
| Local and national lock-down due to covid-19 | Moderate | The pandemic appears to be manageable, and travel is opening up - yet there is always the threat of new virus or new strains e.g. China | Significant | Travel and person to person contact is important for building trust and paving the way for active commercial engagement | Use of remote communication - the ambition level and demonstration effect will probably need to be adjusted downwards | Minor |

Programmatic risks

| Risk factor | Likelihood | Background to assessment | Impact | Background to assessment | Risk response if applicable / potential effect on development cooperation in context | Combined residual risk |
|------------------------------------------------------------------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| Partner authorities' internal processes delay implementation progress. | Likely | A typical risk in public sector reform and institutional development process, which has affected some projects in the previous phase. At times due to sudden emergence of competing other national priorities, which shift staff/institutional focus momentarily; unexpected capacity weaknesses in areas key to, but not targeted by, the authorities' capacity development activities: shifting | Moderate | Could hamper implementation progress | The background analysis for each SSC is a risk mitigating tool that pre-identifies country specific risks and proposes mitigation measures. Based on extensive experience the Danish agencies will ensure that initial programming includes focus and time for getting needed MoU's approved. Long time perspective of projects builds confidence at technical level, which moderates bureaucratic obstacles. | Minor |

| | | | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| | | of staff, or other institutional barriers emerging. | | | | |
| Lack of commitment and participation from relevant stakeholders (high-level management, other authorities, national partner staff, private sector) could affect progress and results | Likely | The projects including new phases are closely aligned with national priorities. However, other stakeholders – e.g. in other departments, at national level, municipal association of local governments, newly elected political leaders, CSOs not directly involved in the projects, but whose input is needed might not prioritise it as highly. | Major | Some activities can be delayed or not implemented as foreseen. | The background analysis for each SSC is a risk mitigating tool that pre-identifies country specific risks and proposes mitigation measures. . Outreach and relation building by the sector advisor at the embassy combined with regular missions by agencies Regular meetings with the stakeholders, sharing of useful information and gradual involvement in activities will encourage and consolidate engagement and commitment. These meetings will also identify other stakeholders who need to be more actively engaged and make a commitment to fulfilling their roles. | Minor |

Institutional risks

| Risk factor | Likelihood | Background to assessment | Impact | Background to assessment | Risk response if applicable / potential effect on development cooperation in context | Combined residual risk |
|-------------------------------------------------------------------------------------------------|-------------------|---------------------------------------------------------------------------------------------------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| Implementation challenges or delays arising from the FP is new and not a fully tested mechanism | Likely | This is to be expected as not every need or situation can be predicted during the FP formulation. | Minor | The FP is a new mechanism with a new way of operating which has been carefully designed over the past year, but some gaps or need may only show during practical implementation, however only minor impact on implementation is expected. | During the FP initial up start , further needs will be identified, and final designs made to the organization, processes, and tools of FP management. Generally, the PMG will monitor implementation and ensure learning and proper responses to gaps. Further, the MTR will include a focus on overall implementation challenges and responses. | Minor |

| | | | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| There is a risk of implementation and administrative challenges for the involved Danish stakeholders in reaching outcomes 2 and 3 related to the need for closer whole of government cooperation | Likely | The SSC 2.0 approach is a development and a formalisation of the existing SSC and incorporates an enhanced embassy dialogue between the Danish authorities and embassies engaged. | Minor | The authorities and embassies/sector counsellors already cooperate closely | Apply management support and incentives and increase awareness of key staff of the benefit of cooperation across institutional boundaries as well as clearly define roles and responsibilities. Adopt an adaptive management approach which implies an active monitoring and a flexible response. | Minor |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|

Annex 4: Plan for Communication of Results

| What (message/purpose) | When | How (mechanism) | For (audience_who) | By who (responsible) |
|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Target Group 1: Danish public | <p>Stories about MCEU's SSC work, the SSC projects, challenges and concrete results.</p> <p>Short videos for SoMe and Homepage.</p> <p>MCEU webpage updated on SSC cooperation and SSC projects.</p> <p>1-2 pagers on SSC programme and each of the SSC Projects (info ark).</p> <p>Press releases</p> <p>Document and disseminating results from SSC projects</p> | <p>During implementation of SSC projects, i.e. minister visits, missions in-country, study tours in Denmark, major outputs produced, milestones achieved etc.</p> <p>Once a year</p> | <p>Facebook, LinkedIn, Instagram, and Twitter if relevant</p> <p>Press releases if relevant</p> <p>MCEU webpage</p> <p>Produced photos and video during missions.</p> <p>Use of Explainers and Story-telling</p> <p>Danida OpenAid, Results Framework Initiative</p> | <p>Project Manager (content)</p> <p>Communication Focal Point (publishing on SoMe and homepage)</p> <p>M&E Focal Point (SSC annual report)</p> <p>Project managers and technical staff (MCEU)</p> <p>Press Unit (press releases)</p> <p>MFA Anchor point</p> |
| Target Group 2: Sector partners in Denmark sector associations and others. | <p>See above</p> <p>Reports, studies, guidelines etc.</p> | <p>See above</p> | <p>See above</p> <p>Visual and infographic versions of documents and material.</p> | <p>See above</p> |
| Target Group 3: Public and institutions in partner countries and globally. | <p>As above-mentioned</p> <p>Stories about Danish strongholds, state-of-the-art solutions in food and agriculture production, resource efficiency, digital solutions and other themes of relevance.</p> <p>Talks organized by DFC</p> | <p>See above</p> <p>coordination/re-posting SOME content related to specific projects or events.</p> <p>Communicate lesson learned / cases in thematic network</p> | <p>See above</p> <p>Make use also of others communication materials used by the specific partners</p> <p>Talks organized by DFC</p> | <p>See above</p> <p>MCEU</p> <p>DFC through aluninetwork to be established in targeted countries</p> |

| | | | | |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|----------------------------------------------|------------------|
| Target Group 4: Internal communication in MCEU | Results reporting and milestones for SSC programme and its projects. Outcome harvesting and reporting. SMG meetings PMG meetings Annual reporting MCEU management meetings | Once a year – Strategic Management Group (SMG) Twice a year – Programme Management Group (PMG) | MCEU Intranet Dedicated communication | Project Managers |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|----------------------------------------------|------------------|

Annex 5: Approach to Capacity Assessment

Capacity development is defined as “the process whereby people, organizations and society as a whole unleash, strengthen, create, adapt, and maintain capacity over time,” in order to achieve development results. Capacity assessment is defined as “the identification of capacity assets and needs at national and local levels,” equivalent to measuring baselines and the progress of (capacity) development indicators.

- Capacities can be grouped in three levels: individual, organizational and enabling environment, which altogether are interdependent and mutually reinforcing. Capacities at these three levels are developed through exchange visits, class training sessions, on the job training and mentoring through engaging on a joint working plan on areas such as undertaking energy sector analysis, developing energy outlooks and scenarios as well topics related to development and best use of meteorological services. The capacities relate to:
 - Individual—improving individual skills, knowledge and performance through training, experiences, motivation and incentives;
 - Organizational—improving organizational performance through strategies, plans, rules and regulations, partnerships, leadership, organizational politics and power structures, and strengthening organizational systems, processes, and roles and responsibilities
 - Enabling environment—improving policy framework to address economic, political, environmental and social factors including economic growth, financing, labour markets, political context, policy and legislative environment, class structures, and cultural aspects in a coherent and mutually reinforcing fashion⁴
- The overall aim of capacity development of MCEU’s FP is to strengthen the ownership, engagement and effectiveness at national and local level in the partner countries which is necessary to make sustainable improvements and developments within the energy sector and meteorological services.
- The SSC aims to support planning and implementation processes through which partner organisations and stakeholders in partner countries adapt, strengthen and maintain the capability to define, plan and achieve their own sector development objectives on a cross-sectoral, holistic, inclusive and sustainable basis.
- Interventions of capacity development at the enabling environment, the organizational level and the individual level is often mutually supportive.
- For the enabling environment the SSC e.g. works directly or indirectly with laws and policies by engaging and bringing together public or private stakeholders and related partners and civil society. In line with HRBA, capacity and processes for instance for participation of non-governmental stakeholders, hearing processes, transparency efforts, and consideration of marginal groups will be integrated as relevant.
- At the organizational level the SSC e.g. advise and promotes change processes that relates to structures, policies and procedures that determine sector institutions and other stakeholders impact and effectiveness, also ensuring participation, transparency and non-discrimination.

⁴ /<https://unsdg.un.org/sites/default/files/UNDG-UNDAF-Companion-Pieces-8-Capacity-Development.pdf>

- At the individual level, the SSC aims to develop and strengthen the skills, experience and knowledge that allow each person to perform.
- Capacity development is always undertaken with due respect to the national context, priorities and the resources available for the FP. Capacity development is often undertaken with the involvement of both public and private sector, both in Denmark and partner countries.
- Capacity development will typically cover the following areas:
 1. Capacities for engagement
 2. Capacities to generate, access and use information and knowledge
 3. Capacities for policy and legislation development
 4. Capacities for management and implementation
 5. Capacities to monitor and evaluate

Annex 6: Proces Action Plan for Implementation

Version 27/02-2023

| Action/product | Deadlines | Responsible/involved units | Comment/status |
|------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Preparation | | | |
| <i>Kick-off meeting</i> | Last week of September | KEFM, ENS and DMI, GDK + consultant + sector advisors at embassies | Discuss initial PAP, status, priorities, expectations, approach, etc. |
| <i>Clarify formats and documentary needs for Framework programmes</i> | Late September/ October | GDK/consultants | Consultant prepares proposed format based on AMG, MYNSAM 2.0 guidelines, pilot SSC 2.0 etc. |
| <i>Clarify as far as possible ministries' internationalization strategies</i> | October | KEFM, ENS and DMI, GDK + consultant | |
| <i>Clarifying the authorities 3-4 areas of core competences</i> | October | KEFM, ENS and DMI, GDK + consultant | |
| <i>Clarify greening criteria for authorities (if needed)</i> | October | KEFM, ENS and DMI, GDK + consultant | Clarifying OECD DAC criteria of greening and consequences for framework program and SSC projects |
| <i>Clarify/decide main issues for Identification Notes</i> | October | KEFM, ENS and DMI, GDK + consultant | Consultant to facilitate process towards clarification |
| <i>Stocktaking of existing SSC projects to continue in Framework (new phases of existing SSC projects)</i> | October | KEFM, ENS and DMI, GDK + consultant | Together with consultant |
| <i>Initial clarification on future new countries and SSC projects the framework programme should cover</i> | October | KEFM, ENS and DMI, GDK + consultant | This clarification will describe countries, projects and focus areas where there's clarity – and gaps and issues still to decide |
| <i>Annex 1 draft</i> | 15 October | KEFM, ENS and DMI + sector advisors at embassies | Deliver first draft of annex 1 of all the projects |
| <i>Workshop</i> | 26-28 October | KEFM, ENS and DMI, GDK + consultant | Discuss ToC, results framework, needs from recipients; strategies and core competences from agencies; politics from MFA etc. |
| <i>Drafting Identification Notes</i> | 15 November | Consultant | |
| <i>[Partners discuss/agree Draft Identification Note]</i> | November | KEFM, ENS and DMI + sector advisors at embassies | Consultant to facilitate process towards final agreement |
| Final Identification Note | 1 December | GDK in consultation potential partner(s) (+consultant) | Consultant does the drafting and facilitates process |
| Formulation | | | |
| <i>Clarify reporting formats and process</i> | November | KEFM, ENS and DMI, GDK + consultant | Consultant proposes format and facilitates clarification |

| | | | |
|------------------------------------------------------------------------------------------------------------------|-------------------------------|----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| <i>Time set aside for external consultations</i> | Early November | KEFM, ENS and DMI | GDK and consultant participate for information and support |
| <i>Development of Theory of Change; results framework and relations to countries/projects/activities</i> | November-December | KEFM, ENS and DMI, + consultant | Consultant to facilitate process and formulate TOC, RF and relations to activities and outputs |
| 1st draft Framework Programme Document based on the Identification Note | Early January (date TBC) | consultant (KEFM, ENS and DMI, GDK) | |
| Forward 1st draft Framework Programme documents to ELK for public consultation | 13 January | GDK and ELK | An early draft should provide sufficient outline of the intended project/programme without having all details fully fleshed out. |
| Meeting in Danida Programme Committee (Discuss 1 st draft Framework Agreement document) | 7 February | ELQ and GDK | List of received responses from the consultation |
| Final draft Framework Programme document | 1 March | Consultant + GDK | Adjusted based on summary conclusions from Programme Committee |
| Appraisal/quality assurance process | | | |
| Quality assurance: Appraisals | 1 March-April | ELK | |
| Draft Appraisal Report, including summary of conclusions and recommendations | March-April | ELK | |
| Final draft appraisal report | 14 April | ELK | |
| Final appraisal report | 21 April | ELK | |
| <i>Embassy hearings</i> | April | Consultant + GDK | |
| <i>Adjusted draft Framework Programmes based on appraisal</i> | May | Consultant + GDK | |
| Final Framework Programme documents (incl. annexes and cover note) to ELK | 11 May | GDK | |
| Presentation for Council for Development Policy | 1 June 2023 | GDK | |
| Approval process | | | |
| Minister's approval of Framework Programmes | June 2023 | ELQ submits proposed Framework Agreements and minutes of CDP meeting | After Council for Development Policy meeting |
| Document for Finance Committee (Aktstykke), etc. | After the Minister's approval | | Only if direct legal basis for the commitment is not in place at Finance Act |

| Initial actions following the Minister's approval | | | |
|---------------------------------------------------|-------------------------------|------|-----|
| Publish on Danida Transparency | | ELK | |
| Development of Draft Framework Agreements | | GDK | FRU |
| Sign agreement(s) | After Minister's approval | GDK | |
| Register commitments | After agreement(s) are signed | GDK | |
| Procedure Manual | | MCEU | FRU |

Annex 7 DRAFT TOR for SAG and PMG

Terms of Reference for Strategic Advisory Group, and for Programme Management Group in relation to the Strategic Sector Cooperation Framework Programme with MCEU and its agencies

1. Background and introduction

The Advisory Group of DEPP II with Vietnam, China, South Africa and Mexico, was established in 2017 to provide a venue for programme related discussions and decision-making between the Ministry of Foreign Affairs, the Ministry of Climate, Energy and Utilities and the Energy Agency (DEA).

With the later expansions of bilateral programmes on energy transition funded by the Danish Climate Envelope, notable DEPP III; INDEP (India); INDODEPP (Indonesia); the energy collaboration with Ethiopia as well as Denmark's engagements with multilateral organizations on green energy transition matters, the demand increased for having a venue for strategic discussions and guidance for maximising synergies between bilateral and multilateral climate and energy initiatives, and with initiatives of Denmark's climate front posts and other climate diplomatic efforts of Denmark, whether in-country or through international fora. This need was validated by the appraisal of the DEPP III which recommended to establish a strategic and cross-cutting dimension of the governance structure to complement the programme specific reporting and decision making.

Accordingly, a two-layer governance structure⁵ was established and has been functioning from 2020 and onwards, comprising the Strategic Advisory Group (SAG) and the subsidiary Management Advisory Group (MAG). While the SAG was established as a fora for strategic exchanges and discussions on Denmark's current and future engagements (bilateral and multilateral) in support for Danish policy objectives, and to provide strategic guidance for programme/project implementation as recommended by the MAG, the MAG served to execute on mandatory operational procedures at programme/project level.

With this change, the scope of the two new bodies was furthermore expanded to cover all energy bilateral programs (DEPP III; INDEP; INDODEPP and the collaboration with Ethiopia) funded by the now former Climate Envelope in addition to the Strategic Sector Cooperation on energy as well as projects under the Danish Energy Transition Initiative (DETI).

Going forward, the Terms of Reference for these two governing bodies is adapted i.a. to accommodate the needs derived from the proposed Strategic Sector Cooperation Framework Programme with MCEU, and which amongst other introduces Danish Meteorological Institute (DMI) in the governance structure.

2. Terms of Reference for the Strategic Advisory Group

This Terms of Reference relates to the SAG.

2.1 Mandate and Scope of the SAG

The SAG has the following overall mandate and scope of work:

- Facilitate exchanges on climate diplomacy achievements, discuss strategic topics in relation to Denmark's climate diplomacy and explore opportunities for strengthening synergies between

⁵ When it comes to implementation/work planning and follow up, this is done at programme- or SSC project level respectively through Steering Groups/Steering Committees in the partner country comprised of members from the national authorities/ institutions in the country, the Danish Embassy and DEA/DMI.

climate diplomatic efforts and the bilateral engagements of DEA and DMI and vice versa, and maximize impact;

- Provide guidance for strategic decisions e.g early closure of projects, if relevant, exit of partner countries in the portfolio, selection criteria of new partner countries and on scope and depth of engagements in future portfolio;
- Approves use of unallocated funds in the programme budget, based on brief proposals reviewed by the Programme Management Group.
- Discuss how to maximize synergies with multilateral engagements in the portfolio of MFA and MCEU;
- Discuss overall strategic topics related to the sectors of the Strategic Sector Cooperation Framework Programme, including the links between the Framework Programme, MCEU, DMI and DEA broader international engagement, and Danish development assistance priorities and engagements in the sector and collaboration between MECU and MFA in the area of energy and climate;
- Provide policy and strategic guidance and direction for the Framework Programme;
- Other strategic and political topics of relevance for the Framework Programme.

2.2 Composition of the SAG

The SAG is comprised of members from management level of MFA, MCEU, DMI and DEA as listed below. Any member of the SGG can send alternates if needed.

- Co-Chair, Head of Department, Green Diplomacy and Climate, MFA
- Co-Chair, Head of Department, Centre for International Climate and Energy, MCEU
- Head of Department, DMI
- Head of Department, DEA

Representatives from other departments and units in MCEU, DMI and DEA may be invited to take part in the SAG meetings, if deemed relevant.

The SAG membership is institutional. Representatives from civil society organisations, other donors etc. may be invited as observers.

2.3 Working procedures of the SAG

The chair of SAG meetings will be circulated between MFA and MCEU, and decisions are made in consensus. The SAG will meet twice a year in spring and autumn, in order to ensure proper coverage of the full program portfolio

Material will be forwarded prior to the biannual SAG meeting. DEA will act as secretariat to the SAG responsible for planning the SAG meetings, however, the agenda will be prepared jointly with DMI, MCEU and MFA.

The Secretariat will be responsible for drafting and distributing the minutes to all participants within a week after the meeting and finalise within 2 weeks from receiving comments to the minutes from the participants. Minutes are considered as accepted once the members have no written comments to the latest version shared by the Secretariat.

The Secretariat will announce the meetings with at least two weeks' notice. Each organization (MFA, MCEU, DMI and DEA) will provide the meeting material for the agenda points they lead for distribution by the Secretariat to all participants. All documentation for the meetings shall be distributed to the members at least two weeks in advance together with a draft agenda.

The SAG meeting may be held face-to-face or as distance participation (video-link, etc.) by MFA, MCEU, DMI and DEA, if necessary. Based on demands the group can meet virtual or conduct written procedures between meetings.

3. Terms of Reference for the Programme Management Group

This Terms of Reference relates to the PMG in relation to the Strategic Sector Cooperation Framework Programme with Ministry of Climate, Energy and Utilities and its agencies, 2023-27, and will co-exist with the Terms of Reference set forth for the PMG in relation to engagements of DEA alongside, the Framework Programme with MCEU, i.e. the PMG in relation to DEPP III, INDEP, INDODEP and DETI.

3.1 Mandate and Scope of the PMG for the SSC Framework Programme

The PMG has the following overall mandate and scope of work specifically in relation to the Framework Programme on Strategic Sector Cooperation with MCEU, 2023-27:

- Assess and discuss overall progress, results and challenges of the Framework Programme and its projects as presented in the annual Framework Programme level status report and financial report;
- Advice on specific challenges and opportunities arising in individual projects
- Discuss sector themes and issues, implementation modalities and lessons learned of relevance for the Framework Programme and its Projects;
- Assess financial status and decide on adjustments to programme budget in accordance with Danida AMG;
- Decide on reallocation of fund between projects when relevant;
- Decide on use of unallocated funds in existing projects entering the FP as of end June 2023.
- Prepare justification for approval of new countries or projects to be included in the framework programme
- Decide on early closure of projects, if relevant
- Review and discuss leanings and outcome harvesting;
- Agree ToR for and discuss results of mid-term review;
- Other topics of relevance for the Framework Programme;

3.2 Composition of the PMG

In relation to the Strategic Sector Cooperation Framework Programme with MCEU, the PMG is comprised of members MCEU, DEA, DMI and MFA. Any member of the PMG can send alternates, if needed.

- Coordinator of the SSC framework contract, MCEU
- Coordinator of the SSC framework contract, MFA

- SSC project managers at DEA and DMI

The PMG membership is institutional.

5. Working procedures of the PMG

In relation to the Strategic Sector Cooperation Framework Programme with MCEU, the PMG will be chaired by the MCEU, and decisions are made in consensus.

The PMG will meet biannually on to discuss progress of the Framework Programme and specific SSC project outputs, results and outcomes.

The PMG will meet in spring to address the annual status report and the annual financial expenditure report from the previous year, incl. deviations and challenges encountered during the implementation of the individual SSC projects under the Programme. The updated Programme Risk Monitoring will be reviewed.

In autumn, the PMG will meet to address the coming year's budget, incl. capacity and contributions of all involved stakeholders. The PMG will approve programme and project changes within the provisions of the Framework Agreement, and ensure that all stakeholders are informed and in compliance with all requirements.

Standard agenda for MAG meetings:

- 1) Update on major developments in the MCEU Framework Programme and its SSC Projects with relevance to objectives, plans, targets and key assumptions for the Programme.
- 2) Taking stock of progress, results performance and challenges.
- 3) Status of the SSC projects and results performance, review of thematic areas etc.
- 4) Update and assess financial status of the Programme and its SSC Projects.
- 5) Recommendations for the SAG.
- 6) Discuss incoming suggestions.
- 7) A.O.B.

In relation to the Framework Programme, the DEA supported by DMI will act as Secretariat for the PMG, and is responsible for planning the PMG meetings as well as drafting and distributing the minutes to all participants within a week after the meeting and finalise within 2 weeks from the meeting held; The Secretariat will announce the meetings with at least two weeks' notice. All documentation for the meetings shall be distributed to the members at least two weeks in advance together with a draft agenda. The PMG meetings may be held face-to-face or as distance participation (video-link, etc.) by one or more of the members, if necessary. Based on demands the group can meet virtual or conduct written procedures between meetings.