

Minutes from meeting in the Council for Development Policy
on 30 March 2023

- Members: Professor Anne Mette Kjær, University of Aarhus (Chair)
Deputy CEO and International Director Jarl Krausing, CONCITO (Deputy Chair)
Director for Global Development and Sustainability Marie Gad Hansen, Confederation of Danish Industries (DI)
Director for Nutrition Line Damsgaard, The Danish Agriculture & Food Council
Head of Secretariat Lone Ilum Christiansen, The Danish Trade Union Development Agency (DTDA)
Political Consultant and Programme Manager of DAPP Lucas Højbjerg, The Danish Chamber of Commerce
Senior Researcher Adam Moe Fejerskov, Danish Institute for International Studies (DIIS)
Secretary General Charlotte Slente, Danish Refugee Council (DFC)
Director Charlotte Flindt Pedersen, Danish Foreign Policy Society
Chief Advisor Mattias Söderberg, DanChurchAid
- MFA: Under-Secretary for Development Policy Stephan Schönemann
Head of Department Tove Degnbol, Department for Evaluation, Learning and Quality, ELK
Deputy Head of Department Henrik Larsen, Department for Evaluation, Learning and Quality, ELK
Head of Section Josephine Mittag, Department for Evaluation, Learning and Quality, ELK
- Agenda item 1: Deputy Head of Department Casper Stenger Jensen, Department for Africa, Policy and Development, APD
Chief Advisor Jonas Heth Lønborg, Department for Africa, Policy and Development, APD
- Agenda item 2: Ambassador Erik Brøgger Rasmussen, The Permanent Mission to the UN in Geneva (Online)
Attaché Aino Askgaard, The Permanent Mission to the UN in Geneva (Online)
Intern Camilla Jespersen, The Permanent Mission to the UN in Geneva (Online)
- Agenda item 3: Ambassador Steen Sonne Andersen, Embassy in Mogadishu (Online)
Deputy Head of Mission Gertrud Kümmel Birk, Embassy in Mogadishu (Online)
Chief Advisor Jens-Peter Dyrbak, Embassy in Mogadishu (Online)

Deputy Head of Department Casper Stenger Jensen, Department for Africa, Policy and Development, APD
Chief Advisor Marina Buch Kristensen, Department for Evaluation, Learning and Quality, ELK (Online)
Chief Advisor Kimiko Pedersen, Department for Evaluation, Learning and Quality, ELK (Online)

Agenda item 4: Head of Department Karin Poulsen, Department for Green Diplomacy and Climate, GDK
Chief Advisor Tine Anbæk, Department for Green Diplomacy and Climate, GDK
Head of Section Rasmus Tvorup Ewald, Department for Green Diplomacy and Climate, GDK

Agenda item 5: Head of Department Karin Poulsen, Department for Green Diplomacy and Climate, GDK
Chief Advisor Lisbeth Jespersen, Department for Green Diplomacy and Climate, GDK
Counsellor Jette Michelsen, Embassy in Rome (Online)

Agenda item 6: Head of Department Karin Poulsen, Department for Green Diplomacy and Climate, GDK
Chief Advisor Lisbeth Jespersen, Department for Green Diplomacy and Climate, GDK
Chief Advisor Mads Mayerhofer, Department for Green Diplomacy and Climate, GDK
Team Leader Katja Thøgersen Staun, Department for Green Diplomacy and Climate, GDK (Online)
Counsellor Jette Michelsen, Embassy in Rome (Online)

Agenda Item No. 1: Announcements

The Under-Secretary for Development Policy informed the Council that the Danish support for the Digital Democracy Initiative, recommended for approval in the Council for Development Policy meeting on 15 March, had since been fast-tracked for approval by the Minister for Development and Global Climate Policy. This had been done to ensure that the Danish initiative could be announced in connection with President Biden's Summit for Democracy II held on 27-30 March.

The Deputy Head and Chief Advisor of the Department for Africa, Policy and Development (APD) gave a presentation of the Proposal for Finance Act 2023. The presentation also included information on the distinction between commitments and disbursements as well as information on the basis for calculating the 0.7% of GNI as the level of Denmark's development cooperation budget.

Following up on the presentation, Members of the Council noted the substantial amount set aside for receiving refugees in 2023 and asked how this had been calculated. They expressed concern regarding the budget fluctuations within a single year due to the

uncertainty about the number of refugees to be received and asked if this had the effect that large amounts of funding were planned very late in the year. Members of the Council also wanted to know if funds made available for disbursement late in the year were likely to be channelled to large multilateral trust funds as these could absorb large funds with short notice.

Furthermore, questions were asked regarding the political agreement to establish the Ukraine fund and what this meant for the development budget and for bilateral support to Africa, especially considering that the bilateral allocations for Africa in the Proposal for Finance Act 2023 were low.

Members of the Council also wanted to know if the national compromise on security policy might imply that the Ministry of Foreign Affairs would receive more resources.

Concerning the explanation given on commitments, Members of the Council requested information on the consequences of splitting up commitments over several years, as it was often done in the bilateral development programmes at country level. They asked whether this would expose the support to the risk of political decisions to cut the funds in the following years. More information was also requested on how the 5% for administration was decided.

In terms of registering development cooperation into its various categories such as climate, environment, job creation, etc., Members of the Council expressed the wish that Open Aid could reflect this in a clear and understandable way.

Finally, Members of the Council stressed the importance of considering if the necessary competences were available in the Ministry of Foreign Affairs to actually implement the priorities stipulated in the Finance Act.

The Under-Secretary for Development Policy pointed out that fluctuations in aid levels was a basic condition for the work of the Ministry of Foreign Affairs and something that was planned for. The dynamic contexts in partner countries was an additional factor which continued to make planning and adaptability necessary. He added that commitment to large programmes, spread over several years, could also be moved forward or back as a buffer for fluctuations in funding levels.

With regard to the financing situation, the Chief Advisor from APD informed that the establishment of the Ukraine fund had not come with an additional development budget and would be funded within the existing development budget. With regard to the bilateral development cooperation with countries in Africa, it was clarified that this could very well be increased in the years to come and maybe already this year.

In response to the question about the large budget for receiving refugees in 2023, the Chief Advisor explained that this was based on the number of refugees initially assessed to arrive before the end of 2022, but that this assessment had since been changed to end of 2023. If expenses for receiving refugees ran higher than expected, thereby using relatively more funds from the development budget, this would be regulated over the coming years. If,

however, expenses for receiving refugees ran lower than expected, thereby using relatively less funds from the development budget, these extra funds were absorbed by the development budget that same year and used in programmes and projects. Therefore, these figures were watched very closely throughout the year.

The Chief Advisor confirmed that commitments to programmes spread over several years were always subject to political approval and that agreements were always signed with this reservation. On the 5% reserved for administration, he informed that this was subject to yearly negotiations.

On the registration of development cooperation in different categories, the Chief Advisor from APD explained that the basis for this was the OECD DAC codes (i.e. codes defined by the Organisation for Economic Development and Co-operation's Development Assistance Committee), while the quality of categorisation depended totally on the quality of the registration process. This was a continuous learning process, but a lot of progress had been made in terms of improving the quality of registrations. It was the ambition that Open Aid should become the platform for all information about Danish development cooperation funds and results, and efforts were made to make it more user friendly.

With reference to the Rules of Procedure for the Council for Development Policy regarding conflicts of interests, Lone Ilum Christiansen announced that she would not participate in the discussion of Item 3. She also flagged a possible conflict of interest in relation to item 2 due to a project cooperation between the Danish Trade Union Development Agency (DTDA) and the International Labour Organisation (ILO). As this agenda item was regarding overall core support to ILO, the Council assessed that there was no conflict of interest in this case.

Agenda Item No. 2: Organisation Strategy for the International Labour Organisation (ILO) 2023-2027

For discussion and recommendation to the Minister

DKK 130 million

The Permanent Mission to the UN in Geneva

Summary:

The International Labour Organisation (ILO) is devoted to promote social justice, human rights in regard to work as well as in social and economic development. The Danish organisation strategy outlines Denmark's core contribution and strategic approach to the cooperation with ILO for the period 2023-2027. The focus of the cooperation will be on: (1) increasing the capacity of African member states to formulate and implement policies for green jobs and gender-responsive national employment policies, including youth, (2) enhancing decent work in supply chains, (3) increasing capacity of mainly African member states to ensure respect for, promote and realise fundamental principles and rights at work, including for migrant workers, and (4) continuously enhance organisational effectiveness curbing corruption, contributing to UN reform, and ensuring protection from sexual exploitation and abuse. The Danish contribution will be 100% un-earmarked.

<p><i>The Council for Development Policy recommended the Organisation Strategy for the International Labour Organisation (ILO) 2023-2027 for approval by the Minister for Development Cooperation and Global Climate Policy.</i></p>
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The Council expressed its appreciation for a well-written organisation strategy and emphasised the importance of the International Labour Organisation (ILO) and of the support. The Council agreed to the relevance of the Danish focus areas.

Members of the Council found it difficult to understand how the strategic priorities were translated into concrete implementation and also raised questions in terms of which engagements were relevant to fund from the development budget and to what degree these were poverty oriented. Some concern was also expressed with regard to the effectiveness of ILO's engagements at country level.

The assessment of ILO by the Multilateral Organisation Performance Assessment Network (MOPAN) was mentioned by Members of the Council as this had highlighted a number of concerns, including issues of accountability, capacity, and field presence. The concern was underscored by the organisation strategy mentioning risk of significant acts of fraud and corruption, and Members of the Council asked for a further elaboration of this, including how Denmark would mitigate these risks. Questions were also raised as to whether ILO had a focus on ensuring that migrants, refugees, and displaced persons could access labour markets.

Members of the Council highlighted the opportunities for advancing social justice following the changed policy environment in the USA and Brazil and suggested that Denmark should support this positive momentum. In this regard, there was a question as to whether the amount of the Danish contribution to the ILO was set from a historical or an analytical point of view and whether this level of funding was sufficient in terms of addressing the enormous challenges on labour markets. Questions were also raised as to whether the Danish funding, categorised as green or creating green jobs, was in fact green.

Members of the Council acknowledged that just transition was of growing importance and underlined that it was important for Denmark as a country with a solid tripartite system to play a key role in this regard.

ILO's work on supply chains, including documentation of decent work opportunities and risks in specific supply chains, was viewed as relevant. Members of the Council emphasised the need to focus on promoting a transition from the informal to the formal economy.

Finally, Members of the Council observed that the previous organisation strategy for ILO had not been presented to the Council and asked about the reason for this.

The Ambassador to the UN in Geneva explained that the ILO's normative work played an important part at country level. However, ILO was not present in all countries, and the implementation of international labour standards was first and foremost the responsibility of countries themselves. Implementation of standards at country level was very uneven. In general, the demand for ILO services at country level far exceeded the resources of the ILO. The Ambassador noted that access to the labour market for refugees and displaced persons differed from country to country depending on national laws and regulation.

The Ambassador clarified that the latest MOPAN assessment of the ILO demonstrated progress in some areas while need for improvement in other areas. He stressed that there was nothing unusual compared to MOPAN assessments of other organisations and that no red flags had been raised in the report.

On the level of funding, the Ambassador pointed out that the level of funding was set more from a historical than an analytical perspective. When considering that the total biennial budget of the ILO was DKK 5-6 billion, Denmark's influence was, after all, limited. The Ambassador explained that the view was that Denmark would obtain the greatest impact by providing non-earmarked contributions and by engaging in a constructive but critical dialogue with the ILO. The Ambassador stressed that the ILO in general was moving in the right direction and that Denmark was overall supportive of the work.

The Ambassador described how geopolitics had entered ILO and how the most recent session of the governing body had become a battleground between political constellations and new alliances. Voting had increasingly replaced the general practice of adopting decisions by consensus. Reference to LGBTQI+ and to sexual orientation and gender identities had been opposed by certain groups in recent discussions of the ILO Programme and Budget while consequences of the war in Ukraine with regards to work had also become subject to highly politicised discussions.

The Ambassador acknowledged that the previous organisation strategy regarding Danish support to ILO had not been presented to the Council. This had simply been an oversight.

The Chair of the Council for Development Policy concluded that the Council could recommend the Organisation Strategy for the International Labour Organisation (ILO) 2023-2027 for approval by the Minister for Development Cooperation and Global Climate Policy.

Agenda Item No. 3: Mid-term Review of the Somalia Country Programme

For information and discussion

Embassy in Mogadishu

One Member of the Council, Head of Secretariat Lone Ilum Christiansen, the Danish Trade Union Development Agency (DTDA), left the meeting during the discussion of this agenda item with reference to the Rules of Procedure for the Council for Development Policy regarding conflicts of interests.

Summary:

The Mid-Term Review (MTR) of the Somalia Country Programme (SCP) 2019-2023 was conducted mid-2022 and concludes that considering the complex Somalia context – characterised by multiple crises and ongoing conflict - the SCP was reasonably on track and performing well at outcome level. The SCP comprises a wide range of engagements with a variety of aid delivery modalities and partners. The assessment of the three thematic programmes was that status differed between the various Development Engagements, but that much effort had been done to establish and capacitate important state building institutions that might ensure peaceful development, inclusive governance, and a growing and poverty-reducing economy, including a viable private sector. However, high poverty levels, insecurity and forced displacement, young

girls and women exposed to gender-based violence, and prolonged droughts created the risk for already vulnerable groups to slide back into extreme poverty. Engagements focusing on developing protection as well as on inclusive economic growth were therefore emphasised by the MTR as cornerstones of the Danish support.

The Council appreciated the Mid-term Review (MTR) which was found to be very thorough and also commended the Embassy for its ability to deliver results, despite the difficult context. Members of the Council pointed out that the country programme's results continued to depend on the volatile context where it could be difficult to factor in uncertainties and therefore asked for more information on the context, the political developments, and how this influenced the programme. The importance of solid political economy analysis was underlined while it was also recommended to carry out a study to inform the pro-poor focus of the next phase of the programme. Members of the Council furthermore pointed out the need for a greater focus on resilience as well as a very clear strategy for how to reach the most vulnerable.

The fact that this was a programme primarily implemented through multilateral partners was an observation, and Members of the Council asked what this meant in terms of influence, monitoring, and efficiency at the sub-partner level. Members of the Council also stressed the need for awareness towards avoiding clan bias and elite capture in Danish engagements with government actors in order not to contribute to conflict or to the widening of political differences, especially in relation to the Danish projects through the Somaliland Development Fund.

The importance of ensuring inclusive growth for a wider range of Small and Medium-Sized Enterprises (SMEs) was underlined by Members of the Council, not least the very small enterprises, ensuring that these activities also linked to the thematic programme on resilience. Furthermore, Members of the Council pointed out the importance of working strategically to counter the cultural practice of female genital mutilation (FGM).

With regard to Monitoring, Evaluation, Accountability and Learning (MEAL), Members of the Council enquired about the Embassy's experience of using a consultant to monitor results and about any plans for using this modality moving forward.

The Ambassador explained that despite the vulnerable context and insecurities, some positive progress had actually been achieved since the MTR. This had followed from the election of President Hassan Sheikh Mohamed in 2022. The President was seeking to have a relationship with the international community and it was the ambitious vision of the new government by end of 2023 to mark a new era for Somalia with no Al Shabaab and no longer being a Heavily Indebted Poor Country (HIPC). A constitutional review and political discussions about power sharing and fiscal federalism were taking place. Somaliland remained a somewhat more stable entity. However, the recent flare up of violence along clan lines and the continued political disagreement over election sequence and timing constituted a risk for the deterioration of Somaliland's image in the eyes of the international community. The Ambassador agreed with comments from the Council that ongoing investment in political economy analysis remained essential in order to maintain

realism and a well-informed portfolio of implementation, while also holding multilaterals to account in terms of their mandates.

On the implementation through multilateral organisations, the Ambassador argued that this was often the preferred modality given the difficult context and in the interest of risk mitigation. However, the experience of implementation and of the capacity and results among multilateral organisations operating in Somalia remained mixed, in particular with some challenges in EU- and UN-led programmes. The lessons learned from this experience would have to be taken into consideration moving forward. The Ambassador pointed out that it would not be possible to implement a large number of bilateral engagements with the current resources of the Embassy but Denmark would continue to take leadership of existing and new engagements.

In terms of resilience, especially in relation to climate change, agriculture, and access to water, the Ambassador underlined that this was a key priority for Denmark and for the Federal Government of Somalia. In the context of the current programme, resilience was primarily supported through social protection and through humanitarian avenues.

The Ambassador stated that inclusivity, especially when it came to rights and gender equality, was difficult to tackle in Somalia, but it remained a key priority for Denmark.

On the question of using MEAL consultants, the Deputy Head of Mission explained that this perhaps worked better in other less complex country settings, but that it was also important to add that the Embassy had in-house expertise available which contributed to the in-depth quality assurance and facilitated necessary adjustments.

The Chair of the Council concluded that it had been a good opportunity to discuss the MTR and looked forward to further discussions of the upcoming new Strategic Framework for Somalia.

Agenda Item No. 4: Enhancing Climate Resilience in African Cities by Accelerating Adaptation Infrastructure through the Urban and Municipal Development Fund in the African Development Bank 2023-2027

For discussion and recommendation to the Minister

DKK 220 million

Department for Green Diplomacy and Climate, GDK

Summary:

The support to the Urban and Municipal Development Fund (UMDF) aims to accelerate investments in resilient infrastructure in Africa's cities, with emphasis on water-related infrastructure in member cities and intermediary cities of C40, the global network of mayors of the world's leading cities. This un-earmarked contribution enhances UMDF's investment project preparation and capacity development support to African cities on resilient infrastructure (based on the Business Plan), linked to investment finance from the African Development Bank and other investment finance. It is supplemented by the Danish participation in the UMDF's Oversight Committee, a seconded advisor to UMDF, collaboration with the Danida Fellowship Centre, and learning and reviews for adaptive management.

The Council for Development Policy recommended the Support to Enhancing Climate Resilience in African Cities by Accelerating Adaptation Infrastructure through the Urban and Municipal Development Fund in the African Development Bank 2023-2027 for approval by the Minister for Development Cooperation and Global Climate Policy.

The Council expressed its appreciation of a well-written document and found the presented project relevant and interesting. Gender and Human Rights were found to be addressed well, and Members of the Council commended the decision to not only target large cities but also intermediary cities on a demand-driven basis. On this note, they asked how demand from intermediary cities would be ensured in competition with large cities with higher capacity.

While the Members of the Council commended the description of complementarities between the proposed support and ongoing urban engagements, they requested an overview of all Danish support to climate change and environment activities. They also inquired for more elaboration on how more precisely the complementarities would materialise.

Since the funding gap between the needs of African cities and available funding was huge, Members of the Council stressed the importance of prioritising the most relevant projects and attracting private capital. They enquired about the specific efforts to engage the international and Danish private sector in the activities, and it was suggested that the Danida Sustainable Infrastructure Finance (DSIF) could have experience useful for the project.

Members of the Council further asked how it could be avoided that high status projects would be preferred to projects targeting poor urban populations. They also wanted to know how urban governance and the voices of civil society organisations would be ensured in the approach of the African Development Bank (AfDB). They also asked about the ability to draw on private as well as public sector capacities and whether there were any modalities for that.

Concern regarding the capacity of the AfDB was expressed. Members of the Council pointed out that some of the larger cities had a higher capacity than AfDB, and they worried about the ability of AfDB to avoid corruption both in the activities supported and in its own management. Due diligence in procurement processes should be a key priority for Denmark, and it was suggested that Denmark should also use its influence to ensure environmental considerations in procurement.

Members of the Council found the proposed activities relevant but wondered why nature-based solutions did not seem to be a priority, e.g. by using parks as water catchment areas. It was also suggested that Denmark should address (e.g. in its work in the Oversight Committee) the issue of maladaptation in the form of solutions not sufficiently responding to the problems such as e.g. dikes of insufficient height.

Finally, the Council asked for elaborations on whether accompanying research was envisaged and asked how Denmark's role in the Oversight Committee of the Urban and

Municipal Development Fund (UMDF) would be articulated. It was mentioned in the project document that UMDF had a proven track record and, at the same time, that it was a very young funding mechanism, so how did this add up.

The Head of the Department for Green Diplomacy and Climate (GDK) thanked the Council for positive remarks and pertinent questions. She highlighted that the proposed support was part of Denmark's contribution to the Africa Adaptation Acceleration Programme, co-developed and implemented by the AfDB and the Global Centre on Adaptation (GCA). The projects were mutually reinforcing, both delivering on the overall aim of ensuring enhanced climate resilience in Africa's cities.

The Head of GDK assured the Council that her department was preparing an overview over the entire Danish support to climate change and environment, soon to be presented.

In response to the remarks on governance, the Chief Advisor from GDK highlighted the enhanced collaboration between UMDF and the global network of mayors of the world's leading cities, C40. The collaboration was co-facilitated by Denmark. Whereas UMDF and AfDB could contribute with improved access to finance for cities, C40 as a mayoral-led network could enrich the AfDB with a better understanding of working in cities. C40 had limited experience of implementation of climate action, while AfDB had this experience.

Speaking to Denmark's role in the UMDF's Oversight Committee, the Chief Advisor emphasised how Denmark as an observer in the Committee had already been active in promoting climate adaptation and inclusion of poverty reduction as fundamental pillars in the strategy and Business Plan of the UMDF. In the future, as a formal member of the Committee, GDK would in particular work to ensure the right balance between intermediary and large cities, the right mix of types of infrastructure projects (for which targets had now been set), and prioritisation of underserved slums and informal settlements, including the issue of maladaptation.

Recognising the importance of the climate adaptation agenda, Danish urban expertise, and Denmark's role as the largest donor to the UMDF, funds were set aside in the project to ensure robust monitoring and learning during the implementation of the project. Part of this would be unfolded through collaboration between the UMDF and the Danida Fellowship Centre.

The Chief Advisor explained that all projects were undergoing procurement according to rules and procedures in AfDB. She gave examples of Danish-funded Strategic Sector Cooperation activities linked to AfDB in Ghana and South Africa, the latter might eventually also involve DSIF.

The Chair of the Council for Development Policy concluded that the Council recommended the Enhancing Climate Resilience in African Cities by Accelerating Adaptation Infrastructure through the Urban and Municipal Development Fund in the African Development Bank 2023-2027 for approval by the Minister for Development Cooperation and Global Climate Policy.

Agenda Item No. 5: How-to-Note on Green Transformation of Agri-food Systems – Agri-food Production, Business and Food Security

For information and discussion

Department for Green Diplomacy and Climate, GDK

The Council discussed and commented on the How-to-Note on Green Transformation of Agri-food Systems – Agri-food Production, Business and Food Security intended to guide the implementation of the strategy “The World We Share” as a part of a set of ‘how-to-notes’ and ‘approach-notes’.¹

The Council expressed its appreciation for a well-written note that focused on increasingly important issues. While its focus was strong on resilience, fragility, poverty, and the role of the private sector, Members of the Council found that the note was mainly describing the existing situation and did not sufficiently address the need for transformative change of agri-foods systems. Thus, the need for a move towards production of plant-based protein and the issue of decarbonisation of the food systems were not addressed in the note. Also framework conditions for the agricultural production in the form of national government policies, land use rights, including countering land grabbing, and EU regulation were important factors, which the note could do more to integrate. Regarding EU regulation, Members of the Council expressed concern about the consequences of the new EU Corporate Sustainability Due Diligence-directive, where all countries exporting to the EU needed to be able to document and trace goods in its supply chain. They asked for this to be reflected in the How-to-Note as it could be seen by partners outside the EU as a trade barrier.

Members of the Council recommended more emphasis on the need for efficient food production based on transition, new and innovative technologies, and new food products. The main challenge was to produce good quality and cheaper food for a growing population in Africa. Agro-ecology was good but could not be seen as a main response to the enormous challenge of feeding the future population.

Concerning the specific approaches mentioned in the note, Members of the Council questioned the relevance of instruments such as Strategic Sector Cooperation (SSC), Partnering for Green Growth (P4G) and Danida Green Business Partnerships (DGBP) for working with pro-poor solutions. Members of the Council further recommended to focus on the SSC and DGBP as the P4G-partnerships required a much larger capacity of the private sector.

In addition to the above, Members of the Council suggested to revisit the draft to address or elaborate on the following issues: (i) the potential trade-offs e.g. between drought-resistant crops and increased productivity and between increased production and environmental concerns, (ii) considerations behind focus on the poorest countries versus focus on emerging economies, (iii) nutrition not only related to lack of food but also to obesity, including its consequences for health and climate, and (iv) the issues of jobs and skills, including decent jobs, youth, and generational succession.

¹ [How to notes for implementation of the Danish Strategy for Development Cooperation \(um.dk\)](#)

The Chair of the Council for Development Policy thanked the Council for a good and constructive discussion on the last How-to-Note. The Under-Secretary for Development Policy added that the How-to-Note was a living document and assured that comments from the Council would be taken into consideration, including in the programming in partner countries.

Agenda Item No. 6: Support to the World Bank Trust Fund “Food Systems 2030”

For discussion and recommendation to the Minister

DKK 100 million

Department for Green Diplomacy and Climate, GDK

Summary:

Food Systems 2030 will contribute to realising the UN Sustainable Development Goals and the Paris Agreement by helping World Bank client countries build better food systems for healthy people, a healthy planet, and healthy economy. Food Systems 2030 addresses poverty, food insecurity, human health, and climate challenges in an integrated way and addresses the hidden cost stemming from trade-offs and lack of synergies across the food system outcomes of livelihoods, nutrition, and environment/climate. The World Bank is the biggest donor in the agriculture sector, and Danish funding to Food Systems 2030 is expected to leverage the World Bank’s extensive policy influence, technical expertise, and lending programmes in support of food systems transformation.

The Council for Development Policy recommended the Support to the World Bank Trust Fund “Food Systems 2030” for approval by the Minister for Development Cooperation and Global Climate Policy. The Council expressed reservations concerning the presentation of expected results and the lack of clarity of specific activities and underlined that it would be looking forward to seeing the Mid-Term Review in 2024.

The Council commended the Food Systems 2030 programme document for being well-written and highlighted the good context analysis. The links to existing Danish engagements at country level (e.g. bilateral country programmes and Strategic Sector Cooperation) were underlined as positive.

While Members of the Council appreciated the endeavour of influencing the World Bank’s operations towards a more holistic approach to transformation of food systems, they raised the question of whether support to a World Bank Trust Fund was the best way to influence the organisation in moving beyond business as usual and towards sustainable transition of food systems. Would it not be more effective to push for policy change from within the World Bank’s governance structure?

Members of the Council observed that the programme’s Theory of Change was rather abstract and found it generally difficult to understand how the high ambitions in the document would be translated into concrete action in partner countries. It was not apparent what kind of concrete development effects Food Systems 2030 would bring about on the ground. The results framework was not helpful in this respect as it did not specify the expected results and did not make it possible to see possible innovative initiatives.

A particular concern expressed by Members of the Council was the balance between support to the World Bank's internal processes in Washington and support to activities on the ground. It was appreciated that Danish funds would be dedicated to operationalise the overall objectives at country level, but doubt was raised about whether the activities of Food Systems 2030 were demand driven and whether they reached the rural poor. It appeared that client country partners would primarily be ministries of agriculture whose implementation capacities are bound to vary immensely. Partnerships with Small and Medium-sized Enterprises (SMEs) and civil society organisations were proposed.

Furthermore, Members of the Council regretted that the document did not mention the importance of plant-based production and decarbonisation of food systems. The ambition of reducing emissions was highlighted but it was not explained how this could be done in relation to agricultural production.

Lastly, the Council noted the envisaged Mid-Term Review scheduled for 2024 and underscored its utility as a means to concretise results and substantiate development effects. The Council requested to be informed about the Mid-Term Review findings and recommendations.

The Head of the Department for Green Diplomacy and Climate (GDK) thanked the Council for its remarks. It was still early days for Food Systems 2030 as a new trust fund under development. Danish support was seen as a good example of a new and innovative partnership through which a relatively small amount of funding could leverage transformation at a much higher level and larger scale.

The Chief Advisor from GDK added that following up on the Food Systems Summit in 2021, Food Systems 2030 was seen as having the potential to greening and leveraging the massive World Bank agricultural lending portfolio and programmes. The Chief Advisor agreed with the Council that it was important to ensure reporting on the development effects brought about by Food Systems 2030, not least the impact outside the sphere of direct influence of the support (i.e. the results on the ground accounted for by the improved lending operations and country level programmes).

Moreover, the Chief Advisor explained that Food Systems 2030 was an obvious entry point for Denmark to global policy agenda setting. Engaging the programme to accommodate Danish priorities – both at country and global level – was also furthered by the included secondment and by the envisioned engagement in the governance of the programme.

Finally, the other Chief Advisor from GDK outlined the criteria for countries eligible for support. These would include countries with expanded partnerships, including Danish development cooperation, and countries with Strategic Sector Cooperation. He also added that it was a Danish priority to contribute to poverty-orientation of the trust fund.

The Under-Secretary for Development Policy mentioned that it was in fact possible for Denmark to influence the approach and policy of the World Bank through headquarters-level programmes. The timing had to be right and the resources in place, but even small

adjustments to the course of the World Bank supertanker could make a huge difference in the longer run.

The Chair of the Council for Development Policy concluded that the Council recommended the Support to the World Bank Trust Fund “Food Systems 2030” for approval by the Minister for Development Cooperation and Global Climate Policy. She added the reservations by the Council concerning the presentation of expected results and the lack of clarity of specific activities and underlined that the Council would be looking forward to seeing the Mid-Term Review in 2024.

Agenda Item No. 7: Any Other Business

Members of the Council were asked to provide feedback on the minutes prepared for the meeting held on 15 March. They responded that the minutes reflected comments and responses well.

After the meeting, the Council spent an hour discussing important themes and challenges in Danish Development policy, with a point of departure in the Chair’s presentation of her recent work on trends in Nordic Development Policy.