

## Minutes from meeting in the Council for Development Policy 1 October 2020

### Present:

- Members:
- Professor Anne Mette Kjær, University of Aarhus (Chair)
  - International Director Jarl Krausing, CONCITO (Vice Chair)
  - General Secretary Birgitte Qvist-Sørensen, DanChurchAid
  - General Secretary Rasmus Stuhr Jakobsen, CARE Denmark
  - Senior Researcher Lars Engberg-Pedersen, Danish Institute for International Studies
  - Head of International Department Jens Kvorning, SMEdenmark
  - Vice President Bente Sorgenfrey, Danish Trade Union Confederation
  - Private Adviser Morten Lisborg, Migration Management Advice
  - Head of Department Kenneth Lindhardt Madsen, The Danish Agriculture & Food Council
  - Director for Global Development and Sustainability Marie Gad, Confederation of Danish Industries
  - International Director Marie Engberg Helmstedt, The Danish Youth Council
- MFA:
- State Secretary for Development Policy Trine Rask Thygesen
  - Under-Secretary for Development Policy Stephan Schönemann
  - Head of Department Nanna Hvidt, Department for Evaluation, Learning and Quality
  - Special Adviser Anne Marie Sloth Carlsen, Department for Evaluation, Learning and Quality
  - Adviser Britt Balschmidt Tramm, Department for Evaluation, Learning and Quality
- Agenda item 2: Head of Department Lotte Machon, Department for Africa, Policy and Development
- Agenda item 3: Head of Department Lars Bo Møller, and Chief Adviser Mogens Blom, Department for European Neighbourhood

## **Agenda Item No. 1 - Announcements**

The State Secretary for Development Policy apologized on behalf of the Minister for Development Cooperation who had had to cancel his participation in the meeting due to a very busy calendar. She then thanked the members of the Council who took part in the Task Force for Job Creation and Skills Development in Africa and the Confederation of Danish Industry for hosting the launch of the White Paper on September 30. As follow-up, 25 million DKK would initially be allocated for NGO activities while the main initiative – involving Danish vocational schools and private companies remained to be designed/developed. The State Secretary also informed about the third COVID-19 package for which 380 million DKK had been set aside. The package would have a broad take on human rights and a particular focus on labour rights and civic space. Finally, she announced that the Global Climate Strategy had been launched earlier in the week. A discussion with the Climate Ambassador could be organized should the Council so wish.

The Head of Department for Evaluation, Learning and Quality informed about the newly released Evaluation of the Danish Strategic Sector Cooperation (SSC). The evaluation was very positive and the evaluators were very pleased with what they had seen in the four visited countries India, Brazil, Kenya, and Indonesia. They regarded the SSC Programme to be a very well-suited instrument for developing capacity especially in middle or lower middle income countries while they questioned the relevance for less developed countries. The evaluation also noted that the main objective of the programme was capacity development and partnerships while bilateral relations and commercial aspects were derived effects. Responding to questions from the Council regarding the evaluation's lack of attention to poverty reduction, the Head of Department for Evaluation, Learning and Quality replied that it was the evaluators' assessment that the programme is less suited in very poor countries.

## **Agenda Item No. 2 - Information regarding the Finance Bill by Head of Department Lotte Machon, Department for Africa, Policy and Development**

Lotte Machon's briefing on the 2021 Finance Bill (FFL21) had three main points: 1) the overall frame for Danish official development assistance (ODA) in 2021, 2) the Government's key priorities for Danish development assistance in 2021, and 3) the main reallocations of funds towards the priorities.

She explained that the **overall frame for Danish official development assistance (ODA)** in 2021 on FFL21 amounts to DKK 17,033 million. Based on a new GNI estimate of August 2021, it was however expected that the final ODA frame in 2021 would be increased by additional DKK 78.6 million, amounting to a total of DKK 17,112 million – an increase of DKK 13.6 million compared to 2020. With this adjustment, the Danish ODA percentage would on the final 2021 Finance Bill amount to 0.72 pct. of compared to 0.71 pct. in 2020 (for details on the overall ODA frame see attached power point presentation).

The Government's **three key priorities** for Danish development assistance on FFL21 were highlighted. Firstly, the Government continued its strong focus on climate and the green

agenda. Compared to the 2020 Finance Act, the Government therefore proposed to allocate additional DKK 450 million for climate-related initiatives and the green agenda. This increase was, among other things, driven by additional funds to Build Back Better and Greener and new pioneer projects regarding access to clean energy and drinking water in Africa. A second priority was to provide more help and expand efforts in fragile states and areas affected by conflict and displacement and the government proposed to allocate additional DKK 350 million compared to last year. As part of this funding, additional DKK 110 million (total of DKK 190 million) was earmarked to support the government's ambition of a fair and humane asylum system (ROHA) and DKK 125 million has been allocated to supporting a pilot initiative on more inclusive approaches to refugee responses in Africa (Fremtidens flygtningerespons). Finally, increased solidarity with Africa was highlighted as a third priority, where the government, among other things, will initiate new pioneer projects on vocational training and job creation in Africa. In addition to the three key priorities, the Government would continue its strong focus on sexual and reproductive health and rights (SRHR). Moreover, in light of COVID-19, the Government proposed to double its support to the World Health Organization (WHO) and to dedicate DKK 100 million to COVID-19 efforts in Africa in 2021.

Lotte Machon emphasized that increasing funds allocated to the Government's three priorities would necessarily require reallocations from other areas. Concretely, the Government had decided to extend *existing* long-term development engagements (country programmes) in Tanzania, Myanmar, Afghanistan and Bangladesh to 2021 and thereby postpone the decision on future engagement level until the 2022 Finance Bill. This would allow more time for in-depth political discussions and considerations about future engagement level in the four countries and moreover release more than DKK 600 million to lift the government priorities in 2021. Furthermore, funds had been reallocated from some of the private sector instruments towards the key priorities. As an example, the planned commitment to IFU in 2021 was postponed, among other things, to 2022 and 2023 due to fewer investments because of the COVID-19 crisis.

The Council welcomed the presentation and thanked for taking the time to inform the Council about FFL21.

In the following Q&A session, the Council asked about the increase in Denmark's contribution to the EU's development budget in 2021. In reply, it was explained that the increase, among other things, was a consequence of Brexit, which left Denmark with a relatively larger share of the payment. Furthermore, it was underlined that the amount on FFL21 was an estimate, which was expected to be updated ahead of the final 2021 Finance Act. Regarding the estimated ODA percentage of 0.72 in 2021, it was commented that as this figure includes an amount that makes up for lower spending in 2019, the implication is that the actual ODA percentage in 2019 was below 0.7.

Regarding the priorities, the Council requested more information about the concrete projects in areas affected by conflict and displacement and fragile states. With regards to the funds (DKK 125 million) allocated to supporting a pilot initiative on more inclusive approaches to refugee responses in Africa (Fremtidens flygtningerespons), it was explained that project planning still was at an early phase. With regards to funds allocated to climate-related initiatives and the green

agenda, it was highlighted that within the climate envelope (DKK 677.5 million) the goal was to have a 50/50 balance between mitigation and adaptation activities. The Council also solicited information explaining why particularly Myanmar, Bangladesh, Afghanistan and Tanzania have been put on hold.

Furthermore, noting a concern for the declining allocations to country programmes, the Council asked about the amount of bilateral development assistance targeting Africa and requested more information about how much ODA was channeled through multilateral and bilateral channels. Lotte Machon explained how Denmark's bilateral engagement in Africa was listed under several different activities/accounts on FFL21 and that only looking at the size of country programmes in Africa (§06.32.01) did not provide a comprehensive picture. As an example, a new project regarding clean drinking water in Mali (DKK 120 million) was found under the account related to climate-related/green initiatives (§06.34) and not under "Africa" as an attempt to gather all green activities on FFL21. Regarding the balance between multilateral and bilateral ODA, it was explained that Danish multilateral assistance in 2021 was estimated to approx. 44 pct. according to DAC's categorisation and contributions to the United Nations alone amounted to approx. DKK 3 billion. A question was raised about the amount of development assistance to food and agriculture, taking into consideration that green job creation and sustainable poverty reduction require a sustainable intensification of agricultural production. Lotte Machon answered by pointing to OECD's markers regarding food and agriculture as a tool to get information about how much ODA Denmark had contributed in previous years. Overall, the Council highlighted the difficulties in finding detailed data and information about the prioritization/allocation of Danish ODA to specific areas or if trying to compare trends in Danish ODA from one year to another.

Lastly, Council members expressed concern about phasing out the Danida Market Development Partnerships (DMDP) programme. In reply, it was underlined, that DMDP had always been a 5-year project from 2017-2020. Furthermore, it was highlighted that the new climate initiative – Climate partnerships – would build on the positive experiences from DMDP.

#### **Agenda Item No. 4 - Den ny Demokratifond – Civil Society Partnerships with the Eastern Neighbourhood Countries**

*For discussion and recommendation to the Minister*

Department for European Neighbourhood, EUN

*The New Democracy Fund aims at promoting civil society partnerships in the six Eastern European countries that are part of the EU's Eastern Partnership, i.e. Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. The initiative provides follow-up on recommendations from the Mid-term Review (MTR) of DANEP (January 2020) regarding a strengthened involvement of Danish civil society organisations. The preparation and launch of the initiative has been influenced by the recent developments in the region, and in Belarus in particular, that have emphasized the relevance of providing support to civil society outside the two focus countries, Ukraine and Georgia. The New Democracy Fund offers a flexible approach where opportunities can be seized and efforts mobilised to support local actors in the region exercising their democratic rights.*

*The Council for Development Policy recommended the New Democracy Fund for approval by the Minister for Foreign Affairs while raising some concerns for further consideration/clarification.*

The Council acknowledged the importance and relevance of the New Democracy Fund and the political wish to support the democracy movement there. The Council commended the swift development of the new initiative, which helped address the latest developments in the Neighbourhood countries and the need for Danish support beyond Ukraine and Georgia. Likewise, the Council acknowledged the importance of supporting civil society organisations in the region and the involvement of Danish civil society peers. The Council commended the New Democracy Fund's focus on furthering peer-to-peer cooperation and building long-term partnerships and cross-cultural understanding.

At the same time, however, the Council called for caution and careful considerations with regard to the level of complexity and the specific design of the New Democracy Fund. In this regard, the Council questioned whether existing mechanisms for CSO-funding (e.g. CISU or DUF) could be used instead of establishing a new consortium-model, which might imply an unnecessary additional bureaucratic and administrative burden. Moreover, the Council found that the selection of thematic areas was to be considered. Thus, it might be a possibility to narrow the scope from five to three themes during the inception phase. At the same time, however, the inclusion of 'Human Rights' could be considered, as this is a basic value for both Danish foreign policy and Danish development assistance. Likewise, the Council commended the focus on Youth and the programme's acknowledgment of the crucial role that young people play in democratic reforms and transitions.

Following up on the debate regarding the complexity of the programme, the Council raised the issue of a two-year pilot phase. Would it have been more appropriate with a longer pilot phase, which would better allow for a complex programme to test strategies and partnerships? Would the programme have accumulated enough experience and learning before the planned mid-term review? Likewise, the Council raised concerns regarding the short timeframe for preparation and application (end October). Was such a speedy process appropriate, and would it allow for partners in the region to be properly involved in programme formulation? And how did EUN plan to tackle the restraints that the COVID-19 inevitably would put on the preparation and implementation of the project, especially in terms of conducting physical meetings? The Council noted that it might be useful to elaborate on the aim and function of the envisioned local presences in selected neighbourhood countries. Moreover, outcome indicators could be further developed to better measure actual strengthening of civil society partners.

Finally, the Council asked about the role foreseen for the Council, since the call for proposals had been published *prior* to the meeting and thus excluding the Council from any discussion of programme design.

The representative of EUN thanked the Council for the kind words and many valuable comments. The New Democracy Fund had been developed in a fast-track process responding to a clearly stated political wish for Denmark to address current developments. However, the Fund

was not considered a short-term effort, but an initiative fostering development of long-term cooperation between civil society in the Neighbourhood countries and in Denmark. The consortium model had been chosen after thorough internal consultations with all relevant departments in MFA. The aim was to have civil society organizations with existing partnerships and in-depth knowledge of the region to lead the initiative. Thus, to be able to initiate the initiative swiftly, it was deemed necessary to involve organizations, which were already ‘on the ground’. Hereby, new regional networks and cross-thematic activities would be building on and adding to existing cooperation and partnerships. Moreover, the partners of the consortium would also be able to guide and assist less experienced partners (within track 2 and 3) in their efforts to establish new partnerships. The representative of EUN acknowledged that the timeframe of two years was very short. However, as stated in the programme description, it was the intention to continue the New Democracy Fund in the next five-year phase of the Neighbourhood Programme. The representative of EUN also acknowledged the short notice for the call-for-proposal, which would not leave much time for consultation with new partners in the Neighbourhood countries. Accordingly, this was why new regional networks in the first phase ought to be based on existing partnerships and engagements. Responding to the question regarding the number of themes and complexity of the New Democracy Fund, the representative of EUN stressed that it did not expect activities to cover all the proposed themes and countries. On the contrary, countries and themes ought to be included through a need-based approach. EUN would attempt to clarify this in a written clarification to the organisations applying for the call-for-proposals. Moreover, EUN had included both an inception review and a mid-term review as part of the pilot phase. The reviews provided possibility for adjustments during the course of the programme – and the inception review would be used to finalize structures, guidelines, formulation of specific and measurable outcomes and outputs as well as adjustments vis-à-vis the development of the COVID-19 pandemic.

The Under-Secretary for Development Policy acknowledged that the New Democracy Fund had been developed in a speedy process, and that it was not ideal to announce the call-for-proposals before the meeting in UPR. However, it was done to respond to an important political agenda, and while members of the Council might find that the process was too fast, other important actors found the process too slow. The Under-Secretary for Development Policy reassured the Council that alternative set-ups of the fund had been thoroughly considered after the discussion in the Programme Committee. No models, including the establishment of new windows within existing structures, could be realized without considerable administrative costs and time for start-up. However, EUN would take thorough note of the concerns and questions from the Council and report back to the Council on how these were addressed.

The Chair concluded that there were many observation points mentioned by the Council, not least regarding complexity, short time span and organizational set-up. Therefore, the Council would follow the implementation by being informed about progress of the Fund in a year’s time. Taking note of these observation points, the Council recommended the New Democracy Fund for approval by the Minister of Foreign Affairs.