

Minutes from meeting in the Council for Development Policy 8 May 2018

Present:

- Members: Professor Emeritus Georg Sørensen, University of Aarhus (Chair)
Director Jan Laustsen, The Danish Agriculture & Food Council
Head of Projects Tine Bork, SMEdenmark
Partner Marina Buch Kristensen, Nordic Consulting Group
Senior Researcher Lars Engberg-Pedersen, Danish Institute for International Studies
Associate Professor Michael Wendelboe Hansen, Copenhagen Business School
Director Mads Bugge Madsen, The LO/FTF Council
General Secretary Birgitte Qvist-Sørensen, DanChurchAid
Thomas Bustrup, Confederation of Danish Industries (agenda item 1-3)
- MFA: Martin Bille Hermann, State Secretary for Development Policy
Morten Jespersen, Under-Secretary for Global Development and Cooperation
Nicolaj A. Hejberg Petersen, Head of Department for Technical Quality Support
Lotte Machon, Head of Department for Development Policy and Financing
Mette Brink Madsen, Adviser, Department for Technical Quality Support
- Agenda item 2: Head of Department Stephan Schönemann, Deputy Head of Department Marie-Louise Koch Wegter and Chief Adviser Karin Eriksen, Department for Humanitarian action, migration and civil society
- Agenda item 3: Head of Department Stephan Schönemann, Deputy Head of Department Marie-Louise Koch Wegter, Chief Adviser Thomas Nikolaj Hansen and Head of Section Sisse Christensen, Department for Humanitarian action, migration and civil society
Niklas Borker Bjerre,
- Agenda item 4: Head of Department Henriette Ellermann-Kingombe, Chief Adviser Sune Krogstrup, Chief Adviser Niels Richter and Chief Adviser Merete Villum Petersen, Department for Multilateral Cooperation and Climate Change
Ambassador Ib Petersen and Ambassador Peter Lehman Nielsen, Danish UN Mission New York
Ambassador Carsten Staur, Danish UN mission Geneva
Executive Director Sus Ulbæk, the Nordic-Baltic constituency in The World Bank

Agenda item no. 1: Announcements

There were no announcements.

Agenda item no. 2: Regional Development and Protection Programme for the Middle East

DKK 200.0 million

For discussion and recommendation to the Minister

(Department for Humanitarian action, migration and civil society, HMC)

Summary:

The Regional Development and Protection Programme for the Middle East (RDPP) is a joint European initiative to support refugees and displacement-affected host communities in Lebanon, Jordan and Iraq. Denmark has been leading the RDPP since 2014 on behalf of the contributing donors. Based on the positive results of the first phase, Denmark developed a new phase of the programme for the period of 2018-2021. The objective of the programme is to support refugees and host communities to access their rights, be safe and self-reliant, and for refugees to be able to avail themselves of a durable solution. The programme will focus on three thematic engagement areas: 1) Livelihoods towards durable solutions, 2) Upholding and expanding protection space and 3) Research and advocacy to promote a more conducive environment for durable solutions. The RDPP is implemented through partnerships with civil society organisations, NGOs and host governments with a focus on local actors. The Danish contribution of DKK 200 million will contribute to a total programme budget of DKK 400 million.

The Council for Development Policy recommended the programme for approval by the Minister for Development Cooperation

The Department for Humanitarian Action, Migration and Civil Society (HMC) presented the programme proposal and reflected on how learning from the first phase had been key in developing the new programme. It was stressed that the RDPP adopted a unique humanitarian-development nexus approach in addressing protracted displacement in host countries, and that it was an important element in the overall Danish response to the Syrian crisis.

The Council appreciated the proposal to extend the RDPP with a new phase. The Council acknowledged the immense humanitarian and development challenges caused by the Syrian displacement crisis and recognised the relevance of the programme as an element in addressing these. The programme was seen as a positive example of how to operationalise the humanitarian-development nexus.

Further, the Council appreciated the regional focus of the RDPP and stressed the importance of addressing both regional aspects and the specific contexts in the three countries. The Council also noted that the complexity of addressing protracted displacement in the three countries was evident in the description of activities, but also that the complexity and the commendable flexible approach of the RDPP made it more difficult to get a clear understanding of the programme. The Council inquired about the added value of the RDPP vis-à-vis other programmes in the region.

While acknowledging the challenges related to increasing employability, the Council appreciated the livelihoods component and the focus on youth and job creation, noting that livelihoods had to be a central element in a solutions-focused strategy. The Council also noted the need for inclusion of all relevant labour market stakeholders and cooperation with the ILO in addressing the decent work agenda.

The Council commended the focus on localisation and noted that while localisation entailed risks related to capacity, cooperation with authorities entailed a different set of no less significant risks. The Council asked if the focus on local partners could hamper the ability to challenge host governments through research and advocacy activities and suggested to seek cooperation with mayor players such as the US, EU and others to enhance policy impact.

The Council recommended engaging with religious leaders, including on issues related to social cohesion. It was furthermore recommended to seek coordination with the activities in Lebanon led by the new MFA unit on freedom of religion and belief (FORB) and in general to seek inclusion of relevant Danish actors, including Danish NGOs. Furthermore, the Council asked to which extent other donors had committed to the programme. Finally, some Council members questioned the length and reader-friendliness of the programme document, which led to a brief discussion of the format and documentation requirements.

HMC thanked the Council for the support expressed to the new phase of the RDPP and for recognising the complexity within which the programme will operate. A similar recognition of risks and readiness for flexibility in addressing the Syrian displacement crisis had been emphasised and appreciated by other potential donors to the programme and constituted a significant added value of the programme vis-à-vis other programmes. HMC appreciated that the challenges of job creation within the strained economic environments in the three countries was recognised by the Council members and echoed the need to engage with relevant stakeholders, including parties to the labour market, the private sector and religious leaders. Coordination would also be sought with the FORB unit and other relevant Danish engagements in the region.

The HMC gave an overview of the current commitments from the EU Commission (DKK 150 million), Switzerland (DKK 5 million) and the Czech Republic (DKK 3 million). With the exception of the Czech Republic, the commitments from the other three donors for the new programme was larger than their commitments for the first phase. Furthermore, positive indications had been received from the Netherlands, Norway, Sweden and Ireland, and negotiations would be completed in June.

In conclusion, the Chairman noted that there was general agreement among the Council members to recommend the programme to the Minister for Development Cooperation. The Council recognised that the programme contained innovative elements, while also noting the significant challenges in addressing the Syrian displacement crisis. It was the impression that the programme would be supported from a broad range of donors. The Chairman noted that a number of questions had been raised regarding the decent job agenda and the labour market engagements, as well as the use of local partners, which had all been answered in a comprehensive and satisfactory manner.

Agenda item no. 3: Thematic discussion: Support to civil society organisations, including status on the reorganisation of Danish civil society support

For discussion

(Department for Humanitarian action, migration and civil society, HMC)

The Department for Humanitarian Action, Migration and Civil Society (HMC) presented the status on the implementation of the reorganisation of Danish support to civil society. The reorganisation served two objectives: 1) To strengthen popular Danish engagement in development cooperation through a simplification of procedures and requirements for applicants to pooled funding mechanisms and 2) to ensure strong strategic partnerships with long-term partners that increasingly support Danish development policy and humanitarian priorities. The latter had been implemented through a first-ever open competition, where applicants had been assessed on a number of criteria related to capacity and strategic relevance. It was premature to assess results as implementation had initiated in January 2018.

The Council commended the significant role of Danish civil society in Danish development cooperation, both in terms of promoting sustainable development in the global South and in terms of strengthening public engagement in development cooperation.

The Council enquired about the process of selecting strategic partners and possible reactions from rejected applicants. The importance of maintaining and promoting a strong, independent and diverse civil society was also stressed. The Council appreciated the ambition to strengthen strategic collaboration between the Ministry and the strategic partners, highlighted the need to ensure broad ownership, define responsibilities and emphasised the significant transaction costs this could imply for the Ministry. The Council recommended a clear approach to countering the shrinking civil society space.

The Council emphasised the need to balance accountability requirements with a lean administration and expressed concern about the administrative requirements, especially in relation to smaller grants. Donor coordinated audits was suggested as a means of lessening the administrative burden. The Council strongly applauded the increased flexibility granted to strategic partners. While the Council acknowledged that certification against the International Aid Transparency Initiative, IATI, increased transparency, concerns were also raised about the administrative burdens associated with more transparency in aid flows.

The Council asked about the added value of the Danish civil society organisations' engagement in international alliances and networks. The Council applauded the improved possibilities for innovation and encouraged the partners to draw on external innovation expertise.

While the Council commended that the Information Note that had guided the selection of strategic partners drew on the principles from 'The Civil Society Policy', dated 2014, the Council also sought clarification on the relation between 'The World 2030' and 'The Civil Society Policy', and whether Denmark's objective with and approach to civil society support remained the same. Lastly, the status of the policy after expiration in 2020 was brought up.

In response, HMC explained that the selection of partners had been based on a comprehensive assessment process, which had been evaluated as fair and thorough by the partners. Applicants not selected as strategic partners had the opportunity to continue their activities by seeking programme funding through a strengthened programme modality in ‘Civil Society in Development’, CISU. HMC confirmed that the objective with Danish civil society support continued to be to promote a strong, independent and diversified civil society through capacity building, advocacy and strategic service delivery as reflected in the strategy ‘The World 2030’ and the Information Note. While the applicants for strategic partnerships were assessed on their capacity and strategic relevance in relation to the Danish priorities, this did not exclude their engagements within other thematic or geographic areas. Moreover, strategic collaboration on shared objectives was not seen as contrary to support for a strong and independent civil society.

HMC confirmed that shrinking civil society space was a focus area, and explained that the Ministry engaged in strategic collaboration with the Danish partners and relevant international organisations on how to cope with and respond to shrinking space for civil society. Moreover, Denmark would host a multi-stakeholder dialogue on the issue in June 2018.

HMC stressed that the reorganisation aimed to ensure a better balance between the size of the grants and the administrative requirements, but maintained the importance of ensuring accountability for the combined support to civil society of more than DKK 5 billion during the four-year period.

HMC explained that the strategic partners’ engagement in international alliances presented a strong opportunity to influence global development. HMC confirmed that a workshop on innovation for the strategic partners had been conducted drawing on expertise from the private sector.

The State Secretary for Development Cooperation reminded that ‘The World 2030’ was broadly supported in parliament, which gave it a unique and strong status. The overall importance of and approach to civil society reflected in ‘The Civil Society Policy’ had been carried forward in ‘The World 2030’.

In conclusion, the Chairman noted that the discussion demonstrated the wide range of Danish support modalities to ensure the diversity of civil society. The discussion had dealt with issues such as innovation, alliances and shrinking civil society space, where an important, related challenge was the uprising of nationalistic and sectarian civil society organisations.

Agenda item no. 4: Thematic discussion: The role of multilateral organisations in development cooperation

For discussion

(Department for Multilateral Cooperation and Climate Change, MKL, UN Mission Geneva & UN Mission New York)

The Multilateral Department introduced the thematic discussion by supporting the introductory remarks from the Chairman in which he underlined that while the need to seek multilateral solutions had never been greater, rising unilateralism made them more difficult to achieve. The global shifts in power called for a strong multilateral institutional architecture in order to protect and develop the international legal order. The Danish engagement was characterised by strong support to the reform of multilateral organisations with the overall goal of strengthening effectiveness, accountability and legitimacy. The conclusion of the negotiations of the capital increases for IBRD and IFC was a good example of how funding and reform was inter-linked through a package of measures whereby shareholders, borrowers and the institutions themselves contributed. It was underlined that in recent years close to 50 per cent of the Danish foreign aid had been channelled through multilateral organisations. As an example of the strong Danish engagement, Denmark had co-facilitated the drafting of a resolution in the General Assembly with the aim of supporting the UN Secretary General's plans for reform of the UN development system, a resolution that had recently been passed.

The Council expressed its support to the need for strong multilateral institutions. It was suggested that the Danish engagement could be analysed through the perspectives of 1) values 2) effectiveness/results 3) national interests. Values could be broken down into democracy, climate/environment and gender equality. Although the strong Danish focus on gender equality was appreciated, more could be done by multilateral organisations in support of democracy - which was under attack in a worrying number of countries - and possibly also environment and climate. Effectiveness and results were closely linked to the question of reforms, and the Council asked what had been achieved through decades of reform efforts and what the Danish strategy was in this regard. In order to highlight effectiveness and results it was suggested to introduce an annually report on the results of the Danish multilateral support, that also reflected the effectiveness of organisations as documented for instance in the MOPAN reports. The Council underlined that national interests were both short-term and long-term, and a single-minded focus on short-term interests could jeopardise long-term solutions. In this regard, the Council asked whether there was a growing focus on Multilateral Development Banks at the cost of the UN, possibly jeopardising the Danish long-term interests in terms of influencing for instance global norms and policies.

The Council noted that the broad multilateral agenda required prioritisation by the Government. In order to promote Danish political priorities most efficiently, Denmark should continuously seek to build strategic alliances with likeminded players, e.g. the Nordic countries and others with similar longer-term interests and as appropriate through the EU. Strengthening a rule-based international order was highlighted as a crosscutting priority for Denmark. Furthermore, human rights should be seen as an integral part of the SDGs.

While emphasising the need for a holistic approach to development by the multilateral organisations, Denmark could further focus its own efforts on parts of this agenda. For instance, it was suggested that Denmark should strengthen its engagement and profile on issues related to global financial governance, e.g. tax issues and fighting illicit financial flows. This was an area characterised by great potential for strengthened cooperation between Denmark and the multilateral organisations, in particular the World Bank.

The Permanent Mission of Denmark to the UN in New York responded by highlighting the three reform tracks of the UN Secretary General as well as the recent achievements in terms of reaching agreement on a resolution to support the reform of the UN development system. The purpose of the reform package was to strengthen prevention as this was seen as a key element in promoting development. The ambition was to strengthen cohesion between the different interventions on the ground by the UN. A reform of the Resident Coordinator should contribute to strengthened accountability and efficiency. The reforms were expected to generate considerable efficiency gains and savings.

As a response to the remarks of the Council on the overall trends of the multilateral system, the Mission in New York highlighted the reduction of core financing and the increase of earmarked funding as a clear trend. This posed a challenge for the ability of the UN organisations to deliver on their core mandates and raised the risk of fragmentation. Denmark was still considered an important core-funding donor. In addition to the financial support, it was important to express political support to UN organisations working to promote Danish values, e.g. UNFPA which had recently been criticised and de-funded by the US.

As a general remark on the value of multilateral organisations, the Danish Mission to the UN in Geneva underlined that the main role of the UN was to provide professional assistance to developing countries and strengthen international norms and standards. The UN had made progress in terms of reforms and it was important to remember that the UN provided an opportunity for small countries – like Denmark – to increase its influence. Some parts of the UN was not efficient because of internal bottlenecks, such as difficulties in dismissing certain categories of staff. To a certain extent, ways had been found to work around these constraints. However, inefficiencies also resulted from a governance model where the global membership agreed on the work programme of the institutions, while the limited number of donors afterwards decided what part of the programme they would fund. It was important to focus the Danish effort, which required significant resources and skills as well as the willingness to prioritise issues based on substance rather than based on organisations. Humanitarian aid was growing in importance – with a tripling of the annual humanitarian appeals over the last 15 years. Strengthening the link to development aid – as this was happening now with the World Bank - should continue to be a key priority for Denmark.

The Danish Executive Director for the Nordic-Baltic constituency in The World Bank informed the Council that the recent capital increase would enable the World Bank Group to make an average of USD 100 billion available for development annually to 2030, an increase of USD 315 billion over the period. With the capital package, developing countries would stand for 47.4 per cent of shares in the institutions and pay a big share of the capital increases. The negotiation had

demonstrated a strong and growing sense of ownership of the IBRD and IFC from developing countries – and not least from emerging economies. The World Bank’s dialogue with developing countries was supported by major investments. The challenge for the World Bank was its limited staff at country level, particularly in fragile countries where it had committed to increase its engagement. The multilateral development banks had a key role to play in raising finance for the SDGs, also from the private sector. They could support longer-term reform and institution building through policy based lending and more directly leverage private investments and finance directly through their private sector arms.

Responding to the question about whether the multilateral development banks were prioritised over the UN, the Head of the Multilateral Department informed the Council that in 2017 42.23 percent of Denmark’s multilateral aid had gone to the UN, whereas 23.59 percent had gone to the multilateral development banks. The distribution fluctuated from year to year. Both the UN and the banks were seen as key and complementary pieces of the machinery needed to realise the SDGs, and there was no decision to favour one over the other or change the distribution of funding.

The Chairman concluded that strengthening multilateral organisations was and should be an important element in the Danish development cooperation. However, it was important for Denmark to continuously focus its resources and interventions. The question of how to deal with the challenges of fragile states was particularly important. The Chairman highlighted the support for an annually report focusing on the results generated by the Danish multilateral development cooperation.

Agenda item no. 5: Appointment of members to the board of the Danish Institute for International Studies, DIIS

The Council discussed the appointment of two members to the board of the Danish Institute for International Studies, DIIS. The Council found it relevant to appoint a member with experience from civil society organisations as well as a member with experience from development research.

Agenda item no. 6: AOB.

No points were raised.