

## Minutes from meeting in the Council for Development Policy 10 September 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
  - 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:
- Ambassador Steen Sonne Andersen
  - Deputy Head of Mission Dorrit Skaarup Jensen
- Agenda item 3:
- Head of Department Rasmus Abildgaard Kristensen and Chief Adviser Tilde Hellsten, Department for Green Diplomacy, GDI
  - Head of Department Asser Berling and Special Adviser Jeppe Helsted, Ministry of Climate, Energy and Utilities
  - Head of Department Anton Beck and Special Adviser Andreas Karlsen, the Danish Energy Agency

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

The Under-Secretary for Development Policy announced that the draft Financial Bill (FFL21) had been publicized and offered to share the underlying Priority Plan with the Council, which was welcomed. The Minister for Development Cooperation will brief the Council about FFL21 in its meeting on 1<sup>st</sup> October. Concerning COVID-19 and how it affects the development cooperation in different countries, she informed the Council that the picture continues to be very mixed and that the remaining third tranche of the 'COVID-19 Package' will focus more on human rights and democracy and the green. The embassies will be asked to comment before finalization. Regarding the situation in Lebanon following the explosion, the Minister had discussed a contribution of 150 mio. DKK from the Peace and Stabilization Fund with representatives in parliament. The aim would be to support reform measures in the medium to longer perspective, possibly with the government. Responding to questions from the Council, the Under-Secretary also informed that the new Government Climate Strategy which will also cover development cooperation would be made public towards the end of September and that no decision had been made yet as to the timing of the new Strategy for Development Policy (the current strategy expires at the end of 2021). Regarding possible support for handling the situation in Lesbos following the fire at the Moria camp, the Under-Secretary informed that due to the camp's location inside the EU, the possibilities for using development funds are limited.

## **Agenda item no. 2: Strategic Framework for Burkina Faso 2021-2025**

*For discussion and recommendation to the Minister*

The Embassy in Ouagadougou

*Summary: The Strategic Framework for Burkina Faso 2021-2025 forms the basis for Denmark's partnership with Burkina Faso, and includes a bilateral development programme with a total amount of 1,050 million DKK. The partnership has three strategic objectives: 1) Enhance security, rule of law, human rights and effectiveness of national institutions, 2) Promote local community resilience and national economic resilience, and 3) Support to climate change adaptation.*

<i>The Council for Development Policy recommended the Strategic Framework for Burkina Faso 2021-2025 for approval by the Minister for Development Cooperation.</i>
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The Council generally found the Strategic Framework for Burkina Faso (2021-2025) well written and to the point, outlining the difficult social, political and economic context in Burkina and how Denmark can best navigate and achieve the objectives of the partnership within this context. The excellent presentation of the nexus between development, humanitarian and security engagements and the mainstreaming of Danish development priorities, such as youth, were highlighted. The Council found the Strategic Framework to be a good model for future Danish country strategic frameworks. Moreover, it was noted how a well-functioned bilateral programme enabled the sort of contextual analysis and flexibility necessary in a fragile country such as Burkina Faso. Finally, the Council noticed that the framework paper showed the importance of implementing the Doing Development Differently approach given the uncertain situation and the many instruments applied.

The Council emphasized the importance of building community resilience and supported the reorienting parts of the bilateral engagement towards social development and cohesion and noted that this reorientation could be emphasised in the overall strategy. Members also were appreciative of the way in which resilience and food production were incorporated into thinking about social safety nets. This is the most appropriate way to approach safety nets in a poor country such as Burkina. The Council noted, though, that the Strategic Framework could have been more precise in the description of the social security net and the Danish contribution to strengthening it.

The continued substantial support to the water sector was acknowledged as an important contribution also in this regard. It was asked whether the embassy considered support for decentralization to local authorities as this has been a significant Danish concern some years back.

The Council noted the need for flexibility and agility in light of the fragile and uncertain context, including the need for unallocated resources and pointed to the different scenarios which along with the underlying Theory of Change could have been presented more clearly. The link between the two could be further emphasised.

The Council commented on the critical security situation, including the allegations of misconduct among security and defence forces. The Council asked about the potential effect on the Danish cooperation with the Ministry for Security.

Members of the Council called for a strategy for developing the labour market beyond the agricultural sector. The link between the bilateral engagement and IFU was highlighted and it was suggested to learn from ongoing labour market initiatives in West Africa supported by Denmark. It was asked how the embassy envisages that Danish support can help create jobs related to the agricultural sector.

Members of the Council underlined the difficult climate situation as a main conflict driver and agreed to address this issue at sector level. They called for climate smart agricultural initiatives to be considered and to use innovative approaches in the formulation of the resilience component. Lastly, the Council praised the Strategic Framework for mainstreaming issues related to the youth through a more holistic approach. Peer-to-peer cooperation with the Danish civil society was recommended as was a recurrent assessment throughout implementation of the programme of its ability to engage the youth. The need to address youth unemployment and the importance of integrating youth in labour market and the value chain was also commented on.

The Embassy thanked the Council for the kind words and valuable comments about the Strategic Framework. The Embassy emphasised that the comments and questions posed by the Council would be taken into consideration in the formulation of the engagements with development partners.

The Embassy took note of the need for flexibility in the bilateral engagement. In this regard, the Embassy highlighted the balance between keeping a part of the budget unallocated for future interventions and the need to respond fast and adequately to current challenges. The Embassy noted that it was envisaged for each thematic area to keep in between 10-20% as unallocated funds.

The Embassy acknowledged the difficulties posed by the deteriorating security situation, including from non-state actors, such as self-defence groups. At the same time, the Embassy emphasised the good and candid dialogue with the Government, including the Ministry of Security, about human rights issues, including the alleged violations against the population by security and defence forces.

The Embassy took note of the Council's comments regarding the labour market and the social safety net. The Embassy underlined that even though the focus was primarily on job creation in the agricultural sector, this bilateral engagement had to be seen in connection with other engagements, namely multilateral engagements with international organisations, development banks and funds, such as the World Bank's big social protection programme

The Embassy noted that in some areas, like decentralisation, a conscious choice had been made to leave this for other international partners, and instead focus on priority areas where Denmark throughout the years had established a position of strength and could add value, for instance in the areas of water supply and governance. The Embassy highlighted that this "division of labour" seemed to fit well with the approach of Doing Development Differently.

Summing up, the Chair noted the Council's appreciation of the Strategic Framework. The contribution to better understand, and hereby address, when to argue for bilateral or multilateral assistance, or a combination of the two, was significant. Further, the importance of flexibility was highlighted. The challenge ahead will be to go from strategy to action in an extremely difficult security and fragile situation. The Chair concluded the Council could recommend the Strategic Framework for Burkina Faso 2021-2025 for approval by the Minister.

### **Agenda item no. 3. Danish Energy Partnership Programme III, 2020-2025 with China, Vietnam, South Africa and Mexico**

*For discussion and recommendation to the Minister*

(Department for Green Diplomacy. Ministry for Climate, Energy and Utilities and Danish Energy Agency)

*Summary: The third phase of the Danish Energy Partnership Programme, 2020-2025, is designed to contribute to the Danish Government's priorities on climate change mitigation, including to address the international perspectives of the Danish Climate Act, SDG 7 and 13, as well as Denmark's strategy for development cooperation and humanitarian action. DEPP III rests on the experience and lessons learned from partnerships with China, Vietnam, South Africa and Mexico developed since 2012 through separate bilateral programmes and under DEPP II.*

*The Council for Development Policy recommended the third phase of the Danish Energy Partnership Programme for approval by the Minister for Development Cooperation while raising some concerns.*

The Council stated that the Danish Energy Partnership Programme III (DEPP III) is *different* than most development programmes as it is based on partnerships with emerging economies – opposed to low income countries - thereby adding to the mitigation potential of the programme. The Council mentioned that the four countries included account for more than 30 % of global emissions, and underlined the importance of DEPP III in order to implement the Danish Government’s priorities on climate change mitigation, including international ambitions to meet the targets set in the Paris Agreement and Agenda 2030 for Sustainable Development. The Council found the timing was right as the next five years will be decisive in meeting the Paris Agreement objectives.

The Council pointed to the potential in bridging between programme expertise within regulation and planning and experience and solutions from the private sector in order to strengthen synergies and increase the value of DEPP III. In this regard, members of the Council welcomed one of the new mechanisms of DEPP III namely “*the energy sector counsellors*” posted at the embassies as a mean for strengthening dialogue with the private sector and in securing technical results to be lifted into national policy dialogue and more broadly into the work of climate diplomacy. Furthermore, Council members also greeted the scope of the new mechanism “*Strategic Engagement and Cooperation*” (SEC) for focusing on cooperation with knowledge institutions, universities, international agencies and civil society. The council encouraged an investigation of opportunities for cooperation between the programme and public-private partnerships (e.g. P4G) as well as the Investment Fund for Developing Countries (IFU) and DANIDA Sustainable Infrastructure Finance (DSIF).

The Council reflected on the timing of DEPP III in relation to the ongoing Evaluation of the Danish Funding for Climate Mitigation in Developing Countries. Specifically the Council asked how recommendations of the evaluation will be taken into account in the implementation of DEPP III.

The Council commented on the importance of the links between DEPP III and issues related to poverty orientation, human rights and gender and remarked that these were only described indirectly in the documentation. Since, (as a political decision), the development aid budget funds these programmes, the effects on poverty reduction should be explained better. In addition, the Council noted differences in the commitment of the four countries, and the absence of analyses of the political economy in these countries. The extent of ownership to the programmes was questioned, especially in Mexico’s case. The focus on hardware and the absence of any focus on efficiency and behavioural change was also noted.

The Council asked about the political willingness in the four countries to support renewable energy. Some places in the document it seems that there is strong support and then one may wonder whether the countries are ready to buy this technical assistance. In other places it seems that there is limited political support and then the question is whether this programme has any chance of changing this.

Finally, it was noted that the programme seems to have evolved and improved since the beginning (2012) having achieved partnerships with strong focus on capacity building and at the same time noting that there are observation points.

The Department for Green Diplomacy (GDI) appreciated the Council's remarks on the importance of securing synergies between private sector, private-public partnerships, civil society and universities among others. GDI agreed that synergies between the programme and surrounding actors were important issues and GDI highlighted how the green front line embassies and posted energy sector counsellors together with GDI will bridge between technical results and climate diplomacy.

GDI explained that the Evaluation of Danish Funding for Climate Change Mitigation in Developing Countries - being a bit delayed – evaluates a broad range of programs besides DEPP III as well as a number of multilateral engagements. It was further explained that DEPP III has a degree of flexibility and that selected recommendations from the evaluation can be incorporated into DEPP III. While programming DEPP III (2019-2020) the evaluation of the government-to-government cooperation (Strategic Sector Cooperation) was published and a number of these findings has been incorporated in DEPP III.

GDI acknowledged the general observation in regards to poverty orientation and the fact that energy planning (systemic level) and scenario modelling are different from the classical poverty elimination measures. GDI added that “*just transition*” as well as the importance of creating a green transition that also stimulate job creation are included in DEPP III.

Finally, GDI addressed the remarks on the status of the political economies in the countries saying that ownership of the green agenda in the partner countries are diverse across different parts of the governments. It is indeed here where the Danish expertise and support is essential in order to secure that partners have knowledge and analysis to understand and choose green transition as the way forward.

The Ministry for Climate, Energy and Utilities (MCEU) stressed that commitment from partner countries has been built up continuously through partnerships since 2012. Also, it was noted that one of the outcomes of the cooperation being the modelling scenarios (Energy Outlooks), which are treasured by partners and adopted at high level in partner ministries. MCEU addressed possibilities in regards to changing behaviour at the individual level. Also, increased coordination with multilateral actors at country level is foreseen.

The Danish Energy Agency (DEA) agreed with the issue mentioned by the Council that synergies with the financial instruments and actors are important, and explained that synergies to Denmark's Export Credit Agency (EKF) and Danida Sustainable Infrastructure Finance (DSIF) are already being explored. DEA added to the issue raised regarding partner commitment that the possibility of having Long Term Advisors placed in partner ministries was a sign of the close relations with the partner ministries. At the same time all partners are represented by vice ministers in the national project steering committee also signalling commitment.

Members of the Council noted that their questions relating to human rights, poverty orientation and women had not been answered and asked for this to be reflected in the minutes. The Ministry for Climate, Energy and Utilities (MCEU) informed that human rights and gender considerations were included in the annexes (under the heading “context analysis”) to the four country programme documents<sup>1</sup>.

The Chair concluded that, taking note of the observation points mentioned by the Council, the Council could recommend the third phase of the Danish Energy Partnership Programme Strategic Framework for approval by the Minister.

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<sup>1</sup> The Human Rights Based Approach screening note was included as an annex to the concept note, which was subject to a public hearing and a discussion in the internal Programme Committee on 16 December 2019.