

**Minutes from meetings in the Council for Development Policy
on 28 and 29 October 2020**

Present on 28 October 2020

- 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
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: Under-Secretary for Development Policy Stephan Schønemann
Head of Department Nanna Hvidt, Department for Evaluation, Learning and Quality, ELK
Special Adviser Anne Marie Sloth Carlsen, Department for Evaluation, Learning and Quality, ELK
Chief Adviser Henning Nøhr, Department for Evaluation, Learning and Quality, ELK
Chief Adviser Søren Davidsen, Department for Evaluation, Learning and Quality, ELK
Adviser Britt Balschmidt Tramm, Department for Evaluation, Learning and Quality, ELK
- Agenda item 2: Head of Department Signe Skovbakke Winding Albjerg, Department for Sustainable Investments, Jobs and Equal Opportunities, GJL
Chief Adviser Birthe Elisabeth Larsen, Department for Sustainable Investments, Jobs and Equal Opportunities, GJL
- Agenda item 3: Head of Department Rasmus Abildgaard Kristensen, Department for Green Diplomacy, GDI
Chief Adviser Morten Houmann Blomqvist, Department for Sustainable Investments, Jobs and Equal Opportunities, GJL
- Agenda item 5: Deputy Head of Department, Chief Adviser Adam Sparre Spliid, Department for Sustainable Investments, Jobs and Equal Opportunities, GJL
Ambassador Ole Egberg Mikkelsen, Kiev

Investment Director and Team Lead, Danida Sustainable Infrastructure Finance
Tina Kollerup Hansen, Investment Fund for Developing Countries, IFU
Investment Director Annemette Ditlevsen, Investment Fund for Developing
Countries, IFU

- Agenda item 6: Head of Department Rasmus Abildgaard Kristensen, Department for Green Diplomacy, GDI
Head of Section Maiken Rasmussen
- Agenda item 8: Head of Department Rasmus Abildgaard Kristensen, Department for Green Diplomacy, GDI
Chief Adviser Tilde Hellsten
Head of Department Asser Berling, Ministry of Climate, Energy and Utilities
Head of Section Casper Due Petersen, Ministry of Climate, Energy and Utilities
Chief Adviser Ole Emmik Sørensen, the Danish Energy Agency
Head of Section Anders Kruse the Danish Energy Agency
- Agenda item 9: Head of Department Rasmus Abildgaard Kristensen, Department for Green Diplomacy, GDI
Chief Adviser Tine Anbæk
- Agenda item 11: Deputy Head of Mission, Chief Adviser Birgit la Cour Madsen, the Embassy in Accra
Special Adviser Ole Pilgaard Stubdrup, the Embassy in Accra

Minutes from Meeting on 28 October 2020

Agenda Item No. 1: Announcements

The Under-Secretary for Development Policy informed about the virtual Sahel Conference held on 20 October 2020 in Copenhagen, where 1.7 billion USD were raised from 23 countries to relieve the humanitarian situation in Mali, Niger and Burkina Faso. Nobel Prize winning Executive Director of the World Food Programme (WFP), David Beasley, participated in person. Earlier this year, the Danish Minister for Development Cooperation visited FAO projects in Burkina Faso together with Mr. Beasley. The Under-Secretary for Development Policy also thanked the Chair of the Council for Development Policy for her summary in Altinget of the discussions held at the Councils seminar in September 2020 and pointed to an article in the same media about the position of the Socialist People's Party (SF) on the development chapter of the draft Financial Bill (FFL21).

Agenda Item No. 2: AmplifyChange Programme 2021 - 2023

For discussion and recommendation to the Minister

(Department for Sustainable Investments, Jobs and Equal Opportunities, GJL)

Summary:

The AmplifyChange Programme aims at strengthening SRHR civil society based in developing countries, and build their capacity to advocate for sexual and reproductive health and rights, especially focusing on girls and women's rights. The programme does so by providing funding for small civil society organisations based in the global south, mainly Africa, in a combination with capacity building activities, including strengthening of their organisational capacity, to improve their sustainability. Denmark has supported AmplifyChange since 2014. The Danish support will be a commitment of DKK 240 million for a 3-year period provided 2021 – 2023 as core support for the implementation of AmplifyChange Strategy 2020 – 2025.

The Council for Development Policy recommended the AmplifyChange Programme for approval by the Minister for Development Cooperation while raising some concerns and requested an update on the transition phase after the inception review in 2021.

The Council acknowledged the importance and relevance of continued Danish support to advocacy for sexual and reproductive health and rights. The Council noted that the proposal was a continuation of previous Danish support to AmplifyChange for strengthening civil society in developing countries to promote sexual and reproductive health and rights for all, especially focusing on women and girls and acknowledged that Danish support continues to be needed and relevant. The Council noted that the world is experiencing a serious push back on women's and girl's rights and underpinning the relevance of an organisation with a mandate such as AmplifyChange. The Council noted that advocacy for sexual and reproductive rights in many developing countries constitutes a challenge as it often entails a call for change of customs and traditions.

While supporting the project and the importance of Danish actions for push-back, the Council at the same time noted the significant size of the proposed Danish funding to AmplifyChange in 2021 and questioned whether and when other donors were expected to confirm their continued support to AmplifyChange. The Council commended AmplifyChange focus on the small civil society organisations and the implied focus on youth, and commended AmplifyChange funding modality, which includes opportunity grants. The Council pointed to the importance of measuring and reporting on results, mentioning the indicator '*of re-grading*' as a relevant indicator for measuring the effect of the capacity building activities and sustainability of the small organisations. While commending on the steps taken by AmplifyChange to secure sustainability through a regulated organisational structure, members of the Council also raised concerns and questions related to the transition process. An acting CEO leads the transition process, hence the Council questioned whether this is a leadership gap that might constitute a risk.

Members of the Council also questioned whether an organisation based in Northern Europe would have sufficient context knowledge of the different countries to provide the right capacity building for all and more generally the question whether the increasing number of global support arrangements for specific issues with less presence on the ground and each with their own board and systems was the right way forward including with regard to cost efficiency. The support was seen as an indicator of a more general tendency for global forms of support which can possibly endanger flexibility and context sensitivity on the ground, something which could be a thematic discussion in the Council in due course. A concern was raised that too many Danish financial and human resources may be spent mobilising other donors to support initiatives originally promoted by Denmark. Furthermore, the delicacy of pushing particular values in contexts where these may have very little support was raised. Members of the Council also pointed to the usefulness of building coherence across the various Danish initiatives, and asked about the role of relevant Danish NGOs.

The Head of GJL thanked the Council for the kind words and many valuable comments noting that the value-based push-back continues to be important, which actions on the international scene has demonstrated very recently. AmplifyChange has shown to be an important support mechanism for civil society in developing countries. The organisation has demonstrated its ability to reach out to the hard to reach areas, both on thematic difficult issues as well as geographical areas which are difficult to reach. While the objective is the broader sexual and reproductive health and rights for all, girls and women's rights have been a very central element. Change of customs and culture is an integral part of advocacy for better rights, but not necessarily perceived in conflict with legislation. An interesting example is support to a small NGO in Northern Ghana, which has been successful in getting key representatives from three different religious denominations to work together to combat increased violence against women in the area. Denmark has supported AmplifyChange together with a number of other donors, traditional likeminded governments as well as private foundations. Denmark is first mover on committing funds to AmplifyChange for the next strategic period because our funding agreement is the first to expire. Denmark, the Netherlands, and a private foundation was first mover when the initiative was put to sea; we are confident that others will follow suit; AmplifyChange is in dialogue with DfID and the Netherlands on renewal of their commitments.

The GJL representative informed the Council that the transition phase is closely monitored and that the reason for having an acting CEO is that the board of AmplifyChange wishes to have an open and transparent recruitment process for the CEO for the registered organisation; a position, which was not in the previous set-up. Further, the Head of GJL informed the Council that AmplifyChange has expressed a desire for TA support to extract relevant data from the significant information pool the organisation has from the last 5 years support, to enhance the results framework and reporting. GJL finds that a holistic approach to improving on the SRHR agenda is needed and sees AmplifyChange as complementary to the other different initiatives supported by Denmark, including the many important initiatives taken by Embassies and Danish NGOs and therefore GJL takes note of the Council's request to ensure relevant information sharing and involvement of Embassies and Danish NGOs. This can be inter alias, through the already established structure.

In response to the question about changing modalities with regard to presence on the ground, the Under-Secretary for Development Policy acknowledged that AmplifyChange's approach with call-for-proposals was different from the traditional approaches taken in older development programmes with support to civil society in developing countries, e.g. sometimes known as HUGO-programmes. Today, the partnership approach was the more common approach, and the hope was to use DDD to connect initiatives.

The Chair of the Council thanked the members for good and relevant comments and concluded that there was full support to the purpose of this proposal. The Chair noted two main concerns: i) will AmplifyChange continue to be able to build a broad funding base and secure sufficient funding, or is there a risk that Denmark would be the sole funder of AmplifyChange in the future, and ii) the need for AmplifyChange to improve on measuring and communicating results. In light of the comments and concerns, the Chair requested that the Council be updated on the progress of the transition phase after the inception review. The update is to be in the form of a short briefing note with the salient points. With these reservations noted, the Chair concluded that the Council recommended the support to AmplifyChange be presented to the Minister for Development Cooperation for approval.

Agenda Item No. 3: Support for the Energy Sector Management Assistance Programme (ESMAP), World Bank Multi Donor Trust Fund 2020-2023.

For discussion and recommendation to the Minister

DKK 90.0 million

(Department for Green Investment, Jobs and Equal Opportunities, GJL)

Summary:

The SDG7 tracking report (2020) estimates that almost 790 million people do not have access to electricity and 2.8 billion without access to clean cooking today. Further, supporting developing countries in decarbonizing their energy sector will be critical to meet the ambitions of the Paris Agreement. ESMAP is considered to be well-placed to accelerate the SDG7 agenda by being located in the World Bank – the single largest contributor to energy investments in developing countries - but also recognised as a global leader in the international energy land-

scape. ESMAP provides analytical and advisory services to developing countries with the dual objective of achieving universal energy access by 2030 and advancing decarbonisation across the energy sectors. During the previous Business Plan period (2017-2019), ESMAP had an outreach to more than 70 developing countries, informed a total US\$ 26.6 billion in World Bank energy financing and contributed to 76 million people gaining access to electricity.

The Council for Development Policy recommended the support to Energy Sector Management Assistance Programme (ESMAP) for approval by the Minister for Development Cooperation.

The Council found the support to ESMAP to be highly relevant and the right place to influence the World Bank to become more aligned with the Paris agenda and greening its energy operations. It was emphasized that ESMAP is an important stakeholder and it was welcomed that ESMAP has been transformed into a programme focusing on a green energy transition. In continuation of this point, Council members asked if ESMAP's entire focus today is on low-carbon energy transformation and about the reasoning for earmarking some of the funds.

Members of the Council also welcomed the focus on clean cooking, a well-defined approach to strengthen women's role and rights in the energy sector as well as an annual monitoring to ensure support to low-income countries. They also expressed relevance of a Danish secondment to ESMAP and welcomed the focus on offshore wind energy. It was also encouraged to consider how to increase focus on energy efficiency, how ESMAP is working with popular participation, e.g. through energy engagement campaigns, and why the transport sector did not play a more vital role. It was also raised if ESMAP provides broader advisory services on energy reforms that goes beyond World Bank operations and how synergies with other Danish bilateral engagements were being planned. Finally, the council expressed some concern whether with all the policy advice, ESMAP had enough focus on the implementation side.

The Head of GDI was pleased to hear that the Council found the support to ESMAP relevant. It was emphasised that the priorities in the Danish support were aligned with the new Global Climate Strategy. It was also planned to explore opportunities to strengthen synergies with the Danish Energy Agency on topics such as offshore wind energy and energy efficiency. This would also be aligned with the ongoing dialogue with the Danish climate front posts. Regarding clean cooking and supporting low-income countries, it was emphasised that a Danish priority would be on Sub-Saharan Africa. It was also made clear that ESMAP's business plan was only focusing on a decarbonisation of the energy sector and provision of universal access to energy. In continuation, it was emphasised that ESMAP advisory services support broader energy policy reforms and regulations in client countries which go beyond the World Bank direct lending operations. A good example was the support to Fossil Fuel Subsidy Reforms, which also requires clear public communication campaigns. However, communication campaigning was not a stand-alone objective of ESMAP but is likely to be relevant instrument in several of the pillars.

Summing up, the Chair stated that the Council had received good responses to their comments and questions, and could recommend to support the Danish contribution to ESMAP for the Minister's approval.

Agenda Item No. 5: Danida Sustainable Infrastructure Finance (DSIF) – Ukraine; Zaporizhzhia Wastewater and Sludge Treatment Project.

For discussion and recommendation to the Minister.

DKK 56.5 million

(Department for Sustainable Investments, Jobs and Equal Opportunities)

Summary:

The projects will reduce adverse environmental impacts of wastewater treatment of Zaporizhzhia city by bringing the wastewater quality in compliance with EU standards. The project will upgrade the treatment facilities and build operational capacity of the city's water company. The project will have significant environmental impact and improve health and well-being of the people living nearby the plant, as well as for the population downstream Dnipro River. The project will introduce modern climate friendly technology and reduce CO₂ emissions equivalent of at least 3,770 t/year. New monitoring equipment will facilitate the control of the plant.

DSIF finances critical public infrastructure that cannot be financed on commercial terms. The project is one out of three projects prepared together with Nordic Environment Finance Cooperation (NEFCO). Ukraine is a lower middle-income country and the project will be financed by a loan with 35 percent conditionality.

The Council for Development Policy recommended the Zaporizhzhia Wastewater and Sludge treatment project for approval by the Minister for Development Cooperation.

The Council commended the use of the DSIF instrument for exploring ways of cooperating with other development finance institutions, in particular Nordic institutions, and the focus on life-cycle costs and maintenance as well as the planned Twinning arrangement with a Danish water company. However, in light of the political priorities of Denmark's development cooperation, the Council enquired about the choice of country and partner, and also asked for more information as to why the particular project was chosen.

Members of the Council also asked about the compatibility between DSIF and NEFCO with regard to tendering and standards and what would happen after the pilots.

Also commenting on the economic sustainability of the project, members of the Council asked if due considerations were taken in regard to the gross profit of the city's water company and the prospect of tariff increases.

The Council found that sufficient considerations of gender and support to young people's entrance to the labour market and skills development were missing in the project description. Furthermore, there was no mention of involvement of the local community and civil society organizations which would be important in the context of handling corruption challenges. The Council requested clarification on how the UN Guiding Principles for Business and Human Rights

would be applied and how the recommendations from the up-coming Environmental Impact Assessment would impact the implementation of the project.

Finally, members of the Council asked how the Danish water company would be selected and more broadly, it was pointed out that there was broad interest among Danish companies in doing business in Ukraine, but that Danish companies might refrain from participating in an open tender due to the risk of corruption and the risk of not being paid for services provided under the contract of work.

The Department for Sustainable Investments, Jobs and Equal Opportunities (GJL) stressed that the project primarily was an environment project with a clear climate relevant element. The project had an indirect impact on poverty reduction, as the project would improve health and livelihood for the people living in the nearby areas and along the river.

While Denmark was preparing to enter Ukraine as a DSIF-partner country but not yet ready to roll out full DSIF projects in the country, the project was suggested to DSIF by NEFCO in order to benefit from Danish water sector expertise through a Twinning arrangement and technical assistance that would be crucial for improving operational management of the city's water company.

Introducing increases in wastewater tariffs was in many countries a sensitive political decision, but the recent tariff increase in 2020 had demonstrated political willingness to do so. The economic analysis of the feasibility study and the appraisal was based on the assumption that the water company most likely will continue to receive some subsidies from the city government in order to cover operation and maintenance.

The project would provide experience of working in Ukraine with an experienced partner like NEFCO, thereby facilitating preparation of new DSIF projects in Ukraine. The relative small size of the project could also be an opportunity for smaller Danish companies to test the market in Ukraine. At the moment, major changes to the DSIF instrument were not anticipated.

The Embassy stressed the important geopolitical interest of Denmark in supporting the reform process in Ukraine. Denmark was the sixth largest donor and was e.g. leading a national anti-corruption programme, including cooperation with civil society organizations that could have an interest in following the project. Through the EU's support to empowering local governments, Denmark was on a regular basis participating in dialogue with local authorities and the Embassy was planning to visit Zaporizhzhia city as soon as the COVID-19 travel restrictions would allow. The Embassy was thereby in a good position to support DSIF's cooperation with Zaporizhzhia city, including relevant civil society organizations and to assist potential Danish companies wanting to participate in the tender. Addressing the concerns of corruption e.g. during tendering of the contract, the Embassy - together with DSIF - would be monitoring the process closely. Companies interested in the project would be welcome to contact the Embassy.

The representative of IFU explained that no targeted activities regarding gender and youth were planned. A training component would be part of the contract as well as a Twinning arrangement in terms of skills development but a larger technical and technical training component was not foreseen. NEFCO was applying the International Finance Cooperation's (IFC) standards for e.g. labour conditions and Environmental and Social Impact Assessment (ESIA), which were also part of a DSIF implemented project. The UN Guiding Principles on Human Rights could also inform the ESIA. The ESIA would be finalized when the project design was concluded. The assessment would be informed by a dialogue with local community and include recommendations on how to avoid adverse impact of the investment in regard to e.g. gender. The Twinning arrangement included a training element ensuring that new technology was transferred to staff of the water company.

Summing up the Chair concluded that the Council had received sufficient answers to the concerns raised and that the Council could recommend approval of the project to the Minister.

Agenda Item No. 6: International Union for Conservation of Nature (IUCN)

For discussion and recommendation to the Minister

DKK 80 million

(Department for Green Diplomacy, GDI)

Summary:

The objective of the Danish engagement with IUCN is to support IUCN's 2021-2024 strategic programme 'Nature 2030 – One Nature, One Future', in realizing its call to action by all IUCN's members, scientific network and secretariat to mobilize collectively on delivering a clear and demonstrable contribution to the SDGs, the goals of the Paris Agreement and the post-2020 global biodiversity framework in developing countries.

The Council for Development Policy recommended the proposed Danish engagement with IUCN for approval by the Minister for Development Cooperation.

The Council found the Danish re-engagement with the IUCN very positive and timely, emphasizing that IUCN is a key organization in the area of nature and environment, for convening members globally and providing data and science-base for decision-making. Members of the Council further noted the development towards professionalization within the IUCN, including following the Union's acquired status as accredited entity for the GEF and project agency for the GCF. These new roles, however, also spurred some concern as to whether the increased focus on executing GEF/GCF projects would undermine the Union's important role as international convener and knowledge provider and members of the Council asked whether the Danish engagement was sufficiently emphasizing this role.

Regarding the Danish engagement, the Council backed the proposed support for *Nature 2030* with its people centred approach and welcomed the strong core contribution as well as the soft earmarking.

Regarding the latter, the Council asked why land protection had not been chosen as a Danish priority. The need for alignment between use of land resources, sustainable value chains, and agriculture with nature, biodiversity, species protection and the most vulnerable people was emphasized. The Council stressed the general need to keep focus on the links between agriculture

and nature in Danish development aid, and to consider the links between these across multilateral and bilateral engagements.

The Council asked for clarification on the programmatic earmarking and on the strategic use of the proposed secondment with regard to M&E.

The Head of the Department for Green Diplomacy (GDI) thanked for the overall endorsement and pointed to the increased political attention on nature and biodiversity following the Government's long-term strategy for global climate action, including the clear links to climate change. On the issue of prioritized thematic areas, GDI agreed on the importance of land protection. The choice of water, climate adaptation and rights was based on political priorities and following the global climate strategy. They were also chosen to underpin IUCN's comparative strengths, e.g. the rights-based approach with inclusion of indigenous peoples. Further, GDI pointed out that issues of forest protection and sustainable agriculture and production was covered by other Danish engagements such as GEF/GCF, IDH and UNEP. With the increasing recognition of the importance of sustainable land use, it was possible that a future engagement with IUCN in this area could be relevant.

Responding to the concern about IUCN's role, The Head of GDI underlined that IUCN works in two tracks; one regarding project implementation and execution, and one as a global convener and knowledge provider. It was highlighted that IUCN is aware of this split role, and has chosen to take the executive role on larger and more strategic projects, while smaller projects would be implemented through partners. The Danish core contribution was intended to support IUCN's core functions as global convener and provider of data, tools and models. On the question on earmarking funding, it was underscored that it would follow IUCN's own thematic sub-programmes to respect IUCN's strategic priorities. Regarding the secondment, GDI pointed to strengthening the Danish engagement with IUCN and creating synergies between multi- and bilateral engagement in Danish priority areas. Denmark would work on strengthening IUCN's M&E through the Framework Partner group. The dialogue with IUCN on the secondment was constructively ongoing.

The Council noted the clear links to poverty reduction and concluded by supporting the engagement with IUCN for approval by the Minister.

Agenda Item No. 8: Indonesia-Denmark Energy Partnership Project, 2020-2025

For discussion and recommendation to the Minister

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

Summary: The Indonesia-Denmark Energy Partnership Project (INDODEPP), 2020-2025 is demand driven and furthermore designed to contribute to the Danish Government's priorities on climate change mitigation, including the international perspectives of the Danish Climate Act, SDG 7 and 13, as well as Denmark's strategy for development cooperation and humanitarian action. INDODEPP rests on the experience and lessons learned from recent and current bilateral engagements in areas of energy, climate and environment between Indonesia and Denmark.

The Council for Development Policy recommended the Indonesia-Denmark Energy Partnership Project for approval by the Minister for Development Cooperation.

Council members welcomed the INDODEPP proposal aiming at supporting Indonesia, the sixth largest emitter in the world, in meeting the targets set in the Paris Agreement and contributing to Agenda 2030 for Sustainable Development. However, Council members reflected on the political economy of Indonesia; asking about the political commitment to address climate change, in a context where largescale industries are converting rainforest into palm oil production and strong interests are related to the coal sector. This underlines the importance of having a broad policy dialogue with the Indonesian Government going beyond energy planning scenarios and technicalities to close the huge policy gap, which was apparent in the project document. The crucial aspect was whether there would be impact beyond core partners. Specifically, the Council asked how INDODEPP would stimulate the policy dialogue on the green agenda in Indonesia.

Members of the Council also noted the lacking focus on poverty in the project documentation except in the context analysis. Furthermore, members asked about experiences from the Strategic Sector Cooperation and how the INDODEPP would interact with multilateral support, and also raised questions regarding the scope for impact on energy efficiency, urban planning and transport.

Finally, members of the Council asked for further information on the project's mechanisms aimed at private sector engagement and pointed to the potential in bridging between project expertise within regulation and planning and experience and solutions from the private sector in order to strengthen synergies and increase the value of INDODEPP, pointing out that there were ample private capital looking for project opportunities.

The Head of the Department for Green Diplomacy (GDI) appreciated the Council's reflections and remarks acknowledging the importance of interacting with a broad number of political stakeholders. It was important to note that while Indonesia had substantial resources in oil, coal and palm oil – and willing investors – the country's potential in renewable energy (e.g. wind, solar, hydro and geothermal power) was huge and held the potential for the country becoming "heaven on earth" for sustainable energy production. It had recently been estimated that the country has a renewable energy potential of more than 400 gigawatt. GDI explained how *choice awareness* and appropriate regulatory framework were crucial tools for the Indonesian government in the green transition. A clear goal of INDODEPP was to provide data for high-level dialogue both nationally and internationally. Not exclusively in regards to the technical features of a green transition but also in regards to financial aspects and international ambitions. The Danish Energy Agency (DEA) described how technology catalogues providing Indonesian partners with understanding and overview of the different cost-effective technical solutions was part of the INDODEPP output. Furthermore, the Head of GDI and the representative from the Ministry for Climate, Energy and Utilities (MCEU) underpinned the strong focus on linking the activities in INDODEPP to the multilateral activities (e.g. IEA and IRENA) as well as emphasized the bilateral cooperation on energy as key in the Danish Climate Diplomacy.

Finally, regarding the potential of INDODEPP working together with the private sector, the Head of GDI pointed out that an improved regulatory framework including in relation to green investment schemes could also be an advantage to developers and companies as could the possible modelling of a full-scale energy solution for an Indonesian Island and mentioned pre-feasibility studies.

The Chair of the Council noted that the discussion had reassured the Council that it would be possible for the project to contribute to turning developments in a greener direction.

The Chair of the Council concluded that the Indonesia-Denmark Energy Partnership Project is recommended for approval by the Minister.

Agenda item No. 9: Danish Support to the Global Green Growth Institute (GGGI) 2020-2022

For discussion and recommendation to the Minister

DKK 80 million

(Department for Green Diplomacy, GDI)

Summary:

The objective of the Danish engagement with GGGI is to contribute to building low-carbon, inclusive, climate resilient societies based on models of transformative and inclusive green growth. An earmarked allocation will contribute to the transition to renewable energy in developing countries and emerging economies with a focus on solar irrigation and compressed biogas encompassing engagements in support of a green and inclusive COVID-19 recovery in Africa.

The Council for Development Policy recommended the proposed Danish engagement with GGGI for approval by the Minister for Development Cooperation.

The Council noted that the GGGI was on a positive journey and had developed into a stronger and more professionalized organization also with regard to country level sectoral work.

The Council noted GGGI's limited donor base and asked whether this funding base implied a risk for GGGI's continued consolidation and in particular whether this might have consequences for GGGI's engagement and impact at country level. Members of the Council also asked whether it is useful to continue funding GGGI given that the Danish domestic interest in the organisation has waned.

Further, the Council asked about GGGI's comparative advantages including for supporting countries in Africa, how Denmark prioritized GGGI compared to other organizations, and how synergies were unfolded with respect to Danish bilateral engagements.

On an overall note, the Council noted the support for a growing number of "specialist global organisations", reflecting a high degree of complexity and need for different platforms, while also raising issues with regard to knowledge of local context and the establishment of new administrative entities.

The Head of the Department for Green Diplomacy (GDI) thanked for the overall recognition of GGGI's positive development. Regarding the donor base, he explained that GGGI continued to grow through earmarked funding from an increasing number of donors whereas the group of core funders had not multiplied. This was however, a general trend in the global donor landscape with a dominant preference for earmarked funding to organisations. With foreseen re-engagement as a donor representative in GGGI's Council, Denmark would continue to monitor the evolution of GGGI's funding base.

Responding to the question regarding GGGI's comparative advantage, the Head of GDI highlighted GGGI's dedication to working along the full green value chain from policy diagnosis planning, policy development, implementation, and financing. Another particular strength was the fact that GGGI advisors worked embedded in national government institutions, in particular in ministries of planning and finance providing counsel and capacity building in a continuous manner. Regarding Africa, GGGI has seen a continued rise in member countries from the continent and this had led to a natural demand and continued further engagement in which GGGI drew on its vast expertise, not least from Asia.

Concerning synergies, the Head of GDI noted that the introduction of a thematic earmarking of the grant to Danish political priorities and countries would further enhance synergies with the bilateral Danish engagement at county level, including the strategic sector cooperation and the Danish Energy Agency. In Africa, this would be underpinned through the earmarking to solar irrigation and continued dialogue at country level. In Asia, the earmarking to renewable energy allowed to further enhance bilateral relations. In India for example, the earmarking would underpin the new bilateral green strategic partnership including through a sharp focus on kick-starting GGGI's new partnership with the International Solar Alliance opening opportunities for South-South cooperation.

Responding to the questions relating to the changing landscape of partners, the Under-Secretary for Development Policy, confirmed that the Ministry was well aware of the spread and the associated transaction costs, including for the Ministry. Increasingly working with highly specialized organisations meant that deep country knowledge might no longer be the first priority. This stressed the need to also be able to withdraw from some engagements and to be able to put the choice of partners in context. The DDD process would hopefully provide part of the answer.

The Chair of the Council noted that a dedicated discussion of Denmark's engagement with multilateral organisations and international partners, including the balance between different instruments, would be a thematic agenda item in a meeting of the Council in the near future.

Regarding the GGGI proposal, the Chair noted that GGGI had gone through a remarkable development and concluded that the Council for Development Policy recommended the proposed Danish engagement with GGGI for approval by the Minister for Development Cooperation.

Agenda Item No. 11: Ghana: Support to UNICEF COVID-19 Response

For discussion and recommendation to the Minister

(The Embassy in Accra)

Summary:

The COVID-19 pandemic is causing considerable hardship in Ghana and low income, high-density urban communities of Greater Accra and Greater Kumasi metropolitan areas have been particularly exposed. The overall project objective is to increase the resilience of these communities to disease outbreak by enabling reduction of the incidence of community transmission of COVID-19 through better hygiene and health seeking behaviour and lowering gender-based violence among vulnerable populations.

The project is primarily focused on the water, sanitation and hygiene (WASH) sector, which has so far been underfunded in the overall COVID-19 crisis response in Ghana. Efforts will be centred on 6-8 poor urban communities in Greater Kumasi and Greater Accra metropolitan areas in order to mitigate the primary and secondary impacts of the virus on children, adolescent girls and women. There is an emphasis on increasing access to WASH infrastructure and services for effective Infection Prevention and Control (IPC) and accelerating hygiene and health seeking behaviours by the target group. New technology will also be applied to improve targeting and delivery of essential care services through denominator-based planning and greater support will be provided to SGBV services, especially within the judicial services. The project will seek greater participation by the private sector in the reduction of community vulnerabilities, including in the provision of low-cost sanitation.

The Council for Development Policy recommended the Support for UNICEF COVID-19 Response in Ghana for approval by the Minister for Development Cooperation.

The Council broadly supported the relevance of the support, the focus areas, the approach and the chosen partner and commended the overall clarity of the project document.

Some confusion was expressed about whether the support was part of the extraordinary DKK 1 billion “COVID-19 help package” and why a proposal below the standard threshold of DKK 39 million was presented for the Council’s approval.

Members of the Council asked about the particular focus on Ghana, as the needs addressed in the support probably would be relevant for many partner countries, and why a more thematically focused approach was not chosen. Finally, members of the Council highlighted the involvement of local micro enterprises and the private sector in general as a positive element of the support and highlighted the value and importance of on-boarding the Danish private sector when possible and in general try to integrate Danish solutions and technologies. In that context, it was pointed out that it was difficult for Danish companies to gain access to UNICEF.

The Deputy Head of the Embassy informed that even though the objective of this support was in line with the objective of the “COVID-19 help packages”, Ghana’s status as a lower middle income country means that the country is outside the target group for the packages. The funds for the project would be re-allocated from un-spent funds in a large Tax and Development Programme in Ghana, which would close by the end of the year. While the requested support was

under the threshold, reallocation of funds required approval by the Council, reallocation from one previously Council approved objective to another, requires the approval of the Council.

With regard to engagement, Ghana is transitioning from aid to trade. However, COVID-19 has brought unexpected needs for immediate and increased support to both the health and WASH sectors in Ghana, as elsewhere, and the proposed reallocation of funds from within the country programme is intended to show solidarity with a long-term partner in what is very challenging times. Thematically the support aligns with the Embassy's strategic focus on urban water and create synergies with e.g. the recently started Strategic Urban Water partnership between the City of Aarhus and the City of Tema, and other related engagements, such as C40, and potentially also strengthen Danish private sector opportunities and partnerships in the sector.

Regarding the thematic focus, the Deputy Head of Embassy informed that the Embassy had deliberately sought to finance key areas of the national COVID-19 response which had so far been underfunded and which are aligned with Danish priorities as exemplified by the Danish 'COVID-19 help packages'. The social, health and technical expertise of UNICEF has been pivotal in developing this approach and the project design to ensure both alignment with ongoing work and sustainability.

Regarding engagement of the private sector, the Deputy Head of Embassy replied that there had been and would be a clear intention to look for Danish private sector possibilities and linkages to Danish technology and solution providers, not only related to this project support but also in the Embassy's general dialogue with UNICEF, Ghana Water, the City of Tema and other potential partners to Danish water sector companies, e.g. Danida Sustainable Infrastructure Fund.

Relating to the point made about Danish companies having difficulties accessing UNICEF, the Under-Secretary for Development Policy pointed to the multitude of "offers" of innovative solutions/products which multilateral organizations receive from the private sector. Mentioning specific examples of such offerings to UNHCR and WHO, he underlined that international organizations require that products meet certain standards.

The Chair of the Council concluded that the Council for Development Policy recommended support for the UNICEF COVID-19 Response in Ghana for approval by the Minister for Development Cooperation.

Present on 29 October 2020

- 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
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, ELK
Special Adviser Anne Marie Sloth Carlsen, Department for Evaluation, Learning and Quality, ELK
Chief Adviser Henning Nøhr, Department for Evaluation, Learning and Quality, ELK
Chief Adviser Søren Davidsen, Department for Evaluation, Learning and Quality, ELK
Adviser Britt Balschmidt Tramm, Department for Evaluation, Learning and Quality, ELK
- Agenda item 1: Ambassador Nathalia Feinberg, Ramallah
Head of Section Marie Louise Hermann, Department for the Middle East and Northern Africa
- Agenda item 2: Head of Department Marianne Kress, Department for Migration, Stabilization and Fragility, MNS
Chief Adviser Jakob Rogild Jakobsen, Department for Migration, Stabilization and Fragility, MNS
Head of Department Mette Thygesen, Department for Humanitarian Action, Civil Society and Engagement, HCE
Chief Adviser Thomas Thomsen, Department for Humanitarian Action, Civil Society and Engagement, HCE
Chief Adviser Dorte Chortsen, Department for Humanitarian Action, Civil Society and Engagement, HCE
- Agenda item 4: Ambassador Karin Poulsen, Addis Ababa

Chief Adviser Jonas Helth Lønborg, Department for Africa, Policy & Development
(previously in Addis Ababa)

- Agenda item 5: Ambassador Nicolaj A. Hejberg Petersen
Deputy Head of Mission, Chief Adviser Henrik Jespersen, the Embassy in Kampala
Special Adviser Ulrik Jørgensen, the Embassy in Kampala
- Agenda item 7: Ambassador Rolf Holmboe, Bamako
Chief Adviser Niels Bossen, the Embassy in Bamako
Special Adviser Lars Olaf Petersen, the Embassy in Bamako
- Agenda item 8: Chief Adviser Ole Dahl Rasmussen, GJL

Minutes from Meeting on 29 October 2020

Agenda item No. 1: Strategic Framework for Palestine 2021-2025

For discussion and recommendation to the Minister

(The Danish Representative Office in Ramallah)

Summary:

The Strategic Framework for Palestine 2021-2025 outlines three strategic objectives for Denmark's broad engagement: 1) Human rights and democratic accountability; 2) Creation of green, sustainable, inclusive economic growth and decent jobs; and 2) Resilience, peace and stability. The Strategy also provides an outline of the bilateral development programme that amounts to DKK 450 million.

The Council for Development Policy recommended the Strategic Framework for Palestine 2021-2025 for approval by the Minister for Development Cooperation.

The Council commended the Strategic Framework for Palestine 2021-2025 for being well crafted. The Council considered the strategic objectives to be very comprehensive and noted the relevance of keeping the objective broad and encompassing given the complex and volatile context. The Council further expressed its appreciation for the strategy's long-term perspective, which was considered highly relevant. Furthermore, the Council commended the strategy for integrating youth and women issues across the engagements and acknowledged that cooperation with the EU is important for Denmark's engagement in Palestine, noting, however, that space should also be given to allow for possible Danish bilateral initiatives.

Referring to the difficult framework conditions, the Council emphasised the importance of protecting humanitarian access. It was noted that the situation in Palestine is serious and deteriorating. Members of the Council noted the very cautious approach of the strategy and asked about the considerations made to ensure that engagements could be adapted to different scenarios on the ground as well as for further reflection on the risk of annexation, including in Area C. It was also noted that the strategic framework includes a separate box identifying the Danish interests. It was emphasised that the poverty rate and humanitarian needs in itself - looking beyond narrow Danish interests - constituted reason enough for Denmark to be engaged in Palestine also in a longer-term perspective.

The Council acknowledged the challenges related to improving the economy given the framework conditions. In this context, the Council asked what the "green jobs" in the agribusiness sector would encompass and whether these would be created as part of a transition or just be jobs related to nature in a business-as-usual scenario. It was suggested to build synergies with Palestine's climate plan, which outlines priorities within various sectors, including in the area of solar power, energy efficiency and waste management. In addition, the Council suggested linking Denmark's engagements in the local government sector to Palestine's climate plans.

Members of the Council noted that Denmark has been engaged in the local government sector for many years. The Council asked about the lessons learned from evaluations and experiences from Denmark's contribution to the sector.

Finally, members of the Council emphasised the need to focus on addressing the root causes of irregular migration from Palestine. Specifically, the Council asked what initiatives, other than job creation efforts, Denmark would engage in to address irregular migration.

The Head of the Representative Office thanked the Council for the comments and informed the Council that the Strategic Framework had been prepared in close cooperation and dialogue with the Ministry's Taskforce for Palestine and several local actors and partners.

The Head of Office underlined that Denmark's and EU's policy on Palestine and the Middle East Peace Process were aligned. It was emphasised that Denmark had more influence when working jointly with the EU. However, Denmark was also active bilaterally, notably through the development and humanitarian engagement. She further stressed that Denmark's policy on Area C rested on a fixed political framework, including the EU Foreign Affairs Council Conclusions and that Danish interests were highlighted in the Strategic Framework in order to be transparent about the objectives and priorities.

The Head of Office highlighted that Denmark's engagement was based on a scenario with an expected continuation of the relatively stable status quo with gradual deterioration of the economic, humanitarian and political situation, while taking into account the risk of considerable deterioration. She emphasised that the engagements, in line with Denmark's approach of Doing Development Differently, would be continuously assessed and adapted if needed.

The Head of Office stressed that the Strategic Framework focused on prevention of irregular migration by contributing to create hope for a better future through support to education and health as well as job creation for women and youth.

The Head of Office took note of the Council's comments regarding green jobs and the suggestion to link the job creation efforts to Palestine's climate plans. She emphasised that green jobs in the agribusiness sector would be promoted through support to entrepreneurs whose businesses use green solutions and have potential to contribute to green economic growth. In this regard, it was noted that investments in water efficiency and reuse technologies are particularly important in Palestine, as water is a scarce resource due to climate change and the restrictions stemming from the Israeli occupation. The Head of Office further noted that support would be targeted local universities to ensure that students are equipped with the relevant skills, including skills related to green and sustainable practices in the agribusiness sector.

Finally the Head of the Office noted that support to service delivery at the local level would be relevant no matter how the situation on the ground developed. It was emphasised that the experiences from supporting the local government sector were positive, and that the Danish contributions to the sector had yielded good results in terms of service delivery. She noted that Denmark would be integrating efforts related to climate change in the future support to the local government sector.

In relation to the discussions about "green" jobs and migration, the State Secretary underscored the need to be precise with regards to definitions and terms to avoid green washing and migration washing, and reminded that a job in agriculture was not per definition a "green" job.

Summing up, the Chair of the Council noted that poverty reduction and human rights are among the many good reasons for Denmark to be engaged in Palestine on a long-term basis.

The Chair concluded that the Council warmly recommended the Strategic Framework for Palestine for approval by the Minister.

Agenda Item No. 2: Support to the Implementation of the World Bank Strategy for Fragility, Conflict and Violence 2021-2023

For discussion and recommendation to the Minister

(Department for Humanitarian Action, Civil Society and Engagement)

(Department for Migration, Stabilization and Fragility)

Summary:

The World Bank's new Strategy on Fragility, Conflict and Violence aims to enhance a more coherent and collaborative approach for the World Bank in this field, which enhances the link between humanitarian assistance, development and peacebuilding interventions. The framework to deliver on the FCV strategy comprises four pillars of engagement: (1) Preventing violent conflict and interpersonal violence; (2) Remaining engaged during crisis situations and active conflicts; (3) Helping countries transition out of fragility; and (4) Mitigating the spill overs of FCV such as forced displacement. With the grant, Denmark aims to support the implementation of the FCV strategy through two distinct funding channels, the World Bank's State and Peacebuilding Fund (SPF) with DKK 35 million and the Global Programme on Forced Displacement (GPDF) with DKK 50 million via the Forced Displacement Trust Fund (FDTF), both for the period 2021-2023. The SPF covers the FCV-Strategy's first three pillars of engagement and the GPDF, in particular, the last.

The Council for Development Policy recommended the grants for approval by the Minister for Development Cooperation.

The Council found Danish support to the World Bank's efforts to implement its first strategy on fragility, conflict and violence (FCV) important and relevant. Members of the Council noted that the World Bank could potentially become a large and important partner in contexts of fragility with technical capacity to provide quality input to the triple nexus – the humanitarian-development-peace nexus – and that the partnership with UNHCR on forced displacement was a dream come true which could bridge conflict and fragility settings towards development. The World Bank did not start from scratch in this field, but the new strategy provided a forceful framework, which helped build that bridge even stronger, including in collaboration with the UN. Members of the Council welcomed the mention of climate change as a conflict driver as well.

Members of the Council noted that the World Bank could focus more on partnerships with civil society actors and that this was something Denmark could encourage in its dialogue with the Bank. Furthermore, members of the Council asked for more clarity on the role of innovation, which was highlighted as a feature of the World Bank's State and Peacebuilding Fund (SPF). The need for the World Bank to ensure respect for the principle of "do no harm" was also emphasized followed by a question about how this was actually done.

Members of the Council asked what the World Bank, which has to work through governments, does in fragile situations when there is no recognized government partner, i.e. duty bearer, to

handle relations and asked why some countries were opposed to the World Bank moving too far into the FCV field as noted in the programme document. Members of the Council also asked about the Bank's contribution compared to that of the UN referring i.a. to the evaluation of the Bank's work in this area, which pointed to turf battles and coordination challenges in the Bank at the country level, between the country level and headquarters and at other levels.

Members of the Council asked about the role of the World Bank in providing alternative income opportunities after conflict to those who had earned their living in a conflict economy. Could the World Bank play a stronger role in disseminating knowledge and lessons learned from other parts of the World Bank Group, such as those engaged in private sector development?

Finally, members of the Council asked how Denmark's partnership with the World Bank in this field subscribed to the Ministry's work on Doing Development Differently, including how synergy with Danish bilateral engagements could be enhanced.

The Head of the Department for Humanitarian Action, Civil Society and Engagement (HCE) agreed that the new FCV strategy and the World Bank-UNHCR partnership was a dream come true. It contributed to placing the World Bank at the centre of triple nexus efforts and draw in other actors. The Head of HCE recognised the challenges for the World Bank in working with governments in conflict and fragility settings, but also noted that it had to be approached based on a long-term perspective. On Doing Development Differently, the Head of HCE noted that the grant to GPFD would strengthen World Bank capacity on forced displacement in country offices. That would also give Danish missions someone to discuss displacement issues with at country level and create synergies with bilateral activities. On innovation, it was noted that supporting the World Bank's field presence as well as enhanced analytical capacity were important contributions to ensuring that new perspectives were brought to the fore. It included addressing the new and particular challenges stemming from the COVID-19 pandemic and its effects on the displaced. There was also innovation in the close partnership forged between the World Bank and UNHCR, something that Denmark had supported for many years, both through the Global Partnership on Forced Displacement (GPFD) and the innovation funds, which were part of Denmark's support to UNHCR.

The Head of HCE also informed that access to the World Bank's IDA18 and IDA19 funds required that governments could present an action plan for inclusion of displaced populations. Integral in this was due regard for the "do no harm" principle. Reference was made to the evaluation of the World Bank's support in situations involving conflict-induced displacement and its finding that country offices needed strengthening in that field. The grant to GPFD had a prominent part of the budget focused on country level efforts and the fielding of forced displacement experts to ensure that capacity was available at the field level.

The Head of the Department for Migration, Stabilization and Fragility (MNS) emphasised the importance of the World Bank in fragile contexts. The SPF's governance structure with four annual council meetings, which also had UN membership, was an important channel of influence, learning and exchange of information. The issue of ensuring a "do no harm" approach could also be addressed in these meetings. The Head of MNS noted that SPF also promoted partnerships

with civil society organisations and that it was a flexible fund, which Denmark could influence. Doing Development Differently in this regard also meant ensuring a more active dialogue with the World Bank through Danish missions in the field. On incentive structures for personnel to work in FCV settings, it was noted that the FCV strategy was in itself a precursor for changing incentives. However, it needed constant attention and would not come by itself.

In summing up, the Chair concluded that the Council could recommend the project for approval by the Minister for Development Cooperation.

Agenda Item No. 4: Support for the African Continental Free Trade Agreement

For discussion and recommendation to the Minister

(The Embassy in Addis Ababa)

The proposed programme “Support to the African Continental Free Trade Area” provides a total of DKK 50m in support to the African Union Commission (AUC), including the newly established AfCFTA Secretariat in Accra, and the United Nations Economic Commission for Africa (UNECA). The overall objective of the Danish programme, covering the period 2020 – 2023, is to support enhanced economic integration in Africa by achieving progress towards an inclusive and sustainable African Continental Free Trade Area. The programme supports the partners in the efforts of negotiating and implementing the AfCFTA. The programme includes special focus on supporting the partners to incorporate considerations on climate change and green transition in the negotiations and implementation of the AfCFTA, as well as on the inclusion of women, youth and vulnerable groups in order to ensure that they are not adversely affected or further marginalized by the implementation of the AfCFTA.

The Council for Development Policy recommended the Support to the African Continental Free Trade Area for approval by the Minister for Development Cooperation, although noting that it is a difficult and challenging process.

The Council commended the programme documents for being well-written and of a high quality. Regional economic integration is extremely difficult. It is about giving up sovereignty. But the Council found that the programme and support for the AfCFTA had very good intentions and it was an important agenda for Denmark to support. The Council also saw the programme as a positive example of Denmark’s continued support for the Aid for Trade agenda. Similarly, it was positive that Denmark supported this agenda “on the ground” in Africa, instead of only through Geneva based organisations. In light of the less conducive frameworks for trade currently in place in Africa, the Council saw the objective of the AfCFTA as highly important and relevant. Supporting the negotiations and implementation of the AfCFTA was noted as a commendable purpose in and of itself, given also the challenging political negotiations surrounding free trade agreements.

Members of the Council noted that it was positive that the programme aimed at supporting vulnerable groups and women, as they risked being negatively affected by the free trade agreement, while also highlighting small-holder farmers as a group that was in need of such support. The inclusion of support for women business associations in the programme was also viewed positively by the Council, as was the fact that a study of the human rights aspects of the

AfCFTA had been conducted. It was important that the AfCFTA also focused on the human aspects of free trade and not just the purely economic ones. It was, however, also noted that the AfCFTA's contribution to reducing extreme poverty was unsure, and that most developed countries had applied protectionist policies to become rich. In some cases, it was noted, tariffs could be positive for some groups in society, e.g. small holder farmers as tariffs protected against cheap imports from outside of the continent. So free trade is not automatically a panacea in all sectors.

Members of the Council also found it positive that the AfCFTA was an example of South-South cooperation and “African solutions for African problems” and noted that it was important to work for a ‘strong’ Africa that could generate economic growth and jobs while sustainably managing its natural resources. This was well aligned with the SDGs.

Members of the Council found the focus on green transition very timely, as it was now – at an early stage – that the norms and frameworks for the AfCFTA would be founded. Likewise, a focus on making trade “greener” was a logical approach. It was, however, also noted, that the programme risked being too optimistic and demanding in its scope of promoting green transition and that the focus on green transition might be more of a Danish political priority, than a priority of the AU. The approach of the programme could have been more ‘pragmatic’ in its focus, members of the Council noted, while also asking for further clarification on what the focus on green transition would actually mean for the AfCFTA.

Members of the Council noted that the implementation of the AfCFTA was an enormous undertaking, and asked whether the Danish support would make a difference and if there was support from other bilateral donors. It was noted that since the EU was the largest trading partner for Africa, it would be important that the Danish support was aligned with EU's engagement. As for the EU, the Council asked for the status of the EPA's (Economic Partnership Agreements) in terms of the AfCFTA. Members of the Council also noted that there already were some free trade agreements in place on the African continent, and that it was important to build on the experiences of these, which, for example showed that poor infrastructure and instability were two fundamental challenges. It was also noted that increased trade could lead to increased inequalities among the African countries, as poorer countries with less trading opportunities risk being left behind.

Furthermore, members of the Council asked about the reasons for not including the focus area regarding engagement with the Danish private sector, which had previously been included in the programme documents and whether it would be possible to include civil society organisations in the negotiations and implementation of the free trade area, e.g. in the role as a “watch dog” monitoring the inclusion of women. Members of the Council also asked whether the focus of the Danish programme on supporting e.g. competition policy and green transition would result in the other areas of the AfCFTA not receiving the necessary support.

On the process of the negotiations and implementation of the AfCFTA, members of the Council asked whether it was a requirement that negotiations would be completed before com-

mencement of the implementation and the capacity building of the AfCFTA Secretariat. Finally, members of the council asked for further information on the JPO, which was part of the Danish support for UNECA.

The Ambassador acknowledged that it was a difficult agenda and an ambitious programme supporting the AfCFTA while also focusing on green transition and inclusion of women, youth and vulnerable groups. Denmark was, however, bold enough to set an example by engaging in this agenda and to act like the small wheel that makes the large machinery run in a more green and sustainable way. The programme was indeed optimistic, but Denmark was merely supporting the ambitions and visions of our partners in the African Union. The support for the AfCFTA among the member states had been impressive and 54 of 55 countries had so far signed the agreement.

On the level of complexity of the programme, the Ambassador noted that the focus on green transition was viewed as a ground breaking approach by the UNECA who clearly saw a potential for including considerations on climate and green transition early in the negotiations and implementation of the AfCFTA. UNECA and AUC were the ones who had to examine and implement the agreed focus on green transition; the Embassy neither had the role nor the capacity to guide how the partners should work towards green transition. Denmark was currently the only donor supporting green transition in relation to the AfCFTA, and while Denmark was a small actor in the larger scheme of the AfCFTA, the intention was to impact the negotiations and implementation and inspire others to also focus on green transition, not least the member states when developing their national implementation strategies. In a conversation with the Embassy, the AU Commissioner for Trade and Industry had recently pointed to the AfCFTA as crucial for the future of the African continent and its young population. The Commissioner was a firm believer in the ability of the AfCFTA to generate jobs and economic growth, which was paramount as 20 million new jobs were needed across the continent every year to absorb the large youth generations entering the workforce. The economic impact of COVID-19 had made the AfCFTA even more relevant, and with the programme's focus on green transition it would also be contributing to the green recovery and the building back better and greener agenda.

On the process of the AfCFTA, the Ambassador informed that it was expected that trading under the AfCFTA would commence on 1 January 2021. The AfCFTA was also seen as a flagship project by the EU and there was a very close cooperation between the EU and the AU on this agenda. The Commissioner saw the EU as a close and trusted partner on the AfCFTA, and the AU was able to learn from the experiences and mistakes of the EU in implementing free trade agreements. Regarding the EPAs, it was still too early in the process to say for certain how it would be compatible with the AfCFTA. Aside from the EU and Denmark, Germany and France were highlighted as other major bilateral donors to the AfCFTA. The EU was currently considering how to mobilize technical assistance also in coordination with the member states, and there were coordination efforts going on between the EU MS. Thus, the areas not supported by Denmark would not be neglected, as they could receive funding from other donors as well.

Regarding the engagement with the Danish private sector, the Ambassador informed that due to the early stage of the AfCFTA negotiations and implementation, it was deemed too soon for Danish private sector companies to engage and explore business opportunities within the AfCFTA. To ensure continuous information sharing with Danish private sector stakeholders, an element of outreach towards private sector representatives in Denmark had been included in the communication plan.

On the inclusion of Civil Society Organisations, the Ambassador informed that the UNECA would be cooperating with a number of CSO's on member state level but it was an area that the Embassy would further explore. Regarding the free trade agreements already in place, it was an important challenge in the implementation of the AfCFTA to take into account the varying frameworks and capacities – also in terms of trade regulations – between the different regional economic communities on the continent. The Embassy would explore further the notion that tariffs could sometime have a positive effect on some groups and thanked the Council for the input. Finally, the Ambassador informed that the stationing of a JPO was a means of support to the activities of the UNECA on the AfCFTA.

In conclusion, the Chair of the Council remarked on the high volume of comments and questions and thanked the Council members for a very engaging debate and the Ambassador for thorough answers despite the limited amount of time available. The Council Chair hoped that the questions and comments would serve to inform the Embassy's work on implementing the programme. Despite questions raised on the complexity of the AfCFTA and the proposed Danish support, the Chair of the Council noted that there was broad support for the programme, and that the Council would recommend the programme for the Minister's approval.

Agenda Item No. 5: Climate Activity Uganda

For discussion and recommendation to the Minister.

DKK 40 million

(The Embassy in Kampala)

Summary:

Support to climate adaptation activities of Agricultural Cluster Development Project of Ministry of Agriculture, Animal Industry and Fisheries through World Bank Multi Donor Trust Fund to improve water resource management and secure increased access to water for farmers through adoption of sustainable land management practices, repair and maintenance of the irrigation infrastructure and boosting of participation in eVoucher. Financed via the Climate Envelope.

The Council for Development Policy did not recommend the project for approval by the Minister for Development Cooperation.

The Council found the overall purpose of the project - to support adaptation to climate change in food production - to be highly relevant and important. The Council also appreciated the intention to engage with the government through a sector-programme. However, the Council questioned the choice of implementation modality and furthermore found the project document unclear in terms of descriptions of activities.

The Council raised concerns about the implementation modality of sending funds to the Multi Donor Trust Funds (MDTF) of the World Bank in Uganda for further disbursement through the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF). Experiences with World Bank and MAAIF in the past were not good. Denmark had in the past supported MAAIF but in 2013 the extension programme of MAAIF had been hijacked by a new entity, Operation Wealth Creation (OWC), using the extension services to instead distribute inputs in order to mobilize and reward political support, i.e. buy votes in the general and presidential elections. The Council was concerned that Danish funds would be channelled into financing of OWC especially up to the elections coming early 2021. There had already been examples of blurred lines between the agricultural programme and OWC. The programme did not influence decisions taken in OWC to any significant extent. Drawing on the experiences from 2013/2014 and from the recent Appraisal, the Council furthermore expressed concerns about the World Bank as the partner managing Danish Funds, and it was noted that the World Bank had not responded to questions from the appraisal team and had not shared a copy of the latest MTR. The Council asked why the funds were not channelled through Northern Uganda Resilience Initiative (NURI) that had a good track record and was implementing CSA activities. Other possible partners could also be considered.

The Council found the descriptions in the Project Document to be generic and to some extent unclear and raised a number of questions: The central notion of climate smart activities was not clear. How would the planned Climate Smart Agricultural activities be different from activities in other food production? Which were the criteria for the “greening” principles? The appraisal had questioned the support to irrigation activities. Why was the project then still investing in irrigation activities? Given that farmers were not always interested in labour demanding natural resource management activities, was the use of matching grants in which contributions from farmers were a requirement working? Furthermore, the Council noted that the inputs and seedlings market in Uganda was not working, and that this was a requirement for the success of the project. Also, local governments generally do not have capacity to implement such programmes after the proliferation of districts in Uganda. Furthermore, what was the specific systemic change that the programme sought to achieve?

Finally, the council questioned the extent to which Denmark would be able to influence a very large programme with a very small contribution and two annual meetings.

The Ambassador confirmed that the political climate was difficult, while the dialogue and coordination with the Government of Uganda was good and that support in terms of funding through government in the current country programme was minimal. Denmark was one of the leading development actors to promote democracy and human rights and had a clear profile in Uganda and raised democracy and human rights concerns at many levels including the highest.

The project was an attempt to engage more directly with the Government in order to try and seek systemic change from highest level. There was strong support of likeminded donors (UK, NL, NO, SE, EI) to the World Bank and through the MDTF. All recent audit reports of both MAAIF and the World Bank MDTF was without any substantive issues. Progress had picked

up as was described in recent Aide Memoirs. In the most recent Review of Performance, the rating had risen from “Moderately satisfactory” to “Satisfactory” which was a good rating in the WB evaluation system. Disbursements to the Bank would only take place after the elections in early 2021 and would thereby not give the Government an opportunity to high jack funds.

NURI was not in a position to absorb the full amount of funds as the CSA activities was still at an early stage and the project did not have sufficient implementation capacity for further activities or expansion. It was, however, already agreed that close cooperation and sharing of lessons learned between NURI and MAAIF would take place at two annual workshops. NURI staff would further participate in training and evaluation activities of MAAIF. NURI had good experiences with matching grants that had seen farmers’ groups increase earnings significantly through investments. CSA activities would be very simple techniques like in NURI with integrated crop management, including intercropping, mulching combined with small scale rural infrastructure and water harvesting to adapt to climate change. Support to irrigation installations would be small scale and linked to rural infrastructure activities and only to increase efficiency. This modality was also used in NURI.

The Ambassador underscored that the appraisal had welcomed the project and found it timely and relevant to attempt to engage more directly with MAAIF again in order to seek systemic change and to “green” the approaches of MAAIF. Furthermore the appraisal had noted that the willingness to engage with the Government on these key issues was necessary and welcome, and that the Ministry of Agriculture was the obvious place to anchor the programme, pending an active contribution from the Ministry of Finance. The implementation modality had weaknesses but these could be mitigated through the Embassy’s engagement.

With regards to the criticism and doubt expressed by the Council on the capacity and ability of the World Bank to implement activities, the Ambassador noted, that the World Bank globally is seen as a solid and welcome partner, that the bad experiences referenced were seven years old, and that changes probably had happened since in the World Bank in Uganda. Furthermore, the Ambassador noted, that the MTR mentioned had still been work in progress at the time of the appraisal, but that the World Bank verbally had shared information with the Embassy during this process.

The State Secretary for Development Policy asked the Council whether it believed the project would have the potential to gain systemic change and whether the timing of support to the Government of Uganda was right. If not; a clear message was needed, in order to not recommend the project for approval. In that case, the Embassy could consider revising and revisiting the project at a later stage, when more experiences had been made in the project implementation.

The Chair of the Council concluded that given the present political context it was very doubtful whether the programme would have a potential to lead to systemic change, and on the grounds already listed, the Council could not recommend the project for approval at present given the doubts about the activities, the implementation modality and the political context.

Agenda Item No. 7: Climate Change Adaptation and Stability in Fragile Border Areas of Mali

For discussion and recommendation to the Minister

DKK 55.0 million

(The Embassy in Bamako)

Summary:

Facing the vicious circle of climate change and conflicts over resources, particularly present along the borders of Mali and Burkina Faso and Mali and Niger, the project will implement an integrated community approach focusing on two complementary outcome areas: (1) Local communities have access to climate smart economic and social infrastructure in particular in the agriculture/pastoralism, water, and energy sectors, and (2) Reduced conflicts, increased social dialogue and capacity building for joint community management particularly regarding natural resources and community infrastructure. The implementation is through a partnership with PATRIP Foundation, which will manage calls for proposals for individual cross-border community projects managed by international NGOs – often with local partners – while applying its expertise in the selection of concept notes, final project formulation and monitoring and evaluation.

Despite some concerns, the Council for Development Policy recommended the suggested support for approval by the Minister for Development Cooperation.

The Council was generally supportive of the innovative approach of the project linking investments in infrastructure to mediation activities in fragile areas of Mali, and found the objective highly relevant in light of the on-going crisis. The Council noted that the timeframe for developing the project had been very short and that some information and justification of choices could have been more elaborated. The Council raised the issue of the justification of the choice of partner, which could have been explained better in the project document, including which alternative partners were available and the depths of the PATRIP Foundation's experience, particularly in the Sahel. The reason for supporting a cross-border approach and the focus on climate change adaptation investments as a solution to the fragility was also raised.

Members of the Council also pointed out that while the challenging climate conditions no doubt contribute to the difficult situation, such challenges have been well-known in this area since the 1970s and earlier. Framing the programme as a climate change initiative may lead to a disregard of the historical and contemporary political reasons for insecurity.

The choice of the border regions as the focus area was also raised by members of the Council in light of the widespread needs throughout the country. In addition, social dialogue in the border areas would be extremely difficult and the availability of organizations with a capacity to address this was questioned. Another question was how it would be ensured that the interventions benefitted the poorest and most marginalized populations. Moreover, investments in infrastructure in areas full of local conflicts could easily fuel these as they risked favouring one part over another. Also, would local organizations be prioritized? Further members of the Council raised the question of feasibility and accessibility to carry out the project in the exceptionally difficult security environment. The argument in the programme document that the risks could be managed

through rigorous baseline analysis, continuous monitoring, and dialogue did not appear realistic. Finally, linkages to Danida “Youth in Development” tools could come out clearer.

The Ambassador welcomed the remarks and questions and responded that PATRIP Foundation is a German government-initiated non-profit fund. Its purpose was to offer its capacities as a technical and financial vehicle to channel funding from several donors towards fragile and hard-to-access areas in the Sahel and Afghan/Pakistan regions with an integrated community approach linking investments in infrastructure to stabilization. PATRIP had a very successful track record of operating in fragile and security challenged areas in the Afghan/Pakistan region and it was highly relevant to support a transfer of the approach to the Central Sahel region.

PATRIP foundation was first identified by the mapping exercise for the planned regional initiative on climate change, conflict and displacement. The extra climate funding for 2020 became an opportunity to test such a partnership before perhaps scaling up in the future. Considering its mandate and approach, the Ambassador found that PATRIP Foundation was the most interesting partner. By supporting PATRIP in Mali, Denmark would i) strengthen its partnership with Germany and the Sahel Alliance, ii) avoid parallel programming and support the greening of a joint financial vehicle for an integrated approach in the Sahel, and iii) provide access for Danish NGOs to join the call for proposals (for all funding).

The Ambassador informed that the cross-border approach had been chosen because many of the stabilization challenges were cross-border in their nature and the main conflict areas in Mali were along the borders. For the local communities there were in reality no borders, and people moved back and forth across the borders and competed over the same natural resources. The competition over natural resources was one of the main challenges, which is why it was relevant to support investment into climate change adaptation, including management of water resources, alternative energy sources and adapted agriculture practices.

The approach would be to manage a call for proposals for international NGOs with experience working inter alia through local partners in the project zone. The implementation would be flexible according to the exact situation in each individual geographical project area. A third party monitoring team would be based in the region.

Finally, the Ambassador informed that the focus of the project interventions was to support the poorest and most marginalized populations facing the challenges of climate change most acutely. The border areas between Mali, Niger and Burkina Faso was a main area of increased conflict over ever scarcer resources, and a mitigating intervention in this area could help to reduce conflicts over access to resources. Youth would be of particular interest of the project as one of the main target groups – the youth tools would be shared and used by partners as relevant.

The State Secretary for Development Policy pointed out that the project would be funded out of the extra 150 million DKK allocated for the climate last year and that the Sahel-conference of last week had shown the need for many and new partners. The Ministry would be following this project closely, and all the funds would not be disbursed at once. She suggested that the Council be briefed about progress after six months.

The Chair of the Council concluded that the Council for Development Policy recommended the Climate Change Adaptation and Stability in Fragile Border Areas of Mali programme for approval by the Minister. However, due to the concerns raised, the innovative approach of the project, and the choice of a new partner, UPR would revisit the project based on an inception review.

Agenda Item No 8: The Councils discussion about the newly published “White Paper on Job Creation and Skills Development in Africa

The Council discussed the [White Paper on Job Creation and Skills Development in Africa](#) based on introductory remarks by two of the Council’s members, e.g. the Chair of the Task Force, Jens Kvorning, Head of International Department SMEdenmark and member of the Task Force, Marie Gad, Director for Global Development and Sustainability, Confederation of Danish Industries.

Agenda Item No 9: AOB

Members of the Council pointed to the difficulties they had preparing properly for two-day meetings.

The State Secretary for Development Policy acknowledged these challenges and confirmed that the Secretariat would try to make sure not to repeat this very heavy format. Having said that, she thanked the Council for the very substantive discussions throughout the past two days.