

Ministry of Foreign Affairs – Department for Green Diplomacy and Climate, GDK

Meeting in the Council for Development Policy on 22 September 2022

Agenda Item No. 9

- 1. Overall purpose:** *For discussion and recommendation to the Minister*
- 2. Title:** **Framework Programme for Environment under the Strategic Sector Cooperation (SSC) 2023-2026**
- 3. Presentation for Programme Committee:** 2 May 2022
- 4. Previous Danish support presented to UPR:** No, this is the first presentation to UPR

Framework Programme on Strategic Sector Cooperation with Ministry of Environment and its agencies

<p>Key results:</p> <p>1) Stronger legislative frameworks and institutional capacity of partner authorities to implement and manage systems that promote: i) circular economy, sustainable waste management, and pollution control; and ii) sustainable water resources, water supply and wastewater management, with a cross-cutting focus on climate mitigation and adaptation, and biodiversity.</p> <p>2) More active and effective bilateral technical and diplomatic engagement in support of the green transition linked to circular economy, waste and pollution management, and water resources, water supply, and wastewater management.</p> <p>3) Enhanced engagement of the Danish private sector in identifying sustainable development solutions and opportunities for the promotion of green financial investments within circular economy, water, pollution control, environmental management and biodiversity.</p> <p>Justification for support:</p> <p>- The Framework Programme (FP) promotes Danish Government's policies regarding the green transition and climate action, by targeting select aspects of the climate crisis and the planet's critical environmental state linked to water, waste, and pollution which the Ministry of Environment/Danish Environmental Protection Agency's core competencies can contribute to address.</p> <p>- The FP contributes to poverty reduction by strengthening the effectiveness and integrity of public systems and regulations for sustainable water and natural resource management, reducing waste, and protecting the environment and biodiversity, which the poor and vulnerable in particular depend on to protect their livelihood resources, opportunities, and voice.</p> <p>- The FP delivers on Government's intention for the Strategic Sector Cooperation to be a core instrument to deliver its priorities on the green transition, support Danish climate diplomacy and bilateral relations, and to engage the Danish private sector in green solutions and investments.</p> <p>- The FP further contributes to delivering on the ambitious Danish water priorities, namely to ensure new and improved water resource management and access to water in Africa, as well as priorities to strengthen biodiversity and promote nature-based solutions as stated in the Strategy for Development Cooperation.</p> <p>Major risks and challenges:</p> <p>- National partner authorities' internal processes delay implementation progress The response is to closely monitor and to maintain a close dialogue with partners so that risks of delays can be addressed through early action, and by adapting and changing workplans to best meet expected results.</p> <p>- National partner authorities change political or institutional priorities for sector reforms, policies and plans supported, an unlikely risk given the preparation during projects' inception stages and on-going dialogue. However, this will be mitigated by change of projects' strategic focus within the FP objective, or ultimately phase out the project cooperation.</p>	File No.	2022-15482				
	Country	Ethiopia, Kenya, Morocco, South Africa, China, India, Indonesia, Thailand/ASEAN				
	Responsible Unit	GDK				
	Sector	Environment, water and waste management				
	Partner	Ministry of Environment and its agencies				
	<i>DKK million</i>	2023	2024	2025	2026	Total
	Commitment	27,1	29,1	33,1	30,6	120
	Projected disbursement	27,1	29,1	33,1	30,6	120
	Duration	48 months				
	Previous grants	Individual SSC projects through MOE/DEPA				
	Finance Act code	06.38.02.14				
	Head of unit	Karin Poulsen				
	Desk officer	Ninna Katrine Holm Sanden				
Reviewed by CFO	YES: Katja Thøgersen Staun					
Relevant SDGs <i>[Maximum 5 – highlight with grey]</i>						
 No Poverty	 No Hunger	 Good Health, Wellbeing	 Quality Education	 Gender Equality	 Clean Water, Sanitation	
 Affordable Clean Energy	 Decent Jobs, Econ. Growth	 Industry, Innovation, Infrastructure	 Reduced Inequalities	 Sustainable Cities, Communities	 Responsible Consumption & Production	
 Climate Action	 Life below Water	 Life on Land	 Peace & Justice, strong Inst.	 Partnerships for Goals		

Strategic objectives

Improved framework conditions and Danish bilateral and commercial engagement in partner countries for sustainable management of water, waste and pollution in ways that directly promote climate action and a green, inclusive and just transition.

Environment and climate targeting - Principal objective (100%); Significant objective (50%)

Indicate 0, 50% or 100%	Climate adaptation	Climate mitigation	Biodiversity	Other green/environment
China	50%		50%	100%
Ethiopia	50%			100%
India	50%			100%
Indonesia				100%
Kenya, circular economy				100%
Kenya, water	50%			100%
Morocco	50%			100%
South Africa	50%			100%
Thailand/ASEAN				100%
Total green budget (DKK)	33,5 million		7 million	120 million (100%)

Budget (engagement as defined in FMI):

	Partner	Total thematic budget: [million]
China	Ministry of Ecology and Environment, Ministry of Water Resources	14
Ethiopia	TBD	10,5
India	National Jal Jeevan Mission, Ministry of Jal Shakti, State of Karnataka	13,5
Indonesia	Ministry of Environment and Forest	15,5
Kenya, circular economy	Ministry of Environment and Forestry, National Environmental Man-	15
Kenya, water	TBD	8,5
Morocco	Ministry of Equipment, Transport, Logistics and Water, National Of-	10,5
South Africa	Department of Water and Sanitation, Department of Science and In- novation, National Cleaner Production Centre	10
Thailand/ASEAN	TBD	8,5
Results monitoring, learn-	-	1,7
Public Diplomacy	-	1
Mid-term review	-	1
Unallocated	-	10,3
Total	-	120

**Framework Programme on Strategic Sector Cooperation
with Ministry of Environment and its agencies (2023-2026)**

Framework Programme Document

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Abbreviations

AMG	Aid Management Guidelines
APR	Annual Progress Report
ASEAN	Association of Southeast Asian Nations
CO2	Carbon Dioxide
DFC	Danida Fellowship Centre
DEPA	Danish Environmental Protection Agency
DGBP	Danida Green Business Partnerships
DKK	Danish Kroner
DIHR	Danish Institute for Human Rights
DSIF	Danish Sustainable Infrastructure Finance
EKF	Eksport Kredit Fonden
EPR	Extended Producer Responsibility
FP	Framework Programme
GEUS	Geological Survey of Denmark and Greenland (GEUS)
GHG	Greenhouse Gasses
HRBA	Human Rights-based Approach
IFU	Investment Fund for Developing Countries
IUCN	International Union for Conservation of Nature
MFA	Ministry of Foreign Affairs
MOE	Ministry of Environment
MEAL	Monitoring, Evaluation and Learning
PANT	Participation, accountability, non-discrimination, transparency
PMG	Programme Management Group
QA	Quality Assurance
RFI	Results Framework Interface (MFA's)
SADC	Southern Africa Development Community
SDGs	Sustainable Development Goals
SMG	Strategic Management Group
SSC	Strategic Sector Cooperation
TOC	Theory of change
USD	United States Dollar

Explainer – Strategic Sector Cooperation and SSC 2.0

As this represents one of the first Strategic Sector Cooperation Framework Programmes presented, Box A and B explain what constitutes SSC and the main elements of a SSC Framework Programme under SSC 2.0:

Box A: What is a strategic sector cooperation?

- A peer-to-peer, long-term cooperation between a Danish sector authority or municipality and an authority in a developing country, mainly focused on technical assistance
- Tackles select institutional and legislative capacity weaknesses of the partner country which the Danish authority's core competences are relevant for addressing – but may not tackle all partner capacity constraints
- Consists of 1) project-based cooperation between the two peer authorities, and 2) a Sector Counsellor stationed at the Danish Embassy to facilitate the project and ensure linkages and synergies between partners and agendas of sustainable development, climate diplomacy and green private solutions .
- Use primarily instruments like study tours, seminars, workshops, training courses, and direct engagement of experts for drafting regulations, policies, guidelines, or processes
- Inputs mainly consist of Danish authorities' staff time, travels, consultancies, and expenses for workshop/seminars, studies, trainings
- Projects run in phases, each with a 1-year inception phase (DKK 1 million) for in-depth needs assessment and project design with the peer authority, followed by up to three 3-years phases; each phase with a max. budget of DKK 10 million

Box B: What is a SSC 2.0 Framework Programme?

- A framework agreement that gives the authority responsibility for developing and managing a portfolio of projects over a 4-year period, based on agreed objectives, outcomes, budget, and governance and management structures. A shift from single-project agreements to a programmatic approach.
- Aims to provide stronger strategic, programmatic, and development focus as well as improve cross-learning and to ensure a more lean administration. Places all SSC projects under a single agreement, managed based on one consolidated work plan, annual progress report, accounting and contact point in MFA
- Is founded on the needs and demands of the recipient countries matched with the Danish Authority's international strategy and core competences; political dimensions and bilateral interests; SSC management capacity; commercial interests and opportunities; the Embassies engagements and interests in the recipient country, etc.
- Defines objectives, project selection criteria, results, budgets, and governance mechanisms for the authority's development and management of its project-portfolio
- Builds from the start on existing projects – and develops and adds new project phases and new projects during the 4-year period, always having projects at various stages.

1. Introduction

This document outlines the Framework Programme (FP) with the Danish Ministry of Environment (MOE) and Danish Environmental Protection Agency (DEPA) under the Strategic Sector Cooperation (SSC), an instrument launched in 2015 for engaging Danish authorities in cooperation with partner authorities in developing countries to improve framework conditions for a green, inclusive transition and key development priorities.

The FP covers the period 2023-2026, with a budget of DKK 120 million, and is MOE/DEPA's first FP under the 2021 SSC guidelines, replacing single-project funding agreements between Danish authorities and the Ministry of Foreign Affairs (MFA) with 4-year strategic framework agreements. The funding is subject to annual Parliamentary approval (as described in paragraph 6 *budget*).

Guided by the Danish Government's policies, the Danish Strategy for Development Cooperation *The World We Share*, the Long-Term Strategy for Global Climate Action *A Green and Sustainable World*, and Action Plan for Economic Diplomacy 2022-23 *A New Partnership for Sustainable Global Transition*, the FP focusses on partnerships with authorities on green transition challenges of unsustainable water use, waste, and pollution in countries in Africa and Asia where MOE/DEPA can contribute importantly to change through its selected core competencies in environmental governance (see Box 1).

Box 1: DEPA's core competences mobilized under the FP:

- Circular economy, waste management, and pollution control;
- Water resources, water supply and wastewater management
- Cross-cutting focus on climate mitigation and adaptation, biodiversity and nature-based solutions.

In line with the 2021 SSC guidelines, the FP also supports Denmark's green diplomacy efforts through country-level bilateral initiatives on water, waste, and pollution – and an enhanced role for the Danish private sector's green solutions and investments in tackling partner countries' green transition challenges, especially in circular economy, water, pollution, and environmental management.

The FP document describes the focus, guiding principles, and decision and management mechanisms for the programme. It will include up to 9 projects in different phases (listed in Table 1), where 5 are well established, 2 have just started, and 2 are new projects to be initiated. In total, 18 project phases are covered by the FP.

Describing a framework programme, this programme document refers to the project documents for descriptions of the project details.

2. Context, strategic considerations, and justification

2.1 Climate, water, waste and pollution

The FP takes its point of departure in the **climate crisis and the planet's critical environmental state** – and targets the specific drivers linked to water, waste, and pollution which MOE/DEPA's core competencies (Box 1) can contribute to address in important ways, as outlined next:

First, water is critical for healthy ecosystems, human survival and health, and socio-economic development – but the water crisis is growing. Water is key for climate adaptation, linking climate systems, human society, and the environment, and vital for tackling diseases and ensuring the welfare and productivity of populations. Often, water is key to managing risks from famine, epidemics, inequality, and political instability. Meanwhile 2.3 billion people live in water-stressed countries and about 700 million people may be displaced by intense water scarcity by 2030¹. Denmark has a longstanding history of working within the water sector in development cooperation and Denmark has high ambitions to ensure new and improved water resource management and access to sustainable and clean water for the most vulnerable people in Africa. This includes drinking water, water for production and crops, sanitation, and management and reuse of wastewater. In this situation, MOE/DEPA's competencies in water resources, water supply and wastewater management are critically relevant to help address certain key dimensions of the water crisis, and through this, to promote climate action and the green transition.

Second, growing levels of pollution and waste drive the climate crisis, environmental degradation, and human health problems - including from plastics, textiles, food, electronics, construction materials and more. A total 2 billion tons of municipal solid waste is produced annually globally of which one-third is not managed in an environmentally safe manner². Global waste will grow to 3.40 billion tons by 2050, discharge of plastic to the sea is escalating, and the world's minerals and resources are diminishing at an alarming rate. In 2019, over 92 billion tons of materials were extracted and processed, contributing to about half of global Carbon Dioxide (CO₂) emissions. In this regard, MOE/DEPA's competencies in circular economy, waste management and pollution control can be mobilized to directly promote the green transition and climate action.

In parallel to the climate crisis, the world's biodiversity is in crisis with ecosystems being degraded globally, the diversity of genes and species declining irreversibly, and wild nature and ecosystems disappearing due to land-use change, habitat fragmentation, illegal wildlife trade, invasive species, and pollution. The effects are massive losses in nature's intrinsic value and eco-system services for food security and freshwater resources, in turn threatening rural populations – the majority of which are poor – who depend most on nature for productivity and food security. Denmark has increased its ambitions to strengthen biodiversity and promote nature-based solutions in development cooperation, including by ensuring sustainable management and use of ecosystems. Here MOE/DEPA may contribute to improvements through use of its competencies in reversing biodiversity degradation in projects linked to water, waste, and pollution.

¹UN Water 2021, <https://www.unwater.org/water-facts/scarcity/>

²World Bank, <https://datatopics.worldbank.org/what-a-waste/>

Relevant strategies exist to address partner countries' climate and environmental problems, which MOE/DEPA can support. For instance, strategies for strengthening water resources management, tackling non-revenue water, optimize networks, asset management, and demand-side management have significant potential in countries like China, India, South Africa, Morocco, where utilities and service providers struggle with weak performance. Countries like Indonesia and Kenya have embarked on circular economy solutions – estimated to have huge potential benefits which by eliminating waste and ensuring safe use of natural resources – yet globally reach less than 9% of the world³. Similarly, nature-based solutions have potential to provide benefits to human well-being, biodiversity, and climate adaptation, through protection, restoration or management of natural and semi-natural ecosystems and community-driven approaches.

The FP concentrates on specific areas where the SSC can relevantly contribute to improve country systems – but cannot tackle all of a partner country's institutional constraints comprehensively. The drivers of the countries' management problems in water, waste, pollution, and biodiversity degradation are multifaceted – and many stem from weak political environments, legislation, institutional frameworks and mechanisms to set and enforce standards, and weak capacity at national and local levels to implement legislation and best-practices. To tackle all problems, and fully achieve the green transition and climate action, takes a multipronged approach. In this regard, the FP focuses on specific areas and reforms - backed by political support and institutional demand from partners - where MOE/DEPA's core competences and the SSC instrument can make significant positive change. Alongside this, the FP will continue to promote cross-sectoral solutions and coordination between sectors of environment, energy, infrastructure and others, where opportunities exist.

The poor are disproportionately affected by the unsustainable water use, waste, pollution, and biodiversity loss, which drive conflict, displacement, and migration. Annex 1 summarizes how all MOE/DEPA's partner countries struggle with poverty and vulnerability, and the close dynamics that exist between natural resource problems, livelihoods, and poverty⁴. Unsustainable use of natural resources and the environment drive conflicts, displacement, and migration, and disproportionately affect basic resources, opportunities, choice and voice of the poor, women, and marginalized populations who depend directly on natural resources for incomes and social development needs. These problems put livelihoods at risk for large parts of the population in the partner countries and underscore that halting irreversible damage and speeding up the green transition is key for reducing inequality and poverty in all its dimensions.

The FP contributes to poverty reduction in partner countries in particular by strengthening the effectiveness and integrity of the general public systems and regulations for sustainable, equal and fair water and natural resource management, reducing waste, and protecting the environment and biodiversity, which in particular the poor and vulnerable depend on to protect their basic livelihood resources, opportunities, and voice. As the poor rely disproportionately on natural resources for their

³Circular Gap Report, <https://www.circularity-gap.world/updates-collection/our-world-is-still-only-9-circular>

⁴For instance, <https://www.wider.unu.edu/publication/solid-wastes-poverty-and-environment-developing-country-cities>

livelihoods, the FP's results are expected to benefit the poor directly. Section 2.6 sums up the FP's approach to poverty reduction.

2.2 Key Danish policies and priorities

The Danish Government's commitment to address climate change, environmental pollution and pressures on the world's resources guides the FP. The FP directly responds to Denmark's Strategy for Development Cooperation, *The World We Share*, with its priorities to speed up the just, green transition, through securing access to clean water for the poorest, reducing CO2 emissions, and supporting developing countries' sustainable use of natural resources and the protection of biodiversity and resilience in the poorest and most vulnerable countries. The FP directly supports the strategy's Objectives 1 (Strengthen action to support climate change adaptation, nature, the environment and 3 (Increase mobilization of finance and promote green Danish solutions within climate, nature and the environment). The FP directly follows the priority to have government-to-government strategic sector cooperation on water as a key element to deliver on the objectives of the Strategy, i.e. strengthen action to support climate change adaptation, nature, the environment and resilience, while drawing on Danish strengths including green Danish solutions within climate, nature and environment. MOE/DEPA will continue to promote climate change adaptation and resilience solutions in activities of SSC Projects.

The FP implements the focus of *A Green and Sustainable World*, the Danish Government's long-term strategy for global climate action on addressing climate change and promoting a green transition, including the goal to strengthen strategic sector cooperation in the area of climate adaptation in developing countries, supporting the Danish climate diplomacy efforts and green strategic partnerships and collaborations in relevant countries.

The FP also contributes to the implementation of the Action Plan for Economic Diplomacy, *A New Partnership for Sustainable Global Transition*, and emphasizes the role of Danish private sector's green solutions and investments. Moreover, the FP supports the implementation of the ambition to double the Danish water tech export by 2030 in Denmark's Water Export Strategy. The FP will facilitate promotion of investment opportunities and private sector engagement in green solutions through all projects, i.e. promoting policies and legislation that aim at green private sector involvement and public-private partnerships. Bridging between SSC and private sector engagement is important, and the FP will work closely with the Danish Trade Council in partner countries and in Denmark.

As such, the FP is built on a foundation of the Government's commitment for Danish green diplomacy, the business community's green strengths, Danish innovation and research, as well as Denmark's development cooperation, which are mutually supportive – all enabling Denmark to pull international partners in a more green and climate-ambitious direction.

The FP contributes to **delivering on the Paris Agreement and the SDGs** by promoting a socially just green transition and contributing to sustainable growth and resilient development for people in partner countries. The FP will contribute directly to SDGs 6 (clean water and sanitation), 3 (good health and well being), 11 (sustainable cities and communities), 12 (responsible consumption and production) and also

importantly to 9 (industry, innovation, and infrastructure,) 14 (life below water) 15 (life on land), and 17 (partnerships for the goals), as well 13 (Climate Action) including both mitigation and adaptation.

2.3 Ministry of Environment - international strategy and core competences

The **FP aligns with MOE's priorities for international cooperation** which establishes SSC as a core instrument with a key role in supporting Danish global green diplomacy and in strengthening the capacity and role of national environment institutions towards greener, climate neutral and sustainable development. MOE has a long-standing international engagement, which provides a foundation for the FP, through international cooperation and collaboration with EU, UN and the main international organizations on environment, like International Union for Conservation of Nature (IUCN), Association of Southeast Asian Nations (ASEAN), Southern African Development Community (SADC), contributing to Denmark's efforts to take leadership for the green transition and sustainable development. The FP is aligned within the three main strategic international focus areas of MOE, namely: i) international fora, conventions and negotiations; ii) capacity building and support to national environment partner institutions; and iii) promotion of sustainable green solutions, cleaner production and export of green technologies.

MOE/DEPA's capacity to manage the FP is well-established, developed particularly through DEPA's involvement in implementing SSC projects since 2014 and its core competencies in circular economy, pollution, waste resource management, water supply, wastewater management and environmental regulation of industries as well as overall project portfolio management. During its 50-year history, MOE/DEPA has always engaged in sharing its experiences internationally, e.g. in Eastern Europe after the cold war, with new EU member states, and countries affected by the globalization. DEPA will provide overall programme management capacity and contribute with its core competences (Box 1). MOE/DEPA will continue to work with other Danish public authorities in the specific projects under the FP, such as other Governmental agencies, municipalities, as well as publicly owned utilities being service-providers in Denmark. This will ensure a broad and efficient take of Danish experiences into the partner countries.

2.4 Results and lessons from previous phases

The FP builds on results from MOE/DEPA’s long standing project cooperation – including development of legislation, sector policies and strategies, and partners’ strengthened capacity and improved knowhow, skills, and exposure to good governance models and innovative solutions. Often the results have gone beyond initial objectives, with unplanned but critical outcomes delivered in response to needs arising along the way. In some cases, long-term results and impacts are still emerging.

The positive and productive cooperation established with partners is itself a significant result, providing a platform for further achievements through the FP. The projects have also helped to strengthen Denmark’s bilateral relations with the partner countries, including those not receiving traditional bilateral development assistance. Close cooperation with the Trade Council and Danish clean tech companies are well established in the projects, exposing solutions and the regulation behind it to the partner countries. The projects have in different ways integrated experiences of the private sector in the capacity development directly (showcasing Danish clean tech solutions fostered by the regulation) and facilitated contacts for export promotion by the Trade Council and other actors (and contributing to sustainable development).

The FP will integrate lessons from MOE/DEPA’s previous SSC engagement. Overall, the FP will be managed in a programmatic way, with emphasis on sharing lessons on models, approaches, and knowledge, so its impact becomes more than “the sum of the projects”. This will include focus on synergies with green diplomacy and green commercial effects. MOE/DEPA will increase emphasis on identifying and adapting to lessons learned, incl. MFA lessons⁵.

Box 2: Selected results from ongoing projects:

- Indonesia: Advice and technical input provided on sustainable energy and waste management for islands in Indonesia, paving the way for green transition in energy production and resource circularity.
- South Africa: Assisting national and local authorities with concrete and hands-on solutions and guidelines to address the immense drinking water crisis that South Africa is facing due to depleted fresh water sources and massive water leakages.
- Kenya: Advice and technical inputs provided for preparation of Kenya’s new national waste bill and waste policy, including developing regulations and guidelines on e.g. Extended Producer Responsibility (EPR).

Box 3: MOE/DEPA’s lessons from the SSC

- There is potential to harvest synergies and improve results through a more programmatic FP management approach with emphasis on closer coordination and sharing lessons across projects and sectors, results reporting, learning, and quality assurance.
- The cooperation leads to best results when using a flexible and adaptive approach, with emphasis on interaction and mutual benefits between partners.
- It is crucial to tailor projects to the specific context and link-up with national partner processes, for best partner engagement, delivery of results, and use of Danish skills and know-how, from the public and private sectors.
- There is room for enhancing private sector engagement in the SSCs, both directly in the capacity development process, indirectly from using clean tech solutions, and as stepping-stones for long-term commercially based interaction and capacity development.

⁵ https://um.dk/en/danida/results/eval/eval_reports/commercial-effects-of-danish-development-assistance-20190506t130018

2.5 Alignment with SSC's principles and global results

The FP **aligns with SSC's vision to promote a socially just green transition, sustainable growth, and resilient development** for people in partner countries, through its focus on addressing sustainable water use and reducing pollution and waste in the partner countries. In line with SSC's vision, the FP focuses on areas where Denmark has special strengths and can show international best practice like circular economy, waste resource management, water supply and wastewater management, and nature-based strategies. The FP promotes SSC's global intermediate objective⁶ through its focus on the green and inclusive transition, circular economy, water, environment, and biodiversity. The FP's three outcomes - defined in the FP Results Framework (section 4) and FP Theory of Change (section 3) - align with the SSC's three global outcomes, as further described below.

The FP's outcome 1 addresses **SSC's global Outcome 1** (*strengthening partner authorities' capacity to develop and implement conducive legislative and institutional mechanisms for the green transition*) through its projects which support strengthening of partner countries' capacities to prepare, implement, and enforce national development plans, policies and strategies that promote circular economy, sustainable water and environmental management, biodiversity, and climate adaptation. Projects are selected based on relevancy of MOE/DEPA's core competencies to address the critical pollution, greening and climate issues facing the countries. Partner authorities are selected based on relevant mandates for issues, relevant and clear political reform priorities, and clear demand for the support from MOE/DEPA provided through the partnerships. Chapter 5 sums up the main features and criteria for selecting projects.

Under outcome 1, the FP will base its approach to **capacity development** on lessons learnt from previous projects, international best practice, with integration of HRBA and non-government actors. Annex 5 describes the main elements of the approach to capacity development.

The FP's outcome 2 supports **SSC's global Outcome 2** (*climate ambitions and the green transition via bilateral relations and green diplomacy*) by working towards linking efforts under the SSC projects to Denmark's wider initiatives on policy and technical cooperation, development assistance, and green diplomacy. Concretely, embassies and sector advisers will be responsible for sharing of knowledge, networks, and lessons between projects, sectors, and the Danish climate and bilateral diplomacy efforts. In addition, MOE/DEPA will as feasible promote cross-sectoral cooperation and integrated holistic solutions, i.e. within water-energy, waste-energy, water-climate adaptation, smart city solutions, nature-based solutions, climate adaptation etc., including collaboration with other Danish agencies or institutions. Such efforts to link the FP outcome 1 and 2 measures will reinforce their shared contribution to the SSC and FP long-term objective of a socially just, inclusive, and green transition and adaptation in the partner countries. The initiatives relevant to outcome 2 will be reflected in project- as well as in the Embassy work plans.

The FP's outcome 3 supports **SSC's global Outcome 3** (*Danish private sector's role in sustainable and green solutions and investments*) by ensuring close work relations with the Danish Trade Council, Danish

⁶ The SSC's global intermediate objectives is "to contribute to conducive framework conditions in partner countries focusing on the green and inclusive transition and selected development priorities through contributions from the strategic sector cooperation" (SSC Guiding Principles, 2021)

Embassies, business associations and firms on Danish businesses’ engagement in exports of green technology solutions and collaborations with actors in partner countries. Sector counsellors will be expected to ensure transfer of knowledge, networks, and opportunities between projects and wider green commercial activities, including relevant Danish development and business instruments (International Fund for Investment in Developing Countries (IFU), Danida Green Business Partnerships (DGBP), Danida Sustainable Infrastructure Investment (DSIF), etc.). In addition, the SSC projects’ strengthening of legislative and institutional frameworks in the sector can improve market conditions to enable an enhanced role for Danish private sector’s green solutions and investments. In sum, efforts under outcomes 1 and 3 will interact to promote their shared contribution to the SSC and FP long-term objective of a socially just, inclusive, and green transition and adaptation in the partner countries. Activities in support of outcome 3 will be reflected in project as well as in the Embassy work plans.

2.6 Alignment with Danish cross-cutting priorities and aid effectiveness

The FP will address **the human rights-based approach (HRBA)** by integrating the principles of participation, accountability, transparency, and non-discrimination (“PANTI”) in initiatives with partners for strengthening their legal frameworks and institutional management systems for water, waste, and pollution, wherever relevant and possible (see also annex 5). Issues of rights, participation, and discrimination are significant, for instance, in access to water resources, and typically the poor and marginalized population suffer the most direct and highest costs from pollution and waste. Human rights issues of economic inclusion and social equity are often an integral part of circular economy, recycling, plastic pollution, and waste resource management.

Since relevant HRBA issues, opportunities, and entry-points are always context- and partner specific, project-specific assessments will be made to decide focus and approaches. As such, the FP will 1) introduce steps in their project preparation and QA process to ensure assessment of relevant poverty and HRBA issues and opportunities and define initiatives to address these, 2) apply relevant HRBA screening tools (generic ones to the developed by MFA), and 3) develop MOFA/DEPA capacity and partnerships on HRBA (such as through DFC and DIHR).

The projects will integrate the focus on **poverty** with special focus on the dimension of livelihood resources, opportunities, and choice, and by ensuring the leave-no-one-behind principle; background studies and project documents will assess and describe the approach to integrate the poverty focus and cross-cutting issues.

Similarly, MOE/DEPA will integrate **gender** concerns in the analysis, inputs and dialogue with partners. Gender issues are significant in relation to water in the partner countries, where women typically have primary responsibility for management of household water supply, sanitation, and health, and waste - water being necessary both for drinking, food production, animals, and washing,

Box 2: How DEPA’s SSC projects will address poverty reduction:

- Identify poverty context in background studies and activities in project documents as relevant.
- Provide advice on water resources management planning, water supply, access to clean drinking water and financing of services with respect to water as a social and economic good, including for the poor and unserved.
- Consider social, economic and job creating aspects in support and advice to circular economy and waste management both for the formal and informal sectors.

where women often play the main roles⁷. MOE/DEPA will promote and encourage a gender-balanced representation in project activities, i.e. decision-making, capacity building, training programs and study tours. MOE/DEPA's approach to mainstreaming of human rights and gender will be based on MFA's tools and principles. MOE/DEPA will integrate simple steps in project preparation and implementation processes to ensure consideration of these issues, i.e. rights to basic services, water and natural resources. Future project documents will have sections to describe the approach to gender, poverty, and HRBA.

Aid effectiveness of the FP is promoted by projects' direct focus on strengthening national legislative and institutional systems, ensuring country leadership. Moreover, all projects are based on partner authorities' demands and ownership. The project work plans and engagement by MOE/DEPA's experts will be based on partners' needs and requests. MOE/DEPA will ensure dialogue, agreement, and transparency on plans and inputs to ensure projects are based on accountability and mutual trust.

3. Framework programme objectives and Theory of Change

The **overall long-term objective** of the FP is to promote a socially just, inclusive and green transition and contribute to sustainable growth and resilient development for people in partner countries through Strategic Sector Cooperation in the areas of water, waste, pollution, and nature-based solutions.

The **immediate objective** of the FP is to improve framework conditions and Danish bilateral and commercial engagement in partner countries for sustainable management of water, waste and pollution in ways that directly promote climate action and a green, inclusive and just transition.

The FP is guided by the **Theory of Change** (ToC) shown overleaf which aligns with the SSC's global ToC. The **critical assumptions** behind the ToC include: Partner authorities' political and institutional commitment to agreed reform processes is maintained during the FP; DEPA capability to address partners' weaknesses in the relevant practices, legislation and systems, including systematic learning from proven capacity development approaches to (as outlined in annex 5); and basic market conditions in countries are conducive to Danish private sector actors to offer green transformative solutions.

⁷United Nations, Gender and water, <https://www.un.org/waterforlifedecade/gender.shtml>

Theory of Change – MOE/DEPA’s Framework Programme on Strategic Sector Cooperation

<p>If MFA/MOE/DEPA/Embassies select countries for the SSC where unsustainable water use, waste and pollution are critical challenges for the green transition, climate action, poverty reduction and livelihoods;</p>		
<p>And if MOE/DEPA and Embassies here identify and establish SSC partnerships with relevant national authorities who demand such collaboration and strongly prioritize tackling such challenges of water use, waste and pollution</p>		
<p>And if MOE/DEPA - and other involved Danish authorities - use their core expertise, best practice knowledge, and learning-based capacity development approaches to address partners’ weaknesses and gaps in policies, regulations, and systems on circular economy and effective management of water, waste, and pollution, and nature-based solutions</p>	<p>And if Danish Embassies, MOE/DEPA and MFA make use of the insights, processes, and networks obtained through the SSC projects to inform Danish bilateral and green diplomatic initiatives to forward the green transition and political priorities between Denmark and partner countries;</p>	<p>And if MOE/DEPA and Danish Embassies jointly use knowledge and networks from the SSC projects on “green” market and sector requirements, and gaps to inform the engagement with the Danish private sector to provide solutions in circular economy and management of water, waste and pollution that can tackle the countries’ green challenges</p>
<p>Then legislative frameworks and partner <u>institutional capacity will be strengthened</u> to implement and manage systems that enable a circular economy, sustainable waste management, and pollution control – as well as sustainable water resources, water supply and wastewater management</p>	<p>Then Danish bilateral technical and diplomatic initiatives to advance the green transition through promotion of circular economy and better management of waste, pollution, water resources, water supply, and wastewater will be more effective in <u>making such green agendas central priorities in governments’ policies</u></p>	<p>Then the exposure of <u>Danish private sector sustainable development solutions and green financial investments tackling the green transition challenges</u> in circular economy, water, pollution control, environmental management and biodiversity will have expanded in these markets</p>
<p>Then partner countries will show much stronger political and strategic priorities for greening the water/waste management sector, reform and implement regulatory and institutional frameworks that promote greener and climate-friendly water/waste management systems, and make greater use of green private-sector provided solutions in the water/waste management sector</p>		
<p>And then management of water, waste and pollution will be managed more sustainably in ways that directly promote climate action and the green, inclusive and just transition in partner countries</p>		
<p>And then the socially just, inclusive and green transition will have been advanced and contributions made to sustainable growth and resilient development for people in partner countries in the areas of water, waste, pollution, and nature-based solutions</p>		
<p>And then Denmark and partner countries jointly will contribute to the fulfilment of the SDGs and the Paris Agreement, for a green transition and sustainable development, and strengthening the global cooperation on environmental protection.</p>		

4. Results framework

Monitoring and reporting of the FP will be based on the results framework below, where MOE/DEPA and Embassies are jointly responsible for results under outcomes 2 and 3. To supplement the monitoring based on indicators, outcome harvesting will be carried out during the second year, with special focus on capturing broader results related to climate action, a green, inclusive and just transition, and green commercial contributions. Further details of the outcome harvesting will also be defined in the Monitoring, Evaluation, Accountability, and Learning (MEAL) Plan (see chapter 9).

Project/Programme			
Project/Programme Objective		Improved framework conditions and Danish bilateral and commercial engagement in partner countries for sustainable management of water, waste and pollution in ways that directly promote climate action and a green, inclusive and just transition	
Outcome (1)		Stronger legislative frameworks and institutional capacity of partner authorities to implement and manage systems that promote 1) circular economy, sustainable waste management, and pollution control; and 2) sustainable water resources, water supply and wastewater management, with a cross-cutting focus on climate mitigation and adaptation, and biodiversity	
Outcome indicator		Number of improved regulatory and institutional systems supported by the FP in areas of circular economy, sustainable waste management, and pollution control; and sustainable water resources, water supply and wastewater management	
Baseline	Year	2023	0
Target	Year	2026	15
Outcome (2)		More active and effective bilateral technical and diplomatic engagement in support of the green transition linked to circular economy, waste and pollution management, and water resources, water supply, and wastewater management.	
Outcome indicator		Number of Danish bilateral partners successfully use knowledge or networks linked to the FP's work on circular economy, waste and pollution management, and water resources-, supply, and wastewater management to promote international relations on climate and the green transition	
Baseline	Year	2023	0
Target	Year	2026	15
Outcome (3)		Enhanced exposure of the Danish private sector's sustainable development solutions and green financial investments in partner markets where they can contribute importantly to tackling challenges in circular economy, water, pollution control, environmental management and biodiversity	
Outcome indicator		Number of additional initiatives by Danish business organizations or firms to provide green solutions or investments being associated with initiatives under the FP	
Baseline	Year	2023	0
Target	Year	2026	25
Output		Project plans on development of legislative frameworks and capacities of partner authorities to implement their mandates for 1) circular economy, sustainable waste management, and pollution control; and 2) sustainable water resources, -supply and wastewater management delivered as expected.	
Output indicator		Progress on projects' annual work plans under the FP linked to capacity and legislative frameworks on 1) circular economy, sustainable waste management, and pollution control; and 2) sustainable water resources, water supply and wastewater management	
Baseline	Year	2023	100%
Target	Year 1	2024	100%
Target	Year 2	2025	100%
Target	Year 3	2026	100%
Output		Embassy and project initiatives, which relate to improving bilateral relations and green diplomacy through 1) circular economy, sustainable waste management, and pollution control; and 2) sustainable water resources, water supply and wastewater management, delivered according to plan.	
Output indicator		Annual progress on Embassies' and projects' annual work plans linked to the FP's contributions to bilateral relations and green diplomacy	
Baseline	Year	2023	100%
Target	Year 1	2024	100%
Target	Year 2	2025	100%
Target	Year 3	2026	100%
Output		Initiatives linked to promoting private sector engagement in Embassy and project plans delivered according to annual plans	
Output indicator		Progress on Embassies' and projects' annual work plans linked to the FP's initiatives on promoting the private sector's engagement in green solutions and investments in 1) circular economy, sustainable waste management, and pollution control; and 2) sustainable water resources, water supply and wastewater management	
Baseline	Year	2023	100%

Target	Year 1	2024	100%
Target	Year 2	2025	100%
Target	Year 3	2026	100%

5. Emerging project portfolio: Contexts and design features

The FP is founded on a set of individual projects, with phases that will evolve over the FP period, which will share certain features in regard to contexts and designs, and all draw on (one or more of) MOE/DEPA’s core competencies (Box 1), as relevant and demanded by the partner in the context.

The common features of current project contexts and designs, which will also serve as criteria for deciding on future projects/phases, are as follows (elaborated in Annex 1, as required by SSC 2.0 guidelines):

- The FP’s **partner countries all face severe challenges of unsustainable water use, pollution, and waste management**, and suffer severely from the effects of **climate change** – in ways that have major negative impacts on health and livelihoods, especially of poor and low-income people.
- **MOE/DEPA’s core competences are relevant** to addressing these partner countries challenges of unsustainable water, waste and pollution.
- The partner countries face **constraints in key legislative and institutional frameworks**, which hamper their abilities to tackle their water, waste, and pollution challenges
- The **partner authorities are committed** to developing their regulations and systems for water, waste, and pollution in collaboration with MOE/DEPA
- The projects **align with Denmark’s wider priorities** and engagements for bilateral relations, multilateral engagement, green diplomacy, and development cooperation in the countries
- Opportunities for **synergies** exist in the partner countries between SSC projects on water, waste, and pollution and the role for green Danish private sector solutions and investments in such areas

These common features will also be used a criteria for possible closure of projects and re-allocations.

Table 1 summarizes the projects that will be basis for the development and approval of new phases/projects, based on governance mechanisms described in section 7, and annex 1 gives further information on the projects.

Table 1: MOE/DEPA's Emerging project portfolio 2023-2026

	Project title	Country	Period	Project Objective	Partner authority	Thematic focus	Project document
1	Indonesia, Phase 1 (incl. Sustainable Island Initiative, SII) Strategic Sector Cooperation on Circular Economy and Solid Waste Management Denmark-Indonesia	Indonesia	2018-2022 (No-cost extension foreseen) On-going	Reducing negative environmental impacts to livelihoods, economy and health from waste through sound waste management and circular economy initiatives	Ministry of Environment and Forest	Circular economy, extended producer responsibility and waste management. Including Sustainable Island Initiative (with DEA)	Available
2	Indonesia, Phase 2 Strategic Sector Cooperation on Circular Economy and Solid Waste Management in Indonesia and ASEAN region.	Indonesia ASEAN Region	2023-2025	Reducing negative environmental impacts to livelihoods, economy and health from waste through sound waste management and circular economy initiatives in Indonesian and ASEAN region. (tentative)	Ministry of Environment and Forest ASEAN Secretariat	Waste management and circular economy at regional, national and municipal levels	Submission for SMG ⁸ in 2023
3	Indonesia, Phase 3 Project on Circular Economy and Solid Waste Management in Indonesia and ASEAN region.	Indonesia ASEAN Region	2026-2028	Reducing negative environmental impacts to livelihoods, economy and health from waste through sound waste management and circular economy initiatives in Indonesian and ASEAN region. (tentative)	Ministry of Environment and Forest ASEAN Secretariat	Waste management and circular economy at regional, national and municipal levels	Submission for SMG in 2026
4	China, Phase 2 Strategic Sector Cooperation on Groundwater and Waste Water.	China	2021-2024 On-going	Assist Chinese authorities in developing relevant policies and solutions to improve water quality of rivers and lakes, with a special focus on improved wastewater Assist Chinese authorities in securing a sustainable water supply, with a special focus on improved groundwater management based on implementation of MAR solutions. (expected extension approved in Q2 2022)	Ministry of Ecology and Environment Ministry of Water Resources	Wastewater management and groundwater management	Available
5	China, Phase 3 Strategic Sector Cooperation on Groundwater and Waste Water.	China	2024-2027	Relevant policies and solutions to improve water quality of rivers and lakes, with a special focus on improved wastewater, and improved groundwater management (to be defined)	Ministry of Ecology and Environment Ministry of Water Resources	Wastewater management and groundwater management	Submission for SMG 2025
6	Kenya, Phase 2	Kenya	2021-2024	Improvement of waste management and reduction of pollution from manufacturing industries through improved implementation of Kenya's regulatory	Ministry of Environment and Forestry	Circular economy, extended producer responsibility and waste management	Available

⁸ Strategic Management Group. See 7. Governance and management arrangements below

	Kenyan-Danish Strategic Sector Cooperation on Sustainable Resource and Environmental Management.		On-going	framework for waste management and environmental performance of manufacturing industries.	National Environmental Management Authority		
7	Kenya, Phase 3 Kenyan-Danish Strategic Sector Cooperation on Sustainable Resource and Environmental Management.	Kenya	2024-2027	Improvement of waste management and reduction of pollution through improved implementation of Kenya's regulatory framework for waste management and environmental control. (tentative)	Ministry of Environment and Forestry National Environmental Management Authority	Circular economy, extended producer responsibility and waste management.	Submission for SMG in 2024
8	India, Phase 1 Strategic Partnership between India and Denmark in the water sector.	India	2021-2023 On-going	Contribute to achieving the Government of India's objective that by 2024 that all rural households will receive drinking water supply in adequate quantity and of prescribed quality on regular and long-term basis at affordable service delivery charges, leading to improvement in living standards of rural communities	National Jal Jeevan Mission, Ministry of Jal Shakti State of Karnataka	Sustainable drinking water supply and distribution and groundwater management.	Available
9	India, Phase 2 Strategic Partnership between India and Denmark in the water sector.	India	2024-2026	Contribution to achieving the Government of India's objective on rural households receiving drinking water supply and improvement in living standards of rural communities. (tentative, to be defined)	National Jal Jeevan Mission, Ministry of Jal Shakti State of Karnataka	Sustainable drinking water supply and groundwater management. (tentative)	Submission for SMG in 2023
10	South Africa, Phase 3. Strategic Partnership between South Africa and Denmark in the water sector.	South Africa	2023-2026	Water sector in South Africa contributing to a balanced social, environmental and economically sustainable green development and strengthening of private sector engagement. (tentative)	Department of Water and Sanitation Department of Science and Innovation National Cleaner Production Centre	Sustainable drinking water supply and groundwater management. (tentative)	Submission for SMG in 2023
11	Morocco, Phase 1. Strategic Partnership between Morocco and Denmark in the water sector.	Morocco	2023-2025	Improved water sector governance, sustainable water management and water service delivery in Morocco. (tentative)	Ministry of Equipment, Transport, Logistics and Water. National Office of Electricity and Water (ONEE)	Sustainable water resources management, water supply and groundwater management.	Submission for approval in 2022.

12	Morocco, Phase 2. Strategic Partnership between Morocco and Denmark in the water sector.	Morocco	2026-2028	Improved water sector governance, sustainable water management and water service delivery in Morocco. (tentative)	Ministry of Equipment, Transport, Logistics and Water. National Office of Electricity and Water (ONEE)	Sustainable water resources management, water supply and groundwater management.	Submission for SMG in 2025.
13	Ethiopia ⁹ , Phase 1	Ethiopia	2023-2025	Improved water sector governance, sustainable water management and water service delivery in Ethiopia. (tentative)	Tbd	Tbd	Submission for SMG in 2023
14	Ethiopia, Phase 2	Ethiopia	2026-2028	Improved water sector governance, sustainable water management and water service delivery in Ethiopia. (tentative)	Tbd	Tbd	Submission for SMG in 2025
15	Kenya (Water), Inception	Kenya	2023	Water	Tbd	Tbd	Submission for SMG in 2023
16	Kenya (Water), Phase 1	Kenya	2024-2026	Water	Tbd	Tbd	Submission for SMG in 2023
17	Thailand/ASEAN, Inception	Thailand/ASEAN	2023	Circular Economy	Tbd	Tbd	Submission for SMG in 2023
18	Thailand/ASEAN, Phase 1	Thailand/ASEAN	2024-2026	Circular Economy	Tbd	Tbd	Submission for SMG in 2023

⁹ As a result of the adjustments made to the Danish bilateral development portfolio in Ethiopia as a consequence of the conflict in Northern Ethiopia, the SSC-project will not engage Ethiopian authorities at federal level, as originally envisioned. Instead, the Water SCC will seek to engage on a regional level, establishing cooperation with two cities/regional capitals in Ethiopia.

6. Budget

Figures in the indicative budget below are preliminary and subject to Parliamentary approval. This budget overview reflects the expected support as indicated in the 2022 Finance Act and approved by the Danish Parliament in December 2021.

	2023	2024	2025	2026	Total
Indonesia, Phase 1 (incl. SII)	2.530.000				2.530.000
Indonesia, Phase 2	2.000.000	3.500.000	3.500.000	1.000.000	10.000.000
Indonesia, Phase 3				3.000.000	3.000.000
China, Phase 2	3.000.000	3.500.000	3.500.000		10.000.000
China, Phase 3				4.000.000	4.000.000
Kenya, Phase 2	3.500.000	3.500.000			7.000.000
Kenya, Phase 3			4.000.000	4.000.000	8.000.000
India, Phase 1	3.500.000				3.500.000
India, Phase 2		3.000.000	3.500.000	3.500.000	10.000.000
South Africa, Phase 3	3.000.000	3.500.000	3.500.000		10.000.000
Morocco, Phase 1	2.000.000	2.500.000	3.000.000		7.500.000
Morocco, Phase 2				3.000.000	3.000.000
Ethiopia, Phase 1	2.000.000	2.500.000	3.000.000		7.500.000
Ethiopia, Phase 2				3.000.000	3.000.000
Kenya (Water), Inception	1.000.000				1.000.000
Kenya (Water), Phase 1		2.000.000	2.500.000	3.000.000	7.500.000
Thailand/ASEAN, Inception	1.000.000				1.000.000
Thailand/ASEAN, Phase 1		2.000.000	2.500.000	3.000.000	7.500.000
Results Monitoring and Learning	800.000	300.000	300.000	300.000	1.700.000
Public Diplomacy and Communication	250.000	250.000	250.000	250.000	1.000.000
Mid-term Review			1.000.000		1.000.000
Unallocated					10.270.000
Total	24.580.000	26.550.000	30.550.000	28.050.000	120.000.000

Unallocated funds will be used as reserve to adapt to new situations for the individual project-phases that require more activities in the cooperation, such as additional capacity development, demonstration and feasibility activities, extended inception activities, special analysis, bridging to larger implementation funding, etc – all guided by the specific objectives of the individual projects.

Overhead is regulated in accordance with the Financial Annex (Annex to Danida Guidelines for Financial Management for Danish authorities engaging in Danish officially financed Development Assistance (October 2021)).

7. Governance and management arrangement

The FP is subject to Guiding Principles¹⁰, Administrative Manual¹¹ and Financial Annex¹² relevant Danish Government policies/strategies and MFA's Aid Management Guidelines¹³. MOE/DEPA will be overall responsible for implementing the FP, working in close collaboration with Danish Embassies and MFA. An operational handbook will be prepared to supplement the guidelines and provide practical guidance on FP governance/management, including criteria for funds allocation/re-allocation, closure/continuation of the FP, and selection of new projects and project continuation, request for transfer of funds, repayment of unspent funds in the current financial year, and other gaps and lessons identified during the formulation process of the two pilot SSC 2.0 framework programmes.

MOE/DEPA and MFA will engage at two levels in the governance and management of the FP:

1) Strategic Management Group (SMG), with mandate for guiding on the FP's strategic direction, address sector developments, and issues emerging in regard to objectives, and approve use of unallocated funds, new projects, new project phases, and phasing out. New phases and new projects will be assessed and decided based on the focus and considerations defined in this FP. The SMG will also guide and advise to maximize the impact of Denmark's international engagement (bi- and multilateral) in the sector and related matters, and ensure all stakeholders are adequately informed and guided.

The SMG's decisions on funds allocation and re-allocation, selection of new projects and/or countries, and continuation closure or continuation of the FP, are guided by the overall long-term objective of the FP and opportunities to deliver on the three outcomes of the FP, as well as efficient use of DEPA competences and specific foreign policy concerns.

The SMG is composed of high-level representatives from MOE/DEPA and MFA, with the Chair rotating between MOE/DEPA and MFA. The SMG will meet annually in April/May. Terms of reference for the SMG will be developed in the operational handbook.

2) Programme Management Group (PMG), responsible for overseeing overall FP implementation and progress, review project progress with respect to results, compliance, and challenges in implementation. The PMG also does the first screening of proposed new phases and projects and proposes their approval to the SMG.

The PMG is composed of MOE/DEPA and the MFA responsible desk officer for the FP management and implementation with DEPA as Chair. The PMG meets bi-annually, as follows: In February/March, to review the annual progress report and financial expenditure report, and address deviations and challenges in implementation of individual projects; in October/November, to review and approve next

¹⁰ <https://amg.um.dk/-/media/country-sites/amg-en/bilateral-cooperation/mynsam-2-guidelines-for-strategic-sector-cooperation/the-guiding-principles.ashx>

¹¹ <https://amg.um.dk/-/media/country-sites/amg-en/bilateral-cooperation/mynsam-2-guidelines-for-strategic-sector-cooperation/the-ssc-manual-for-administration.ashx>

¹² <https://amg.um.dk/-/media/country-sites/amg-en/bilateral-cooperation/mynsam-2-guidelines-for-strategic-sector-cooperation/the-financial-annex.ashx>

¹³ Guidelines for Country Strategic Frameworks, Programmes and Projects (Updated: February 2022) and the Financial Management Guidelines (version 1.0)

years' programme planning and budget and to review the capacity and contributions of all involved stakeholders. Terms of reference for the PMG will be developed in the operational handbook.

MOE/DEPA will organize and facilitate all meetings and follow-up of the SMG and PMG. Meeting documentation will be circulated by DEPA 14 days in advance of the meeting and summary of meetings will be circulated within one week and finalized within 2 weeks from the meeting.

New projects approved under the FP are initiated with an inception phase (maximum DKK 1 million, 1 year) followed by project phases 1-3, each of maximum DKK 10 million, 3 years. The transition to a next phase is decided at the level of the individual project, and by the SMG. All existing and new SSC projects are guided by project documents formulated in accordance with the AMG and the specific SSC's Guiding Principles, Administrative Manual and Financial Annex, including description of objectives, results frameworks, risks, ToC, budgets, work plans, etc.

MOE/DEPA is responsible for governance, management, and administration of the individual projects. As defined in the SSC Administrative Manual/Guiding Principles, each individual project is guided by a **Project Steering Committee** composed of MOE/DEPA, Danish Embassy, partner authority and Sector Counsellor as Secretary, co-chaired by the Danish Ambassador/ Deputy and a high-level partner representative. National non-public stakeholders may participate as relevant in project steering committees.

Preparation of new projects and new phases will be discussed in the SMG well in advance. Proposals for new phases must be agreed upon in the Project Steering Committee and submitted for initial screening, discussion, and recommendations for approval from the PMG, before submission to the SMG. New and adjusted outcomes will be discussed with partners and a new project document and work-plan agreed upon.

Annual FP planning, budgeting, and reporting cycle: MOE/DEPA will prepare and submit a consolidated FP work plan and budget for the coming year in October/November, for discussion and approval in the PMG. The work plan and budget will describe planned FP-level activities and highlight significant project-level activities that impact on overall FP progress and expected results, priorities and budgets, and main deviations from previously approved plans. Proposed new phases and projects will be reflected in the work plans.

In February/March, MOE/DEPA will submit to the PMG the annual FP progress report and financial expenditure report, highlighting deviations and challenges in implementation of individual projects with significance or impact on the overall progress and results of the FP. The annual progress and expenditure reports will be reviewed as basis for directions on adjustments or approval by the PMG. The PMG will agree needed overall adjustments to coming 6-months work plan based on the review and discussion of progress.

Generally during implementation, MOE/DEPA will facilitate relevant opportunities for Embassies to engage at high-level with partner authorities; and in connection with Danish high-level visits to the countries, MFA/Embassies will engage with MOE/DEPA early-on regarding relevant opportunities in connection with such visits. To facilitate the strategic role of the SSC projects to the embassies and their

wider green diplomacy efforts, regular virtual meetings will be organised with the Embassies, MOE/DEPA and MFA, to take stock and discuss emerging perspectives and strategic issues of relevance for the FP and its SSC projects, and the wider green diplomacy and private sector efforts of the embassies.

8. Financial management, planning and reporting

MOE/DEPA will provide an **Annual Progress Report**, assessing progress, developments, and lessons learned in relation to the FP Results Framework, FP Theory of Change, and which also provides a synthesis of results and progress across the outcomes and outputs of the individual projects under the FP, structured in terms of MOE/DEPA's main work areas defined under the FP (Box 1). The report will address assumptions to the Theory of Change, risks, and learning as basis for adjustments to the individual projects. The narrative programmatic annual reports are prepared by DEPA in close cooperation with Sector Counsellors at the Embassies. The Annual Progress Report is main basis for discussion of progress in the PMG and SMG and for reporting on MFA's Results Framework Interface (RFI).

MOE/DEPA will ensure financial management in accordance with the MFA Financial Management Guidelines for Development Cooperation and the Annex to Danida Guidelines for Financial Management for Danish Authorities engaging in Danish officially financed Development Assistance. The funds will be disbursed by MFA to MOE/DEPA annually in one tranche based on approved reporting. Standard best-practice accounting procedures apply.

Disbursements are subject to approval by the granting authority in the fiscal year in which the payment is made.

9. Monitoring, learning, and risk management

MOE/DEPA is responsible for **monitoring** of the projects, based on the FP- and project specific results frameworks and guided overall by Danida Aid Management Guidelines (AMG). DEPA will establish an outcome/output-based monitoring system and carry out outcome harvesting across the individual project- and FP results framework. DEPA will be responsible for reporting on the Results Framework Interface (RFI).

MFA will commission a **mid-term review** of the FP in early 2025 with focus on progress towards results, organizational management capacity of MOE/DEPA and partner authorities; implementation of programme monitoring and learning system (MEAL plan); operationalization of the HRBA and poverty reduction in the capacity development efforts; and lessons learnt, including on cooperation and dialogue with main private sector actors; and unallocated funding. MOE/DEPA will undertake the outcome harvesting- and lessons learned study in time to inform to the mid-term review.

MOE/DEPA will establish an internal **quality assurance system** for preparing project documents, annual and mission reporting on new and on-going SSC projects and others. Internal learning sessions and competence development on selected topics of relevance for management and administration of the FP and its projects will also be undertaken for project managers and technical staff from technical divisions in DEPA involved in SSC projects. The QA system, learning, and competence development

will include a focus on the HRBA and poverty reduction (see section 2.6). Further a MEAL plan (monitoring and learning system) will be established, and will include final results frameworks, roles, and approach to aggregating project level results for the FP

MOE/DEPA will take lead on initiatives to ensure public diplomacy, communication and dissemination of results, best practices and lessons learned in the FP and its projects, working jointly with MFA, Danish Trade Council, Danish Embassies and other institutions involved. Annex 6 describes the communication plan, which will be detailed and updated on a rolling basis during implementation.

Annex 3 describes the FP's **main risks** to consider. MOE/DEPA will annually review and update the risk assessment (Annex 3) for discussion in the PMG and SMG meetings. Risks at the level of the individual projects will be identified and monitored based on the project documents.

MOE/DEPA and the Embassies will collaborate with **Danida Fellowship Centre (DFC)** to maximize results of the FP and support joint identification of needs, opportunities, and coordinated evaluation of results. MOE/DEPA and the Embassies will collaborate with DFC to leverage learning opportunities, research-to-policy support and networking initiatives, and research project funding managed by DFC and integrate relevant DFC initiatives in projects. To this end, MOE/DEPA will ensure possibilities for relevant collaboration are considered in the projects and discussed across the FP annually in the PMG and include DFC as relevant in formulation of new project phases and their evaluation. Decisions on collaboration are made between DEPA and DFC and at project level in individual countries, with sector advisors as initiators. MOE/DEPA and DFC aim to have annual meetings for information and lessons sharing.

10. Closure and exit

The process for closure and exit will follow the procedures defined in the SSC guidelines and Danida's AMG. All projects are expected to end no later than phase 3, corresponding to 10 years, but can be ended after any phase if decided by the SMG.

Any project entering phase three should include, as part of the project documentation for approval, an outline strategy for transition that ensures sustainability, as far as possible, of main project results after project completion. The strategy should outline how the overall project results may be sustained within the partner authority systems after termination of the cooperation, for instance in the form of reform or implementation processes that the partner is committed to continue, and options for wider engagement in the country with other Danish aid and business instruments and/or further commercial cooperation, which can support a further capacity development. The project document for phase 3 should include a reflection on how the final phase of SSC cooperation can promote a sustained capacity development in the country, in line with the objective of the SSC project.

A final FP results report based on AMG's format should be submitted by MOE/DEPA for discussion and approval by the SMG. The closure of accounts should follow the principles in the AMG. Where relevant specific transition strategies to private sector-based cooperation might also be developed in collaboration with Embassies. One year before the termination of the FP, the PMG - and later SMG - should assess and agree on the possible next phase of FP.

Annex 1: Project contexts and design summaries

In line with SSC guidelines, a summary is provided below of the main common features of the project contexts and designs, followed by project contexts:

- **The FP's partner countries all face severe challenges of unsustainable water use, pollution, and waste management and in ways that significantly impact the livelihoods and resilience of their poor and vulnerable populations**

As highlighted below, partner countries face serious problems of water scarcity, with growing and often conflicting demands for water, as well significant levels of depletion and contamination of surface and groundwater resources. Also, with weak water management systems and infrastructure, they show significant levels – up to +50% – of water losses. These countries also suffer from extreme levels of waste mismanagement in both urban and rural areas, with use illegal dumpsites and disposal through highly risky methods, such as burning or loading into the ocean. Levels of plastic disposal are immense, Indonesia being the world's largest discharger of plastic. Moreover, all suffer severely from the effects of climate change – for example Kenya, who experience high levels of drought and extreme weather conditions like floods and rains. As indicated below, these water, waste and pollution problems have major negative impacts on the health and livelihoods, especially of poor and low-income population – and directly affects resilience to climate change. All countries have large populations of poor and vulnerable people, and these are disproportionately affected by the impacts of unsustainable water use, pollution, and low levels of waste management.

- **MOE/DEPA's competences are relevant to addressing the partner countries' challenges of unsustainable water, waste and pollution**

As such, circular economy initiatives are relevant for instance in Indonesia, Thailand/ASEAN and Kenya, where MOE/DEPA can assist with lessons and models from different parts of the world, thus helping to tackle the massive effects of economic and population growth on a growing waste production. Here MOE/DEPA can build on national initiatives focused on reducing and reusing, minimizing plastic use and discharge, and develop extended producer responsibility schemes. Similarly, in China, India, South Africa, Ethiopia, Kenya and Morocco there are opportunities to strengthen sustainable water resources management and water provision management.

- **The partner countries face constraints in key legislative and institutional frameworks, which hamper their abilities to tackle their water, waste, and pollution challenges**

The partner countries all have basic legislation and policies in place for regulating water, waste and pollution, including some relevant resources and services; but a common feature in the partner countries is outdated or insufficient legal frameworks, or weak and inconsequent enforcement of these. Moreover, the relevant governance institutions - in key respects - lack the necessary capacity, tools or knowledge to enable its effective implementation. In several cases, local governments have core functions to perform in regard to, for instance, waste and pollution management, but do not fully implement these due to

lacking capacity or weakly defined central/local processes. Based on MOE/DEPA's previous collaboration, there is potential to help address such weaknesses through knowledge transfer, technical sparring, and exposure to new and sustainable solutions that advance green transition.

- **The partner authorities are committed to developing their regulations and systems for water, waste, and pollution in collaboration with MOE/DEPA**

Based on MOE/DEPA's dialogue and previous collaboration with the partner authorities, all prioritize reforming and developing their regulations on water, waste, and pollution in a more sustainable and climate-friendly way. They also take active leadership for the reforms – and, despite their weaknesses, have the basic capacity that enables them to engage well with the SSC to take reforms and systems development forward. Most projects are continued phases that build on results and well-established collaboration (China, India, Indonesia, South Africa and Kenya (circular economy)), while in Morocco, Ethiopia, Kenya (water) and Thailand/ASEAN, inception phases serve to ensure the new projects are driven by partner demand and ownership. All projects support national partners' priorities and capacities in terms of implementing green transition reforms and originate in demands from the partners. During the FP period, efforts will be made to engage not only partner authorities, but a broader coalition of stakeholders, to promote building a national commitment for the environmental policy issues targeted by the SSC projects.

- **The projects align with Denmark's wider priorities and engagements for bilateral relations, multilateral engagement, green diplomacy, and development cooperation in the countries**

As shown below Denmark's firm priorities for further developing the bilateral, development, and climate related cooperation with all FP partner countries, which all are politically important to Denmark. Efforts will also be made to develop and further strengthen synergies between SSC projects and Danish-supported multilateral engagement where relevant and in close cooperation with the Embassies. Such priorities are in some cases backed by green partnership strategies, and the existence of a wider set of Danish instruments and engagements in all cases substantiate the partnerships, including: Bilateral development engagements/projects targeting water/waste, consultations with non-public national stakeholders, DSIF in water and sanitation, DGBP projects, engagements with multilateral agencies, and other SSC projects targeting the green transition. Efforts will also be made to strengthen cooperation with Investment Advisers at Embassies in South Africa, India and Indonesia. The Investment Advisers are envisaged to increase the commercial value of the SSC projects through promotion of investments in the sector and thereby up-scaling the efforts already initiated by the SSC projects. All SSC projects have been defined and will be developed with active engagement of the Embassies and Sector Advisors. Efforts will be made to ensure integration of SSC projects within the wider Danish engagement in the respective countries and regions.

- **Opportunities for synergies exist in the partner countries between SSC projects on water, waste, and pollution and the promotion of green Danish solutions and investments in such areas**

Opportunities for exchange and learning between partners is already included in the scope of the individual SSC projects, and will be pursued thematically across the countries as well, e.g. in cooperation with DFC. As the following indicates, the Danish private sector is already active within areas of waste management, water efficiency, water supply/sanitation in the partner countries. The expectation is that Danish trade and investments in water and waste sectors in the countries will increase the coming years, and thereby also opportunities for deeper private sector engagement in the SSC projects. This is backed by distinct initiatives to promote Danish investments and trade through placement of investment advisors and the Trade Council’s focus in the countries on promoting “green” Danish business engagements. The SSC can interact in all the countries with business instruments, such as DSIF, IFU, DGBP, EKF, and others, also focused on water and waste sectors. The FP will prioritise a close cooperation with the Trade Council and other sector or financial counsellors posted at the embassies.

Ministry of Environment SSC Framework Programme

Indonesia – Phase 1 – including Sustainable Island Initiative (on-going)

Project Title	Circular Economy and Solid Waste Management in Indonesia, Phase 1
Project period	August 2018 - December 2022 (Foreseen no-cost extension until mid-2023)
Country	Indonesia
Main sector development issues	<p>Country climate/environmental context highlights</p> <ul style="list-style-type: none"> • Currently up to 54% of waste from cities and almost all waste from rural areas is mismanaged and end up either in illegal dumpsites, is leached to the ocean, or is illegally burned. There is a growing public concern and awareness on pollution of terrestrial environment and oceans due to plastic debris and air pollution due to illegal burning. • Indonesia is estimated to be the world’s second largest discharger of plastic to the sea. • Hundreds of controlled landfills are overloaded and are planned to be closed. However, with population increase and increasing waste generation, it is increasingly difficult to find suitable sites for new landfills. • There is a lack of investment and resources to manage waste at local level. Although a national regulation for waste retribution is in place the legislation is currently not supporting enough funds for waste management due to low regional budget allocation, need for more funds than secured by retribution, inefficient and gap in policies between national and local government level. <p>Poverty, vulnerability, inequality – and role of climate change and natural resource degradation</p> <ul style="list-style-type: none"> • Indonesia has made significant progress in reducing poverty, cutting it in more than half since 1999. However, the poverty gap between rural and urban areas remains high with rural poverty rates almost twice that of urban poverty.

	<ul style="list-style-type: none"> • Income inequality remains high, and gender inequality is also prevalent with women typically having lower education, and income than men. • With increasing economic growth (despite inequalities) there is also increasing amounts of waste. Also, a changing consumer pattern with more take-away food and “westernized” consumption patterns creates increasing amounts of waste. • Poor consumers buy products in satches (small bags) leading to use of single use-plastics that cannot be recycled. • Pollution of waterways, including large amounts of marine plastic debris, reduces opportunities for fishing. • Illegal burning of waste occurs at landfills, when extracting metals from WEEE and at household levels. The dioxins released mainly affect poor, especially women, as the burning is done in environments prone to poverty.
Thematic focus	Circular economy (CE), extended producer responsibility and waste management.
National partner authority (recipient country)	Ministry of Environment and Forestry/ General Directorate of Solid Waste, Hazardous Waste and Hazardous Substance Management (KLHK) - main responsible for the national waste strategy (Jakstranas). There is a clear demand for cooperation on implementing the Jakstranas. A number of other ministries, local authorities and private partners are also involved in the Project.
Other partners to include, incl. Danish authorities	Danish associations, municipalities and waste utilities, Danish Return System, Odense Waste Utility, Danish Trade Council and Danida Fellowship Centre (DFC).
Objective	Reduced negative environmental impacts to livelihoods, economy and health from waste at national level and in selected municipalities through sound waste management and circular economy initiatives.
Main possible or expected components (outcome areas)	<p>Outcome A: Implementation of central policies for waste reduction and waste management (Jakstranas) is strengthened and supported by a number of practical examples to directly implement supportive measures and reach goals in practice. Includes among others: Best practice study and a finance study of waste sector in Indonesia and Guideline on project preparation; dialogues, seminars, webinars and technical consultations and meetings on key aspects of waste management planning, operations, financing and technical solutions, extended producer responsibility and other topics; study tours to Denmark and missions to Indonesia.</p> <p>Outcome B: The handling of organic waste for recycling with production of biogas and fertilizer has increased in selected local areas to reach the Jakstranas goal of 70% treatment including the development of waste to energy solutions (broadly defined) by 2025. Collaboration with five cities established with involvement of Odense Waste Utility; trainings, seminars etc. been conducted on handling of organic waste, recycling, biogas and other waste fractions;</p>

	<p>large national disseminations seminars lead by KLHK; work on Refused-Derived Fuel and other Waste-to-Energy solutions.</p> <p>Outcome C: Relevant waste data is available to inform decision makers on waste generation and waste treatment in Indonesia for policy and investment decisions aiding the implementation and monitoring of the Jakstranas. Technical advice on waste data management, and management of EPR data provided with KLHK, Indonesian Producer Responsibility Organisation (IPRO) and local municipalities; study tour to Denmark, peer-to-peer advice at DEPA on waste data management and other activities.</p>
Considerations about how “greening” would be addressed	Greening is a principal part of the objective, outcomes and activities of the Project through the focus on advancing circular economy, extended producer responsibility, reduction and handling of waste, reduction of plastic discharge etc. The focus on green transition and sustainable green development is embedded in most activities.
Significant outstanding questions or critical steps in the process	The Project has been on-going since 2018, and the 1st phase is expected completed by 2023 with an anticipated no-cost extension. There are no major outstanding questions or critical steps in the process.
Previous results and lessons	<p>Key results achieved so far include the following:</p> <ul style="list-style-type: none"> • Political attention ensured at minister’s level in both countries. • Constructive visits in both Indonesia and Denmark for decision makers and technical personnel. • Cooperation established with five cities and local authorities on key issues related to waste management governance, i.e. organization, financing, value-chains, sorting, collection and treatment of waste, including organic and hazardous waste. • Dialogue and technical support for rolling-out national roadmap for extended producer responsibility and support to Indonesia Producer Responsibility Organisation (IPRO). • Advice and publication of studies on waste financing, data management, project preparation and other issues. • Enhanced coordination and collaboration with other international partners, i.e. EU, GIZ, the Netherlands, World Bank, UNDP, National Plastic Action Network (NPAP), etc. <p>A close and constructive cooperation has been established with KLHK, other ministries, local authorities as well as private sector actors. Despite the COVID pandemic, it has been possible to further strengthen and consolidate the cooperation, also during 2020 and 2021. Continuity and longer-term involvement has resulted in trust and confidence among partners involved. Second phase of the Project will be formulated during 2022-2023.</p>
Danish priorities, interests, and coherence	<ul style="list-style-type: none"> • The Project is clearly reflected in the environmental chapter of the Denmark-Indonesia Action Plan 2021-2024, and central part of Denmark’s engagement on green transition and climate diplomacy with Indonesia and collaborates closely with the bilateral

	<p>programme on energy and commercial trade activities within the Trade Council.</p> <ul style="list-style-type: none"> • It links closely to other multilateral initiatives, i.e. work on circular economy with UNDP and the Ministry of Planning, mangrove forest conservation with World Bank and other multilateral programmes. The Project also cooperates with P4G and other initiatives. There is on-going dialogue with the EU and ASEAN Secretariat on future collaboration with possible Danish lead on circular economy as part of an anticipated Team Europe Initiative (TEI). • The Strategic Sector Cooperations in general are considered the backbone and central to the work done at the Embassy, and an entry point to the Government of Indonesia and vehicle to further Danish commercial interests. • The SSC project on waste and CE and the collaboration with Ministry of Environment and Forestry play key roles in profiling Denmark as a serious actor in the sector among national and international actors. It adds value to have an official collaboration with the GoI instead of “just” doing projects. • The Embassy is planning to expand its regional engagement within waste and CE by working closely with ASEAN by placing a secondment on Waste and CE in ASEC and making a contribution agreement with EU on leading the EU engagement in CE and Waste in the EU-ASEAN Green Initiative TEI.
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Main other relevant instruments, engagements, and initiatives managed by the Embassy

Instrument	Main relevant linkage to SSC project (in a few words)
Sustainable Island Initiative (a separate project in cooperation with Danish Energy Agency)	Government-to-province program involving both waste and energy sector. Waste and investments studies provide input to SSC
SSC project Energy/Indodepp	Common interests in Refuse Derived Fuels
SSC project Food and Agriculture	Common interest in waste loss, and synergies with food and beverage packing waste (and food waste).
UNDP/Bappenas framework and action plan for CE	CE crucial part waste management. Development and planning ministry (BAPPENAS) can mainstream CE into mid-term development plans which will be implemented by KLHK (Ministry of Agriculture and Forestry)
SEA-Map (support to WB)	Implementation on ASEAN Action Plan on marine litter. Among other things working on creating regional market for waste trade which will influence waste handling in Indonesia. Supporting linkage to ASEAN and WB
Secondment to ASEAN on CE and waste	Will be working under ASEAN but provide valuable knowledge to SSC project and assist in coordinating Danish engagement in waste
EU-ASEAN TEI	Closer connection to regional aspect of waste management – will also be reflected in phase 2 of SSC
Investment and trade counsellors	Activating opportunities for investment in waste sector and engagement of private sector
Mangrove for Coastal Resilience (support to WB)	Same ministries in GoI
Oceans Multi Donor Trust Fund on marine debris (support to WB)	Grant ends this year. Support to National Plastic Alliance Partnership. Valuable partner in SSC program
SDG Grant Labuan Bajo Recikli	Knowledge on possibilities for waste prevention

Indonesia – Phase 2 (future, to be developed)

Project Title	Circular Economy and Solid Waste Management in Indonesia and ASEAN region. Phase II
Project period	2023-2025
Country	Indonesia and ASEAN Region
Thematic focus	Waste management and circular economy at national and regional levels
National partner authority (recipient country)	Ministry of Environment and Forestry and ASEAN Secretariat/General Directorate of Solid Waste, Hazardous Waste and Hazardous Substance Management (as Phase I) - with options to include 3-4 provincial authorities and municipalities for local level cooperation.
Other partners to include, incl. Danish authorities	<p>Danish associations, municipalities and waste utilities, Danish Return System, Danish Trade Council, Danida Fellowship Centre (DFC), Danish Energy Agency and research institutions.</p> <p>In Indonesia. options for cooperation include Ministry of Finance, Ministry of Planning (Bappenas), Ministry of Home Affairs and Ministry of Industry; Ministry of Maritime and Investments Affairs etc. will also be explored.</p> <p>In addition, dialogue with the ASEAN Secretariat will be undertaken to assess options for regional collaboration as well as Team Europe Initiative (TEI) cooperation with the EU.</p>
Objective (tentative)	Contributing to reduce negative impacts from waste on the terrestrial and marine environment and humans through sound waste management and enhanced circular economy in Indonesia and the ASEAN region.
Main possible or expected components (outcome areas)	<p>Outcome A. Enhanced capacity at national and local government levels to promote circular economy and waste management. Focus would be to enhance strategic cooperation at national, provincial and municipal level to strengthen capacity and systems for waste governance, waste planning and municipality waste services, since main responsibilities for waste handling are anchored at municipality and local level. This could include:</p> <ul style="list-style-type: none"> • Enhanced focus on circular economy and support to national circular economy initiatives. • Improved legal framework and enhanced waste financing/retribution fees. • Improved waste planning and management of services at provincial and municipality levels. • Enhanced local capacity for effective waste management through collaboration with Danish waste utilities. <p>Outcome B. Strengthened cooperation between national and regional levels for better waste management. The focus of this component is to strengthen the use of best practices in the region and capacity build KLHK so they can be an active participating partner in developing regional policies on waste management. This component can be linked to EU-ASEAN TEI.</p>

	<ul style="list-style-type: none"> • Knowledge-sharing among regional governments on best practices within EPR, handling organic matter, waste retribution fees etc. • Support to developing regional standards for plastic waste (e.g. in SEA-MaP).
Considerations about how “greening” would be addressed	Building on lessons, results, and relations from Phase I, the Project will continue the work on “greening” commenced as principal part of objective and outcomes. To further strengthen “greening”, two components with focus on national, local and regional cooperation may be introduced with direct tangible greening effects on the ground in form of better waste management. The applies to circular economy, waste management and financing so that less waste ends up in water ways or unmanaged landfills, and more waste is prevented and recycled.
Significant outstanding questions or critical steps in the process	The development of phase 2 will commence in late 2022 and continue into 2023.
Danish priorities, interests, and coherence	The Project is a key initiative the Denmark-Indonesia Strategic Action Plan 2021-2024, and will supplement other related bilateral cooperation, i.e. within energy, and multilateral programmes supported by Denmark. Support might also be extended to a planned TEI cooperation with EU and the ASEAN Secretariat. Denmark is also placing a secondment on CE with ASEC, which will further support the Danish engagement in CE. Denmark is supporting a program on marine litter in the ASEAN region, which can generate results that can be used in the SSC, mainly on standards for plastic waste.
Previous results lessons	Cf. results and lessons from phase I

Indonesia – Phase 3 (future, to be developed)

Project Title	Circular Economy and Solid Waste Management in Indonesia and ASEAN region. Phase 3
Project period	2026-2028
Country	Indonesia and ASEAN Region
Thematic focus	Waste management and circular economy at national and regional levels
National partner authority (recipient country)	<p>Ministry of Environment and Forestry and ASEAN Secretariat/General Directorate of Solid Waste, Hazardous Waste and Hazardous Substance Management (as Phase 1 and 2).</p> <p>Options for cooperation include Ministry of Finance, Ministry of Planning (Bappenas), Ministry of Home Affairs and Ministry of Industry; Ministry of Maritime and Investments Affairs etc. will also be explored.</p> <p>In addition, dialogue with the ASEAN Secretariat will be undertaken to assess options for regional collaboration as well as Team Europe Initiative (TEI) cooperation with the EU.</p>

Other partners to include, incl. Danish authorities	Danish associations, municipalities and waste utilities, Danish Return System, Danish Trade Council, Danida Fellowship Centre (DFC), Danish Energy Agency and research institutions.
Objective (tentative)	Contributing to reduce negative impacts from waste on the terrestrial and marine environment and humans through sound waste management and enhanced circular economy in Indonesia and the ASEAN region.
Main possible or expected components (outcome areas)	TBD.
Considerations about how “greening” would be addressed	Building on lessons, results, and relations from Phase 1 and 2, the Project will continue the work on “greening” commenced as principal part of objective and outcomes. To further strengthen “greening”, two components with focus on national, local and regional cooperation may be introduced with direct tangible greening effects on the ground in form of better waste management. The applies to circular economy, waste management and financing so that less waste ends up in water ways or unmanaged landfills, and more waste is prevented and recycled.
Significant outstanding questions or critical steps in the process	The development of phase 3 will only begin once phase 2 is well advanced.
Danish priorities, interests, and coherence	The Project is expected to continue to be a key initiative the Denmark-Indonesia bilateral cooperation, and will continue to supplement other related activities i.e. within energy, multilateral programmes, and regional cooperation.
Previous results lessons	Cf. results and lessons from phase 1

China – Phase 2 (on-going)

Project Title	Strategic Sector Cooperation project on groundwater and wastewater between Denmark and China – Phase 2
Project period	1 st November 2021 – 30 th June 2024 (32 months)
Country	China
Main sector development issues	<p>Country climate/environmental context highlights</p> <ul style="list-style-type: none"> • China is a country with serious water scarcity in northern part of the country and frequent water related disasters such as floods in the southern region and severe droughts in the northern region. • China holds 21 % of the world’s population, yet its share of global fresh water is just 7 % • Following four decades of rapid economic development and increased urbanisation, China’s water challenges has worsened significantly.

	<ul style="list-style-type: none"> • Northern parts of China suffers from severe overexploitation of water resources leading to land subsidence and dried out rivers and lakes/wetland areas • China has heavy pollutant loads from industrial, agricultural and domestic wastewater discharges, far exceeding the environmental carrying capacity. • China suffers from pollution of both freshwater resources as well as groundwater resources leading pressure on natural resources and food security. <p>Poverty, vulnerability, inequality – and role of climate change and natural resource degradation</p> <ul style="list-style-type: none"> • Even though China’s rapid economic development has raised people out of absolute poverty, China has still not eradicated poverty defined for upper middle-income countries, which China belongs to, currently having around 13% (or almost 200 million people) of its population falling below this poverty line of \$5.50 per day. • China also faces big problems with inequality, with significant rural/urban and regional divides, but there are also people in cities who live below the poverty line. Further, there is still challenges with unequal access to good education, and unequal access to healthcare and other services. • According to a 2009 report by Oxfam and Greenpeace, poverty-stricken areas in China have a strong correlation to ecologically fragile areas, and such areas were already then showing clear signs of climate change (incl. glacial retreat, droughts, forest and vegetation atrophy, soil erosion, extreme weather etc.). • Climate change could adversely affect China in a number of ways, which would exacerbate the degradation of the ecologically fragile areas in which poor communities are concentrated • Due to climate change, water supply in many rural areas and outskirts-urban communities has become increasingly difficult to access and the price of water unaffordable. There is a rising imbalance between water supply and demand in northern China. The heavy pollution of both air, surface and groundwater as well as soils is increasing pressure on natural resources in the country with fishing bans in river and lake systems as well as decreasing quality of cultivated land. The vulnerability of ecosystems leads to decline of service function of biodiversity.
Thematic focus	Wastewater management. A groundwater management component is being developed
National partner authority (recipient country)	Ministry of Water Resources, MWR (Groundwater) Ministry of Environment and Ecology, MEE (Wastewater) A number of provinces and cities will also take part.
Other partners to include, incl. Danish authorities	GEUS Danish Environmental Portal

Objective	To assist the Ministry of Ecology and Environment in developing relevant policies and solutions to improve water quality of rivers and lakes, with a special focus on improved wastewater management based on eco-restoration measures.
Main possible or expected components (outcome areas)	Waste Water Management Outcome: Chinese water quality authorities have reviewed wastewater management policies and practices , following test and demonstration of eco-restoration measures as a tool to improve water quality in rural areas. This covers: Report with recommendations for eco-restoration as a strategic tool for wastewater management; report on wastewater management related to eco-restoration measures in rural areas, based on exchange of experiences and results from the demonstration projects; report on wastewater management related to treatment technologies/techniques and regulation of wastewater within industrial parks, based on exchange of experiences and results from the demonstration projects; Development of a guideline for improving water quality monitoring based on digitalization; Development of a guideline for improving water quality monitoring via use of biological indicators; Design and implementation of demonstration project on eco-restoration.
Considerations about how “greening” would be addressed	Greening is a principal part of the objective, outcomes and activities of the Project, i.e. sustainable water resources and water quality management, including building resilience regarding climate change.
Significant outstanding questions or critical steps in the process	The Project has been on-going since 2015, with phase 1 ending in 2019, and phase 2 commencing in 2021 for the waste water track and, expected, in 2022 for the groundwater track. A third phase is expected to take place during 2024-2027.
Previous results lessons	<p>The Project has since its start in 2015 achieved a number of results, including the following:</p> <ul style="list-style-type: none"> • Dialogue and technical support contributing to revision of Chinas Groundwater Management Framework. • Political attention ensured at minister’s level in both countries. • Constructive visits in both China and Denmark for decision makers and technical personnel. • Cooperation established with several provinces and cities and local authorities (Jiangsu, Fujian, Shandong, Shenzhen, Beijing, Hebei) on key issues related to water management. • Advice and publication of studies on wastewater management, including eco-restauration. <p>A close and constructive cooperation has been established with MWR-ICTCE and IWHR as well as MEE-FECO at national level, local authorities as well as private sector actors. Formulation of Phase 2 has taken place during 2020-2021, despite the COVID pandemic. Continuity and longer-term involvement has resulted in trust and confidence among partners involved. A 3rd phase of the Project will be formulated during 2024.</p>

<p>Danish priorities, interests, and coherence</p>	<ul style="list-style-type: none"> • The Project is part of the bilateral cooperation between Denmark and China, enclosed as a key activity in the Memorandum of Understanding signed with the Ministry of Water Resources, MWR • The Project is a central part of Denmark’s engagement on green transition and climate diplomacy with China and also collaborates closely with the bilateral programme on energy and commercial trade activities within the Trade Council. Furthermore, there is a close linkage and cooperation with other multilateral initiatives, China Europe Water Platform (CEWP) and China Council for International Cooperation regarding Environment and Development (CCICED). • Denmark and China has six Strategic Sector Cooperations (Health, Environment & Water, Agriculture & Food, Maritime, Energy and Sustainable Urban Development) and work with sustainable development in many sectors. Besides the SSC programmes, China and Denmark also has Comprehensive Strategic Partnership from 2008 and currently, a Green Joint Work Programme for 2022-2025 is in a process of approval from both countries. • This will include implementation of the United Nations 2030 Agenda for Sustainable Development and the Paris Agreement. Important areas of cooperation will be: 1) climate and energy, 2) environment and water, 3) shipping for a greener world, 4) improving quality and sustainability of food and agriculture, 5) improving public health and welfare as well as 6) strengthening economic relations. Engagement on these areas of corporation should aim at adding value to dialogue and joint projects, involving, inter alia, authorities, business representatives, stakeholder organizations and academia. • The SSC programme works closely with TC at the embassy to find opportunities to introduce Danish expertise and technical solutions within the environment and water sector in China.
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Main other relevant instruments, engagements, and initiatives managed by the Embassy

Instrument	Main relevant linkage to SSC project (in a few words)
Bilateral development engagement Ministry of Water resources	MoU with MWR and Danish Ministry of Environment – areas of cooperation with the water sector that goes beyond the SSC. Joint Steering committee meetings between the ministries on policy dialogues within the water sector and closely linked to SSC activities.
Bilateral development engagement Ministry of Ecology & Environment	MoU with MEE and Danish Ministry of Environment- close cooperation between the two ministries on environmental areas, CCICED (China Council for International Cooperation on Environment) is a council under the MEE, Denmark wants a closer cooperation with MEE through a membership of the council.
Bilateral development engagement Ministry of Housing Urban & Rural Development	A newly signed MoU with MoHURD and Danish Ministry of Environment is opening up for new cooperation within the water sector MoHURD is a ministry responsible for the whole water supply and wastewater treatments in urban and rural areas and they are very interested in working with Denmark on NRW and other water related areas.

Trade Council initiative or focus	The SSC programme works closely with TC at the embassy to find opportunities to introduce Danish expertise and technical solutions within the environment and water sector in China
DFC	Our Chinese stakeholders has benefitted greatly from participating in courses and scholarships from DFC in water and environment related courses.
UN conference on Biodiversity, COP 15 in China 2022	China is hosting the UN conference on Biodiversity , COP 15 in 2021/2022 and the embassy has been involved in coordination of preparation up to the COP 15 and follow up with activities
Other	We work closely with EU and other likeminded in coordination within environment and climate activities in China.

China – Phase 3 (future, to be developed)

Project Title	Strategic Sector Cooperation project on groundwater and wastewater between Denmark and China – Phase 3
Project period	2024-2027
Country	China
Thematic focus	Wastewater management and groundwater management.
National partner authority (recipient country)	As phase 2
Other partners to include, incl. Danish authorities	Tentative: GEUS Danish Environmental Portal
Objective	Securing a sustainable and climate change resilient water supply, combat overexploitation of groundwater resources, and improve water quality of rivers and lakes (tentative)
Main possible or expected components (outcome areas)	Tbd
Considerations about how “greening” would be addressed	Greening is a principal part of the objective, outcomes and activities of the Project, i.e. sustainable water resources and water quality management, including building resilience regarding climate change
Significant outstanding questions or critical steps in the process	N/A
Danish priorities, interests, and coherence	The Project would continue to be part of the bilateral cooperation between Denmark and China as well as of Denmark’s engagement on green transition and climate diplomacy with China. It would continue to collaborate closely with the commercial trade activities within the Trade Council.
Previous results lessons	Cf. results and lessons from phase 2

Kenya (circular economy) – Phase 2 (on-going)

Project Title	Kenyan-Danish Strategic Sector Cooperation on Sustainable Resource and Environmental Management, Phase 2.
Project period	2021-2024
Country	Kenya
Main sector development issues	<p>Country climate/environmental context highlights</p> <p>Climate vulnerability:</p> <ul style="list-style-type: none"> • Agri-dominated economy (1/3 of GDP, 40% of population, 70% of rural population). • Kenya is dominated by small-scale and rain-fed agriculture, which means low resilience to climate risks. • Insufficient urban water supply: • +13 million Kenyans lack access to water, +19 million access to sanitation. • Non-Revenue Water very high (+40% nationally vs. DK average of 7,8%), which testifies to inefficiency/ corruption in water sector management. <p>Environmental degradation: Fragile ecosystems cause livelihood-migration and fights over scarce pastures.</p> <p>Energy:</p> <ul style="list-style-type: none"> • Production: Geotherm+hydro+wind is 80% of total electricity production. Yet, distribution is inefficient • Consumption: Biomass (wood and charcoal) still by far largest sources. Causes pressure on nature. <p>Waste:</p> <ul style="list-style-type: none"> • Rural Kenya is quite circular (farm life, little waste). • Urban Kenya, however, brings waste problems due to rapid urbanization (28% of population in cities in 2020 vs 24% in 2010). Unsustainable and uncontrolled landfills current “solution” is health and environment risk <p>Poverty, vulnerability, inequality – and role of climate change and natural resource degradation</p> <ul style="list-style-type: none"> • Total population of 47,5 million people. • High population growth, but decreasing (2.2% from 2009-2019, 2,9% the decade before). • Youth unemployment massive: Only 15% of every Kenyan youth cohort get into formal jobs. • Growing number of youth (currently 5 million) outside education and employment – but even going to school and university does not guarantee jobs. • Deep-rooted corruption causes inefficiencies. Utilities for power, waste, water etc. are often partly state-owned and lead by political

	appointees. Controlled liberalization could deliver both on climate / environment and job creation.
Thematic focus	Circular economy, extended producer responsibility and waste management.
National partner authority (recipient country)	The National Environment Management Authority (NEMA) as responsible for the national waste policy, EPR regulation and improving the environmental audit system for the Kenyan industry. Support activities that are integrated in the current work plan of MoEF and NEMA. A number of national and local authorities as well as private partners are also involved in the partnership.
Other partners to include, incl. Danish authorities	Vandcenter Syd, Odense Waste Utility, municipalities and waste management organisations, Danida Fellowship Centre (DFC), research institutions and others.
Objective	Reducing negative environmental impacts to livelihoods, economy and health from waste through sound waste management and circular economy initiatives.
Main possible or expected components (outcome areas)	<p>Outcome A: Developed regulation and guidelines on Extended Producer Responsibility (EPR); regulation and guidelines on Waste Data; and a regional regulatory framework leads to improved resource efficiency and waste management. This covers: A regulation on Extended Producer Responsibility (EPR) encompassing Circular Economy developed and approved; Guidelines on the regulations on Extended Producer Responsibility (EPR) developed; draft on Waste Data regulation will be developed; Guidelines on the regulations on Waste Data will be developed; the national waste bill and waste policies implemented on a local level in Nairobi and Mombasa; local Waste Management Action Plan, integrated with County Integrated Development Plan (CIDP) developed.</p> <p>Outcome B: A revised scheme for Environmental Audits of Manufacturing Industries and for Management and Exchange of Environmental data and information from the industries leads to an improved dialogue between the authorities and the industries and enhanced compliance by industries with the environmental standards. This covers: An expanded public/private sector Working Group to guide and implement the SSC activities established; a new scheme for Environmental Audits, Data Management and Information Exchange facilitating an improved dialogue between the regulators and the regulated enterprises developed; Danish regulatory and technical knowledge relevant for the development of a Trade Effluent Mechanism System (TEMS) and a National Policy Framework on Industrial Waste Water in Circular Economy and associated draft regulations, standards and guidelines; Training on Industrial Environmental assessment, self-regulation, audit and collaboration (assisted compliance) between regulators and industries for government officers and representatives from Industrial Sector Organizations and industries conducted and a curriculum for continuation of the training will be developed; Cleaner Production (CP) advocacy program conducted and a concept for integrating CP into the Permitting,</p>

	Inspection, Audit and Enforcement scheme for manufacturing industries in Kenya will be developed.
Considerations about how “greening” would be addressed	Greening is a principal part of the objective, outcomes and activities of the Project, i.e. for advancing circular economy, extended producer responsibility and reduction and handling of waste etc.
Significant outstanding questions or critical steps in the process	Due to Covid-19 restrictions and the need to get the approval of phase 2 documents from the National Treasury and the Attorney General, the launch of phase 2 was postponed from July 2021 to November 2021. The steering committee and implementing bodies have been established in March 2022, and work plan activities can be implemented. Contacts to important stakeholders, such as the Nairobi and Mombasa Counties are to be activated again to ensure their direct involvement in the partnership, which is a critical issue in the process. A 3rd phase of the Project could be formulated during 2023-2024, but this has not yet been discussed among the partners.
Previous results and lessons	<ul style="list-style-type: none"> • Political attention ensured at minister’s level in both countries. • Constructive visits in both Kenya and Denmark for decision makers and technical personnel. • Cooperation established with two cities and local authorities on key issues related to waste management governance, i.e. organization, financing, value-chains, sorting, collection and treatment of waste. • Dialogue and technical support for implementing extended producer responsibility in Kenya. • A genuine and constructive partnership is established with MoEF, NEMA, local authorities as well as the private sector. Continuity and longer-term involvement has resulted in trust and confidence among partners involved as well as usage of digital means of communication.
Danish priorities, interests, and coherence	<p>The Project is part of the bilateral cooperation between Denmark and Kenya and core part of Strategic framework, Denmark –Kenya Partnership 2021 – 2025 that targets:</p> <ul style="list-style-type: none"> - Green, sustainable and inclusive growth, - Democratic governance, human rights and equitable access to services, - Resilience, peace and stability. <p>SSC can particularly contribute towards the first two goals, as supporting the overall greening of Kenya and doing this in a Gov-to-Gov relationship where good governance and better service provision is central.</p> <p>The Project is a central part of the Denmark’s engagement on green transition and climate diplomacy with Kenya. The project links directly to the commercial activities of the Trade Council.</p>
Main other relevant instruments, engagements, and initiatives managed by the Embassy	
Instrument	Main relevant linkage to SSC project (in a few words)
SSC Food Security	Many food security issues due to poor waste handling (dioxins from burning of waste landing on farmers land – so clear linkages).

SSC Maritime	Still in inception phase. But the linkage on how to handle waste from shipping industry in Mombasa is an agreed topic to take up if SSC Maritime kicks off with a programme phase.
SSC Energy	While “waste to energy” is often mentioned, we see little linkage here (simply too expensive way to do energy compared to Kenya’s alternatives). Most relevant link probably energy production from waste water sludge (called “bio-solids”) which could also allow biogas production from household waste.
DSIF project in Thika/Githunguri	Close synergies through share focus on water sector and sustainable wastewater handling. Opens doors for SSC that DSIF has such programme.
DMDP projects	Market focus and long history has yielded key partners who have proven to deliver and who can be involved in SSC work.
Bilateral program	Bilateral program (long history, since independence in 1963) opens doors (DK = trusted partner).
Trade Council initiative or focus	Trade Council historically big on shipping and pharma. Is however, building the “Water” and the “Digital” component strongly.
IFU	Has presence in Kenya and SSC officers can present investment cases for IFU to pursue.
DFC	DFC programmes: +350 Kenyans have attended Green courses (numbers higher if other courses included) = Denmark is a place many think of a promoting change (personal and for KE).

Kenya (circular economy) – Phase 3 (future, to be developed)

Project Title	Kenyan-Danish Strategic Sector Cooperation on Sustainable Resource and Environmental Management, Phase 3
Project period	2024-2027
Country	Kenya
Thematic focus	Circular economy, extended producer responsibility and waste management.
National partner authority (recipient country)	As phase 2
Other partners to include, incl. Danish authorities	Municipalities and waste utilities, Danida Fellowship Centre (DFC), research institutions and others.
Objective (tentative)	Reduced negative environmental impacts to livelihoods, economy and health from waste through sound waste management and circular economy initiatives
Main possible or expected components (outcome areas)	Future outcomes are expected to focus on support for better utilization of waste in order to minimise exploitation of natural resources, i.e. improved recycling of various waste streams (WEEE, Organic Waste, Plastics etc.). Future outcomes might also focus on further supporting implementation of Waste Data regulation, EPR or other types of waste, such as hazardous waste or effluent water.
Considerations about how “greening” would be addressed	Waste can be a resource if handled correct. Phase 3 will most likely continue supporting better waste handling and treatment and thus contribute to minimizing the exploitation of natural resources. Better waste data management will enhance policy monitoring and policy assessment with relation to CE.

Significant outstanding questions or critical steps in the process	N/A
Danish priorities, interests, and coherence	The Project would continue to be part of the bilateral cooperation between Denmark and Kenya as well as of Denmark's engagement on green transition and climate diplomacy with Kenya. It would continue to collaborate closely with the commercial trade activities within the Trade Council. Furthermore, there is a close linkage and cooperation with other multilateral initiatives related to circular economy.
Previous results lessons	Cf. results and lessons from phase 2

India – Phase 1 (on-going)

Project Title	Cooperation between National Jal Jeevan Mission and Danish Environmental Protection Agency as part of the Green Strategic Partnership between India and Denmark in the water sector
Project period	2021-2023
Country	India
Main sector development issues	<p>Country climate/environmental context highlights</p> <ul style="list-style-type: none"> • Water scarcity is the main challenge facing the sector. If the current rate of water usage and wastage continues the demand is likely to exceed supply. Climate change is worsening the situation by making the monsoon rains shorter and more extreme. • India's non-revenue water rate is estimated to be 30-50% as a consequence of poor financial regulation system and leaks. • Groundwater depletion and contamination is a major challenge. <p>Poverty, vulnerability, inequality – and role of climate change and natural resource degradation</p> <ul style="list-style-type: none"> • Natural disasters in India (e.g. droughts and floods) have led to significant social and economic losses, which is anticipated to exacerbate as consequence of climate change. • There a significant disparities across regions. Income per capita in states such as Tamil Nadu in the south are significantly higher than in the poorer states in north/central India such as Uttar Pradesh. • While some states and regions receive ample rainfall, others receive very little.
Thematic focus	Overall thematic focus is drinking water distribution and source sustainability including groundwater resource management.
National partner authority (recipient country)	Ministry of Jal Shakti (Ministry of Water)
Other partners to include, incl. Danish authorities	Tamil Nadu State authorities, GEUS, 3VAND.
Objective	The overall objective of the cooperation is to contribute to achieving the Government of India's objective that by 2024, all rural households

	will receive drinking water supply in adequate quantity and of prescribed quality on regular and long-term basis at affordable service delivery charges, leading to improvement in living standards of rural communities – the Jal Jeevan Mission (JJM)
Main possible or expected components (outcome areas)	By the end of the 3-year work plan, guidelines, technologies and/or policies for efficiency improvements of the rural water supply system have been introduced at one or several specific localities at state level. The improvement(s) will be sought through introducing appropriate measures for reduction in system leakages, metering of water supply and sustainable water tariffs that can finance the operation and maintenance of water supply systems.
Considerations about how “greening” would be addressed	Greening should be considered a principal part of the objective and is addressed by emphasis on reducing non-revenue water and mitigation of substantial energy affiliated with the loss of water. A supplementary focus is on sustainable groundwater management and alleviating groundwater stress.
Significant outstanding questions or critical steps in the process	Ministry of Jal Shakti and the Indian Ministry of External Affairs approved the Work Plan in September 2021 during visit by the Indian Minister of External Affairs to Denmark. Danish MFA approved DEPA’s application for phase 1 on September 2021. Due to the inability to travel, the first delegation trip to India after the MFA approval of Phase 1 by Danish partners is conducted in March 2022. Between September 2021 and March 2022 significant relation building has been conducted between DEPA (including involved Danish partners), Jal Shakti as well as local authorities in the state of Tamil Nadu. Still significant progress and concrete results are pending. The agreement with state level partners is a prerequisite for a successful work plan implementation and thus a critical step in the process.
Previous results and lessons	<p>Due to the inability to travel, DEPA has been reliant on the Danish Embassy and Sector Counsellor for introductions and, follow up actions with partners; a key lesson is that the Sector Counsellor’s ability to travel and enjoy the support of embassy management is instrumental if relations with partners is to be sustained. Relation building can be commenced but not sustained only through virtual meetings and insistence on virtual formats for substantial discussions can hamper actual progress in relationships.</p> <p>Another important learning is that strong cooperation between all departments involved in water activities at the embassy is a strong value proposition that is mentioned by Danish (and Indian) companies – and in this regard the Sector Counsellor has played a key role in the overall contribution. Due to Phase 1 still being early days there are limited “previous results lessons” worth mentioning.</p>
Danish priorities, interests, and coherence	<ul style="list-style-type: none"> • Denmark and India have agreed upon a Green Strategic Partnership. The Danish Embassy in Delhi is deemed a climate front post, and a Water Technology Alliance is underway led by the Trade Council. • Two grants have been awarded by the MFA to UNOPS for a partnership with Denmark on strategic and technical support for Jal

	<p>Jeevan Mission implementation phase 1 with a special focus on 11 critical districts in India’s most populous and one of the country’s least developed states, Uttar Pradesh, and phase 2 with additional initiatives in 2-3 additional states.</p> <ul style="list-style-type: none"> The SSC cooperation between the Danish Environmental Protection Agency and the Indian Ministry of Water brings Danish regulatory and technological experience within groundwater-based drinking water supply into play in the implementation of Prime Minister Modi's major initiative "Jal Jeevan Mission". The mission is to secure piped drinking water to all 193 million households in India's rural areas by 2024. The SSC cooperation is a key element in the Green Strategic Partnership between India and Denmark launched in 2020.
Main other relevant instruments, engagements, and initiatives managed by the Embassy	
Instrument	Main relevant linkage to SSC project (in a few words)
SSC city-to-city collaboration between Aarhus and Udaipur in the state Rajasthan	Insights and lessons learned from the other SSC cooperation in water in India are being shared, e.g. through the participation of Aarhus Vand in both SSC projects.
Partnership with UNOPS	In 2021, Denmark entered into a partnership with UNOPS to provide technical and strategic support to Jal Jeevan Mission implementation with a special focus on 11 water stressed districts in the state of Uttar Pradesh. The partnership is being expanded to more states in September 2022.
Water Technology Alliance	Companies with solutions in water distribution who contribute with input to SSC cooperation.
Investment and financing opportunities	Counsellor posted at embassy to assist in identifying potential investment and financing options in relation to the SSC project.

India – Phase 2 (future, to be developed)

Project Title	Phase 2, India SSC
Project period	2024-2026 (2025-2027 if a no cost extension for phase 1 is initiated)
Country	India
Thematic focus	Should be a continuation of phase 1’s emphasis on water.
National partner authority (recipient country)	Should be the Ministry of Jal Shakti/National Jal Jeevan Mission.
Other partners to include, incl. Danish authorities	GEUS
Objective (tentative)	N/A
Main possible or expected components (outcome areas)	N/A
Considerations about how “greening” would be addressed	Phase 1’s emphasis on sustainable water distribution and sustainable groundwater management might be continued.

Significant outstanding questions or critical steps in the process	Unresolved whether phase 1 (2021-2023) might continue towards a phase 2.
Danish priorities, interests, and coherence	N/A
Previous results lessons	Cf. results and lessons from phase 2

South Africa – Phase 3 (future, being designed in 2022)

Project Title	South African – Danish Strategic Water Sector Programme, Phase 3
Project period	2023-2026
Country	South Africa
Main sector development issues	<p>Country climate/environmental context highlights</p> <ul style="list-style-type: none"> • Water scarcity is the main challenge facing the sector. If the current rate of water usage continues the demand is likely to exceed supply and availability of economically usable fresh water resources in the future and already in some areas. • Water infrastructure is a fundamental issue in all elements of the water sector as the public infrastructure is at risk of failure. Lack of water infrastructure or the poor management of water resources results in the economic water scarcity. • South Africa non-revenue water is close to 40%, as a consequence of poor financial regulation system and leaks • Unpredictable weather patterns leading to prolonged periods of drought in dry regions and flooding in others is also a great challenge in managing water resources. This can also affect access to electricity as South Africa imports hydroponic electricity from neighbouring countries. If these countries experience challenges, South Africa might have to resort to more coal use. • The South African water sector suffers vast from a huge investment backlog with maintenance and new build of water and wastewater infrastructure. The cores of the issue are that the revenue collection chain is broken due to vast water loses, missing collection and payment, under costing of services with the result the system runs dry of finance • Institutional arrangements and weakness at municipal level hindering ring fencing of revenue and resulting re – investments and low institutional and technical capacity for operations, projecting and procurement of water infrastructure interventions <p>Poverty, vulnerability, inequality – and role of climate change and natural resource degradation</p>

	<ul style="list-style-type: none"> • Natural disasters in South Africa (e.g. droughts, floods, storms, fires) have led to significant social and economic losses, which is anticipated to exacerbate as consequence of climate change. • There is a current and pattern of increasing urbanization, which could increase already high inequality levels. There are significant disparities across regions. Income per capita in Gauteng—the main economic province that comprises large cities like Johannesburg and Pretoria—is almost twice the levels as that found in the mostly rural provinces like Limpopo and Eastern Cape. • The unemployment rate is currently above 35%, with youth unemployment at 66%. Without access to natural resources and water this figure will inevitably rise, leading to more poverty and potentially conflict.
Thematic focus	Ground water management, urban water, water efficiency in industries, water sector research and innovation; reforms to strengthen private sector involvement for water and sanitation service delivery
National partner authorities (recipient country)	Department of Water and Sanitation Department of Science and Innovation (research and innovation component) National Cleaner Production Centre (Under The Department of Technology and Industries)
Other partners to include, incl. Danish authorities	The Danish Agency for Higher Education and Science Danish Water Utilities Water Center South and Aarhus Water in particular The Danish Water Regulatory Authority Confederation of Danish Industries State of Green Danish water sector companies Additional South African Partners Water Boards; Umgeni Water and Rand Water in particular 10 municipalities across the country Municipal Infrastructure Support Agency South African Local Government Association Strategic Water Partners Network National Business Initiative Water Research Commission 5 Universities around the country Council for Scientific and Industrial Research Private Sector companies – WRP, Prime Africa, Genesis Analytics
Objectives (tentative)	Water sector in South Africa contributing to a balanced social, environmental and economically sustainable green development (based on South African national development agenda and National Water Resource Strategy 2 (2013)) The Danish water sector specific policy position consolidated and further deepened

	Framework for private sector involvement in the water sector improved and green water sector investments in projects with Danish participation – technology and financing significantly increased
Main possible or expected components (outcome areas)	<p>Outcome A: Advances in results from phase 1 and 2 on ground water management, urban water, water efficiency in industries, water sector research and innovation consolidated. This will cover consolidation, institutional anchoring and dissemination of achievements on ground water management, urban water, water efficiency in industries, water sector research and innovation.</p> <p>Outcome B: Project modalities and financing package in water resource management, urban water and industrial water identified through the Project Support Facility are up scaled and streamlined with end clients. This will cover that Phase II’s demonstrated project implementation and financing modalities are be further evolved, up-scaled, and disseminated with-in end clients. This will include combinations of financing from Danish financing facilities and institution and inclusion of Danish technology and know-how.</p> <p>Outcome C: Major structural reform initiatives to strengthen private sector involvement for water and sanitation service delivery supported and under implementation. This includes support to work by Department of Water and Sanitation and Treasury to crucial structural reform initiatives for improved service delivery at municipal level, making the water sector a good business and facilitate involvement of private sector, based on priorities by the political and administrative leadership.</p>
Considerations about how “greening” would be addressed	Sustainable improvement of the water sector delivery chain is inherently supportive of green transition.
Significant outstanding questions or critical steps in the process	The formulation and design of phase 3 is in the very early stage with significant stake holder consultations outstanding both in Denmark and in South Africa.
Previous results and lessons	1) The two phases of the Project showed that the facility is well suited for South Africa and we have seen good acceptance of work modalities and absorption and impact of input. 2) The organisation of the project implementation and the institutional and not least personal relations are crucial for success. 3) Time combined with high quality persistent technical, cooperative and diplomatic contributions creates the platform of trust where results and impact can be achieved and sustained.
Danish priorities, interests, and coherence	<ul style="list-style-type: none"> • The project directly follows from the signing (February 2022) of Denmark’s Green Strategic Partnership Agreement with South Africa, strengthening the Danish green diplomacy interests in South Africa further - both regarding development cooperation, but also green commercial interest for Danish water companies. • As such, water is now a major component of the SSC twinning programme between City of Tshwane and Aarhus. • Furthermore, with the arrival of our new investment advisor at the embassy, we are looking into future engagement with DSIF, Green

	<p>Accelerator (EKF) and other investment facilities. Moreover, the Investment advisor will work with the SSC priority sectors with focus on improving investment climate, concrete project financing, and implementation. Opportunities exist with Danida Sustainable Infrastructure Financing and the Danida Green Business Partnerships which are now eligible for South Africa. The Danish private sector focus on opportunities in South Africa, including Grundfos, AVK, Kamstrup and Danfoss which are expanding, and rising interests from companies like Ramboll and DHI.</p> <ul style="list-style-type: none"> • The South African-Danish Strategic Water Sector Programme (RSA-DK SWSP) has been under implementation since May 2016 is currently running in the 2nd phase. The programme will in next phases continue to broker Danish expertise, technological solutions and investment finance into the South African water sector. The role of the SSC programme is to be a matchmaker between South African and Danish interests within the sectors and work as a platform to unite them.
Instrument	Main relevant linkage to SSC project (in a few words)
SSC project: Sustainable and Smart Cities Programme	A smart city collaboration between the City of Tshwane and the City of Aarhus on water related issues and solutions. The cities have agreed to work on reducing Tshwane's non-revenue water throughout the city's infrastructure, increasing the treatment of wastewater, and improve the management of storm water.
SDG facility	The embassy funds the work of South African NGO's or organisations that work in the water sector through opportunity and engagement grants. An example of this is the Table Mountain Water Project or Young Water Professionals.
Trade Council initiative or focus	Trade council facilitates investment from Danish water sector companies such as Kamstrup, Grundfos, AVK, and others that can supply technology to the water sector in South Africa.
Danida Fellowship Centre courses	We have cooperated greatly with DFC, which offers courses and Scholarships to South African stakeholders within the water sector (and other sectors) at Danish Institutions in Denmark. Here they can learn skills, which they can implement in their positions in South Africa.
Other	We are interfacing and synergizing towards multilateral organizations like the EU, the Banks, UN organizations and civic society organizations.

Morocco – Phase 1 (future, to be developed. Inception phase on-going in 2022)

Project Title	Water and Environment in Morocco
Project period	2023-2025
Country	Morocco
Main sector development issues	<p>Country climate/environmental context highlights</p> <ul style="list-style-type: none"> • Morocco has reached the UN level for water stress, (1000 m³/citizen/year). Forecasts predict that the availability of water might further drop to 500 m³/citizen/year by 2030, thereby approaching the United Nations absolute water scarcity level (500 m³/citizen/year).

- Water loss due to old canalisation (Non-revenue water) are about 35%, and the national distribution of water service is unequal.
- Lack of sufficient capacity to serve the rural population in wastewater treatment is an issue that remains to be addressed.
- The water sector is characterized by a complex organizational structure. Coordination between different ministries and between subnational authorities is not sufficiently accomplished. Discussions on restructuring and improving the governance of the Moroccan water sector are ongoing.
- The climate crisis in Morocco is also a water crisis: the effects of climate change are felt through water scarcity, where agriculture is the most water-consuming sector in Morocco accounting for up to 88%

Poverty, vulnerability, inequality – and role of climate change and natural resource degradation

- Unpredictable climate/weather patterns further influence the country's efficiency on energy production from dams.
- The combination of shortage of rain and rivers running dry during the hot season, induce in some areas a “forced” migration by farmers leaving their plots of dry and non-arable farmland in search of arable land.
- Restrictions of water use has in some towns generated negative reactions from citizens demonstrating against the authorities decisions on reducing water availability. A campaign of awareness raising destined to the population is intended as well as restrictions on water use will be initiated.
- Drought frequencies have risen over the past 20 years and now occur 5-6 times a decade.
- Agriculture is largely dependent on rainfalls and the ever-depleting groundwater resources have been drained at an alarming rate. This is due to excessive exploitation through irrigation of water intensive plants, but also of tourism's large hotels and golf pitches.
- Youth unemployment rate remains high with a level up to 25%
- There is a current and pattern of increasing urbanization, particularly in the coastal regions (+60% of population), which could increase inequality levels.
- To mitigate the water stress, Morocco is constructing more dams, a policy questioned by experts in light of the frequent droughts. It also has a water-shortage plan, initiated in 2015, which in short provides funding for new water access points for farmers to maintain the agricultural output.
- With agriculture counting for 15% of GDP and employing 40% of the work force, Morocco's economy remains highly vulnerable to climate change.

Thematic focus	<ol style="list-style-type: none"> 1. Groundwater protection and sustainable groundwater management; 2. Integrated water resource management; 3. Water treatment technologies and management; 4. Water and resource efficiency; 5. Flood and drought prevention; 6. Assessing and addressing impacts of climate change on water resources and corresponding mitigation and adaptation measures; 7. Smart water management, including digitalization; 8. Water governance and science; 9. Capacity Building and institutional strengthening; and 10. Other issues and needs jointly identified and agreed by the two Parties
National partner authority (recipient country)	Moroccan Ministry of Equipment and Water and its affiliates, including National Office of Electricity and Drinking Water (ONEE) and others.
Other partners to include, incl. Danish authorities	Potential: Danish Environmental Protection Agency, Danish Ministry of Environment, Municipalities, Danish water utilities (Aarhus Vand, Vand Center Syd, HOFOR), Danish research institutions, Danish Institute for Water and Environment (DHI), UNEP, Danish Geological Survey (GEUS) and Universities (TBD).
Objective (tentative)	Measures to efficiently use water resources and make the water sector in Morocco more sustainable have been implemented (tentative)
Main possible or expected components (outcome areas)	<p>Tentative:</p> <p>Outcome A: Strengthened Moroccan capacity to enhance integrated and sustainable water resources management, e.g. sector specific policies, regulations, tools and plans;</p> <p>Outcome B: Enhanced engagement of private sector in identifying sustainable development and technology solutions and opportunities for efficient and effective water supply and waste water management.</p>
Considerations about how “greening” would be addressed	The proposed project will focus on sustainable water management (surface and groundwater, water supply, etc.) The water supply and waste water part might include capacity building of utilities to deliver energy efficient and sustainable water services, reducing non-revenue water etc. A supplementary focus might be on sustainable groundwater management and alleviating groundwater stress. Greening should be considered a principal part of the objective.
Significant outstanding questions or critical steps in the process	Political will to reform and change of business as usual scenarios in the water sector, institutional capacities, sector priorities and plans will be assessed during formulation of the project.
Danish priorities, interests, and coherence	<ul style="list-style-type: none"> • The Project will be formulated in line with the national plans and priorities and the Danish Global Climate Strategy, Danish Water Sector Strategies, Development Strategy, Economic Diplomacy etc. The overall thematic SSC focus will be on “Water Management in a Perspective of Climate Change”. • The Moroccan-Danish Strategic Water Sector Programme is in the inception process of defining the specific areas of cooperation. A

	<p>draft memorandum of understanding has been developed and is expected to be signed no later than end of June 2022.</p> <ul style="list-style-type: none"> • The SSC and the embassy will engage in establishing green strategic partnership, and work for strengthening of Danish green diplomacy interests in Morocco. Green commercial interests for Danish water companies have already been noted – though at an initial stage. • Alignment and harmonization are key issues and the SSC/embassy will - to the extent possible - engage in Danida development cooperation activities.
Previous results lessons	N/A
Main other relevant instruments, engagements, and initiatives managed by the Embassy	
Instrument	Main relevant linkage to SSC project (in a few words)
SSC Statistics	The Danish EPA and the Statistics Denmark have engaged in a collaboration an establishing basis for a Moroccan water account related to the SDG no 6.
“DSIF project”	TBD
“DGBP project” Danida Green Business Partnerships	The new Danida Green Business Partnerships Programme (DGBP) will finance partnership projects involving commercial and non-commercial partners.
Danida Fellowship Centre courses	Cooperation with DFC, with Moroccan stakeholders within the water sector (and other sectors) in Danish Institutions in Denmark. The alumni’s will acquire technical and managerial skills, to potentially implement in their positions in Morocco.
IFU	An early contact has been established. Many opportunities for cooperation in the water sector with IFU seems realistic.
Other - bilateral development engagements.	The embassy will follow and potentially engage in water activities e.g. funded by the AFDB, EIB, AU, AMCOW etc.
Team Europe Initiative (TEI)	The embassy will closely follow the activities around the TEI. Water basins in Morocco or in the region could be an option.
P4G	TBD - awaiting

Morocco – Phase 2 (future)

Project Title	Water and Environment in Morocco
Project period	2026-2028
Country	Morocco
Main sector development issues	See phase 1
Thematic focus	Water
National partner authority (recipient country)	Moroccan Ministry of Equipment and Water and its affiliates, including National Office of Electricity and Drinking Water (ONEE) and others.
Other partners to include, incl. Danish authorities	Tbd
Objective (tentative)	Measures to efficiently use water resources and make the water sector in Morocco more sustainable have been implemented (tentative)

Main possible or expected components (outcome areas)	TBD
Considerations about how “greening” would be addressed	The proposed project will focus on sustainable water management (surface and groundwater, water supply, etc.) The water supply and waste water part might include capacity building of utilities to deliver energy efficient and sustainable water services, reducing non-revenue water etc. A supplementary focus might be on sustainable groundwater management and alleviating groundwater stress. Greening should be considered a principal part of the objective.
Significant outstanding questions or critical steps in the process	N/A
Danish priorities, interests, and coherence	The project will continue to be part of the bilateral cooperation between Denmark and Morocco, as well as part of Denmark’s engagement on Global green transition and commercial cooperation.
Previous results lessons	N/A
Main other relevant instruments, engagements, and initiatives managed by the Embassy	
Instrument	Main relevant linkage to SSC project (in a few words)
SSC Statistics	The Danish EPA and the Statistics Denmark have engaged in a collaboration an establishing basis for a Moroccan water account related to the SDG no 6.
“DSIF project”	TBD
“DGBP project” Danida Green Business Partnerships	The new Danida Green Business Partnerships Programme (DGBP) will finance partnership projects involving commercial and non-commercial partners.
Danida Fellowship Centre courses	Cooperation with DFC, with Moroccan stakeholders within the water sector (and other sectors) in Danish Institutions in Denmark. The alumni’s will acquire technical and managerial skills, to potentially implement in their positions in Morocco.
IFU	An early contact has been established. Many opportunities for cooperation in the water sector with IFU seems realistic.
Other - bilateral development engagements.	The embassy will follow and potentially engage in water activities e.g. funded by the AFDB, EIB, AU, AMCOW etc.
Team Europe Initiative (TEI)	The embassy will closely follow the activities around the TEI. Water basins in Morocco or in the region could be an option.
P4G	TBD - awaiting

Ethiopia – Phase 1 (future, to be developed. Inception phase on-going in 2022)

Project Title	SSC water in Ethiopia phase 1
Project period	2023-2025
Country	Ethiopia

<p>Main sector development issues</p>	<p>Country climate/environmental context highlights</p> <ul style="list-style-type: none"> • Ethiopia is endowed with abundant water resources, but it has only utilized a small amount of it. The extreme hydrological variability, seasonality and transboundary nature of its surface water resources and the underdevelopment of groundwater resources are Ethiopia’s main water resource management challenges. • Currently Ethiopia has a lack and inadequate management of water infrastructure to provide enough water resource supply to its citizen and respond to the increasing demands coming from the demographic development. The UNICEF and WHO Joint Monitoring Program (JMP, 2020) places Ethiopia at the second lowest position among 96 countries in terms of safely managed water supply with only 12,6% (39% in urban and 5,2% in rural areas) of people have access to a ‘safely managed water supply’. • In addition to this, Ethiopia is one of the most vulnerable countries to climate variability and climate change due to its high dependence on rain-fed agriculture and relatively low adaptive capacity to deal with changes introduced by climate change. Unpredictable weather patterns leading to prolonged periods of drought in dry regions and flooding in others is a great challenge in managing water resources. The current drought is affecting over 6 million people, creating risks for a humanitarian crisis. In addition, this can also affect access to electricity, as Ethiopia is highly dependent on hydro powered electricity. <p>Poverty, vulnerability, inequality – and role of climate change and natural resource degradation</p> <p>Natural disasters in Ethiopia and especially droughts have led to significant social and economic losses, which are anticipated to be exacerbated as consequence of climate change. Currently over 8 million people are in risk of requiring humanitarian assistance, due to the current drought in the Horn of Africa.</p> <p>The low WASH coverage affects the population unevenly, as poorer urban populations and rural population have less access to WASH. High rates of urbanization could exacerbate the already high inequality levels in terms of access to water and sanitation. For instance, Addis Ababa can currently only supply around 50% of the water needs in the city, and these are very unequally distributed.</p> <p>Institutional WASH coverage in health facilities and in schools remains low and inadequate. The lack of WASH facilities serves as a barrier to children’s attendance and performance in schools, particularly for female students. Only 15,5% of schools have basic access to drinking water, and only 40.5% of schools have access to basic sanitation (JMP, 2019). An estimated 15% of girls and young women have missed school because of menstruation, and the drastic lack of facilities and items to safely manage it.</p>
<p>Thematic focus</p>	<p>Denmark is currently conducting an inception phase for a new SSC water collaboration with Ethiopia; the first phase of the programme is expected to engage two tier 2 cities in order to support their work with the management of their water utilities, and the sustainable use of their groundwater resources. The embassy is currently exploring options for cooperating with the cities of</p>

	Dire Dawa and Hawassa. The cooperation with the city of Hawassa will also entail working with the Sidama region.
National partner authority (recipient country)	Tentative: Cities of Dire Dawa and Hawassa.
Other partners to include, incl. Danish authorities	TBD
Objective (tentative)	TBD
Main possible or expected components (outcome areas)	TBD
Considerations about how “greening” would be addressed	TBD
Significant outstanding questions or critical steps in the process	TBD
Danish priorities, interests, and coherence	The project will continue to be part of the bilateral cooperation between Denmark and Ethiopia, as well as part of Denmark’s engagement on Global green transition and commercial cooperation.
Previous results lessons	N/A
Main other relevant instruments, engagements, and initiatives managed by the Embassy	
Instrument	Main relevant linkage to SSC project (in a few words)
UNICEF WASH	The embassy is supporting the UNICEF WASH programme in Ethiopia. This programme seeks to provide access to basic drinking water, sanitation and hygiene for children and their families in urban, rural and humanitarian settings in Ethiopia. Denmark is currently contributing 70 mil. DKK with a commitment of additional 130 mil. DKK to support the program between 2022 and 2025.
Trade Council and partnerships	Trade council is in contact and supports Danish water sector companies with their commercial activities in Ethiopia. The Trade Council is also exploring new opportunities with innovative Danish water solutions and with NGO’s that could provide new projects under the new Danida Green Business Partnerships.
Climate envelope activities	The embassy has planned for water activities that will be able to support the water SCC, in issues such as watershed management or wastewater management. These activities are planned for 2024.

Ethiopia – Phase 2 (future)

Project Title	SSC water in Ethiopia phase 2
Project period	2026-2028
Country	Ethiopia

<p>Main sector development issues</p>	<p>Country climate/environmental context highlights</p> <ul style="list-style-type: none"> • Ethiopia is endowed with abundant water resources, but it has only utilized a small amount of it. The extreme hydrological variability, seasonality and transboundary nature of its surface water resources and the underdevelopment of groundwater resources are Ethiopia’s main water resource management challenges. • Currently Ethiopia has a lack and inadequate management of water infrastructure to provide enough water resource supply to its citizen and respond to the increasing demands coming from the demographic development. The UNICEF and WHO Joint Monitoring Program (JMP, 2020) places Ethiopia at the second lowest position among 96 countries in terms of safely managed water supply with only 12,6% (39% in urban and 5,2% in rural areas) of people have access to a ‘safely managed water supply’. • In addition to this, Ethiopia is one of the most vulnerable countries to climate variability and climate change due to its high dependence on rain-fed agriculture and relatively low adaptive capacity to deal with changes introduced by climate change. Unpredictable weather patterns leading to prolonged periods of drought in dry regions and flooding in others is a great challenge in managing water resources. The current drought is affecting over 6 million people, creating risks for a humanitarian crisis. In addition, this can also affect access to electricity, as Ethiopia is highly dependent on hydro powered electricity. <p>Poverty, vulnerability, inequality – and role of climate change and natural resource degradation</p> <p>Natural disasters in Ethiopia and especially droughts have led to significant social and economic losses, which are anticipated to be exacerbated as consequence of climate change. Currently over 8 million people are in risk of requiring humanitarian assistance, due to the current drought in the Horn of Africa.</p> <p>The low WASH coverage affects the population unevenly, as poorer urban populations and rural population have less access to WASH. High rates of urbanization could exacerbate the already high inequality levels in terms of access to water and sanitation. For instance, Addis Ababa can currently only supply around 50% of the water needs in the city, and these are very unequally distributed.</p> <p>Institutional WASH coverage in health facilities and in schools remains low and inadequate. The lack of WASH facilities serves as a barrier to children’s attendance and performance in schools, particularly for female students. Only 15,5% of schools have basic access to drinking water, and only 40.5% of schools have access to basic sanitation (JMP, 2019). An estimated 15% of girls and young women have missed school because of menstruation, and the drastic lack of facilities and items to safely manage it.</p>
<p>Thematic focus</p>	<p>TBD</p>

National partner authority (recipient country)	TBD
Other partners to include, incl. Danish authorities	TBD
Objective (tentative)	TBD
Main possible or expected components (outcome areas)	TBD
Considerations about how “greening” would be addressed	TBD
Significant outstanding questions or critical steps in the process	TBD
Danish priorities, interests, and coherence	The project will continue to be part of the bilateral cooperation between Denmark and Ethiopia, as well as part of Denmark’s engagement on Global green transition and commercial cooperation.
Previous results lessons	N/A
Main other relevant instruments, engagements, and initiatives managed by the Embassy	
Instrument	Main relevant linkage to SSC project (in a few words)
UNICEF WASH	The embassy is supporting the UNICEF WASH programme in Ethiopia. This programme seeks to provide access to basic drinking water, sanitation and hygiene for children and their families in urban, rural and humanitarian settings in Ethiopia. Denmark is currently contributing 70 mil. DKK with a commitment of additional 130 mil. DKK to support the program between 2022 and 2025.
Trade Council and partnerships	Trade council is in contact and supports Danish water sector companies with their commercial activities in Ethiopia. The Trade Council is also exploring new opportunities with innovative Danish water solutions and with NGO’s that could provide new projects under the new Danida Green Business Partnerships.
Climate envelope activities	The embassy has planned for water activities that will be able to support the water SCC, in issues such as watershed management or wastewater management. These activities are planned for 2024.

Kenya (Water) – Inception + phase 1

Project Title	SSC on Water resources and waste water management (Inception + phase 1)
Project period	2023 + 2024-26
Country	Kenya

Main sector development issues	<p>Country climate/environmental context highlights</p> <ul style="list-style-type: none"> • Agri-dominated economy (1/3 of GDP, 40% of population, 70% of rural population). • Dominated by small-scale and rain-fed agriculture, which means low resilience to climate risks. • Insufficient urban water supply as +13 million Kenyans lack access to water, +19 million access to sanitation. • Non-Revenue Water very high (+40% nationally vs. DK average of 7,8%), which testifies to inefficiency/ corruption in water sector management. • Fragile ecosystems cause livelihood-migration and fights over scarce pastures. • Urban Kenya brings waste problems due to rapid urbanization (28% of population in cities in 2020 vs 24% in 2010). Unsustainable and uncontrolled landfills current “solution” is health and environment risk <p>Poverty, vulnerability, inequality – and role of climate change and natural resource degradation</p> <ul style="list-style-type: none"> • Total population of 47,5 million people. • High population growth, but decreasing (2.2% from 2009-2019, 2,9% the decade before). • Youth unemployment massive: Only 15% of every Kenyan youth cohort get into formal jobs. • Growing number of youth (currently 5 million) outside education and employment – but even going to school and university does not guarantee jobs. • Deep-rooted corruption causes inefficiencies. Utilities for power, waste, water etc. are often partly state-owned and lead by political
Thematic focus	Water resources management, waste water management, water efficiency
National partner authority (recipient country)	Tentative Ministry of Water & Sanitation and Irrigation (to be confirmed). The project will build on the existing network established through the SSC-project in Kenya on circular economy.
Other partners to include, incl. Danish authorities	TBD
Objective (tentative)	TBD
Main possible or expected components (outcome areas)	TBD
Considerations about how “greening” would be addressed	TBD

Significant outstanding questions or critical steps in the process	TBD
Danish priorities, interests, and coherence	The project will deepen and expand the existing, strong partnership with Kenyan authorities established through the SSC-project on circular economy. It is expected that the two SSC-projects will be able to benefit significantly from each other. Furthermore, the project will be part of the bilateral cooperation between Denmark and Kenya, as well as part of Denmark's engagement on Global green transition and commercial cooperation.
Previous results lessons	N/A
Main other relevant instruments, engagements, and initiatives managed by the Embassy	
Instrument	Main relevant linkage to SSC project (in a few words)
SSC Food Security	Many food security issues due to poor waste handling (dioxins from burning of waste landing on farmers land – so clear linkages).
SSC Maritime	Still in inception phase. But the linkage on how to handle waste from shipping industry in Mombasa is an agreed topic to take up if SSC Maritime kicks off with a programme phase.
SSC Energy	While “waste to energy” is often mentioned, we see little linkage here (simply too expensive way to do energy compared to Kenya's alternatives). Most relevant link probably energy production from waste water sludge (called “bio-solids”) which could also allow biogas production from household waste.
DSIF project in Thika/Githunguri	Close synergies through share focus on water sector and sustainable wastewater handling. Opens doors for SSC that DSIF has such programme.
DMDP projects	Market focus and long history has yielded key partners who have proven to deliver and who can be involved in SSC work.
Bilateral program	Bilateral program (long history, since independence in 1963) opens doors (DK = trusted partner).
Trade Council initiative or focus	Trade Council historically big on shipping and pharma. Is however, building the “Water” and the “Digital” component strongly.
IFU	Has presence in Kenya and SSC officers can present investment cases for IFU to pursue.
DFC	DFC programmes: +350 Kenyans have attended Green courses (numbers higher if other courses included) = Denmark is a place many think of a promoting change (personal and for KE).

Thailand/ASEAN – Inception + phase 1

Project Title	SSC on Circular Economy (Inception + phase 1)
Project period	2023 + 2024-26
Country/region	Thailand/ASEAN

Main sector development issues	Regional environmental context highlights <ul style="list-style-type: none"> • ASEAN is home to 20 percent of all known species of the world and is the centre of the world’s marine biodiversity. All these rich natural resources, however, is confronted with immense environmental challenges and stresses. • ASEAN region has also been facing a rise in average and extreme temperatures, increases in wet season rainfall, rainfall intensity and duration, and greater frequency of extreme events such as droughts, floods, land and/or forest fires. • Biodiversity loss and ecosystem degradation have substantial impacts on people’s livelihoods, food security, and well-being in the region. • Among numerous environmental challenges in the ASEAN region, the rapid growth of volumes of waste, and a complex waste composition with new and emerging waste streams is one of the prominent challenges. • ASEAN countries have put efforts towards waste management, but, are challenged by various technology, infrastructure, financing, policy, and stakeholder participation issues. • These challenges could be opportunities, if ASEAN countries shift from understanding the ‘waste’ as ‘resource.’ • Four of the top five countries that contribute the most plastic waste in the world’s seas are from ASEAN. • Open dumping and open burning of waste is prevalent in the majority of ASEAN countries. Composting and anaerobic digestion of organic wastes, and recovery of valuable recyclables such as plastic, metal and paper are common in ASEAN. Recycling, however, is more at the hands of the informal sector. • EU has launched a Team Europe Initiative on circular economy in the ASEAN region, “ASEAN/South East Asia Team Europe Green Initiative”, which Denmark is leading and administering.
Thematic focus	Regional cooperation in ASEAN on circular economy. Together with the SSC-project in Indonesia on circular economy, this SSC-project will deliver on the ambition to expand the strategic sector cooperation to a regional level. Focus will be support to strengthening the policy formulation, regulation, and standards within environmental management based on Danish experiences. Knowledge transfer within waste management, waste solutions, and circular economy – focus on improving Thailand/ASEAN’s framework conditions for sustainable solutions.
National partner authority (recipient country)	Ministry of Environment of Thailand (to be finally confirmed)
Other partners to include, incl. Danish authorities	TBD
Objective (tentative)	TBD
Main possible or expected components (outcome areas)	TBD

Considerations about how “greening” would be addressed	TBD
Significant outstanding questions or critical steps in the process	As a regional approach is new in a SSC-context, the SSC-project on Thailand/ASEAN will be monitored more closely to ensure that the expected results are achieved.
Danish priorities, interests, and coherence	<p>There is an increasing Danish regional focus on circular economy and waste in the ASEAN region and as such great coherence with existing priorities and initiatives. Thailand is ASEAN lead on sustainable development and ASEAN Sustainable Development Center is based in Bangkok. In addition, there is significant synergy to be harvested from the SSC-project on circular economy in Indonesia, where the upcoming phase also will focus on regional cooperation in ASEAN.</p> <p>Furthermore, Denmark is leading and administering EU’s regional efforts on circular economy in “ASEAN/South East Asia Team Europe Green Initiative” from 2023, which will further enhance the cooperation. Denmark is also supporting the World Bank implementation of the ASEAN strategy for reducing marine plastics (SEAMAP) and planning to second a Danish expert on circular economy in the ASEAN secretariat.</p> <p>For Thailand specifically, there is confirmed interest from the authorities on further developing the relationship with Denmark by establishing a SSC.</p> <p>Concerning green framework conditions, Thailand has integrated the green transition and circular economy as core part of its post-Covid economic reconstruction; a SSC could deliver significant contributions to this effort as the Embassy already has a well-established collaboration and partnership with Thailand’s ministries of environment; transport; energy; as well as other agencies and stakeholders in Thailand</p> <p>Concerning climate diplomacy, the combined, regional efforts outlined above is expected to lead to a unique, green diplomatic position for Denmark in the field of circular economy and waste in ASEAN. In Thailand, the Embassy is already in process of meeting with key ministers and ministry staff on Thailand’s green transition based on the Bio-Circular Green Economy model, which has provided Denmark with a key lever in the diplomatic toolbox for a further constructive relationship and dialogue. A SSC could further develop this relationship to also include other political agendas with the Thai authorities.</p> <p>Concerning the green commercial issues, there is already a large Danish private sector presence in Thailand in key green sectors of environment, water, food, and energy, many of which the Embassy already has established collaboration with. This provides a platform for further expanding the contribution of Danish green solutions to Thailand’s green transition reform.</p>
Previous results lessons	N/A
Main other relevant instruments, engagements, and initiatives managed by the Embassy	
Instrument	Main relevant linkage to SSC project (in a few words)
To be further identified	

Annex 2: Partner assessment

1. **Brief presentation of Ministry of Environment/Danish Environmental Protection Agency**

Taking care of the nature and the environment, and consumer protection and information are core concerns of the Ministry of Environment. The Ministry facilitates the development of sustainable and resource-efficient solutions and contributes to the development of industrial growth and workplaces in Denmark, while simultaneously minding nature, the environment and our drinking water.

Nature is the focal point for all activities of the Ministry of Environment. First of all nature is the basis for life and food production; but nature also offers a great variety of leisure activities. Therefore, the Ministry strives to protect forests, lakes, coastlines and open landscapes and ensures opportunities for the public to experience and have leisure activities in nature around the country.

At the same time, the Ministry works to safeguarding against unnecessary chemical products in our clothing, toys, soap, houses etc.; as well as environmental pollution that may have an influence in our everyday life.

The Ministry of Environment collaborates with many partners, nationally and internationally. Domestically, the Ministry has close collaboration with a number of industry associations and interest groups, research institutions and public authorities. At European level, collaboration with EU institutions, colleagues and authorities in other EU member states has top priority, and internationally the Ministry puts effort into cooperation with the OECD, the WTO, FAO and UNEP.

Approximately 2,000 employees placed around the country take care of the various tasks of the Ministry, organized in two main institutions. The Danish Nature Agency implements the government's policies concerning nature and environment. The Nature Agency aims to secure clean water, protecting and securing nature, planning for cities and landscape, outdoor activities and information to the public about nature, forestry and land management of the state forests, gaming and wildlife management.

The Danish Environmental Protection Agency (DEPA) is responsible for all nature and environmental legislation and is the authority in charge of major national tasks as well as particularly complex tasks. The Environmental Protection Agency prepares legislation and guidelines and grants authorizations in several areas. Further duties include the monitoring of chemicals and offshore platforms.

In its 50-year history, MoE/DEPA have always prioritized to share its experiences internationally, eg. Eastern Europe after the cold war, new EU memberstates, and countries affected by the globalization.

The international engagement of the MoE/DEPA have several objectives. One of the key goals is to contribute to implementing the UN's Sustainable Development Goals and promote more sustainable development in the world. This overarching goal frames the Ministry's overall international efforts. The key sustainable development goal is to meet current needs without compromising the ability of future generations to meet their needs. The Ministry have three main focus areas:

1. International negotiations and agreements on nature and environmental regulation and enforcement, including relevant UN fora, in particular the United Nations Environment Programme (UNEP), and negotiations under the auspices of multilateral agreements that are crucial

to building international institutions and rules of the game. Environmental challenges are international and require international cooperation.

2. Capacity building through transfer of Danish governance experiences. Environmental efforts also focus on contributing to the building of national governance and capacities. Therefore, another key focus area is institution building nationally in other countries, including more broadly and especially in partner countries.
3. Sustainable business, trade and export. A final key focus area for the Ministry's work is to promote sustainable trade, business operations and sustainable products either through the transfer of knowledge and know-how or through export.

2. Summary of partner relevant capacities

DEPA has extensive experiences of relevance to expanding environmental and nature protection regulatory framework; governance and capacity building for effective implementation, monitoring and enforcing; setting direction and promoting a green transition; as well as working the key stakeholders including the private sector to promote a sustainable development.

Since 2014 DEPA has proven its capacity to adapt its national experiences into international context with partner countries through SSC projects in Europe, Africa and Asia. This capacity has been centered around highly similar challenge in the partner countries of setting up regulation, secure implementation and effective enforcement, but with very distinct differences in preconditions for change.

Sustainable water and waste management as well as pollution control and prevention are the key themes that the DEPA capacities have been developed around.

In Indonesia, China, South Africa the long lasting cooperation have fostered extensive trust and networks, of relevance to ensure a very high degree of impact from the cooperation. In those countries the cooperation are directly delivering on reforming the environmental regulation, as well as implementation and enforcement. From the partner institutions side, the DEPA cooperation is considered a direct contributor to the national process. India, being a relative new cooperating country, as well is already now tapping into the Danish experiences in their national efforts to secure safe drinking water to the rural areas.

From the extensive cooperation with the Danish clean tech industries, DEPA have naturally taken a close cooperative approach to the Danish companies, seeking to maximize the exposure of their solutions of relevance to solve the environmental challenges of the partner countries.

Within DEPA approximately 15 full Full-time employees are engaged with the SSC projects, and the agency is extensively drawing on the expertise of other governmental agencies, municipalities, public utilities and private companies.

Since May 2021 DEPA has strengthened the operation of the international team that holds the project management of all SSC projects, and the FP have further accelerated a strong focus on professional management of the portfolio of projects, including economic control.

Annex 3: Risk management

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Contextual risks					
International crisis or pandemics stall or delay project activities and travel	Likely	Major	Changing schedule and plans for missions, study tours and other physical events and activities; make use of virtual communication means		COVID pandemic experienced in 2021 and 2022. International crisis are escalating. This may interrupt capacity development activities involving travel, or in case the partner authorities' urgently need to shift focus of staff and resources to addressing pressing other needs. This can impact working relations and results performance for some activities.
Climate variability and natural shocks especially affecting water resources	Likely	Minor	The FP itself is largely a response to this overall risk which is therefore already reflected in its focus. Moreover, the FP's focus on strengthening framework systems will remain relevant and may not necessitate fundamental adjustment in case of extreme weather events, or similar. Besides this, the risk will mainly be addressed at country/project level where activities/focus of the support would be adjusted to events not already reflected in the project designs.	Some risk will remain	Climate variability and natural shocks are frequent in several of the partner countries, for instance, Kenya and Ethiopia, with large effects in terms of drought or heavy, irregular rains, polluted wastewater, etc.
Programmatic risks					
Partner authorities' internal processes delay implementation progress.	Likely	Major	Analyse causes for delays as basis for deciding response; On-going dialogue and up-front assessment of potential barriers, as basis for deciding the necessary adaptation of work plan, activities and budgets; learning and adaptation.	Associated risks might continue and longer-term change of programme and focus might be necessary.	A typical risk in public sector reform and institutional development process, which has affected some projects in the previous phase. At times due to sudden emergence of competing other national priorities, which shift staff/institutional focus momentarily; unexpected capacity weaknesses in areas key to, but not targeted by, the authorities' capacity development activities: shifting of staff, or other institutional barriers emerging.
Challenges in mobilizing national partner staff for inputs on specific activities.	Almost certain	Minor	Requires adaptive and flexible management, change of work plan, activities, timing and inputs from DEPA and others.	Some activities can be delayed or not implemented as foreseen.	Changes in context, framework conditions and/or institutions are common.

Institutional risks					
Implementation challenges or delays arising from the FP is new and not a fully tested mechanism	Almost certain	Minor	During the inception phase, further needs will be identified, and final designs made to the organization, processes, and tools of FP management. Generally the PMG will monitor implementation and ensure learning and proper responses to gaps. Further, the MTR will include a focus on overall implementation challenges and responses.	Some risk will remain	The FP is a new mechanism with a new way of operating which has been carefully designed over the past year, but some gaps or needs may only show during practical implementation. This is to be expected as not every need or situation can be predicted during the FP formulation.
The sector counsellors don't maintain the needed balance between advising partner authorities and linking with trade council/Danish commercial actors	Unlikely	Minor	The Embassies and DEPA will be responsible for properly defining the expectations for the Sector Counsellor and monitor the Sector Counsellor's performance of his/her roles, also with inputs from the Partner Authority. In addition to technical skills and knowledge, Sector Counsellors will be selected for their personal skills and ability to exercise good judgement.	Some risk will remain since there will continue to be shifting pressures and the right balance cannot be defined exactly in practice.	The sector counsellors' responsibilities include linking with Danish commercial actors as well as advising partner authorities, and it may not always be straightforward how to best manage the balance between the two roles, for instance to avoid compromising the partner authorities' long-term interests.

Annex 4: Plan for Communication of Results

The overall communication plan for strategic sector cooperation (SSC) aims to ensure broad knowledge about the DEPA’s work on international cooperation, and in particular SSC projects, with focus on results and dissemination of best practices in SSC work.

The Communication Plan is dynamic and will be updated and implemented according to developments with policies, results, lessons learned and needs and opportunities identified by partners and staff involved in SSC cooperation. The Communication Plan targets a wide audience in both Denmark and globally with the use of SoMe channels, homepages, production of videos, explainers and story-telling from both Denmark and partner countries.

For Whom? Target Group/Audience	What? (the message)	When?	How?	Responsible
Target Group 1: Danish public	<p>Stories about DEPA’s SSC work, the SSC projects, challenges and concrete results. Short videos for SoMe and Homepage.</p> <p>Images and other visual means.</p> <p>DEPA homepage updated on SSC cooperation and SSC projects.</p> <p>One long-reads per year</p> <p>1-2 pagers on SSC programme and each of the SSC Projects (info ark).</p> <p>Press releases</p> <p>Document and disseminating results from SSC projects</p>	<p>During implementation of SSC projects, i.e. minister visits, missions in-country, study tours in Denmark, major outputs produced, milestones achieved etc.</p> <p>Once a year</p>	<p>Facebook, LinkedIn, Instagram and Twitter if relevant</p> <p>DEPA homepage and news</p> <p>Short annual SSC report on DEPA homepage</p> <p>Produced photos and video during missions.</p> <p>Use of Explainers and Story-telling</p> <p>Danida OpenAid, Results Framework Initiative</p>	<p>Project Manager (content)</p> <p>Communication Focal Point (publishing on SoMe and homepage)</p> <p>M&E Focal Point (SSC annual report)</p> <p>Project managers and technical staff (DEPA)</p> <p>Project Managers and technical staff</p> <p>Press Unit (press releases)</p> <p>Project Managers, MFA</p>

Target Group 2: Sector partners in Denmark sector associations, municipalities, utilities, universities and others.	See above Reports, studies, guidelines etc.	See above	See above Visual and infographic versions of documents and material.	See above
Target Group 3: Public and institutions in partner countries and globally.	As above-mentioned Stories about Danish strongholds, state-of-the-art solutions in water, circular economy and biodiversity sectors, energy efficiency, climate-neutrality and other themes of relevance. Talks organized by DFC	As above-mentioned	As above-mentioned Make use also of others communication materials, i.e. State-of Green Communication channels used by the specific partners Talks organized by DFC	As above-mentioned DEPA and DFC
Target Group 4: Internal communication in DEPA	Results reporting for SSC programme and its projects. Outcome harvesting and reporting. SMG meetings PMG meetings Annual reporting DEPA management meetings	Once a year – Strategic Management Group (SMG) Twice a year – Programme Management Group (PMG)	DEPA Intranet Dedicated communication	Project Managers

Annex 5: Approach to Capacity Development

- The FP's capacity development aim is to strengthen national and local ownership, engagement and effectiveness needed for positive and sustainable change and development within the concerned sectors.
- The SSC projects aim to support partner organisations, staff, and sector stakeholders in partner countries deploy, adapt, strengthen, and maintain the capabilities to define, plan and achieve their own sector development objectives on an cross-sectoral, holistic, inclusive, participatory, and sustainable basis
- The SSC Projects typically seek to address sector capacity development at enabling environment, organisational and individual levels, with interventions at each level often mutually supportive.
- For the enabling environment, the SSC Projects typically work with rules, laws, sector policies and sometimes peer relations and social norms that govern public and civic engagement. Activities are performed as part of climate diplomacy, sector dialogues, exchange visits and other events involving parliamentarians, local politicians, public servants, private sector representatives or civil society members. In line with HRBA, capacity and processes for instance for participation of non-governmental stakeholders, hearing processes, transparency efforts, and consideration of marginal groups will be integrated as relevant.
- At organisational level, the SSC Projects typically advice on issues and promotes change processes that relate to structures, policies and procedures that determine sector institutions' and other stakeholders' impact and effectiveness, also ensuring participation, transparency and non-discrimination. This is often strategic or technical advice on how to organise, perform or govern water and waste sectors, develop technical and affordable green solutions, or to drive green transition, innovation and climate change within water, environment, resource waste, waste-to-energy or other areas.
- At individual level, the SSC Projects develop or strengthen the skills, experience and knowledge that allow each person to perform. Some of these are acquired formally, through education and training typically performed by DEPA, Danish utilities, other Danish resource institutions or DFC, while others come informally, through dialogue, advice, mentoring or more action-oriented learning in-country or during visits to Denmark. Exchange of knowledge and experience in sector governance, reforms and practical solutions to green transition and climate adapted solutions are addressed in most capacity development activities.
- Capacity development is always undertaken with due respect to the national context, priorities and the resources available for the FP and its SSC Projects. Capacity development is often undertaken with the involvement of both public and private sector, both in Denmark and partner countries.

Annex 6: Process Action Plan

Action/product	Deadlines	Responsible/involved units	Comment/status
Final Framework Programme documents (incl. annexes and cover note) to ELQ	5 September 2022	GDK	
Presentation for Council for Development Policy	22 September 2022 Min. 1 month prior to the Minister's approval of the project	GDK	MOE and DEPA participate in the meeting
Develop follow-up operational guidance, M&E Plan, etc.	October-December	GDK, MOE and DEPA	ELK + consultancy input
Approval process			
Minister of Environment approval of the Framework Programme	September/October	MOE	
Minister for Development Cooperation's approval of Framework Programmes	Late October/early November	ELQ submits proposed Framework Agreements and minutes of CDP meeting	After Council for Development Policy meeting
Initial actions following the Minister's approval			
Publish on Danida Transparency	December	ELQ	
Development of Draft Framework Agreements	October/November	GDK	FRU
Sign agreement(s)	After Minister's approval	GDK	
Register commitments	After agreement(s) are signed	GDK	

Annex 7: Signed Table of Appraisal

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ANNEX 4 SUMMARY OF RECOMMENDATIONS

Title of Programme/Project	Framework Programme on Strategic Sector Cooperation with Ministry of Environment and its agencies (2023-2026)
File number/F2 reference	2022-15482
Appraisal report date	29 July 2022
Council for Development Policy meeting date	22 September 2022
<p>Summary of possible recommendations not followed (to be filled in by the responsible unit)</p> <p>In recommendation 4, it is recommended to include an annex justifying the scoring on environment (and climate change in case maintained). The climate adaptation rating has been adjusted but maintained, however, an annex justifying the scoring has not been included, as the ratings will guide the detailed programming of the individual SSC projects and the justification for the climate ratings will be included in project documentation for the individual SSC projects.</p>	
<p>Overall conclusion of the appraisal:</p> <p>The “Framework Programme (FP) on Strategic Sector Cooperation with Ministry of Environment and its agencies (2023-2026)” is the first framework programme with the MoE under the 2021 SSC guidelines (MYNSAM 2.0), replacing single-project agreements between Danish authorities and the Ministry of Foreign Affairs (MFA). It has a total budget of DKK 110 million and comprises six existing SSC projects in various phases of support in China, India, Indonesia, Kenya, Morocco and South Africa, and there is budget for two more countries to join the programme.</p> <p>The FP rationale is concise and globally relevant. The programme aligns well with Denmark’s core high-level policies, objectives and institutional frameworks and the Ministry of Environment and the Danish Environment Protection Agency core competencies in water, waste, and pollution.</p> <p>The FP describes its development and poverty orientation agenda well but there is space to elaborate on how it will be operationalised, to reflect realistic levels of programme contribution to longer-term development results and to more clearly describe the linkages between the outcome areas of capacity development, green diplomacy and commercial value. The monitoring approaches to tracking and aggregating results across these outcomes can also be refined. The FP presents opportunities for cross-fertilisation and learning, as well as increased flexibility in funds management, though clarity around related decision-making criteria is required. Finally, while the FP presents its approach to capacity development, it should also describe how this is operationalized and how outcome sustainability will be ensured.</p> <p>Overall recommendation: The proposed framework programme is <i>recommended for approval with minor adjustments</i> taking the recommendations of this report into consideration.</p>	
Recommendations by the appraisal team	Follow up by the responsible unit
Programme level	
Programme documentation	

<p>1. The FP document should better reflect the lessons learned from earlier support, especially in relation to the experience of creating synergies with the commercial agenda in the countries.</p>	<p>Agree</p> <p>Lessons added to Box 3 and Section 2.4 adjusted to ensure focus on lessons regarding commercial effects going forward.</p>
<p>2. The guidance to the context and design features of new SSC projects in section 5 of the FP document should include a paragraph on the importance of engaging not only partner authorities but a broader coalition of stakeholders in order to build national commitment for the environmental policy issues promoted by the SSC projects. The possibility of including non-public national stakeholders in future SSC project governance should also be mentioned.</p>	<p>Agree</p> <p>Adjustments have been made to ensure consideration of inclusion of a wider set of actors - including civil society, interest-based organizations, and private sector. This is done in section 2.6 as part of the HRBA approach and underlined in the approach to capacity development (Annex 5). The possibility to include non-gov public national stakeholders in project level governance is noted in section 7.</p>
<p>Policy and strategy frameworks</p>	
<p>3. Mainstream a human-rights based approach (HRBA) in all FP capacity development efforts.</p> <ul style="list-style-type: none"> a. Expand Section 5 of the FP with practical guidance for future projects on mainstreaming HRBA in capacity development efforts under Outcome 1 (please see Annex 5 for suggested text), and Expand Section 5 of the FP with practical guidance for future projects on mainstreaming HRBA in capacity development efforts under Outcome 1 (please see Annex 5 for suggested text), and consider including a 'step' on HRBA/PANT in DEPA project design . b. Design the planned mechanisms for cross-fertilization and sharing of lessons learned between/across countries to encompass and further facilitate learning on mainstreaming of HRBA and poverty orientation in sustainable institutional capacity strengthening project design; leverage the DFC research and training portfolio as relevant. 	<p>Agree</p> <p>Section 2.6 (HRBA) and the outline of approach to capacity development (Annex 5, earlier Box 7) have been strengthened with specification of concrete steps the FP will take to ensure the HRBA in the capacity development, including as part of project preparation and QA. Section 9 (learning, etc.) has been adjusted to ensure focus on HRBA and poverty reduction in the learning sessions at FP and cross-project. The further practical advice will be placed in operational handbook to be developed. The appraisal's suggested text (Appraisal report annex 5) will be used to inform the operationalisation of HRBA during the first months of implementation of the framework programme.</p>

<p>4. Reassess the actual climate adaptation and mitigation contribution of the SSC projects and, unless it can be justified better, remove the wording on “climate action” in the objective and in the scoring (100%/50%) on the Appropriation Cover Note; include an annex justifying the scoring on environment (and climate change in case maintained).</p>	<p>The Appropriation Cover Note has been adjusted including the climate markers on adaptation. These climate ratings will guide the detailed programming of the individual SSC projects and the justification for the climate ratings will be included in project documentation for the individual SSC projects.</p>
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Theory of change, objectives and results framework

<p>5. Include an additional, Long-term SSC Programme Objective (aligning to the SSC Global Results Framework) to anchor FP accountability for impact level development results at the appropriate level of the results chain, as follows: “To promote a socially just, inclusive and green transition and contribute to sustainable growth and resilient development for people in partner countries through Strategic Sector Cooperation in the areas of water, waste, pollution, and nature-based solutions”</p>	<p>Agree Suggestion inserted in Section 3</p>
<p>6. Describe more explicitly the different nature of the three outcomes in the Results Framework (development / diplomatic / commercial), including the ODA-related implications, and strengthen the linkages between the three outcomes in the Theory of Change to ensure programme effectiveness.</p>	<p>Section 2.5 explains the nature of the outcomes and has been further strengthened. In addition, the Theory of Change (section 4) has been revised significantly to clarify linkages among the three outcomes and their relations to the overall FP programme objectives’ focus on a socially just, inclusive, green transition – as well as ensuring linkage to the FP results framework. Small adjustments in the results framework definitions of outcomes to clarify, for instance, the outcome linked to the private sector’s role.</p>

Programme management, reporting, monitoring and learning

<p>7. During the FP inception phase, define a Monitoring, Evaluation and Learning (MEAL) Plan for presentation to the FP Programme Management Group, to guide agencies in FP level results monitoring based on aggregated project results and to provide clear definitions and indications on when and how Outcome Harvesting will be carried out, reviews and evidence gathered, etc.</p>	<p>Agree Wording in section 4 (Results Framework) has been adjusted to state that a MEAL Plan will be developed during the first months of implementation of the framework programme and presented for approval to PMG. This will include further detailing of the indicators and approach to outcome harvesting.</p>
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8. Field an early Mid-Term Review including project visits that should, among others, assess implementation of the programme monitoring system as well as progress on operationalizing the mainstreaming of poverty orientation and an HRBA approach in the capacity development processes with national authorities.	Agree. Section 9 adjusted to state the MTR in early 2025 will include a focus on implementing the monitoring system/MEAL plan and operationalization of HRBA/poverty reduction.
Budget, financial management and flow of funds	
9. Define the criteria/considerations that will be used by the Strategic Management Group to: Determine funds allocation and re-allocation, determine closure or continuation of the FP and guide selection of new projects and/or countries vs. project continuation.	Agree. Initial criteria inserted in Section 7, and statement included that an operational handbook will be developed including such management criteria/procedures.
Risk management framework	
10. Analyse and assess the institutional risks of the FP and develop mitigating actions.	Agree. Risk management matrix has been further developed and includes institutional risks. Underlined the risk framework will be a management tool for the SMG/PMG.
Sustainability and continuation/exit scenarios	
11. Include a bullet point and corresponding short narrative in Section 5 of the FP to provide future projects with practical guidance on sustainable systems-strengthening capacity development approaches that if adopted could contribute to securing greater outcome sustainability (please see Annex 5 for suggested text).	Section 10 (closure/exit) has been strengthened with text that ensures inclusion of transition strategies describing plans for sustainability in all "phase 3" projects. Also, agree to need for underlining that systems strengthening outcomes should be supported to be designed to be sustainable, which are now summarized in Annex 5 (capacity development).

I hereby confirm that the above-mentioned issues have been addressed properly as part of the appraisal and that the appraisal team has provided the recommendations stated above.

Signed in Silke Mason Westphal on the 29/07/2022

SILKE MASON WESTPHAL

Appraisal Team leader/ELK representative

I hereby confirm that the responsible unit has undertaken the follow-up activities stated above. In cases where recommendations have not been accepted, reasons for this are given either in the table or in the notes enclosed.

Signed in Karin Poulsen on the 6/9-22

Head of Unit/Embassy

KARIN FOULSEN