


















The Danish Energy Transition Initiative (DETI)

<p>Key results: The DETI engagements will target concrete capacity-building interventions in partner countries to nurture cost-effective implementation of the partner country's Nationally Determined Contributions (NDC) and/or preparing measures and frameworks that fosters ambitious and achievable targets for upcoming updates of the NDCs (next time in 2025).</p> <p>The Danish Energy Agency's (DEA) core competencies on energy transition are the thematic focus areas of the existing DEA energy partnerships, where a comparative advantage over most other leading energy authorities persists. These areas are:</p> <ol style="list-style-type: none"> 1. Long-term energy modelling and planning; 2. Enhanced framework conditions for renewable energy; 3. Integration of renewable energy and flexibility of the power sector; 4. Energy efficiency, including district heating. <p>Justification for support: DETI is a new mechanism for providing short-term technical support through the DEA to developing countries facing specific challenges related to the development of their low carbon energy systems.</p> <p>The aim of these targeted, cost-efficient interventions is to increase capacity of the partner institutions and foster low-carbon policies. This way, the DETI can work as a catalyser for longer-term systemic change that will help reduce greenhouse gas emissions and thereby support local sustainable development goals and help fight global climate change.</p> <p>Major risks and challenges: A key assumption of the Theory of Change is that interest for technical assistance is present in developing countries and that decisions makers are willing to receive technical guidance provided by the DETI. This assumption does have an inherent risk of limited interest in short-term assistance, or that decisions makers do not adopt the provided inputs. However, the increasing number and scale of DEA Global Cooperation programmes which are demand-driven by decision makers, and previous inquiries for short-term engagements provide a clear perception that this risk is minor. The active involvement of the Danish embassies will also mitigate these risks.</p>	File No.	2020-40013						
	Country	Various						
	Responsible Unit	GDK						
	Sector	23110 Energy policy and adm. management						
	Partner	Danish Energy Agency (DEA)						
		<i>DKK mill.</i>	2021	2022	2023	2024	2025	Tot.
	Commitment	15						15
	Projected ann. disb.	3	3	3	3	3	3	15
	Duration	5 years						
	Previous grants	-						
	Finance Act code	06.34.01.70						
	Head of unit	Rasmus Abildgaard Kristensen						
	Desk officer	Lisbeth Jespersen						
Reviewed by CFO	Christina Hedegaard Hyttel							
Relevant SDGs <i>[Maximum 1 – 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	Life below water	Life on Land	Peace & Justice	Partnerships				

Strategic objectives:

The programme contributes to provide affordable and sustainable energy for low-income populations in developing countries', building capacity of national government administration and foster higher climate ambitions, while reducing the energy sector's negative health impacts for sensitive groups in the population.

Justification for choice of partner:

The DETI will build upon a strong foundation of Danish expertise in energy transition within energy planning, regulatory framework for renewable energy, integration of renewable energy and energy efficiency. Danish competences within energy is combined with extensive capabilities for government-to-government (G2G) cooperation with partner country governments, and the DEA now has bilateral partnership programmes with 16 countries. Moreover, Denmark has a strong position within international climate diplomacy, where the Danish Government target to reduce 70% greenhouse gas emissions by 2030 compared to 1990 levels is a showcase of the frontier position among the most ambitious climate targets in the world.

Summary:

DETI will respond to a preceding demand from Danish embassies and a range of state authorities in developing countries where DEA is currently not engaged, enquiring short-term technical assistance. The DETI model functions as a catalyst for partnerships between equals. The aim is to increase capacity of the partner institutions and foster low-carbon policies and political decision-making. The model facilitates a government-to-government (G2G) modality of cooperation with peer-to-peer exchange of knowledge and experience, possibly at both policy and technical level.

Budget¹:

DKK mill.

Personnel – DEA	8.6
Reimbursable costs for DEA Staff	1.35
Activities, including capacity development	0.8
Consultancies	3.45
Mid-term review	0.3
Contingencies	0.5
Total	15.0 DKK mill.

¹ Due to the structure of the DETI, there is a need for flexible allocation of budget funds between the four thematic areas. For this reason, the initial overall budget is itemized and not divided into engagements or outputs

The Danish Energy Transition Initiative (DETI)

Danida Concept Note

List of abbreviations

AG – Advisory Group
AMG – Danida Aid Management Guidelines
CHP – Combined heat and power (also known as co-generation)
CREO – China Renewable Energy Outlook
DE – Development Engagement
DEA – Danish Energy Agency
DED – Development Engagement Document
DETI – Danish Energy Transition Initiative
DKK – Danish Kroner
DOC – Drivers of Change
EE – Energy Efficiency
GCF – Green Climate Fund
GDP – Gross domestic product
GHG – Greenhouse gases
GII – Gender Inequality Index
GW – Giga Watt
G2G – Government to Government
HDI – Human Development Index
HRBA – Human Rights Based Approach
IEA – International Energy Agency
IMF – International Monetary Fund
IRENA – International Renewable Energy Agency
MCEU – Danish Ministry of Climate, Energy and Utilities
MFA – Ministry of Foreign Affairs of Denmark
MTR – Mid-term review of DEPP II carried out in spring 2019
NDC – Nationally determined contribution (under the Paris Agreement on Climate Change)
OECD-DAC – Organisation for Economic Co-operation and Development -- Development Assistance Committee
ODA - Official Development Assistance (of OECD-DAC)
PPA - Power purchase agreement
PV - Photo Voltic
RDE – Royal Danish Embassy
RE – Renewable energy
SDG – Sustainable Development Goal
SSC – Strategic Sector Cooperation
TA – Technical Assistance
TOC – Theory of Change
TOR – Terms of Reference
US EIA - U.S. Energy Information Administration

1. Context

1.1 Introduction: Background analysis and relevance

The fight against climate change marks a borderless challenge for the global society with the Paris Agreement at the forefront of this encounter. The core goals of the Paris Agreement provides a basis for a common ground and a view to strengthen the efforts to limit the global temperature rise well below 2 degrees Celsius. Developing countries around the world are the ones who will face the most severe consequences of climate change and the Sustainable Development Goals (SDGs) underlines the need to support a global transformation towards a low carbon pathway with sustainable, resilient and climate-friendly development.

Green energy transition stands at the core of this transformation, as energy production and consumption are the largest emitting sectors globally. Such a transition towards a more sustainable world will have to address the significant challenges related to securing affordable and clean energy for all (SDG7) and climate mitigation action (SDG13). International Energy Agency (IEA) estimates universal access to clean energy to be achievable by 2030, in line with the SDGs, through a strong drive towards electrification of both on- and off-grid. This would transform the lives of hundreds of millions in regions such as Sub-Saharan Africa, East and South Asia as well as the Middle East and North Africa (MENA) region, where an estimated 937.6 million people live without access to electricity today. The Danish strategy for development cooperation and humanitarian action, “The World 2030”, underlines the SDGs as the foundation for Danish development cooperation and humanitarian action. The move towards a clean and climate-friendly energy transition also provides significant co-benefits including job creation across sectors, poverty alleviation, reduction of air pollution and health condition improvements with subsequent health cost savings for governments. In all, this will contribute to overall sustainable socio-economic development.

The concept of the Danish Energy Transition Initiative (DETI)

DETI is a new mechanism for providing short-term technical support through the DEA to developing countries facing specific issues related to the development of their low carbon energy systems.

The aim of these targeted, cost-efficient interventions is to increase capacity of the partner institutions and foster low-carbon policies. This way, the DETI can work as a catalyser for longer-term systemic change that will help reduce greenhouse gas emissions and thereby support local development goals and help fight global climate change.

In a world that is currently trying to respond to the consequences of the COVID19 pandemic, sustainable socio-economic development must be firmly rested as the foundation for economic recovery. The IEA estimates that global CO₂ emissions will drop by 8 % in 2020 and stresses that the design of countries’ economic recovery plans must continue to support this trend by taking advantage of the unique opportunity to boost sustainable growth, creation of new green jobs and put global greenhouse gas emissions into structural decline. According to the IEA/IMF joint Sustainable Recovery Plan¹, this is mainly done through (1) accelerating renewable energy deployment while expanding and modernizing electricity grids; (2) improving energy efficiency in buildings, appliances and industry; (3) make more sustainable production and use of fuels and; (4) increase cleaner transport and boost innovation of crucial technology areas. The Danish Energy Transition Initiative (DETI) corresponds very well to items 1-3 through its thematic areas (which will be presented in detail in section 2).

1.2 Relation to other relevant partners and actors

Climate change mitigation and clean energy development is a priority for many national and international development partners. Among the most important international development partners that are actively engaged on topics related to the thematic areas of the DETI, are the UK/DFID, USAID, GIZ Germany, the EU, UNDP, the

¹ See the full report on “Sustainable Recovery” by IEA and IMF [here](#).

World Bank, and the regional development banks. DETI will ensure full alignment and coordination with other relevant initiatives by performing an initial scoping assessment and ongoing dialogue with the most relevant stakeholders.

1.3 Considerations on Danish strengths and interests

The DETI will build upon a strong foundation of Danish expertise in energy transition within energy planning, regulatory framework for renewable energy, integration of renewable energy and energy efficiency. Danish competences within energy is combined with extensive capabilities for government-to-government (G2G) cooperation with partner country governments, and the DEA now has bilateral partnership programmes with 16 countries. Moreover, Denmark has a strong position within international climate diplomacy, where the Danish Government target to reduce 70% greenhouse gas emissions by 2030 compared to 1990 levels is a showcase of the frontier position among the most ambitious climate targets in the world.

The Danish energy model has demonstrated the importance of using a holistic view on energy systems based on:

- Long-term political energy agreements (often with broad political agreement within parliament) that is used as roadmap for development of energy supply and demand;
- Continuous yearly, decadal and long-term energy planning including models and scenarios; waste-to-energy; power generation system flexibility;
- Integration of high shares of variable renewable energy while maintaining a very high security of electricity supply closely linked to significant cross border connections;
- An inclusive and continuous close public-private cooperation;
- Public engagement and acceptance, general public support for the energy sector transition, and advancement of the Levelized Cost of Energy (LCOE) approach;
- Sound and solid regulation of offshore wind, bioenergy, energy efficiency and a broad and integrated one-stop-shop mandate of DEA to regulate and deliver on the above.

As described in the Danish Climate Act and the Danish development strategy “World 2030”, Denmark has a strong interest in sharing these experiences. Assisting the green transition of developing countries is pivotal, as the expected rise in GHG emissions from developing countries is vast. According to the US Energy Information Administration (USEIA), non-OECD countries will account for 68 % of energy-related CO₂ emissions in 2040 but developing countries are also hit hardest by climate change. It is therefore in the mutual interest to create a sustainable and green transition to avoid the worst effects of climate, unlock the social co-benefits and fulfil the goals of the Paris Agreement. Additionally, this will also increase the international market for clean energy solutions, where the Danish clean-tech sector is already heavily engaged.

2. Presentation of the programme

The DETI model functions as a catalyst for partnerships between equals. The aim is to increase capacity of the partner institutions and foster low-carbon policies and political decision-making. The model facilitates a government-to-government (G2G) modality of cooperation with peer-to-peer exchange of knowledge and experience, possibly at both policy and technical level. The specific cooperation engagement can include policy dialogue promoting low carbon economic development and operational technical support focusing on enabling frameworks, regulations and solutions for RE and EE. The DETI will deliver short-term engagements by the DEA rested upon longer-term involvement by RDE in the given context. It will be implemented through a

framework programme to facilitate concrete short-term engagements based on inquiries from government institutions in developing countries, RDEs or strategic consideration by the Advisory Group (AG)². The scope of the DETI will be focused upon partner countries outside the DEA's existing portfolio³. The DETI will have a 5-year implementation period and a total budget of 15 million DKK. In this way, Denmark can deliver a focused effort with positive effect for the green transition.

In practice, DETI will respond to a preceding demand from RDEs and a range of state authorities in developing countries enquiring short-term technical assistance. The DEA has not been able to address the demand from potential partner countries due to financial and programmatic constraints. This is mainly due to the DEA's long-term partnership model with limited opportunity to engage with new partners. Until now, the only flexible mechanism to address such inquiries have been the commercial revenue covered scheme (also called the "light scheme") that was funded by RDE or commercial actors and only covered a very limited activity (usually 1-2 workshops organized by the RDE). Going forward, unsolicited inquiries are expected to increase due to increased awareness of both Danish climate ambitions and energy expertise as well as an expected rise in climate ambitions of developing countries, which stresses the need for an initiative like the DETI.

Strategic objective of the DETI: *The programme contributes to provide affordable and sustainable energy for low-income populations in developing countries', building capacity of national government administration and foster higher climate ambitions, while reducing the energy sector's negative health impacts for sensitive groups in the population.*

Overall impact of the DETI: *The programme have supported the partner countries in developing and implementing a sustainable and low carbon energy mix in accordance with their NDC targets, which will enable them to upscale NDC targets.*

The impact indicator for the DETI is defined as follows: Share of low carbon energy in the energy mix and/or the implementation and possible upscaling of the NDC reduction targets of the partner countries.⁴

The DETI will be an important tool to secure a comprehensive and aligned approach to Danish climate diplomacy and serve as a tool for RDEs that does not have an existing energy partnership programme between the DEA and national authorities. In this regard, RDEs will be a main driver for the development of DETI engagements, both initially making partner contact, formulating initial scope of engagement, assisting the DEA in implementation and following up after the DEA involvement. It is also important to note that concrete short-term engagements under the DETI will, at all times, be based upon the formulation of outputs with clear indicators in accordance with the Danida Aid Management Guidelines (AMG) and the Guiding Principles of the Danish Climate Envelope that will be approved in AG (annex 11). The outputs and indicators will be fully aligned with

² The Advisory Group (AG) are the strategic decision-making body during the concrete implementation of the present DEPP and INDEP programmes organized by the DEA. The AG is presently under evaluation and will be altered to better respond to all of the DEA programmes under the Danish Climate Envelope. The management from the DEA, MCEU and MFA composes the AG. The exact organizational setup and procedure for the written approval for engagements under the DETI will be finalized jointly by DEA, MCEU and MFA after the approval of the present concept note.

³ The DEA is currently engaged in energy cooperation partnerships with 16 countries: China, Vietnam, Indonesia, India, Turkey, Egypt, Ethiopia, Mexico, South Africa, Ukraine, USA, UK, Germany, the Netherlands, Republic of Korea and Japan.

⁴ The DETI will contribute to a higher share of low carbon energy and/or implementation and possible upscaling of the NDC reduction targets of the chosen partner countries. However, this impact falls within the program's sphere of influence and hence this cannot be accurately estimated as for the DETI engagements as it is impossible to separate from many other initiatives and policies in the chosen partner countries. Moreover, impacts are likely to manifest themselves concretely in the longer term, possibly beyond the completion of the five-year program. Therefore, the impact indicator will need to be assessed both quantitatively and qualitatively on the ability to create strengthened awareness and capacity of decision-makers and experts that will lead to more well-informed decision making contributing to the achievement of the SDG7 and national NDC targets in the chosen partner countries.

the strategic objective and overall outcome of the DETI and will be provided in a result framework as part of the approval document.

The full requirements and assessment criteria for engagement applications are presented in annex 9 and annex 10. Each DETI engagement is expected to be 3-12 months in duration, depending on the demand and assessed potential for impact in the given engagement. In all, the DETI provides the opportunity for combining expertise from the existing DEA long-term partnership programmes with the new DETI flexibility to respond to the short-term demands of RDEs and partners in developing countries. The DEA support under DETI will centre around four thematic outcomes presented below.

Thematic areas of the programme

The DETI engagements will target concrete, capacity-building interventions in partner countries to nurture cost-effective implementation of the partner country's NDC and/or preparing measures and frameworks that fosters ambitious and achievable targets for upcoming updates of the NDCs (next time in 2025). The DEA core competencies on energy transition are the thematic focus areas of the existing DEA energy partnerships, where a comparative advantage over most other leading energy authorities persists. These areas are:

1. *Long-term energy modelling and planning;*
2. *Enhanced framework conditions for renewable energy;*
3. *Integration of renewable energy and flexibility of the power sector;*
4. *Energy efficiency, including district heating.*

All of these thematic areas corresponds very well to measures identified in the IEA/IMF Sustainable Recovery Plan (presented in section 1.1). The four thematic areas are accompanied by examples in annex 1 that specifies past examples of inquiries for DEA support from developing countries, where the DEA has not been able to accommodate the inquiries due to programmatic and financial constraints.

Thematic area 1: Long-term energy modelling and planning

The robust use of power sector analysis and medium- to long-term energy planning has been a key part of the energy sector development in Denmark for the past decades. Using state-of-the-art modelling tools to identify least-cost pathways is essential for developing countries to achieve the SDGs and concrete NDC energy targets. Long-term modelling and planning is a key area of expertise in DEA and an area of great demand by international partners and other stakeholders. A robust and data-driven system for energy planning provide larger public consensus on energy policy decisions and form the basis for monitoring and setting new political targets for RE and increasing NDCs.

Thematic area 2: Enhanced framework conditions for renewable energy

Creating enabling environments for RE is key for the global green transition. RE is now cost-competitive with fossil energy sources under the right framework conditions and a level playing field compared to fossil fuels. Regulatory and financial barriers for RE in developing countries can be reduced by sharing Danish best-practice regarding regulatory frameworks, transparent RE auction schemes and power purchase agreements (PPAs) which all serve to de-risk investments in RE. Danish know-how includes the renowned Danish "one-stop-shop"-model that streamlines the auction and deployment schemes for RE. The DEA expertise focuses on the integrated approach to onshore and offshore wind power development and deployment.

Thematic area 3: Integration of renewable energy and flexibility of the power sector

Increasing shares of RE create a critical demand for cost efficient integration of RE in the power system and overall flexibility of the power system to utilize the RE as substitute for fossil fuels. Without proper integration

and flexibility, countries do not harvest the full economic and climate-related benefits of RE. Wind and solar covers roughly half of the electricity consumption in Denmark and constitutes the highest share of cumulative power generation in the world. The fluctuating production curves of wind and solar demand an optimized power grid handled through a range of regulatory and technical measures. These measures includes a combination of solutions including optimized flexibility, improved forecasting of production, grid codes⁵, interconnectors/strong transmission lines and efficient regulation development and design of power markets. An optimized power grid with capacity for integration of RE must be ensured while maintaining security of supply in order to facilitate high clean energy targets, supporting universal power access in line with SDG7 and increasing NDCs.

Thematic area 4: Energy efficiency, including district heating

According to the IEA, EE should deliver 37 percent of the needed reductions of energy-related CO₂ emissions to reach a sustainable development scenario that achieves the goals of SDG7 and SDG13. EE creates multiple co-benefits through reduced energy use, including economic savings, reduced local air pollution and avoidance of greenhouse gas emissions. In such, cost-efficient EE measures can significantly reduce predicted increases in electricity demand in developing countries and accelerate green energy transition through cost-effective measures that reduces future needed generation and grid capacity. Danish experience includes both EE in heavy production industries and buildings through voluntary agreements in industry on EE, energy requirements for new and existing buildings, renovation strategies, energy taxes etc. Moreover, district heating expertise can be utilized, including on combined heat and power (CHP) (or “co-generation”) that creates utilization of the by-product heat from the electricity generation process in an efficient process.

2.1 Lessons learned and relation to DEA’s current bilateral energy partnerships

The DETI will be based upon the G2G-model for cooperation that has been valuable and highly appreciated by partners under the existing long-term partnerships of the DEA. The G2G cooperation is firmly tested and the expected competency needed for this type of cooperation are in place within the DEA. Moreover, the DETI will expand the demand-responsive approach of the DEA through increasing flexibility to address demand from non-partner countries. Governments within non-partner countries will be provided with an opportunity for having technical expertise provided in situations, where there is a specific requests and potential for impact by sharing Danish experience. Through this, targeted capacity building can take place, where the given government institution needs it. Based on lessons learned from the existing DEA energy partnerships, the G2G modality provides a solid basis for the DETI. Building upon the G2G modality and the DETI, the RDE will be able to enhance Danish climate diplomacy and use DETI engagements as leverage for facilitating increased bilateral cooperation.

The G2G model ensures a trust based collaborative relation between DEA and the partners, further strengthened through the relevant RDE’s continuous contact and dialogue before and after the short-term engagement from DEA under the DETI. The lessons learned from DEA’s Global Cooperation programme with other countries also include to the importance of being very focused on the comparative advantages, which the four thematic areas represents, that Denmark can provide to a short-term partnership in an international and local environment that often has a multitude of actors and competing interests. A relevant source of past lessons is also the MTR of the DEPP (Danish Energy Partnership Programme) that includes cooperation with China, Mexico, South Africa and Vietnam. The MTR showed the high relevance of DEA support for the partner countries’ efforts to realise national policies and targets for GHG reductions and acceleration of green energy transition. It was

⁵ Grid codes are technical specifications, which defines the parameters that a facility connected to a public grid has to meet. This ensures safe, secure and economic efficient functioning of the electric system. As such, grid codes can be understood as common rules and technical standards that are necessary to achieve better market integration and efficient, secure system operation. Contents of a grid code vary depending on the transmission company's requirements.

underlined that the four thematic areas of Danish expertise is highly relevant and successful as focus areas for cooperation.

2.2 Theory of change, assumptions, impact drivers, and risks

The Theory of Change (TOC) follows the idea of knowledge exchange and sharing of Danish experience as a catalyst for energy transition. This provides an intervention logic, where the DETI will utilize DEA's energy expertise and experience to support with technical assistance to build capacity and accelerate the green transition in developing countries. The DETI partner authorities will be supported to achieve in their climate and clean energy targets while maintaining economic growth and securing social co-benefits such as job creation and/or reduced air pollution. As such, energy policies typically includes aspects of social dimensions with numerous impacts, including access to affordable electricity and fuel. The DETI will be supportive of cost-efficient measures and more reliable political decisions that contributes to achieve cheaper and more efficient use of energy. In all, this will support the countries' pursuit of SDG7 and SDG13 and their present NDC targets while working towards more ambitious NDC mitigation targets in the future through the strengthened technical capacity. DETI will support GHG-emission reductions by partner countries as a consequence of strengthened capacities for providing an enabling environment in support of SDG 7, SDG 13 as well current and future NDC targets. Moreover, the DETI engagement will be done with a view to foster maximum synergy with other Danish and foreign development partners through thorough coordination with the RDE, including on existing SSC programmes and multilateral agencies. The complete TOC is illustrated in figure 1 below.

A key assumption of the TOC is that interest for technical assistance is present in developing countries and that decisions makers are willing to receive technical guidance provided by the DETI. This assumption does have an inherent risk of limited interest in short-term assistance, or that decisions makers do not adopt the provided inputs. However, the increasing number and scale of DEA Global Cooperation programmes which are demand-driven by decision makers, and previous inquiries for short-term engagements provide a clear perception that this risk is minor.

The technical assistance from DEA and the mutual knowledge exchange with the partner will be the main driver of change (DOC). The DOC includes three dimensions that will focus on institutional, political and economic development. First, it will strengthen partner institutions capacities to enhance the application of RE and EE in a cost efficient manner, which secondly provides the political opportunity to leap frog to a low carbon development. The increased institutional capacity subsequently leads to a cost-efficient implementation of the present NDCs with the possibility of enhancing NDC targets in the future. The envisioned institutional capacity development does include a risk of non-compliance, as the short-termed DETI engagement may not be sufficient to fully address the institutional capacity needs. However, this risk is mitigated to the largest extent possible through strong and broad partner involvement as well as the RDE's role of carrying the cooperation forward after the finalization of DETI engagements.

The institutional DOC rests on the assumption that policy makers in the partner countries are ready to adopt inputs and suggested recommendations provided by DETI. This assumption does pose a risk towards lacking political commitment to low carbon development as well as limited political and management mandate or ability to implement low carbon policies, plans or strategies. Moreover, there is a risk of lacking knowledge on financial competitiveness of RE and how green transition (incl. social co-benefits) can be achieved. Annex 5 and 9-11 should assess and mitigate these risks to the furthest extend possible. However, it is important to stress that the DETI is less sensitive regarding changes in political commitment as the short-termed time line for engagements inherently provides less time for political change and can be assessed thoroughly before initiating any engagement.

In all, the TOC rests upon the assumption that enhanced capacities of the chosen partner institutions for DETI engagements will enable them to accelerate low carbon development while working within their mandates and field of responsibility. GHG-emissions reductions as well as associated sustainable development achievements such as improved environment, health, job creation and poverty reduction are central and inevitable dimensions of low carbon development, and the accelerated use of renewable energy, enhanced performance of the energy sector and energy efficiency is key to reach these achievements. The sphere of influence of the DETI and the programme's ability to support GHG-emissions reductions and other sustainable development aspects will vary across chosen partners, as it will depend on the concrete mandate of the partner institution.

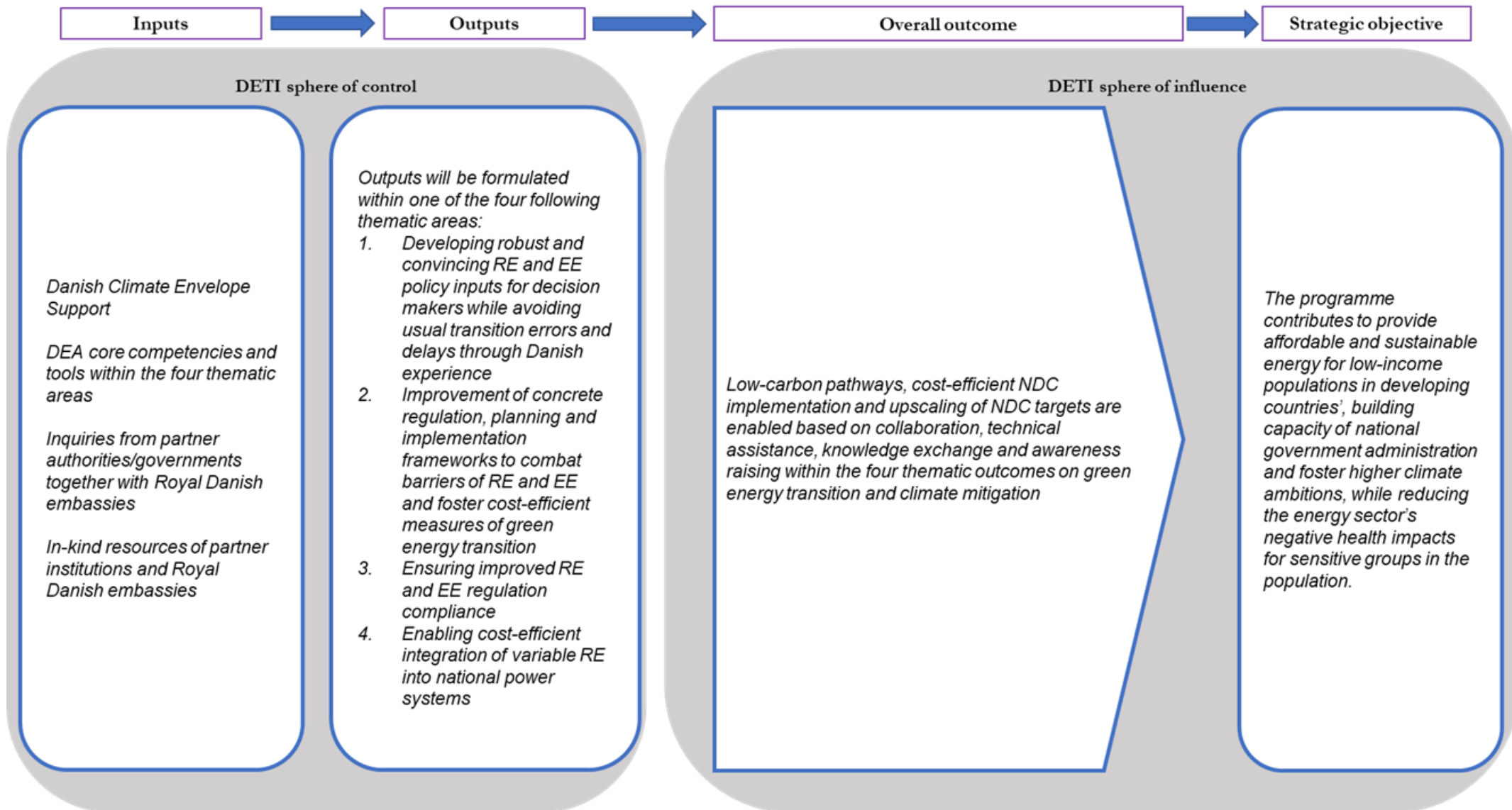


Figure 1: Illustration of the Theory of Change (TOC) for the DETI

2.3 Choice of partners and formulation of DETI engagements

The AG will be the decision-making body for choice of partners and approval of DETI engagements as well as providing guidance on synergies to pursue for the DETI. RDE and partner will submit an inquiry form (annex 9) that the DEA will assess. Based on this, a detailed description of chosen partners will be provided as part of the approval document (annex 11) through written procedure. Annex 2 provides an overview of expected types of partners in different contexts (such as sector ministries, energy agencies, TSOs, sub-national entities, etc.). All short-term engagements under the DETI is expected to have maximum two partners in the given country in order to provide sufficient time for trust based collaboration and to allow for more concrete outputs. New inquiries for DETI engagements will continuously be evaluated by the DEA (using annex 10).

In order for proposed DETI engagement to be taken into initial consideration, they will have to meet the following basic conditions:

1. Compliance with the six OECD-DAC eligibility criteria: The proposed DETI engagements must meet the eligibility criteria of OECD Development Assistance Committee (DAC) to be eligible to receive official development assistance (ODA). This includes that the developing country is listed on the DAC List of ODA Recipients⁶ and that the proposed DETI engagement meet the ODA definition of OECD-DAC⁷, which puts capacity building at the core of all DETI engagements.
2. No conflict with Danish or EU procurement regulation: The DETI engagement must not be subject to tendering. Thus, DETI engagements will only be applied where it is only possible to deliver the engagement through G2G cooperation or where there is a clear advantage in applying the benefits of direct G2G cooperation. If the DEA experiences demand for a service that can be provided by a private actor, the DEA will not be able to initiate the engagement in question.

The basic conditions above are prerequisites for all DETI engagements. Hereinafter, proposed engagements will be initially assessed on based upon three criteria: (1) A clear and documented demand from partners; (2) A match between DEA core competencies and the sought assistance from the potential partner; (3) A clear and identifiable impact. The clear and identifiable impact must be initially identifiable by the DEA in order to be further formulated for a proposed DETI engagement. In addition, priority will be given to engagements perceived to be able to deliver the greatest climate mitigation impact. In addition, the concrete efforts are assessed in relation to relevance for a long-term green transition in the country, assistance to meet SDG7 and SDG13, and capacity building at official level in key institutions for green transition. The aggregated process for the formulation and approval of DETI engagements is summarized in figure 2 below.

Specific output(s) for each DETI engagement will be formulated under only one of the four thematic areas due to time and resource constraints of the specific engagements. The specific output(s) for a DETI engagement will be aligned and contribute to the overall outcome of the DETI. If a DETI engagement is delayed, written approval from the AG is needed for a no-cost extension of the given engagement. If a DETI engagement are extended with an expansion of activities, the DEA will have to submit new outputs with indicators and budget allocation for written approval from AG and subsequently make an addendum to the TOR with the partner(s).

Engagements are implemented through recurring visits, virtual sessions, desk studies and technical exchange between the partner country and Denmark. The associated experts from the DEA are available to the partner country during the engagement period.

⁶ Can be accessed [here](#).

⁷ The comprehensive ODA definition of the OECD-DAC can be found [here](#). Of special relevance is the notion that “Official development assistance flows are defined as those flows to countries and territories on the DAC List of ODA Recipients and to multilateral development institutions which are (ii) each transaction of which (a) as administered with the promotion of the economic development and welfare of developing countries as its main objective.”

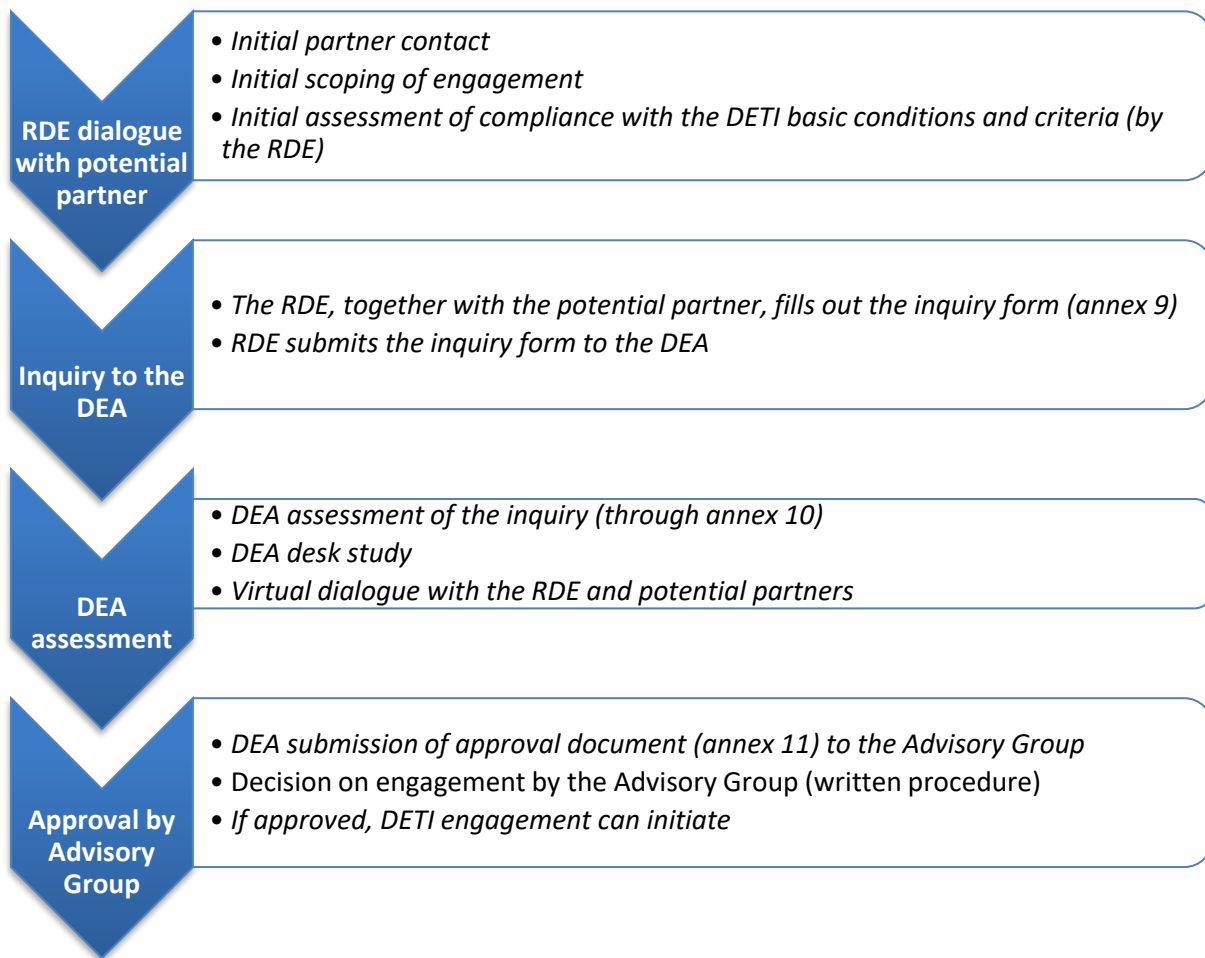


Figure 2: Formulation and approval process for DETI engagements

2.4 Approach to capacity development and technical assistance

Through a united and integrated Danish approach to climate diplomacy, the RDE and DEA will serve as trusted cooperation partners that are equal to partners in the DETI engagement countries. The willingness of partners to accept and incorporate the assistance can only be generated through this trust-based relation between Danish and partner authorities. This knowledge transfer must therefore also be limited to areas of extensive Danish expertise and a competitive advantage over most other development agencies. The four thematic areas is based on the DEA's role as the lead Danish Agency on analyses for energy and climate political decision-making, impact assessments of energy and climate policies and the implementation of energy policies in the areas of energy production, supply and consumption, as well as Danish efforts to reduce carbon emissions.

The DETI will be firmly rested on a comprehensive approach to capacity development that is currently under formulation within the DEA in accordance with the current DEPP III formulation process and the INDEP⁸ inception phase. The DEA approach to capacity development will be applied to the contexts of the DETI with a clear strategic vision and narrative around the TOC. This also include methods and principles to ensure institutionalisation and ownership of the capacity building activities within the partner institutions. In all, this comprehensive approach will enable a strengthened monitoring and documentation ability of capacity building efforts for the DEA within the programmes including the DETI.

⁸ India-Denmark Energy Partnership Programme

3. Cross cutting issues and sustainability issues

The SDG7 stands at the core of the DETI with a focus on affordable, reliable and sustainable energy. SDG 7 is a crucial driver to achieve many of the subsequent SDGs, including poverty eradication (SDG1), improving health (SDG3), education (SDG4), water supply (SDG6), sustainable industrialisation (SDG9) as well as mitigating climate change (SDG13). Energy access is still not a universal commodity but it is estimated to be achievable by 2030 by the IEA⁹. Moreover, it is strongly interconnected to basic human rights such as the right to life, food, health, shelter, education etc. Access to sustainable energy remains a key issue in most developing countries around the globe and climate change will in general have the most severe consequences in the poorest and least developed countries. Through the efforts under SDG7, the DETI can support low-carbon and climate resilient development in these countries to foster a more prosperous future.

DETI will support wider access to sustainable and clean energy and hence, contribute to provision of basic services, a key element of poverty alleviation. Moreover, the DETI will be based on the principles of non-discrimination, participation and inclusion, transparency and accountability as well as the distinction between rights holders and duty bearers as outlined in the MFA development strategy “The World 2030”. Assistance within the DETI engagements will often be supporting policies or legislating instruments, and the DETI will include a HRBA where feasible. The needed data collection and analysis of socio-economic data will be included in order to support policies and legislating instruments that contributes to a just transition towards a low carbon society. The DETI engagements will deliver concrete support and inputs to the partners’ process of policy formulation and the DETI deliverables will stress the importance of extensive consultative processes and tools for policy development such as Strategic Environmental Impact Assessments, public-private engagement, socio-economic and cost benefit analysis and total cost of carbon analysis.

4. Monitoring and reporting

Following the AMGs, monitoring and reporting will be based on the results framework at output and outcome level. At overall programme level, an annual progress report will be prepared and submitted to the Advisory Group in Copenhagen. The annual progress report will summarize the advancement of all on-going and completed engagements as well as follow-up actions by the involved embassies for completed engagements. In addition to overall progress, the Annual Progress Report will include assessment of results, risk monitoring and financial management of the DETI as a whole.

Monitoring of on-going engagements and the expected output’s contribution of the overall outcome and impact of DETI will be reported through annual progress reporting to the Advisory Group using a “traffic-light” system, where:

- “Green” is on-track – implementation progresses as scheduled
- “Yellow” is partly on-track, which needs additional dialogue or actions by the engagement partner, RDE and DEA to get the implementation back on-track
- “Red” is off-track, which needs more severe additional dialogue and actions explanation by engagement partner, RDE and DEA to the implementation back on-track.

At engagement level, the DEA and/or the RDE will prepare end-of-engagement reports at the end of all short-term engagements under the DETI with a clear report, prepared in coordination with the partner, on achievements and documentation of results against the output indicators of the specific engagement and contribution towards the overall outcome of the DETI. All data collected and presented in the end-of-engagement report should, to the extent possible and when relevant, be disaggregated by gender, area, sector, etc.

⁹ IEA, 2019. Sustainable Development Scenario ([link](#))

A mid-term review of the DETI will be conducted as a desk review with a specific focus upon compatibility of impact and outcome indicators for the DETI with a possibility to adjust the programme at mid-term according to assessment of achievements. The MTR will also assess the relevance and applicability of minimum requirements for time with partner. In addition to the MTR, MFA has the right to carry out any technical mission that is considered necessary to monitor the implementation of the DETI. After the termination of the DETI programme, the MFA reserves the right to carry out evaluation.

5. Communication on results

The awareness raising is an important aspect of the climate change mitigation actions and the DETI will be focused on both communicating results in a Danish and partner country context. In Denmark, the target is to communicate the value and effect of the Danish international engagement under DETI. In the partner countries, RDE should be heavily involved and focus on raising awareness in both the public and in government institutions regarding the opportunities and choices going towards a low carbon society with a greener energy system. Communication activities will be carried out for each engagement and an aggregated communication strategy will be prepared and continuously updated for the DETI as a whole, ensuring that the communication initiatives focuses on all relevant levels and in a timely manner. The effective and targeted communication of results and achievements will in general be given high priority and is be further elaborated in Annex 7.

6. Management set-up

The management set-up will be kept as simple and lean as possible. The DETI management set-up will be based on the AG as the strategic steering committee and approval body for decisions on initiation of engagements under DETI. AG will approve all engagements through written procedure before initiation. The DEA will be responsible for the continuous reporting during engagements and the AG will receive reporting after finalization of engagements. The specific short-term engagements could be built upon a Steering Committee at country level, where demanded by partners, co-chaired by the Danish ambassador and a relevant Minister, Vice Minister or high level official from the partner country and supported by the DEA DETI team. This is subject to partner approval for every short-term engagement. Due to the limited time of operation of engagements, the Steering Committees are only perceived to meet at start and finalization of DETI engagements (unless otherwise requested by the parties). If deemed sufficient by the partner, the DETI engagements can also be managed by an initial Letter of Intent from the partner followed by an Implementation Group with the participation of partners, the RDE and the DEA. The Implementation Group reports to high level officials in the partner country.

DEA will be responsible for financial management of the programme and there is no transfer of funds to partners and all partner input are provided in-kind. After approval of a DETI engagement in AG, the partners and DEA will be responsible for drafting a Terms of Reference (TOR) for the DETI engagement as a whole, defining the concrete work plan being carried out under the engagement and be approved by the Steering Committee as formal initiation of the engagement. DEA will be responsible for the day-to-day implementation of support activities together with RDE providing a facilitating role especially for formulation of engagements, high-level liaison and participation in steering committees.

7. Financial management

Funds are made available under the Danish Climate Envelope within MFA and will be transferred to the DEA Global Cooperation Department, who will be responsible for all financial management and reporting on funds for DETI. The financial management procedures are laid down by the Danish Government and the AMG. Since there will be no cash transferred or disbursement of funds directly to the engagement partner, there are no requirements for accounting of funds and financial reporting at engagement level.

Based on the agreed ToR for each engagement, the DEA will develop a budget for international and national consultancy inputs, other costs as well as DEA man-days. The expected budget as well as final expenditure for complemented engagements will be included in the reporting to the AG.

International consultants will be identified through one or more international framework contracts with at least three consultant companies. The framework contracts will be tendered for by DEA under the existing *Framework contract for Consultancy Services to the Danish Energy Agency Energy Country Programs and Projects* and follow Danish procurement rules. International consultant inputs will be drawn from the pool of consultants in the framework contract, based on tasks at hand. Final selection of agreed international external consultants (in any form) will be done in collaboration between the RDE and DEA.

8. Overall budget

The total budget for the 5-year programme is 15 million DKK sourced from the Danish Climate Envelope. Under the DETI, DEA personnel is expected to deliver a range of task including technical assistance, knowledge transfer, capacity building, scoping of activities, coordination and dialogue with partners (and RDE) and approval of DETI engagements in AG. Consultancies will be advocated to specific activities and assignments where needed, but the G2G modality will at all times remain at the core of the DETI engagements. Consultancies will be hired through the consortiums of the existing DEA framework contract. Based upon a set of assumptions, an average man-month of a DETI engagement, including supporting activity costs, is estimated to cost 147.000 DKK. This number should be considered as a rough estimate as the actual expenditures will vary across contexts, types of engagements, technical depth etc. The individual DETI engagements will be a tailored to respond to the needs of the individual DETI partners, which make the budgetary approximation of a unit cost for a month of DETI engagement hard to estimate. The DEA will apply minimum 50% of the time with the partner following the SSC definition of time with partner.

Due to the core structure of the DETI, there is a present need for flexible allocation of budget funds between the four thematic areas, based on approval of DETI engagements in AG. For this reason, the initial overall budget is itemized but not divided into engagements or outputs. However, it will be assured that the annual reports to AG will include annual accounts and financial monitoring in accordance with the AMG. The allocated amount for consultancies is based upon the expected need for both very technical expertise in modelling and integration of renewable energy, the latter largely from the Danish TSO Energinet, as well as the likely need for local consultants that can support the collaboration between the partner, the RDE and DEA.

The overall budget is distributed as follows:

	DKK	% of grand total
Personnel – DEA	8.600.000	57,3 %
Reimbursable costs for DEA Staff	1.350.000	9,0 %
Activities, including Capacity development	800.000	8,3 %
Consultancies	3.450.000	23,0 %
Mid-term review	300.000	2,0 %
Contingencies	500.000	3,3 %
Grand total	15.000.000	100%

Annex 1: Context Analysis

Annex 2: Partners

Annex 3: Overall results framework

Annex 4: Budget details

Annex 5: Risk Management Matrix

Annex 6: List of supplementary materials

Annex 7: Communication Plan

Annex 8: Process Action Plan (PAP)

Annex 9: Inquiry form (to be submitted by potential partner and RDE)

Annex 10: DEA assessment tool for inquiries

Annex 11: Template document for Advisory Group written approval

Annex 1: Context Analysis

1. Overall development challenges, opportunities and risks

Briefly summarise the key conclusions from the analyses consulted and their implications for the programme regarding each of the following points:

General development challenges:

The global green transition and the fight against climate change is the challenge of the 21st century. The Paris Agreement and the Sustainable Development Goals (SDGs) serves as the primary basis for global climate action to spur a transition towards a low carbon pathway with sustainable, resilient and climate-friendly development across the planet. The Intergovernmental Panel on Climate Change (IPCC) have estimated that a two-third chance of keeping global temperature increases below 1.5 degrees demands the world to limit global cumulative GHG emissions below a threshold of 420 Gt CO₂e. This is equivalent to about 10 years of current emission levels, which underlines the need for a comprehensive and global approach to the green transition. Moreover, the IPCC estimated that the power sector must be fully decarbonized by 2050 even to keep warming under 2°C, let alone 1.5°C. This again calls for a focus towards an approach to spur and accelerate transboundary and cooperative green energy transition across the globe to drive the highest possible climate ambitions of all nations.

Developing countries are already experiencing severe challenges derived from climate change, through drought, rising sea levels and unstable rain seasons, while also facing acute problems from increasing fossil fuel combustion such as air pollution in urban communities and wastewater pollution. Building climate resilient prosperity is a matter of capturing the collective co-benefits of the green transition, including poverty eradication, job creation, crop protection, air quality improvement, energy transition and emission reductions. As an example, a series of World Bank case studies in 5 countries¹ and the EU estimated that comprehensive and collective climate mitigation strategies could provide monetized health, agricultural and energy related co-benefits amounting to 1443 billion US dollars by 2030.

Energy transition are continuously recognized as one of the key drivers of climate change across the international science sphere. According to the IPCC, fossil energy CO₂ emissions from combustion amounted to approx. 30 Gt/year, estimated to be roughly 60 percent of the total global GHG emissions (2010-level). Energy transition as a main driver of climate change mitigation delivers the main rationale for providing accelerators of green energy transition in developing countries. Additionally, the social co-benefits provides an opportunity to combine developmental aid with capacity building efforts of energy sectoral transition in order to foster the green transition.

The UNDESA estimates that the population of less developed regions² will grow from approx. 6.44 billion in 2019 to 9.63 billion in 2100. This increase amounts roughly to the total population growth of the world in the same time span (mainly due to population decrease in a number of developed countries). An accelerated sustainable and green transition within developing countries are therefore of urgent need and action are needed across the globe in a flexible and responsive manner that takes local context and the unlocking of social co-benefits into consideration.

The Danish developmental aid approach of “World 2030” combined with the international perspective of the Danish Climate Law paves the way for a comprehensive and whole-of-government approach to fostering climate change mitigation and green energy transition. The partners of the existing 10 Danish energy partnerships with developing countries represents approx. 42 % of global CO₂ emissions worldwide but the

¹ United States, China, India, Mexico and Brazil

² The UN development group noted “Less developed regions” are comprised of all regions of Africa, Asia (except Japan), Latin America, the Caribbean, Melanesia, Micronesia and Polynesia.

accelerating economic development across developing countries provides the opportunity to maximize Danish impact on global green energy transition through a more flexible and responsive mechanism for energy transition assistance to developing countries across the globe.

Development in key economic indicators:

Growth in global CO₂ emissions from fossil fuel combustion has historically correlated with global GDP growth but flattened starting from 2013. The decoupling of economic growth and emissions are seen (albeit slowly) in OECD member countries, while the non-OECD countries by contrast have risen steadily, surpassing OECD country emission levels already in 2005 (and are now almost doubled). In 2019, IMF estimates that the emerging markets and developing economies had a GDP growth rate of 3.7 % (compared to an advanced economy GDP growth rate of 1.7 %). This was lower than anticipated mainly due to the outbreak of COVID-19, which are projected to continue in 2020 with a negative GDP growth projections of -3.0 % for emerging markets and developing economies and -8.0 % for advanced economies. For the first time, all regions of the world are projected to experience negative growth in 2020. Moreover, the International Labour Organization estimates that the global decline in work hours between Q4 2019-Q1 2020 was equivalent to more the 130 million full-time jobs and the decline between Q1 and Q2 2020 are expected to be 300 million full-time jobs.

The below table show a range of key economic indicators for low-and-middle-income economies as defined by the World Bank:³

	GDP total in billions [current US\$]	GDP per capita [current USD]	People living below USD 1.90 a day [% of total population]	Unemployment rate [% of total labour force]
1990	3,653.2	859.2	44.5	...
2000	5,958,3	1188.6	...	5.6
2010	20,535.6	3576.1	18.8	5.4
2015	27,052,6	4415.5	11.9	5.4
2018	31,819.6	5002.0	...	5.5
2019	32,705.8	5080.4	...	5.5

Both GDP and GDP per capita has increased vastly with an almost fivefold increase of GDP per capita since 2000, while the percent of people living below 1.90 USD a day has decreased to 11.9 % in 2015. The unemployment rate has remained almost constant – however it should be taking into account that the annual population growth in the low-and-middle-income countries has been between 1.2-2.0 % across the period of 1900-2019. Employment by sector in 2019 (in % of total employment) was divided between agriculture (32.1 %), industry (23.1 %) and services (44.8 %).

Status and progress in relation to SDGs:

Based upon the Sustainable Development Report 2019, the status and progress in relation to the SDGs differentiates vastly across the developing countries, but there remain significant and/or major challenges across all regions of developing countries. Especially the targets of the SDG7, focusing on providing affordable and clean energy for all, remains a major challenge in Sub-Saharan Africa, East and South Asia, as well as for the MENA region. As of 2016, 937.57 million people was estimated to be without access to electricity and power outages remain an issue in both Latin America, Africa and Asia. An additional challenge is the accessibility of electricity in rural areas, where a range of developing countries still struggle to comply with the SDG7-target. On a positive note, the global renewable energy generation rose with 6 % in 2019 with wind and solar PV technologies as the main drivers. The share of renewables in the global electricity generation reached almost 27 % in 2019 but still need to significant increase to meet the needed global GHG emission reductions and the SDGs.

In continuation of this, major challenges also persists in terms the SDG13-targets on building capacity for climate change mitigation, resilience and adaptation; integrate climate change measure in national policies;

³ The symbol “...” denotes lacking estimates by the World Bank in the given year.

and implementing the UNFCCC and Paris Agreement. National commitments through NDCs and Long-term low greenhouse gas emission development strategies (LTS) are being presented within the UNFCCC regime but with lacking ambition and measures to uphold the Paris Agreement goals at this time. Intensified reduction targets and mitigation measures are needed for national commitments to be in compliance with the Paris Agreement goals. According to the UNDP Gap Report 2019, the present unconditional NDC targets will bring the global emissions in 2030 to approx. 54-60 Gt CO₂e, which is an emission gap of 12-18 Gt CO₂e from a 2.0°C scenario and 29-35 Gt CO₂e from a 1.5°C scenario in 2100.

In all, the status and progress of the SDGs shows an immediate need for intensified climate action and efforts to provide sustainable and affordable energy for all. In this regard, the DETI programme will mainly focus on supporting the following SDGs:

- SDG 7: Affordable and Clean Energy
- SDG 13: Climate Action
- SDG 17: Partnerships for the goals

Subsequently, it is important to note that the DETI programme will have an integral and continuously focus on social co-benefits to support additional SDGs, including SDG1 (on poverty eradication), SDG3 (on improvement of air quality), SDG8 (on sustainable economic growth) and SDG9 (on sustainable industrial development).

Political economy:

National energy policy is usually closely linked to the political economy and energy policy plays a substantial role in social policy, where subsidies for electricity, heating, transportation and/or cooling are used for social balance in society. Moreover, there are often important economic and job generating sub-sectors within energy. This includes RE, EE measures, bioenergy, coal mining, oil extraction, gas fields etc. In a plethora of developing countries, the fossil-based energy sub-sectors are still dominating and source of substantial resources for the political economy but also significant subsidies.

The drivers of change (DoC) for the green energy transition will be of both economic, political, and institutional character while being closely linked. On an economic level, the cost-efficiency of RE and EE deployment provides a window of opportunity for a green energy transition, while keeping a just transition of the work force in mind. Since 2010, the global weighted average levelized costs of electricity (LCOE) from solar PV, onshore and offshore wind projects, bioenergy and geothermal, have all reduced and are approaching the lower range of fossil-fuel-fired power generation costs. In addition, hydropower was already a source of cost-efficient energy generation.

On an institutional level, the institutional logic around energy transition is advancing. This is mitigated through a number of factors, including an intensifying global discourse of climate change urgency, RE cost-efficiency, change in public expectations and external shocks. External shocks are of special interest right now, where the COVID-19 are an unprecedented incident of shock to the global economy, but also a massive window of opportunity for sustainable recovery plans that unifies economic growth and emission reductions (as according to IEA's recent report on a Sustainable Recovery Plan).

On a political level, both the institutional and economic factors plays in the drivers of change. The combination of cost-efficient measures, and the general public and international push for green transition and accelerated climate mitigation, provides the window of opportunity for a political shift away from fossil fuels. This also contain the unlocking of a number of social co-benefits including improved air quality, reduced pollution, job creation in the wake of COVID-19 and the attraction of foreign investments. As mentioned, these often provides the social balance and maintain political support.

The DETI programme would be able to feed positively into all three DOC. By highlighting and providing the ability to identify cost-efficient transition through an institutional capacity building and transfer of knowledge, the political level will get a better foundation for decision-making.

List the key documentation and sources used for the analysis:

- IPCC (2018). Summary for Policymakers. An IPCC Special Report on Global Warming of 1.5 °C.
- World Bank (2014). Climate-Smart Development Adding up the benefits of actions that help build prosperity, end poverty and combat climate change.
- IPCC (2014). Drivers, Trends and Mitigation. In: Climate Change 2014: Mitigation of Climate Change. Contribution of Working Group III to the Fifth Assessment Report.
- IEA (2019). CO2 Emissions from Fuel Combustion 2019.
- IMF (2020). World Economic Outlook Update, June 2020.
- IEA/IMF (2020). Sustainable Recovery – World Energy Outlook Special Report.
- UNEP (2019). Emission Gap Report 2019.
- World Bank (2020). DataBank – World Development Indicators.
- Bertelsmann Stiftung & Sustainable Development Solutions Network (2019). The Sustainable Development Report 2019: Transformations to achieve the Sustainable Development Goals.
- University of Oxford & Global Change Data Lab. (2020). SDG Tracker.
- IRENA (2019). Renewable Power Generation Costs in 2018.

Are additional studies / analytic work needed? How and when will it be done?

A “micro” context analysis of the specific country will be provided as part of annex 9 and subsequently annex 11 for all proposed DETI engagements. These will be as part of the application and approval process as appropriate.

2. Fragility, conflict, migration and resilience

The DETI programme will focus on climate change mitigation and the green energy transition but can be identified to have a positive indirect effect on conflict, migration and resilience issues. As mentioned, energy policy is also social policy with numerous impacts, including access to affordable electricity and fuel. The DETI will be supportive of cost-efficient measures and more reliable political decisions that contributes to achieve cheaper and more efficient use of energy.

In this regard, climate change mitigation and energy transition can be one way to reduce conflict and social issues in poor (and/or remote) contexts, which are vulnerable to climate change. This can also reduce internal migration within developing countries, reduce urbanization pressure and build energy security of supply.

Are additional studies / analytic work needed? How and when will it be done?

No additional studies or analytical work required.

3. Assessment of human rights situation (HRBA) and gender

Briefly summarise the key conclusions and implications for the programme of the analysis of the below points

Human Rights and gender

According to the UNDP, the Human Development Index (HDI) value for the aggregated developing countries have risen from 0.516 in 1990 to 0.686 in 2018 with an average annual HDI growth (in percentage) by 1,02 %. Especially the Sub-Saharan Africa is lacking behind with 32 out of 36 countries in the category of “Low Human Development” being of Sub-Saharan origin. In addition, the Gender Inequality Index (GII) of the aggregated developing countries was 0,466 in 2018, compared to an average of 0,182 in OECD countries (the lower value the better).

Human rights and gender equality remain a key issue of developing countries. While access to affordable, reliable and sustainable energy for all is a SDG (7), this is not a human right in itself. However, given the role of energy as an enabler of human and economic prosperity, it is closely linked with basic rights such as the right to life, food, health, shelter, education, etc. Furthermore, the majority of developing countries are placed in contexts that makes them vulnerable to climate change and with lacking capabilities to overcome this. Sustainable energy and climate change mitigation measures becomes important in securing the basic rights for food and shelter for the population in the longer term.

The number of women employed in the energy sector in developing countries is generally low or moderate, but could however be improved. This will be a focus area under the DETI to give women equal opportunities in relation to the programme and its activities in different contexts. One immediate and general approach is to ensure capacity building among women in partner institutions through courses and study trips.

The program will directly contribute to capacity development within the specific partners of specific DETI short-term engagements. The G2G model, based on knowledge transfer and cooperative measures, will ensure an institutional and HR capacity-building process to foster a green transition for the benefit of all. By providing the basis needed for well-informed and transparent decision making in the energy transition, this will enable decision makers and public authorities to be mindful of the needs and priorities of citizens, companies and society. The human rights principles of participation, accountability, non-discrimination, and transparency will thus be supported and all approvals of engagements will be held up against these principles. Similarly, the particular benefits of the cooperation for both women men and youth will be given careful in the formulation of specific engagements under the DETI.

List the key documentation and sources used for the analysis:

- UNDP (2019). Human Development Report 2019.
- UNDP (2012). Mainstreaming Human Rights in Development Policies and Programming: UNDP Experiences

Are additional studies / analytic work needed? How and when will it be done?

During formulation of specific DETI engagements, explicit focus towards HRBA, gender and youth related issues will be ensured where relevant.

4. Inclusive sustainable growth, climate change and environment

Briefly summarise the key conclusions and implications for the programme of the analysis of the below points:

The DETI programme has climate change mitigation and green energy transition at its core, which have been extensively explicated throughout the concept note. The programme will function through the identification of specific engagements, where a large potential for GHG emission reduction and capacity building can be combined.

Environmental issues are considered part of addressing the enabling framework RE. This includes the proper format for Environmental Impact Assessments (EIA) for offshore wind, sustainability issues on biomass, and the positive environmental spill-over effects from integration of RE such as solar, wind and geothermal, e.g. decreased air pollution from fossil fuel generation due to increased RE deployment.

If this initial assessment shows that further work will be needed during the formulation phase, please list how and when will it be done?

No additional studies or analytical work required as climate change mitigation and sustainable growth will be at the core of all engagements under the DETI.

5. Capacity of public sector, public financial management and corruption

Briefly summarise the key conclusions and implications for the programme of the analysis of the below points:

Capacity of the public sector for policy making, enforcement and service delivery.

During the assessment of possible engagements under the DETI, the DEA will (together with the specific RDE) thoroughly assess and analyse the established structure and the risk of lacking capability of institutional and human resources within possible partner institutions. If the engagement is deemed feasible by the DEA, the assessment will be included in the annex 11.

Capacity building elements will be at the core of the DETI engagements through an extensive list of possible activities, including courses, study trips to Denmark, workshops and continuously day-to-day cooperation between partners and the DEA. Furthermore, limited knowledge on energy planning and in integration of RE at universities in developing countries can also be an issue if there is not sufficient research and education available. Involvement of knowledge institutions such think tanks and universities can be relevant and will be considered as appropriate in the formulation of specific DETI engagements.

Corruption situation

Many developing countries are experiencing continuous challenges with corruption. Across all developing regions (Latin America, Sub-Saharan Africa, MENA, Central Asia and Asia Pacific), the average score are under 45 (out of 100) on the Transparency International’s Corruption Perceptions Index, A thorough contextual evaluation of possible corruption issues shall be done as part of DEA assessments on possible DETI engagements. This evaluation shall be part of annex 11.

List the key documentation and sources used for the analysis:

- Transparency International (2019). Corruption Perceptions Index.

Are additional studies / analytic work needed? How and when will it be done?

As described above, contextual assessments of public sector capacity and possible corruption issues will be part of the RDE input for the inquiry form (annex 9), the DEA assessment of specific DETI engagement (annex 10) and the approval document (annex 11).

6. Matching with Danish strengths and interests, engaging Danish actors, seeking synergy

Briefly summarise the key conclusions and implications for the programme of the analysis of the below points:

Identify:

- where we have the most at stake – interests and values,
- where we can (have) influence through strategic use of positions of strength, expertise and experience, and
- where we see that Denmark can play a role through active partnerships for a common aim/agenda or see the need for Denmark to take lead in pushing an agenda forward.

As described in the concept note and the above sections, developing countries around the world are facing an enormous challenge within energy transition and climate change mitigation. By 2030, the global emission curve must be trending downwards with net-zero emissions by mid-century. In addition, this should be achieved whilst ensuring sustainable economic development and the security of supply.

The Danish government target of being a green leader with a comprehensive climate diplomacy makes the DETI especially impactful as it matches a Danish political interest with a present developmental need in most developing countries.

The impact of the DETI will be created through support to developing countries in the pursuit of the above. The Danish experience and core competencies on energy planning, RE regulation, integration of variable fluctuating RE and EE can demonstrate the opportunities to leapfrog towards a low carbon transition pathway.

The DETI programme will use the G2G modality and peer-to-peer exchange to facilitate trust based partnership cooperation that potentially could have

	<p>large strategic impacts on energy transition in specific developing countries. While acknowledging that there is no “one-size fits all” for energy systems in different countries and in different contexts, the DEA can provide full access to all lessons learned from the last 45 years of energy transition in Denmark – combined with capacity development of key personnel within the core competencies mentioned above.</p>
<p>Brief mapping of areas where there is potential for increased commercial engagement, trade relations and investment as well as involvement of Danish local and central authorities, civil society organisations and academia.</p>	<p>The DETI programme will potentially pave the way for an increased interest within high quality RE and EE technology. From a Danish commercial perspective, this could include the wind sector, the biomass boiler producers, EE components, and energy consulting companies with expertise within RE in general. The continuous inclusion of the RDE also provides the opportunity for close coordination with TC interests/synergies.</p>
<p>Assessment of the donor landscape and coordination, and opportunities for Denmark to deliver results through partners including through multilaterals and EU;</p>	<p>There is a lot of players in the energy donor field in developing countries and the RDEs will have a key task to map the donor landscape within the specific proposed engagement area when applying for a DETI engagement (included in the inquiry form in annex 9).</p> <p>It is the aim to secure no initiating of parallel or even opposing programs but identify possible synergies. Apart from the general donor coordination, Denmark has more thorough coordination with local programs from IEA and IRENA where Denmark has founded specific programs around the globe. To the extent possible, DETI will seek synergy and complementarity with on-going multilateral programmes in the partner country, in particular initiatives funded by Denmark.</p>
<p>List the key documentation and sources used for the analysis: Same as above and DEA on the Danish Energy Model</p>	
<p>Are additional studies / analytic work needed? How and when will it be done? Specific donor mapping is obligatory as part of inquiries/assessments (annex 9-10) for DETI engagements.</p>	

7. Stakeholder analysis

Briefly summarise the key conclusions and implications for the programme of the analysis of the below points:

Annex 2 provides an overview of main categories of potential partners. a specific partner and stakeholder analysis will be done in the formulation of DETI engagements.

However, below is listed a number of examples of partner inquiries for short-term engagements with DEA and who the partners and stakeholders would be in these instances. The examples are based on previous instances, where the DEA have received an inquiry about cooperation from either a government institution

in a developing countries or an RDE, which possibly could have been answered through a DETI engagement.

Thailand: Cooperation on integration of renewable energy and energy planning

The DEA has previously held two study tours to Denmark for the Thai electricity authority (EGAT) with a high level of interest and request for Danish experience and expertise within power system flexibility and the effective integration of RE. In addition, the RDE in Thailand and Vestas are already participating in a working group with EGAT on this and have expressed interest in a DEA engagement. Moreover, the Energy Policy and Planning Office within EGAT, responsible for the national “Power Development Plan (PDP)” of Thailand, have asked for support on the upcoming update of the PDP.

A specific DETI engagement in this regard could take its point of departure on sharing Levelized Cost of Electricity (LCOE) trends and the supporting policy and market measures to use in order to facilitate the deployment of RE in the energy mix. This could be further supported with cooperation and capacity building on energy planning for the upcoming revision of the Thai PDP. Specific outputs would have to be investigated further with EGAT and RDE but improved power demand and load forecasting, improved RE technology data and efficient integration of RE could be the focus points of a DETI engagement.

Brazil: Cooperation on improved framework conditions for offshore wind

The DEA has, through the RDE in Brazil, received an inquiry from the Brazilian Ministry of Science and Technology (MOST), who wishes to uncover the technical, commercial and regulatory options for offshore wind in Brazil. A huge spike in growth of onshore wind energy is already happening in Brazil, and as offshore technology has become increasingly cheaper, the sector is now considered ready for development from a governmental perspective.

A specific DETI engagement in this regard could focus on the regulatory options for improving and prepare the framework conditions for offshore wind in Brazil. More dialogue with the RDE and MOST would be needed in order to specify the specific outputs to deliver on. However, an initial idea could be to focus on sharing Danish experience with the one-stop-shop-model, where the DEA serves as the sole entry point for regulatory matters for developers and investors to lower risk and facilitate investments. Moreover, the Danish expertise on tender design, maritime spatial planning and site screening for offshore wind could be shared to build capacity within MOST.

Pakistan: Cooperation on power plant flexibility and integration of RE

The RDE in Islamabad have previously initiated and hosted high-level meetings between the DEA/Energinet, the Pakistani Ministry of Power and the Alternative Energy Development Board (AEDB) on Danish experiences in energy transition. This has been funded through the commercial revenue covered scheme (also called the “light scheme”) that limits the possibility of further collaboration despite clear Pakistani interest. The Ministry of Power has formed a task force to formulate the new national energy plan. It is the intention that all new electricity production should be covered by RE. Moreover, the AEDB is an influential and central authority with responsibility for development and promotion of RE.

Based on previously expressed partner interest, a DETI engagement could focus on increased power plant flexibility to pave the way for an increased integration of RE. Moreover, there is a specific interest in upgrading the Pakistani grid codes, which could have a significant effect on the technical and economical boundaries for integration of RE.

Tanzania: Cooperation on regulation and framework conditions for onshore wind

The RDE in Dar es Salaam have previously been engaged with the Tanzanian Energy Minister regarding wind energy, among other because of the Lake Tukan Project in Kenya. In 2016, Vestas and the RDE initiated an engagement in two tracks; (1) Dialogue with the Energy Ministry, other authorities and TANESCO

(Tanzanian generator, transmitter and distributor of electricity) and (2) setting up wind measurement equipment outside Dodoma City and planning of the first wind parks in Tanzania. Under the first track, the DEA and Energinet have previously contributed with expertise at the Danish-Tanzanian Wind Energy Conference (held in 2018 in Dar es Salaam). This was funded by the RDE through the commercial revenue covered scheme (also called the “light scheme”). However, the RDE have experienced a much larger interest for technical assistance than can be provided hereof and especially the Tanzanian government authorities are perceived to could benefit from an intensified engagement.

Based on this previous engagement from the RDE and the DEA, a DETI engagement could focus on improved regulation and framework conditions for wind projects in Tanzania and contribute to RE deployment as part of the government target of installed power capacity to at least 10,000 MW by 2025. Moreover, the electricity connectivity are to reach 75% of Tanzanians by 2035, which creates a large increase in energy demand in the coming years that could be responded to through wind power amongst other RE technologies.

Are additional studies / analytic work needed? How and when will it be done?

A stakeholder/partner analysis is part of the inquiry form (annex 9). Moreover, the examples presented above could all be further examined for possible DETI engagement.

Annex 2: Partners

Summary of stakeholder analysis

The present document will identify the main categories of expected partners under the DETI..

Criteria for selecting programme partners

The DETI will select its partners based on the inquiries and DEA assessment in close cooperation with relevant RDEs. The selection of partners will be part of annex 11. In general, the primary partners will be government institution and will need to directly work one or more of the following:

- Mitigation of climate change
- Energy related activities
- Energy and climate policy making
- Low carbon pathways for society
- Providing inputs to and influence various mid- and/or long-term strategies and plans, including development of input to update the NDC
- Producing or using energy scenario planning and modelling to be basis of decision making

Brief presentation of partners

The main categories of partner institutions for the DETI is expected to be the following:

- Federal, state and line ministries with responsibilities within energy, climate change and low carbon development
- Government authorities within the energy and climate sector, such as energy agencies, regulators, energy efficiency commissions etc.
- Transmission System Operators (TSO)
- Government technical and scientific research institute with clear mandate to carry out research and formulate inputs for government policies within the energy and climate change sector.
- Municipalities and other sub-national entities where is a clear anchoring to national government institutions and relevance for national policy objective regarding green energy transition.

Ministries with responsibilities within energy, climate change and low carbon development

Cooperation with line ministries will provide the opportunity to closely link technical assistance and capacity building to actual policy formulation and implementation. Line ministries are the primary mandate holder of policy, planning and regulation formulation and implementation, and the technical guidance and evaluation would feed directly into this process. In addition, this could foster a high-level attention and commitment to a DETI engagement.

Government authorities such as agencies, regulators, commissions etc.

The technical assistance in areas such as integration of RE and energy planning will often be most relevant within the agencies, regulators and commissions that has been given the mandate to regulate and manage the technical areas and provide inputs and assessments for policy formulation and decision making.

Transmission System Operators (TSO)

A TSO is an operator that transmits electrical power from generation plants over the electrical grid to regional or local electricity distribution operators. The national TSO (in Denmark Energinet) will be of specific interest

and value as a partner in countries, where an engagement is focused on the grid and power markets to foster an accelerated integration of RE.

Government technical and scientific research institutes:

In a number of existing DEA partner countries, a significant mandate to analyse, evaluate and propose inputs as basis for political decision-making have been given to government owned research institute. These can be of great value as partners in order to secure solid and evidence based basis for political decision-making.

Municipalities and other sub-national entities:

Sub-national level entities, including municipalities, often play a key role in the execution of national policies and objectives in the context of low carbon development. Also, sub-national decision makers often have the mandate to initiate investments and other direct actions in support of RE and EE which makes them relevant for DETI. However, as DETI operates within government-to-government framework, it is vital to ensure an overall national anchoring and relevance if engagements are initiated at sub-national level.

Summary of key partner features

Partner name	Core business	Importance	Influence	Contribution	Capacity	Exit strategy
Federal, state and line ministries	Responsible for energy and climate policy in its broadest sense. The key government entity within the energy and climate sector for formulation, decision-making on policies, regulatory frameworks and legislation, and to oversee their implementation	To be assessed in specific DETI engagements	To be assessed in specific DETI engagements	Time and resource allocation towards collaboration and access to provide inputs for government policy and regulation. Could also provide direct access to policy formulators and decision makers, including high-level awareness and commitment to a DETI engagement.	The specific SWOT capacity assessment will be made under the specific DETI engagements. In general, it must be ensured that line ministries have the appropriate technical capacity if deemed feasible as partner.	It should be made very clear during the formulation and DETI engagement that it is a short-term cooperation and that there is no special requirements after finalization.
Government agencies, regulators, commissions etc.	Specified demarcated mandates for formulation and implementation of policies and regulation.	Same as above	Same as above	Time and resource allocation towards collaboration and access to provide inputs for government policy and regulation. The peer-to-peer cooperation between regulators can be of specific relevance to exchange knowledge transfer.	The specific SWOT capacity assessment will be made under the specific DETI engagements. In general, it must be assessed what specific mandate(s) the organization is provided with.	Same as above
TSOs	National operator and developer of the transmission systems for electricity and natural gas.	Same as above	Same as above	Time and resource allocation towards collaboration and access to provide inputs for government policy and regulation. Could provide detailed and technical access in order to assess possibilities of accelerated integration of RE and support of a more flexible energy market.	The specific SWOT capacity assessment will be made under the specific DETI engagements. In general, it is important to be aware of the level of technical expertise of the TSO and if a mandate is given for international cooperation.	Same as above

Government technical and scientific research institutes	Technical, scientific and advisory for development of energy and/or climate change policy	Same as above	Same as above	Time and resource allocation towards collaboration and access to provide inputs for government policy and regulation.	<p>The specific SWOT capacity assessment will be made under the specific DETI engagements.</p> <p>In general, it is important to assess the given mandate and the historical tendency to use inputs from the given research facility.</p>	Same as above
Municipalities and other sub-national entities	Often responsible for implementation and execution of national policy objective on low carbon development.	Same as above	Same as above	<p>Time and resource allocation towards collaboration and access to provide inputs for policy development and regulation at sub-national level.</p> <p>Could provide detailed and technical access in order to assess possibilities of accelerated integration of RE and support of a more flexible energy market.</p>	<p>The specific SWOT capacity assessment will be made under the specific DETI engagements.</p> <p>In general, it must be ensured that sub-national entity has the appropriate technical capacity if deemed feasible as partner.</p>	Same as above

Annex 3 - Results framework

Thematic Programme		The Danish Energy Transition Initiative (DETI)	
Thematic Programme Objective		<p>The programme contributes to provide affordable and sustainable energy for low-income populations in developing countries', building capacity of national government administration and foster higher climate ambitions.</p> <p>The programme will create a holistic and responsive approach to the needs of support for the green energy transition in developing countries. The programme will focus on four thematic areas of core Danish competencies: (1) Long-term energy modelling and planning; (2) Enhanced framework conditions for renewable energy; (3) Integration of renewable energy and flexibility of the power sector and; (4) Energy efficiency, including district heating.</p>	
Impact		The programme have supported the chosen partner countries in developing and implementing a sustainable and low carbon energy mix in accordance with their NDC targets, which will enable them to upscale NDC targets.	
Impact Indicator		Share of low carbon energy in the energy mix and/or the implementation and possible up-scaling of the NDC reduction targets of the chosen partner countries.[combined quantitative and qualitative analysis]	
Overall outcome of the DETI		Through DETI engagements, low-carbon pathways, cost-efficient NDC implementation and upscaling of NDC targets are enabled based on collaboration, technical assistance, exchange of information and awareness raising within the four thematic areas on green energy transition and climate mitigation. ⁴	
Outcome indicator		Engagements where DETI has assisted chosen partners in increasing capacity for implementing a sustainable and low carbon energy mix in accordance with their NDC targets and enabling them to upscale NDC targets.	
Baseline	Year	2020	No countries has been supported through the short-term engagements of the DETI.
Target	Year	2025	DETI engagements have assisted the chosen partner countries in increasing capacity for development and implementation of sustainable and low carbon energy mix in accordance with their NDC targets and enabled the upscaling of NDC targets. The number of engagements implemented will be determined by partner interests as well as duration and costs for each engagement.

It is important to note that this result framework will serve as the frame for the entirety of the DETI programme. However, the concrete formulation of engagement output(s) for all term engagements under DETI will developed in a separate and engagement specific results framework that shall be fully aligned with the strategic and thematic programme objectives above and the overall outcome of the DETI. The engagement output(s) will be provided in a result framework template, following the AMG guidelines, as part of annex 11. The full requirements and assessment criteria for engagement applications will be presented in annex 9 and annex 10.

Aligned with the key principles of the Danish Climate Envelop, GHG emissions reductions will be achieved by partner countries as a consequence of the expected impact from DETI i.e. higher share of sustainable and low carbon 3 energy mix in accordance with current and future NDC targets

⁴ The DETI will contribute to a higher share of low carbon energy and/or implementation and possible upscaling of the NDC reduction targets of the chosen partner countries. However, this contribution will be done through increasing capacity of engagement partners based on collaboration, technical assistance, exchange of information and awareness raising. Moreover, DETI engagements will take place within a context with many other initiatives and policies in the chosen partner countries as it is impossible to separate from many other initiatives and policies in the chosen partner countries. Therefore, the contributions must be assessed qualitatively on the ability to create strengthened awareness and capacity of decision-makers and experts that will lead to more well-informed decision making contributing to the achievement of the SDG7 and national NDC targets in the chosen partner countries.

Annex 4 – Budget details

As presented in the concept note, the DETI will be a framework programme to facilitate the formulation of concrete short-term engagements based on inquiries from government institutions in developing countries, RDEs or strategic consideration by the AG. Due to this core structure of the DETI, there is a need for flexible allocation of budget funds between the four thematic areas and for this reason, the initial overall budget is itemized but not divided into engagements or outputs. However, it will be assured that the annual reports to AG will include annual accounts and financial monitoring in accordance with the AMG.

(all figures are in DKK)

	2021	2022	2023	2024	2025	Total	% of total
Personnel – DEA	1.720.000	1.720.000	1.720.000	1.720.000	1.720.000	8.600.000	57,3 %
Reimbursable costs for DEA Staff	270.000	270.000	270.000	270.000	270.000	1.350.000	9,0 %
Activities, including capacity development	160.000	160.000	160.000	160.000	160.000	800.000	8,3 %
Consultancies	690.000	690.000	690.000	690.000	690.000	3.450.000	23,0 %
Mid-term review			300.000			300.000	2,0 %
Contingencies	100.000	100.000	100.000	100.000	100.000	500.000	3,3 %
Grand total	3.000.000	3.000.000	3.000.000	3.000.000	3.000.000	15.000.000	100%

Annex 5: Risk Management Matrix⁵

Contextual risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Government will introduce policies that change development priorities	Unlikely	Major	Most of the thematic areas of the DETI remain relevant under any feasible development scenario due to the cost-effectiveness. Moreover, engagements will be short-termed and not as depended on long-term development priorities.	Minor	Political changes in many developing countries can be abrupt and with significant change in staffing of government institutions as well. However, the short-term nature of DETI engagements limits the risk of this significantly.
Social acceptance of RE deployment.	Likely	Medium	Increased public awareness and information sharing of socio-economic benefits of RE. Moreover, the cooperation partner will be of governmental administration why public social acceptance will be less impactful.	Minor	Social factors can influence acceptance of RE/climate-friendly technologies and affect government priorities. Important factors to mitigate this are the level of awareness of climate change; trust in the decision-making process, inclusiveness/fairness of the decision-making process; the transparent evaluation of benefits, risks and costs.
COVID-19 pandemic may result in reduced ambitions for sustainable energy.	Likely	Major	Energy sector remains important, RE technologies will become increasing cheaper and the large potentials of RE resources remain. Cost-effective development will be a main argument for continuation in this situation.	Medium	The IISD Energy Policy Tracker ⁶ presently shows tendency towards fossil fuel in COVID-19 Recovery Packages. The energy sector could however be central for a fast and green recovery from COVID-19. The crisis could however also be a motivation for a kick-start based on fossil fuel investments. It is for the time being unpredictable exactly how the different developing countries will approach this.

Programmatic risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Lack of inquiries for short-term engagements from developing countries and RDEs	Very unlikely	Major	Increase awareness of the DETI to RDEs and ask AG for strategic advice on where to initiate dialogue on possible engagements	Minor	The flexible structure of the DETI does provide the risk of lacking interest from potential partners and RDEs. However, the DEA have continuously experienced interest and the programme provides the opportunity for AG to advice for certain engagements if partners are interested.
Termination of specific engagements from partner organisations	Unlikely	Major	DEA and RDE will set realistic milestones and timelines and engage with implementing	Minor	The interest to engage in collaboration must be clearly expressed as part of the inquiry before engaging in a

⁵ A context specific Risk Management Matrix will be part of annex 11 to be delivered for approval of all engagements at AG.,

⁶ The IISD Energy Policy Tracker can be located [here](#) with introducing article [here](#).

			partners focusing on timely planning.		DETI activity. Moreover, partner organisation will be actively engaged in the formulation.
Lack of understanding of the short-term engagement format by partner organisations	Likely	Medium	DEA and RDE must be vocal about the provisional and short-termed format focused on very specific outputs.	Minor	As part of the formulation of a given DETI engagement, the understanding of the short-termed character will be continuously explained in order to avoid confusion with long-term partnerships.
Lack of capacity and ownership to the cooperation from partners	Medium	Major	The capacity of partners must be thoroughly assessed by DEA/RDE	Medium	Partner commitment is inherent to consider an engagement. Partner capacity must be assessed thoroughly in the formulation of specific DETI engagements.
Lack of willingness to share the available data can affect the quality of the technical assistance provided.	Likely	Major	The risk is reduced through the trust building of the G2G modality and the existing RDE relation and the joint TOR between DEA and partners. Further the link between the requested capacity building and data for the agreed activities should be linked in formulation documents prepared between the partner organisation, RDE and DEA.	Medium	Efficient capacity building in energy planning and modelling requires detailed information and data from especially the power sector.
Overlap of activities with other developmental agencies in the sector	Unlikely	Medium	Most RDEs should be doing donor coordination and the donor mapping is part of the RDE responsibility in the inquiry phase to avoid this issue..	Minor	Many development agencies are seeking to cooperate in the energy sector. Generally, there are more needs for support in developing countries than can be provided by the donors in total. However, coordinated distribution of support should be ensured to avoid duplication and overloading.

Institutional risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Lack of continuity of personnel in key positions in partner organisations	Likely	Medium	A solid energy sector administration is central for conducting sector regulation. Partners must be actively involved and reserve resources for the activities of capacity building. This includes a strong commitment from partners in the formulation and TOR process for specific DETI engagements.	Minor	The partnership is based on the assumption that it is a mutual cooperation where resources for knowledge transfer is available. Must continuously stress the importance of solid energy sector administration and allocation of resources.
The programme could fail to deliver its outcomes, which will reflect negatively on partners,	Unlikely	Major	The theory of change and results framework indicators will be designed with realistic and measurable targets.	Minor	This programme is strategic and in DETI engagements will be designed to be of major importance to the partners.

DEA, MCEU, and the MFA.					
Unrealistic expectations of opportunities for Danish commercial interests related to the cooperation	Unlikely	Minor	Partners will be made aware of Danish private sectors strengths and the potential benefits here from. The RDE will play a pivotal role in keeping the commercial sector informed and, where appropriate, engaged to help remove barriers, i.e. for investments in RE.	Minor	The combination of strong Danish competencies in RE, EE and climate change mitigation measures, and the vast expected increase in developing country deployment of this, give rise to commercial opportunities.
Partners external to DEA could engage in fraud, corruption or human rights violations under programme activities	Unlikely	Major	The DETI will follow the DEA financial procedures and risk of direct corruption is considered unlikely. Screening for possible HR or environmental issues with DETI engagement is part of the formulation phase for all engagements.	Minor	All DETI engagements will be centred on peer skills transfer and institutional capacity development. Since the budget is in control of the DEA, mainly allocated to technical assistance from DK, with only limited funds to be spent in counties, the impact and possibility of corruption will be insignificant.

Annex 6 – List of supplementary materials

#	Document / Material	Source
1	Internal strategy for the international bilateral energy partnership cooperations, February 2020	MCEU & DEA
2	Notat om differentieret indsatsmodel	DEA
3	Notat om Globale katalysatorindsatser for grøn omstilling	MFA & DEA

Annex 7 – Communication Plan

DEA has developed a crosscutting communication and media strategy for all Global Cooperation activities and a DETI specific communication strategy will be developed once final approval of the programme is done. The general communication strategy involves a set of success stories and fact sheets to ensure the possibility of make swift news- and social media stories (SoMe). This is developed with inputs from RDEs to ensure the diplomatic agenda. The communications strategy is a living documents there will be developed continually.

What? (the message)	When? (the timing)	How? (the mechanism)	Audience(s)	Responsible
<p>As part of the DEA communication strategy major messages and stories will be identified in cooperations with RDEs. Major results like:</p> <ul style="list-style-type: none"> • Initiation of DETI engagements • Launching of results such as Energy Outlook • New regulation • Wind power developments • High level meetings • Capacity building stories <p>Along with linkage from already done projects to the current media agenda.</p>	<p>The messages should be communicated instantly when an event have happened. SoMe gives room for smaller quick stories when events appear.</p>	<p>For local news, it is essential to have a local employers at RDEs to ensure adaptation in local media both cultural and language wise.</p> <p>Stories will also be shared by our partners through their news channels as deemed appropriate by the partner.</p>	<p>Dependent on the story/message different audience is of relevance. In general, local developers and decision makers will be of great importance. Moreover, the general public of a given country can be a target audience for more broad communication of results etc.</p> <p>In Denmark, it is mainly people and companies within the energy policy and commercial sector.</p>	<p>DEA DETI team together with RDEs and DEA communication team.</p>

Annex 8 - Process Action Plan (PAP)

Deadline	Aktivitiy/product	Responsible
31-08-2020	First draft of concept note is prepared	DEA/GR
15-09-2020	Comments and input on the draft concept note is provided to the DEA	MFA/GDI+MCEU/CGCA
30-09-2020	Revising concept note based on the comments and inputs provided by MFA and MCEU.	DEA/GR
20-10-2020	Concept note is published for public hearing on MFA website.	MFA/GDI
15-10-2020	Public hearing is finalized	MFA/GDI
30-10-2020	Concept note is adjusted based on consultation responses (if any)	DEA/GR
01-11-2020	Concept note is sent to the Programme Committee	DEA/GR
30-11-2020	Programme Document is drafted based on concept note and Programme Committee feedback	DEA/GR+MFA/GDI
15-12-2020	Programme Document sent for appraisal	MFA/GDI+MCEU/CGCA
10-01-2021	Appraisal report with recommendations	MFA/GDI
30-01-2021	Follow-up actions based on appraisal report	DEA/GR
01-02-2021	Appropriation of programme through presentation to the Minister for Development Cooperation	MFA/GDI

Annex 9: Inquiry form (to be submitted by potential partner and RDE)

This inquiry form shall form the basis for a formal inquiry for technical assistance and cooperation with the Danish Energy Agency under the Danish Energy Transition Initiative (DETI). The purpose is to provide the opportunity for a holistic approach to fostering sustainable energy transition and climate change mitigation through the Danish experience and expertise in energy transition and government-to-government cooperation. The inquiry form should be no more than five pages in total.

Overall presentation:

Name of engagement	<i>[List the name of the envisioned cooperation engagement]</i>
Thematic area of focus	Check one or more of the expected areas of cooperation below: <input type="checkbox"/> Long-term energy modelling and planning <input type="checkbox"/> Framework conditions for renewable energy <input type="checkbox"/> Integration of renewable energy and flexibility of the power sector <input type="checkbox"/> Energy efficiency
Elaboration of the proposed activities for engagement	<i>[Describe the proposed activities to be carried out by the DEA and partners together. Maximum of 350 words].</i>
Expected outcome(s) from the cooperation	<i>[Describe the specific outcome of the cooperation, e.g. an Energy Outlook report, offshore wind regulation, updating of grid code regulation, energy efficiency scheme etc.]</i>
Collaboration partners	<i>[List the collaboration partners for the given engagement, accompanied by a brief presentation of institutional structure and relevant departments to cooperate with]</i>
Contextual presentation	<i>[Describe present political targets in the energy sector, development prospects and progress in relation to the Sustainable Development Goals and the national NDC target relevant to the proposed cooperation engagement. Maximum of 250 words]</i>
Existing development cooperation	<i>[Provide an overview of the existing development cooperation within the thematic area of proposed engagement by the DEA and other areas as relevant].</i>
Duration and deadline (if any)	<i>[Describe the proposed duration of the DETI engagement, including if there are important national policy and/or implementation deadlines that is of relevance to the proposed engagements.</i>

Capacity and stakeholder analysis (to be prepared only by the RDE)

Capacity of public sector in general	<i>[Describe previous experience with the general capacity of the public sector when cooperating. Maximum of 250 words]</i>
Expected capacity of potential partner	<i>[Describe previous experience (if any) on cooperation with the submitting country partner institution and/or the expected capacity of the potential partner for the present engagement inquiry].</i>
Stakeholder analysis	<i>[Define the key stakeholders for the engagement proposal and their main interests, contributions to the engagement and if the stakeholder can be considered a homogenous group (or there are divisions within the structure). Describe the stakeholder's communication, coordination and cooperation approaches].</i>
Human rights situation (HRBA) and gender	<i>[Assess the current human rights situation and gender perspectives within the country and the possible contribution from the proposed DETI engagement].</i>

Risk analysis (to be prepared only by the RDE):

[Please list the contextual and programme specific risks for a DETI engagement based on the table below]

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
The risk is formulated as a headline or in one or two sentences	- Very unlikely - Unlikely - Likely - Almost certain	- Insignificant - Minor - Major - Significant	The risk response is formulated as a headline or in one or two sentences	The risk that remains after the identified risk response.	Brief explanation which can emphasize the risk factor itself or any of the other elements in terms of rating and responding to the risk

Annex 10: DEA assessment tool for inquiries

The DEA assessment of inquiries from potential partners and RDEs will be done based on three elements:

1. Initial assessment of compliance with the basic conditions and criteria, presented in section 2.3 of the concept note
2. Assessment and desk study by the DEA based on the annex 9 submission, dialogue with RDE and existing knowledge and data within the DEA and
3. Virtual meeting with the RDE.

If a DETI engagement is deemed feasible and appropriate based upon this assessment, the DEA will prepare the approval document (presented in annex 11) through a continuous dialogue with the partner and RDE.

1. Initial assessment of compliance with three fundamental requirements

As described in section 2.3 of the DETI concept note, all proposed DETI engagement must initially be in compliance with the two basic conditions:

1. **Eligibility with OECD-DAC criteria:**
 - a. Is the country listed on the DAC List of ODA Recipients⁷?
 - b. Is the proposed DETI engagement in compliance with the ODA definition of OECD-DAC⁸?
2. **No conflict with Danish or EU procurement regulation:**
 - a. Is the proposed DETI engagement considered subject for procurement by the DEA?
 - b. Is it only possible to deliver the proposed engagement through G2G cooperation or are there a clear advantage in applying the benefits of direct G2G cooperation?

If the proposed DETI engagement are in non-compliance with any of these basic conditions, no further assessment will be done by the DEA. Hereinafter, proposed engagements will be initially assessed on based upon three criteria: (1) A clear and documented demand from partners; (2) A match between DEA core competencies and the sought assistance from the potential partner; (3) A clear and identifiable impact. The clear and identifiable impact must be initially identifiable by the DEA in order to be further formulated for a proposed DETI engagement.

2. Assessment and desk study of [Country] regarding potentials with an enhanced cooperation within DETI

The assessment will take its point of departure in a desk study, based upon available content and existing, knowledge within the DEA, combined with the information provided in the submission of annex 9. The format for the desk study is listed below⁹:

Quantitative analysis of potential for emission reductions

⁷ Can be accessed [here](#).

⁸ The comprehensive ODA definition of the OECD-DAC can be found [here](#). Of special relevance is the notion that “Official development assistance flows are defined as those flows to countries and territories on the DAC List of ODA Recipients and to multilateral development institutions which are (ii) each transaction of which (a) is administered with the promotion of the economic development and welfare of developing countries as its main objective.”

⁹ Data sources and examples of quantitative analysis of reduction potential is provided in the supplementary material list (“No tat om differentieret indsatsmodel”) in annex 6.

Country	Emissions (mil. tonnes CO ₂ , 2017)	Fossil fuel share of energy mix	Energy use (2017, Mtoe)	Current use of electricity (2017, TWh)	Current electricity production (2017, TWh)	Expected electricity production in 2030 (TWh)	Expected increase in electricity sector 2017-2030 (%)	EKF risk assessment (0-7)	Overall assessment of reduction potential (Very high, high, medium, low)

Qualitative analysis of proposed DETI engagement

Identification of green ambitions and reduction targets	<i>[Assess present political targets in the energy sector, development prospects and progress in relation to the Sustainable Development Goals and the national NDC target relevant to the proposed cooperation engagement].</i>
Compatibility between DEA competencies and proposed DETI engagement	<i>[Assess the compatibility between the DEA core competencies/thematic areas of the DETI and the proposed cooperation activities of the engagement]</i>
Institutional capacity for cooperation	<i>[Assess the institutional capacity needed for the proposed engagement and whether it is present in the proposed partner institution(s)]</i>
Commercial related interests	<i>[Assess Danish commercial interests related to the proposed engagements and the possible spill over effects from the engagement to Danish commercial activities.]</i>
Specific Danish interest in enhanced cooperation	<i>[Assess the specific Danish interest related to an enhanced cooperation with country X (if any). This could of both energy, climate and broader developmental related origin.]</i>
Risk assessment	<i>[Assess the potential contextual, programmatic and institutional risks related to the proposed DETI engagement].</i>
Overall assessment	<i>[Provide an overall assessment based on the entirety of the elements above].</i>

3. Virtual meeting with the relevant RDE

Based upon the initial DEA assessment, a virtual meeting with the appropriate RDE will be setup. Depending on the initial DEA assessment result, the meeting should be based on the following questions:

- A. If the proposed DETI engagement is initially deemed feasible and appropriate by the DEA**
 1. Are there follow-up questions for the RDE from DEA regarding the information provided?
 2. What human resource allocation have the RDE and the partner institutions allocated to the proposed engagement?
 3. What are the current and historical relation between the RDE and the proposed partner institutions? Should the relation be strengthened before a DEA engagement is put best to use?
 4. Are there any specific risk factors identified to the DEA should be particular attentive to?
 5. How will the RDE follow-up and ensure continuity after finalization of the DETI engagement?

- B. If the proposed DETI engagement is initially not deemed feasible and appropriate by the DEA**
 1. Are there follow-up questions or elaboration demands for the RDE from DEA regarding the information provided?
 2. What are the reasoning of the DEA for the initial decline of inquiry for a DETI engagement?
 3. Are there other opportunities for alternative kinds of support by either the RDE and/or the DEA to the proposing partner institution that could promote green transition?
 4. Are the proposed engagement deemed feasible conditional to specific amendments and improvements to the inquiry form? If so, what are these amendments and improvements?
 5. Could the relation between the RDE and the proposing partner institution be strengthened going forward to unlock a possible future DETI engagement?

4. Final evaluation and decision about the proposed DETI engagement

Based upon the DEA assessment and the virtual follow-up meeting with the RDE, the DEA will make a final evaluation and decision regarding the proposed DETI engagement. The decision are to be approved at the appropriate DEA Deputy Director. If the proposed DETI engagement will move forward, the DEA will initiative the drafting of the approval document (annex 11) with the inclusion of the RDE and the partner institution in the formulation process.

Annex 11: Template for approval document of DETI engagements

[This template should be used for all formal submission for written approval of DETI engagements at the Advisory Group. The final approval document should preferably not be more than seven pages.]

1. Context analysis
<i>Briefly summarise the key conclusions from the analyses consulted and their implications for the programme regarding each of the following points:</i>
General development challenges and key economic and energy related indicators: [Maximum of 500 words]
Human Rights and gender aspects of relevance: [Maximum of 250 words]
Public sector capacity and corruption risks: [Maximum of 250 words]

2. Partner and stakeholder presentation and assessment
<i>Briefly summarise the key conclusions from the analyses consulted and their implications for the programme regarding each of the following points:</i>
Summary of stakeholder analysis, including presentation of engagement partner [Maximum of 250 words]
Summary of key partner features [Maximum of 250 words]

3. Results framework			
Thematic Programme		The Danish Energy Transition Initiative	
Thematic Programme Objective		[Use description from results framework in annex 3]	
Impact		[Use description from results framework in annex 3]	
Impact Indicator		[Use description from results framework in annex 3]	
Overall outcome of the DETI [Use description of the overall outcome of the DETI from results framework in annex 3]			
Baseline	Year	2020	[Use description of the baseline for the overall outcome of the DETI from results framework in annex 3]
Target	Year	2025	[Use description of the target for the overall outcome of the DETI from results framework in annex 3]
Thematic area of DETI		[List which of the four thematic areas of the DETI that the engagement attends to]	
Name of the DETI engagement		[List the name of the specific DETI engagement presented]	
Output		[Short-term result in the form of goods and services which result from the DETI engagement activity]	
Output indicator		[Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement or to reflect the changes connected to an intervention]	
Baseline	Year + Month		[Situation prior to engagement activity]
Target	Year + Month		[Intended situation after first year of implementation]
...	...		[Intended situation when activity under the engagement ends]
Output		[Short-term result in the form of goods and services which result from the DETI engagement activity]	
Output indicator		[Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement or to reflect the changes connected to an intervention]	
Baseline	Year + Month		[Situation prior to engagement activity]
Target	Year + Month		[Intended situation after first year of implementation]
...	...		[Intended situation when activity under the engagement ends]

4. Budget details			
<i>(all numbers are listed in DKK million)</i>	Year [XXX]	Year [XXX]	Total budget
Name of the DETI engagement			
Development Engagement/Outcome			
Output 1			
Output 2			
Subtotal Development Engagement/Outcome			
Contingencies <i>(Maximum 10 % of total.. Reasoning should be clearly stated in approval document if allocated.)</i>			
Other costs (reviews, etc.)			
Grand total			

5. Risk Management Matrix					
a. Contextual Risks					
Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
b. Programmatic Risks					
Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
c. Institutional Risks					
Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment

6. Management arrangement

[Describe the agreement on management arrangement between the DEA, RDE and the partner institution(s), made to ensure adequate dialogue and timely decisions concerning this development engagement.]

7. Financial Management

Both parties will strive for full alignment of the Danish support to the implementing partner rules and procedures. The DEA will be responsible for the entirety for procedures and requirements in regards to financial management, procurement, financial reports, accounting and auditing. No financial distributions will be made to the partner institutions.

8. Monitoring and Evaluation

[Agreed procedures and mechanisms for monitoring of progress, and dialogue concerning implementation.]

The DEA shall have the right to carry out any technical or financial mission that is considered necessary to monitor the implementation of the programme. After the termination of the DETI programme support, the DEA reserves the right to carry out evaluation in accordance with this article.

9. Prerequisites

[The Danish cooperation with the implementing partner will become effective if and when the following prerequisites have been met to the satisfaction of Denmark, if any.]