

Minutes from meeting in the Council for Development Policy
on 11 May 2023

- Members: Professor Anne Mette Kjær, University of Aarhus (Chair)
Deputy CEO and International Director Jarl Krausing, CONCITO (Deputy Chair) (agenda items 1-10)
Director for Global Development and Sustainability Marie Gad Hansen, Confederation of Danish Industries (DI)
Director for Nutrition Line Damsgaard, The Danish Agriculture & Food Council
Political Consultant and Project Officer of DAPP Lucas Højbjerg, The Danish Chamber of Commerce
Senior Researcher Adam Moe Fejerskov, Danish Institute for International Studies (DIIS)
Secretary General Charlotte Slente, Danish Refugee Council (DFC)
Director Charlotte Flindt Pedersen, Danish Foreign Policy Society (agenda items 1-7)
Chief Advisor Mattias Söderberg, DanChurchAid
Head of Secretariat Lone Ilum Christiansen, The Danish Trade Union Development Agency (DTDA), had shared written comments but did not take part in the meeting
- MFA: Under-Secretary for Development Policy Stephan Schönemann (agenda items 1-8, 11)
Head of Department Tove Degnbol, Department for Evaluation, Learning and Quality, ELK
Deputy Head of Department Henrik Larsen, Department for Evaluation, Learning and Quality, ELK
Head of Section Josephine Mittag, Department for Evaluation, Learning and Quality, ELK
- Agenda item 1: Deputy Head of Department Casper Stenger Jensen, Department for Africa, Policy and Development, APD
Chief Advisor Jonas Helth Lønborg, Department for Africa, Policy and Development, APD
Head of Department Karin Poulsen, Department for Green Diplomacy and Climate, GDK
Chief Advisor Jens Fugl, Department for Green Diplomacy and Climate, GDK
Chief Advisor Frank Rothaus Jensen, Department for Green Diplomacy and Climate, GDK
- Agenda item 2: Ambassador Ole Thonke, Embassy in Nairobi (Online)
Deputy Head of Mission Trine Grønborg, Embassy in Nairobi (Online)
Special Advisor Mette Melson, Embassy in Nairobi (Online)
Chief Advisor Nina Berg, Department for Evaluation, Learning and Quality, ELK (Online)

- Agenda item 3: Ambassador Ole Thonke, Embassy in Nairobi (Online)
 Deputy Head of Mission Trine Grønberg, Embassy in Nairobi (Online)
 Special Advisor Mette Melson, Embassy in Nairobi (Online)
 Acting Head of Department Fenja Yamaguchi-Fasting, Department for Humanitarian Action, Civil Society and Engagement, HCE
 Team Leader Carla Cecilia Baumann Greiber, Department for Humanitarian Action, Civil Society and Engagement, HCE
 Chief Advisor Nina Berg, Department for Evaluation, Learning and Quality, ELK (Online)
 Chief Advisor Kimiko Pedersen, Department for Evaluation, Learning and Quality, ELK (Online)
- Agenda item 4: Head of Department Henrik Winther, Department for European Neighbourhood, EUN
 Deputy Head of Department Lars von Spreckelsen-Syberg, Department for European Neighbourhood, EUN
 Team Leader Anne Kahl, Department for European Neighbourhood, EUN
 Chief Advisor Mogens Blom, Department for European Neighbourhood, EUN
 Special Advisor Karin Nielsen, Department for European Neighbourhood, EUN
 Chief Advisor Jesper Hilsted Andersen, Department for Green Diplomacy and Climate, GDK
 Deputy Head of Mission Jens Martin Alsbrink, Embassy in Kyiv (Online)
 Minister Counsellor / Head of Cooperation Henrik Vistisen, Embassy in Kyiv (Online)
 Chief Advisor Anne-Catherine Legendre, Department for Evaluation, Learning and Quality, ELK (Online)
 Chief Advisor Nina Berg, Department for Evaluation, Learning and Quality, ELK (Online)
- Agenda item 5: Head of Department Marianne Kress, Department for Migration, Stabilization and Fragility, MNS
 Chief Advisor Line Friberg Nielsen, Department for Migration, Stabilization and Fragility, MNS
 Chief Advisor Nina Berg, Department for Evaluation, Learning and Quality, ELK (Online)
- Agenda item 6: Ambassador Kristoffer Vivike, Embassy in Beirut (Online)
 Head of Cooperation Thomas Thomsen, Embassy in Beirut (Online)
 Programme Manager for RDPP Karin Eriksen, Embassy in Beirut (Online)
 Chief Advisor Nina Berg, Department for Evaluation, Learning and Quality, ELK (Online)
 Chief Advisor Kimiko Pedersen, Department for Evaluation, Learning and Quality, ELK (Online)

- Agenda item 7: Chargée d’Affaires / DAC Representative Anne Marie Tyndeskov Voetmann, OECD Delegation in Paris (Online)
Chief Advisor Peter Jul Larsen, Department for Evaluation, Learning and Quality, ELK
Chair of the OECD’s Development Assistance Committee (DAC) Carsten Staur (Online)
- Agenda item 8: Special Advisor Cecilia Theresa Trischler Gregersen, Department for Evaluation, Learning and Quality, ELK
- Agenda item 9: Deputy Head of Department Adam Sparre Spliid, Department for Green Diplomacy and Climate, GDK
Team Leader Merete Villum Pedersen, Department for Green Diplomacy and Climate, GDK (Online)
Head of Department Asser Berling, Ministry of Climate, Energy and Utilities (International Department)
Head of Section Laura Skøt, Ministry of Climate, Energy and Utilities (International Department)
Deputy Head of Department Simon Fløe Nielsen, Danish Energy Agency (Center for Global Cooperation)
Chief Advisor Hans Hessel-Andersen, Department for Evaluation, Learning and Quality, ELK (Online)
- Agenda item 10: Head of Department Karin Poulsen, Department for Green Diplomacy and Climate, GDK
Head of Section Maiken Rasmussen, Department for Green Diplomacy and Climate, GDK
Chief Advisor Charlotte Just, Department for Green Diplomacy and Climate, GDK
Chief Advisor Hans Hessel-Andersen, Department for Evaluation, Learning and Quality, ELK (Online)
- Agenda item 11: Head of Department Karin Poulsen, Department for Green Diplomacy and Climate, GDK
Head of Section Helene Merete Bangert, Department for Green Diplomacy and Climate, GDK
Vice President of Danida Sustainable Infrastructure Finance (DSIF) Tina Kollerup, Investment Fund for Developing Countries, IFU

Agenda Item No. 1: Announcements

On the Chairmanship’s request and following up on the briefing to the Council in its meeting on 30 March on the Proposal for Finance Act 2023, the Chief Adviser from the Department for Africa, Policy and Development (APD) explained the adjustment mechanism was used to ensure that Denmark’s Official Development Assistance (ODA) represents 0.7% of the annual Gross National Income (GNI) calculated over a 3-years period. An article in Development Today on 11 April had argued that there would be a backlog of DKK 3.5 billion in Danish ODA and that Denmark would fall short of the 0.7% target for the first time in four decades. The Chief Adviser

explained that data for 2022 were not yet available, hence the article in Development Today was based on assumptions which could not be confirmed at the time of writing. He acknowledged, though, that several conditions seemed to deviate substantially from expectations, particularly a significantly higher GNI in 2022. This could result in a lower than expected Danish ODA as a share of GNI in 2022 and when using the adjustment mechanism, there might be a backlog to deal with in the coming years. The Chief Adviser added that to his knowledge Denmark was the only country, which had introduced an adjustment mechanism (after the inflow of Syrian refugees in 2015).

The Council was presented with an overview, drafted on the Council's request, of larger grants given since January 2020 by the Department for Green Diplomacy and Climate (GDK). The grants were classified according to the main theme, i.e. climate change (mitigation and adaptation), biodiversity, and other environment. The grants were all above DKK 39 million and added up to a total of DKK 7.2 billion. This amount did not include climate change-related activities given as core funding to multilateral and international organisations, in country programmes managed by Danish embassies, and grants managed by civil society organisations and funded through the Strategic Partnership Agreements. The focus of the two last-mentioned grants was on climate adaptation activities, which balanced out the emphasis on mitigation in the overview prepared by GDK.

Members of the Council asked if they could also see the grants below DKK 39 million. Members of the Council also wanted to know if grants for Loss & Damages activities were part of the statistics, if development impact of the grants was considered, and if there was a cross-tabulation of Rio Markers with other DAC markers, such as the gender marker. Finally, it was suggested that the strategic framework explaining the many individual grants could be presented, and Members of the Council wanted to learn more about the communication to the public about climate change and environment activities.

The Head of GDK responded that the Council could also be provided with information on grants between DKK 10 and 39 million. An effort was made to join smaller activities of less than DKK 10 million into larger grants. The Chief Advisor from GDK added that currently, GDK together with colleagues in other departments were working on a mapping of loss and damage related activities, inspired by the work of one of the larger Danish civil society organisations. He stressed that all activities in the overview had development objectives and all had results frameworks with indicators and case stories reported in Open Aid. Finally, The Head of GDK underlined that much of GDK's work was about connecting multilateral activities to bilateral activities, influencing multilateral organisations through the participation in Board meetings, and influencing the international climate change agenda through climate diplomacy. Concerning communication to the public, this happened in relation to the international travels and speeches given to Parliament by the Minister for Development Cooperation and Global Climate Policy, the partners who were communicating about Danish-funded efforts, and recently a status report on the Danish Climate Act had been published.

With reference to the Rules of Procedure for the Council for Development Policy regarding conflicts of interests, Jarl Krausing announced that he would not participate in the discussion of Item 11. Charlotte Slente and Mattias Söderberg flagged a possible conflict of interest in relation to item 3 due to a Call for Proposals to Danish CSOs with Strategic Partnership Agreements (SPA). As the choice of implementing partners under project 3 was based

on competition amongst the SPA-partners and would be chosen later, the Council assessed that there was no conflict of interest in this case. Anne Mette Kjær and Adam Moe Fejerskov also flagged a possible conflict of interest in relation to agenda item 8 as both University of Aarhus and the Danish Institute for International Studies (DIIS) were partners in the programme. As both are public research/education institutes established by or in accordance with Danish law, the Council found that there was no conflict of interest in this case.

Agenda Item No. 2: Stocktaking of the Development Cooperation in Kenya (2021-2022)

For information and discussion

Embassy in Nairobi

Summary:

The Stocktaking Report for Kenya covers the two first years of implementation, 2021-2022. The report provides an overview of the political and economic challenges that have impacted the first two years of implementation. The period is also characterised by the COVID pandemic, which had a negative impact on the inception phase of all engagements. There have also been new opportunities, which has proven the value of an adaptable programme, demonstrating its ability to address new focus areas on climate action, refugees, and humanitarian affairs.

The Council commended the Embassy for a well-written report and requested more information on the political economy in Kenya, not least after the new government had taken over. The Council further inquired about how the Danish priorities aligned with the Kenyan priorities, which seemed to emphasise growth, job creation, and agricultural productivity rather than climate. The Council expressed support towards the Embassy's increased focus on climate adaptation, highlighting the support to the Africa Climate Action Summit in Nairobi, while asking about the link to Kenya's National Adaptation Plan.

The Council asked for elaborations on the continued support to Northern Rangelands Trust given the current challenges and criticism from Human Rights Watch and the Oakland-report.¹

Members of the Council emphasised the commitment from the African private sector with regard to just transition and the climate change agenda. At the same time, it was important to ensure synergy between the development and trade agendas, for example in relation to the demands that the new EU Directive on Corporate Sustainability Due Diligence put on the African business community.

Members of the Council stressed the importance of focussing on food security and water and asked for more reflections on equal access to water, encouraging the Embassy to focus on the poor with no or very limited access to water.

While some Members of the Council regretted the Danish exit from a successful health programme, other Members of the Council asked whether the bilateral programme was too broad and whether it would be possible to have greater impact by focusing on fewer engagements. More information on gender was also requested.

The Ambassador thanked the Council for its remarks and explained that the highest political priority of the Kenyan government was to create jobs to the one million Kenyans entering the

¹ [Oakland Institute: "Stealth Game" \(2021\)](#)

job market each year. At the same time, not least due to the drought situation, a shift had taken place in the Kenyan government's policies towards an increased focus on the climate-change agenda where Kenya had also internationally taken a lead among the African countries, e.g. working for a united Africa at the COP (Conference of the Parties to the UN Framework Convention on Climate Change). The purpose of the Climate Action Summit in Nairobi was to give the African countries a voice in the debate. With regard to election promises, President Ruto had not really delivered on these. Especially the continued high food prices were an issue, which the drought had aggravated. The Ambassador emphasised that access to water was an important priority, not least in northern Kenya where Denmark had a strong focus on water for both people and livestock. Unallocated funds under the bilateral programme would be used to further scale up these efforts.

Concerning gender, the Ambassador explained that this was a widely discussed theme in Kenya. The recent elections had not met the legal requirement of one-third women's representation in Parliament. The COVID pandemic had negatively impacted the prevalence of violence against women as well as the practice of Female Genital Mutilation (FGM), where an increase was especially seen in the poorer parts of the country.

In relation to questions about further focusing the programme, the Ambassador explained that Denmark had exited from several partnerships towards the current programme in order to concentrate its engagement.

The Ambassador assured the Council that the Embassy took the allegations against Northern Rangelands Trust very seriously and would continue to engage with all relevant stakeholders, including Kenya's Human Rights Commission. The Embassy would follow the developments closely.

The Chair of the Council for Development Policy expressed appreciation for a good and informative discussion and concluded that the Council would be looking forward to an update from the Mid-Term Review.

Agenda Item No. 3: Support to Inclusive Refugee Responses in Kenya 2023-2026

For discussion and recommendation to the Minister

DKK 200 million

Embassy in Nairobi and the Department for Humanitarian Action, Civil Society and Engagement, HCE

Summary:

Through a new Inclusive Refugee Response Programme, Denmark will support a shift in refugee policy away from encampment towards inclusion with the objective of finding more sustainable responses to protracted refugee situations. This support will benefit refugees and host communities alike. Project 1 will support the Government of Kenya's institutional capacity to coordinate and implement inclusive refugee responses in Kenya. The project will enable the county government in Turkana to take a larger role in provision of social services for both host community and the refugee population. Project 2 builds on the capacities being developed in Project 1 and will support the Kenyan Government in taking over the lead role of implementing the Kalobeyei Integrated Socio-Economic Development Plan (KISED II) by providing basic social services to both refugees and host communities. Project 3 focuses on building resilience and self-reliance among refugees and host communities in Turkana County by

enhancing livelihood and economic opportunities. The initiative includes the creation of a joint alliance between the MFA and three philanthropic foundations.

The Council for Development Policy recommended the Support to Inclusive Refugee Responses in Kenya 2023-2026 for approval by the Minister for Development Cooperation and Global Climate Policy.

The Council commended the programme's ambition to develop and promote a development-oriented and sustainable approach to protracted refugee situations, focusing both on the refugees and the host communities. At the same time, the adoption of a pilot approach was questioned as this was seen to be relatively familiar territory. In addition, the underlying assumptions in the programme about how refugees could be integrated in the general economy could be questioned.

Pointing out that these programme activities would be implemented alongside political pressures to close refugee camps, Members of the Council emphasised the importance of both prioritising and capturing learning, results, and challenges from this programme, while also building on previous experience from countries such as Uganda, Ethiopia, Jordan, and Lebanon. These and other examples had made it clear that integration was very difficult to achieve, not least due to the fact that host communities were often faced with much bigger challenges than the refugees inside the camps. Support to the enabling legislative work to promote integration was found to be very important, highlighting especially the possibility for refugees to generate income, but also that this would be extremely challenging and would have to be backed up through a political dialogue and advocacy efforts.

It was pointed out by Members of the Council that access to services was one thing, but the quality of these services was quite another. Especially access to water was highlighted, and it was particularly important to ensure - through an evidence-based approach - that investments were made where they had most impact. The level of capacity of Turkana county was flagged as a concern, being a very poor and fragile county. Members of the Council asked whether it would be possible for Turkana county to deliver relevant services and whether the goals for capacity building of the county were realistic.

While Members of the Council found the alliance with the philanthropic foundations to be an interesting innovation as it was important to promote investment of private funds, they also asked for elaboration on the coordination structure and steering mechanisms, including the level of joint programming and financing. Some concern was expressed over the complicated structure of the programme and the many different actors responsible for the projects. Finally, Members of the Council asked about the actual possibilities for promoting livelihood/job opportunities at larger scale in Turkana given the extremely difficult structural and climatic circumstances there.

The Ambassador underlined that the current political commitment and the new Refugee Act provided a unique momentum for facilitating a push towards inclusive refugee responses in Kenya. At the same time, the political aspects and challenges of this could not be over-estimated. Similarly, the security agenda ought to be considered, especially in relation to Dadaab refugee camp, which had known presence of Al Shabaab. The Ambassador pointed out that the inclusion agenda was still new in Kenya and the programme would therefore pilot new ways for the transition from humanitarian responses towards longer term and government owned approaches.

The programme would also pilot a joint call for proposals between the Embassy and Grundfoss (project 3).

In terms of programme complexity and management, the programme would constitute a 20 per cent increase of the Embassy development portfolio, which had led to a reorganisation of the Embassy with the purpose of establishing a team with specific focus on refugee policy as well as programme implementation and coordination. The philanthropic foundations were expected to finance locally-employed staff for monitoring activities. The Embassy was active in ensuring support and coordination with other donors, both through the EU and the UN High Commissioner for Refugees (UNHCR). The Embassy had also taken over the role as Co-Chair for the Refugee Donor Group together with the EU-delegation. The Ambassador finally stressed that learning would be a key priority in the implementation of the programme as this would also be essential for the possible expansion of support to other areas such as Dadaab.

The Chair of the Council concluded that the Council recommended the Support to Inclusive Refugee Responses in Kenya 2023-2026 for approval by the Minister for Development Cooperation and Global Climate Policy. She further requested that the Council would be given the opportunity to follow the implementation and receive an orientation on the status of the programme at a later stage.

Agenda Item No. 4: Light Strategic Framework – Early Recovery Action Plan for Ukraine 2023-2024

For discussion and recommendation to the Minister

DKK 1.5 billion²

Department for European Neighbourhood, EUN

Summary:

The Strategy Note for Danish Support to Early Recovery in Mykolaiv/ Ukraine 2023-2024 forms the basis for the Danish partnership with Ukraine on support to reconstruction. The aim of the Strategy Note is to establish objectives, priorities, and principles for the support to reconstruction in Ukraine. The aim is also to create a framework that provides guidance for further mobilisation of funding from the private sector and promotion of private-public cooperation. Approximately 60 per cent of the Danish civil support will benefit the Mykolaiv region and city, while 40 per cent are directed to the national level and other regions in Ukraine. In Mykolaiv, the Danish funding supports early recovery of social infrastructure, water systems, district heating systems, and provision of electricity. Mine clearance, support to productive sectors (agriculture), and job creation are also targets of Danish support to Mykolaiv. The support facilitates twinning cooperation between Ukrainian and Danish municipalities, both targeting Mykolaiv, Kyiv, and Lviv.

The Council for Development Policy recommended the Strategy Note for Danish Support to Early Recovery in Mykolaiv/ Ukraine 2023-2024 for approval by the Minister for Development Cooperation and Global Climate Policy.

The Council expressed its appreciation of the Danish support provided to Ukraine following the Russian invasion. Noting the considerable amount of the development assistance to Ukraine and

² The commitment consists of DKK 770 million in 2023. The remaining commitment for 2024 is an estimate. The amount will depend on the Proposal for Finance Act 2024 and will be subject to Parliamentary approval.

the immense needs in the country, the Council asked why the commitment was expected to be DKK 1.5 billion. The need for urgent action in order to address current and upcoming needs in Ukraine was also acknowledged. At the same time, it was noted with some concern that the amount of DKK 1.5 billion represented three times as much as the entire bilateral support for Africa in the Finance Act of 2023.

Members of the Council remarked that the Ukrainian context was a ‘moving target’ and that a flexible approach was needed in this challenging context. While it was noted that the Strategy Note and the internal implementation document were formulated in a very difficult context, it was suggested to join them into one comprehensive document. The findings from COWI’s background studies could also feature more prominently in the document.

It was considered positive that the reconstruction process was anchored in a strong Ukrainian ownership. Members of the Council, however, asked how the coordination between donors and Ukraine and internally in Ukraine, between authorities and local actors, would work in practice. Which local actors would be involved and how? It was found that the description of the selected partners could be elaborated. The role of CSOs seemed to be limited, and why would they only be involved in some cases? CSOs could play a key role in monitoring of projects, anti-corruption initiatives, the decentralisation reform, etc.

Members of the Council asked how it could be ensured that the ‘whole of Denmark approach’ would include also both private companies and trade unions that could contribute to the reconstruction process.

While Members of the Council found the City-Country concept (Mykolaiv-Denmark) interesting, they also pointed out that the approach could entail challenges. How would an effective balance between national, regional, and local level be ensured? Was a strong national ownership and operational approach to the concept in place? Concretely in Mykolaiv, how would coordination take place in order to ensure the highest possible effectiveness of Danish funding? Members of the Council expressed concern that the Mykolaiv-Denmark concept could lead to local attempts of establishing high-status projects, thereby weakening the efficient use of funds and the adherence to national defined standards. Another concern was how to balance urban and rural needs and avoid favouring urban areas. In line with this, Members of the Council stressed the risk of the support being politicised, e.g. when supporting housing.

Members of the Council expressed a concern about deviating from the Aid Management Guidelines, which guide preparation and implementation of Danish development cooperation. What would be replacing the usual checks and balances? Could field appraisals be conducted? What other quality assurance and monitoring of Danish-funded programmes and interventions, not least the concerning the development effects of the support, were foreseen? Members of Council particularly highlighted the significant risks of corruption in a war zone – these risks could be expected to increase with the influx of massive reconstruction funds. It was mentioned with concern that anti-corruption initiatives had been put on halt, and Members of the Council stressed the need for due diligence related both to the private and public sector.

Members of the Council stressed that mine clearance, education, and awareness were vital for reconstruction, for example of infrastructure, food security, and livelihood opportunities in the

agricultural sector. For a successful reconstruction, support should also be directed to: (i) general clearance of damages, (ii) support to agriculture, and (iii) job creation and skills training, especially for returnees and Internally Displaced Persons (IDPs). Members of the Council further noted that land rights would be an important issue to consider in the reconstruction. Concerning 'Build Back Better and Greener', it was recommended that the reconstruction efforts also focussed on the life cycle and carbon footprint of the proposed materials and gave priority to climate-friendly reconstruction of buildings/materials.

Finally, Members of the Council underscored the need for learning, both from previous reconstruction efforts and the early recovery in Ukraine, and noted the importance of a clear communication strategy covering the Danish interventions.

The Head of the Department for European Neighbourhood (EUN) thanked the Council for the comments. The Strategy Note provided the framework for the support to and cooperation with Ukraine, while the internal implementation document elaborated on the quality assurance and monitoring by the MFA. As for the overall picture, the Deputy Head of the Danish Embassy in Ukraine conveyed the message that the situation in Kyiv had been stable for some time, but lately attacks had increased. Situated closer to the front line, Mykolaiv was more exposed. The current and short-term security scenario in Ukraine was found to encompass both status quo and a worse situation.

The Head of EUN explained that a well-functioning management set-up and governance was fundamental for the Danish support and cooperation with Ukraine. A Steering Committee to ensure coordination and agreement on priorities had been established, encompassing the Ukrainian Minister for Reconstruction, the Danish Minister for Development Cooperation and Global Climate Policy, and representatives from the regional and local level in Mykolaiv. It was hoped that this could be a model for local ownership of the regional reconstruction. Coordination with other donors and actors was very important, and Denmark tried to actively contribute to this at various levels. However, the coordination structures were not yet fully in place.

The Chief Advisor from EUN underlined that the involvement of Ukrainian civil society at both national and local level was a central aspect of the Danish support. Civil society played a crucial role in ensuring accountability, including in the reconstruction process. Since 2015, Ukraine had undergone a decentralisation reform, which Denmark had supported, including the establishment of Civil Society Councils that were now in place. Denmark also supported local CSOs in Ukraine through e.g. the UN Development Programme (UNDP) and the EU Anti-Corruption Initiative (EUACI).

The Chief Advisor from EUN shared the concern about pressure for high-status projects. In Mykolaiv, a clearing house arrangement had been established to help advise Denmark on the needs presented by the municipality, and this had worked very well. Arrangements like this would be important as would continuous dialogue with Danish and local CSOs. The Team Leader from EUN added that the engagements would be based on solid analysis of needs, including who was the most vulnerable and the need for balancing urban and rural needs.

The Head of EUN agreed on the need for quality assurance. During the past year, the Embassy in Kyiv and EUN had closely followed the overall development and implementation of Danish-

funded interventions. Some interventions and deliveries, however were difficult to monitor closely. To minimise the risks of irregularities and corruption, all partners were carefully chosen based on their solid experience and proven achievements. The Strategy Note was based on several sector studies and a risk matrix. Furthermore, a Monitoring, Evaluation, Accountability, and Learning (MEAL) set-up was under preparation. Monthly meetings had taken place with COWI that was present in Mykolaiv and facilitated dialogue with the city/regions. Once an Embassy Office was established in Mykolaiv, monitoring would be further strengthened. The Head of the Department for Evaluation, Learning and Quality (ELK) added that physical appraisals could not take place in Mykolaiv due to the war. Both ELK and the Department for Financial Management and Support in relation to Development Cooperation (FRU) had been consulted in the process of preparing the Strategy Note and the internal implementation document.

The Head of EUN also found the risk of corruption to be a clear challenge. Denmark was centrally placed to address this issue through the EU- and Danish-funded programme EUACI that was implemented by Denmark. The war had put some anti-corruption initiatives on hold, e.g. the electronic asset declaration initiative. This was an area where Ukraine should remove the suspension. Progress regarding anti-corruption was a prerequisite for Ukraine's EU approximation and it was followed closely by the EU Commission.

The Chief Advisor from EUN assured that there was a focus on job creation and skills training. A successful reconstruction ought to boost and benefit the local community.

The Embassy in Kyiv was very active on communication, and the Danish support to Ukraine was also communicated in other ways, for example during the Ukraine conference in Lugano in July 2022, where the Mykolaiv-Denmark concept received considerable interest. The upcoming Ukraine conference in London (June 2023) would provide a new possibility to share Danish experience and results in Mykolaiv with other donors and actors.

The Chair of the Council for Development Policy thanked the MFA for the efforts made to support Ukraine/Mykolaiv. The Chair concluded that the Council recommended the Strategy Note for Danish Support to Early Recovery in Mykolaiv/Ukraine 2023-2024 for approval by the Minister for Development Cooperation and Global Climate Policy.

Agenda Item No. 5: Organisation Strategy for Global Partnership for Education (GPE) 2023-2026

For discussion and recommendation to the Minister

DKK 1 billion

Department for Migration, Stabilization and Fragility, MNS

Summary:

The new Organisation Strategy outlines strategic considerations and specific goals for Denmark's engagement with the Global Partnership for Education (GPE) for the period 2023-2026. It forms the basis for the Danish financial contributions and is the platform for dialogue with GPE. The strategy presents Danish priorities for GPE within the framework established in GPE's own strategy for 2021-2025.

The Council for Development Policy recommended the Organisation Strategy for Global Partnership for Education (GPE) 2023-2026 for approval by the Minister for Development Cooperation and Global Climate Policy. The Council, however, expressed concern about the decline in the Danish contribution to GPE and some concern about how innovative GPE was in transforming the education sector and achieving quality education.

The Council acknowledged the importance of the partnership with the Global Partnership for Education (GPE) and the importance of investing in education.

Since GPE was only one among several key actors in the field of supporting education, Members of the Council found that it was high time for the two education funds, GPE and Education Cannot Wait (ECW), to enter into an agreement on how to coordinate and ensure complementarity in the countries affected by fragility and crisis, where they were both present. The importance of ensuring complementarity and synergies also with UN Children's Fund (UNICEF) was stressed.

Considering the learning crisis and the challenge of ensuring quality education (e.g. limited numbers of qualified teachers), Members of the Council noted with concern that the Danish contribution to GPE had been reduced over time. They also found that there was a lack of synergy with other Danish education initiatives. Given the considerable contribution to GPE (DKK 1 billion), it was suggested that Denmark actively sought the engagement of other actors – in line with the partnership between the MFA and the LEGO Foundation, which had enabled further leveraging and advocacy. Members of the Council also recommended supporting research into how access to quality education was achieved at scale. Generally, it was advised to add research as a component of all partnerships and programmes with a budget of this size.

Members of the Council commended the focus on climate change and education. While some Members of the Council found that it could be even more ambitious, e.g. by making it of GPE's systemic approach to country partnerships, other Members of the Council stressed the importance of striking the right balance, so as to not lose focus on the fundamental aspects of ensuring access to quality education and addressing the learning crisis. When the existence of a widespread and deep learning crisis was central, it could be questioned whether the focus on climate in education was really the most pressing issue. Members of the Council also mentioned the need to invest in climate education (i.e. inclusion of climate change, mitigation, and adaption in the curriculum) to strengthen the awareness and skills of children and youth. Denmark and the UN Educational, Scientific and Cultural Organization (UNESCO) could share valuable knowledge and experiences.

Furthermore, Members of the Council commended the focus on the Humanitarian-Development-Peace (HDP) Nexus and added that Denmark was leading this area, not least in terms of promoting the inclusion and influence of civil society and local actors.

The Council supported the focus on achieving gender equality and stressed the importance of monitoring the implementation of gender-specific components to track progress in this area.

Members of the Council found that GPE's impact, as a financing mechanism for Danish support to education, was challenged by a number of factors affecting the education sector in the countries. While it was the countries' education sector plans that shaped and drove GPE's

support at country level, it was worth considering whether this approach yielded sufficient results in terms of achieving quality in education. Considering the need for adaptability and the fact that GPE funding aimed to support long-term systems change, Members of the Council asked how GPE managed its funding contributions. Members of the Council was also interested in understanding how GPE allocated its funding. While commending GPE's focus on ownership, Members of the Council stressed that transforming the education system required a certain level of capacity. How was equal access to funding ensured? Did the initiatives differ depending on the capacity of the countries? And to what extent was it the same countries that continued to receive support? Finally, Members of the Council asked to what extent GPE focused on innovation in education, e.g. distance learning that could potentially transform the education sector.

The Head of the Department for Migration, Stabilization and Fragility (MNS) appreciated the Council's comments and questions. GPE's focus was to achieve equitable and sustainable access to quality education in all countries. It was highlighted that GPE's mandate was to support long-term structural transformation of the education system from ensuring that teachers' salaries were part of the national budget to making sure that the curriculum would prepare children and young people for the challenges in their local communities, including climate change. However, this work had been affected by a number of external challenges, e.g. the competing priorities in indebted economies, conflicts, recovery from the COVID-19 pandemic, and the impact of the global food and energy crisis.

In relation to the HDP Nexus and the role of civil society and local actors, the Head of MNS explained that GPE supported and worked through the Local Education Groups (LEGs) in the partner countries. Civil society and local actors were well-represented in the LEGs, just as civil society was on the Board of GPE where they had a strong voice. Similarly, the MFA was also in dialogue with the Danish civil society organisations with Strategic Partnership Agreements and greatly valued their input. Complementarity and coordination between GPE and ECW was important, and there were already several areas of cooperation. For instance, GPE was on the Board of ECW and also financed some of ECW's activities on the ground.

The Head of MNS confirmed that gender was a key priority and underscored that climate change had dire consequences for the education sector. GPE was looking at ways to combine the focus on climate change with its systemic approach to country partnerships, albeit this work would be driven by the demand and context of the partner country. The work of GPE in this area included looking at the curriculum to make sure that children and young people were equipped with knowledge and tools to prevent and tackle climate change.

The Chief Advisor from MNS explained that GPE had several selection criteria for allocation of funding, including two-thirds of the funding going to low-income countries, and prioritisation of countries affected by fragility as well as small islands and landlocked states. GPE provided funding based on the country's demand, e.g. low Gross National Income (GNI) or number of children out of school. There was no historic overview of the countries that had received support but given that GPE's mandate was a structural transformation of the education system, funding was provided for a longer period of time. It was performance-based financing which meant that part of the grants was locked and only given after documentation of results.

The Head of MNS agreed that there was a need to continuously ask GPE critical questions regarding its operational model and investigate the bottlenecks to significantly improve access to quality education. The contribution to GPE had been reduced and it had been decided to allocate some of the contribution to ECW, the humanitarian UN fund for education that had been established in 2016.

The Head of MNS explained that the MFA was cooperating with other actors in order to leverage the funding to GPE. The MFA was in close dialogue with civil society partners that implemented education interventions. As there were no bilateral education programmes, there was no additional capacity to draw on for country, regional, and global level dialogue.

The Chair of the Council concluded that the Council recommended the Organisation Strategy for Global Partnership for Education (GPE) 2023-2026 for approval by the Minister for Development Cooperation and Global Climate Policy while expressing concern about the decline in the Danish contribution to GPE and some concern about how innovative GPE was in transforming the education sector and achieving quality education.

Agenda Item No. 6: Inception Review: “Support to Syria and Syria’s Neighbourhood” (3SN)

For information and discussion

Embassy in Beirut

Summary:

The discussion of the Council was based on an Inception Review of the “Support to Syria and Syria’s Neighbourhood” (3SN) requested by the Council in October 2021. The Council visited Lebanon and Jordan in May 2022. Subsequently, the review was conducted in the fall of 2022. When the Council recommended the grant for approval in 2021, a number of concerns were raised, which the Inception Review has addressed.

The Council for Development Policy confirmed the relevance of requesting the Inception Review given that some of the challenges, which the Council had been concerned about, had indeed materialised.

The Council agreed with the Inception Review’s recommendations and found that its findings confirmed the need for such a review. The Council appreciated the possibility to discuss the issues raised. A continued focus on Syria was important given that a large part of humanitarian funds was now directed towards Ukraine, while needs in Syria got more acute.

The Council noted that the review confirmed the programme was indeed very complex. Several engagements had not yet been initiated, and there was a continued lack of activities inside Syria. The Council noted that only 1 out of 15 engagements took place inside Syria and questioned how the balance between support inside and outside Syria had been decided.

The Council asked for elaborations on the latest, political developments with regard to Syria, notably the ongoing rapprochement between the Assad regime and the Arab League. Together with the increasingly hostile approach to refugees in Lebanon, this could lead to an expedited and premature return of Syrian refugees. The Council remarked that the economic, political, and security situation, including risk of reprisals, were even worse than at the time when most of the

refugees left the country. On this background, the Council asked whether Denmark would seek to improve the livelihoods and support reconstruction effort within Syria.

Considering the new political developments, Members of the Council underlined the importance of the programme being sufficiently flexible to respond efficiently to such changes. In this regard, more information was requested on how the programme would be adjusted and how the current situation was likely to impact the programming of the next phase (i.e. 2024-2025).

Members of the Council highlighted the general need to focus on sustainable improvements in living conditions and protection, both within Syria, in Lebanon, and Jordan. Lebanon was in the midst of a severe economic crisis that the World Bank had called the 'deliberate depression'. It was important to continue to support Syrian refugees and host communities in the neighbouring countries. Concern was raised about the risk that the Syria crisis would disappear from the international radar, and Members of the Council asked what Denmark could do to increase the attention to this severe protracted crisis.

Finally, Members of the Council agreed with the review finding that field presence was vital and supported the recommendation to create an office in Amman and to strengthen the Embassy in Beirut with local staff.

The Head of Cooperation from the Embassy in Beirut told the Council that with one exception, all engagements were now under implementation. The delay was due to the long-awaited government approvals, especially in Jordan. Before the end of 2023, the engagements would be supplemented with two new engagements in Syria, one with the UN Joint Programme and one with a Consortium of NGOs. Both engagements would focus on strengthening resilience among selected local communities in government-controlled areas in a manner that would be coherent with the existing engagements across the region. The Embassy would also commence the programming of the next phase of the programme.

The Ambassador shared the assessment that large-scale return of refugees was unlikely in the short- to medium-term, but he also stressed the importance for the international community to prepare itself for an increased political focus on incentives for voluntary returns in both Lebanon and Jordan. The Head of Cooperation added that while there was an increasing public pressure in Lebanon to deport Syrian refugees, the government had maintained that returns should be safe and voluntary. According to the UN High Commissioner for Refugees (UNHCR), however, there had recently been an increase in the deportation of Syrian refugees in Lebanon. The Amman Declaration of May 2023 (i.e. Syria, Jordan, Saudi Arabia, Egypt, and Iraq) had also highlighted the importance of safe and voluntary return of refugees. In line with this, the Ambassador underscored that it was crucial that the return of Syrian refugees was informed, safe, and voluntary and supported by early recovery initiatives from e.g. the UN. The Embassy also agreed with the need to ensure that the programme remained agile and flexible in this challenging context.

The Chair of the Council for Development Policy concluded by thanking for the opportunity to discuss and comment on the Inception Review.

Agenda Item No. 7: Organisation Strategy for OECD Development Assistance Committee (DAC) and the Development Co-operation Directorate (DCD) 2023-2026

For discussion and recommendation to the Minister

DKK 23.2 million

OECD Delegation in Paris and Department for Evaluation, Learning and Quality, ELK

Summary:

The OECD Development Assistance Committee (DAC) has a key agenda-setting role internationally in the field of development, including as the custodian of Official Development Assistance (ODA). The Committee analyses and helps shape the global development architecture with the objective to maximise development results and impact. The purpose of Denmark's engagement in and support to the DAC is - together with the leading development actors/donors - to continuously strengthen and further develop policies for measurement of and learning from ODA. DAC is the central committee in OECD's development architecture and for more than sixty years, DAC has gathered and set the standards for ODA from the world's main donors. During the coming four years (2023-2026), Denmark's strategic priorities will be: (i) ODA-integrity, (ii) climate and just green transformation, (iii) gender equality, (iv) Least Developed Countries (LDCs) and fragility, and (v) development finance.

The Council for Development Policy recommended the Organisation Strategy for OECD Development Assistance Committee (DAC) and the Development Co-operation Directorate (DCD) 2023-2026 for approval by the Minister for Development Cooperation and Global Climate Policy.

The Council thanked the OECD-Delegation for a well-written organisation strategy and overall welcomed its priorities. Not least in light of the increased political pressure that the OECD's Development Assistance Committee (DAC) and Official Development Assistance (ODA) was facing, this support was seen as important. Members of the Council raised the question, given this importance and its potential impact on the international development agenda, whether it could be considered to increase the Danish contribution.

The Council suggested a continued attention on improving DAC's governance structure. There was a need for DAC and the Development Co-operation Directorate (DCD) to ensure continued involvement and cooperation with all stakeholders, including recipient countries and relevant institutions in DAC-member countries that were engaged in development issues.

The Council further suggested that the strategy explicitly mentioned the DAC Peer-Review mechanism and asked for elaborations on the perspective for the enlargement of DAC.

Members of the Council referred to the on-going fragmentation of aid and underlined the importance of DAC to focus where it could make a real difference, this would include a focus on integrity of ODA and aid effectiveness. Furthermore, the role of the DAC Chair in actively informing and influencing the international development agenda was emphasised. Attracting more private investment for the achievement of the Sustainable Development Goals (SDGs) was highlighted by Members of the Council as a key priority area, but also that DAC had previously been difficult to engage on this agenda. It was suggested for DAC to look further into the relative attractiveness of providing loans vs. aid and to interact with all relevant partners, including Export and Investment Funds and the philanthropic funds. Concern was raised about the reporting of loans, and how the current practice could become an incentive for offering loans rather than grants. There was a need to further investigate the intersection between development and climate

funding, including how to address the distribution and assessment of ‘loss and damage’-funds. For instance, the prospects of a Rio marker on loss and damages as suggested by the V20 (the Vulnerable Twenty-Group).

The Danish DAC-Representative agreed that the Peer-Review mechanism could merit further mentioning in the strategy as well as the positive sentiment in the DAC towards enlarging its circle of members, like Lithuania and Estonia being on their way in. At the same time, there was a need to have this group of like-minded countries, which was important not least to maintain ODA integrity. The size of the Danish contribution a political decision, but it gave Denmark a good ranking as 6th or 7th largest contributor with the addition of financing the new Danish DAC Chair and his secretariat. There was also an overall interest in engaging with development partners and providers to ensure the widest possible use and impact of DAC standards and recommendations. With regard to governance, the DAC-Representative referred to the efforts to modernise the DAC and its work since 2014, including strengthening the outreaching role of the DAC Chair. Aid effectiveness was discussed on an ongoing basis in the Committee, recently especially through the lens of locally-led development-efforts. On private sector instruments, the DAC-Representative referred to the ongoing discussion on revised reporting rules, which hopefully would be concluded this year.

The DAC-Chair agreed on the one hand on the importance of outreach and dialogue with other stakeholders and actors, including non-DAC donors, but at the same time underlined the value of a dialogue forum among DAC members ‘inside the vault’, not least to compare notes on the different pressures being experienced. At the moment, the direction of aid was more fragmentation, but ODA levels had shown resilience during the recent crisis with record high ODA in 2022 of USD 205 billion. The DAC-Chair underlined the need to contextualise the role and value of ODA more strongly, and to utilise and further investigate the catalytic role and use of ODA, including its development impact vis-à-vis other instruments. The DAC-Chair also mentioned the consequences of the increasing cost of finance/loans – for both the public and private sector financing. The current debates on reform of the Multilateral Development Banks (MDBs) and the establishment of a UN Multidimensional Vulnerability Index were debates where DAC members should engage and where they could possibly influence DAC’s own agenda.

The Chair of the Council for Development Policy concluded that the Council recommended the Organisation Strategy for OECD Development Assistance Committee (DAC) and the Development Co-operation Directorate (DCD) 2023-2026 for approval by the Minister for Development Cooperation and Global Climate Policy.

Agenda Item No. 8: Building Stronger Universities (BSU), Phase IV (2023-2028)

For discussion and recommendation to the Minister

DKK 70 million

Department for Evaluation, Quality and Learning, ELK

Summary:

The Building Stronger Universities (2023-2028) programme supports capacity building in three Eastern African universities: Gulu University (Uganda), State University of Zanzibar (Tanzania), and Hargeisa University (Somalia). Based on requests from each of the three universities, Danish and leading regional universities

participating in the partnerships contribute to strengthening of the research environment in the form of e.g. PhD schools and curriculum development, library facilities, laboratories, information and communication technologies, policies and guidelines, administrative procedures and financial management of research projects. Thereby, the programme is supplementing the Danish support to specific research projects provided through the Consultative Committee for Development Research (FFU). Compared to previous phases of the Building Stronger Universities programme, the fourth phase is emphasising South-South collaboration, which is expected to foster long-term mutually beneficial relations continuing beyond the programme.

The Council for Development Policy recommended the Building Stronger Universities (BSU) programme, Phase IV (2023-2028) for approval by the Minister for Development Cooperation and Global Climate Policy.

The Council welcomed the focus on capacity development in partner countries and stressed the importance of supporting generation of knowledge in the Global South. The leading role of the participating African universities (South-driven approach) was appreciated, and the choice of universities was considered relevant.

While some Members of the Council questioned the need for PhD schools in countries with so many immediate problems, other Members of the Council argued that by supporting development of research capacity in partner countries, Denmark was contributing to counter the colonial thinking that research capacity should be concentrated in the Global North, while education in the Global South should be practice-oriented.

Members of the Council wanted more information on the impact of the Building Stronger Universities programme on the development of research capacity and the quality of research in previous phases. Also the collaboration with researchers in Denmark was raised, and Members of the Council asked if the collaboration had continued after some of the universities had been phased out of the programme.

Concerning the choice of universities, Members of the Council were wondering why Sokoine University of Agriculture in Tanzania and two large universities in Ghana were not part of the new phase of the programme. Members of the Council also asked if the overhead to universities in Denmark was different from the overhead in African countries, and if payments were made both to Danish and South-based institutions. Elaboration of the issue of incentives for Danish researchers to participate in the programme was requested.

Focusing on Gulu University in Uganda, Members of the Council expressed concern that an ethnic bias was favouring the Acholi group and also that a strong male bias made it difficult for women to be considered for PhD education.

The Head of the Department for Evaluation, Quality and Learning (ELK) responded that the South-driven approach had turned out to be successful and close collaboration with researchers in Denmark had been established. This collaboration had often continued in the form of direct research collaboration on specific projects even after the South-based universities were no longer part of the programme.

The impact of the programme was larger in smaller institutions than in larger universities, since the need for research capacity development was usually more pronounced in small institutions,

while large universities such as Sokoine University of Agriculture, University of Ghana and KNUST University (also in Ghana) had better access to support from other donors. She added that larger universities were often difficult to work with and that Denmark had defined it as a strategic priority to work with small universities in fragile contexts.

Concerning overheads, these were the same in Danish institutions and in institutions in Africa (i.e. 20 per cent). Funds were channelled directly to the participating institutions in African countries which were managing their own funds. To avoid sending funds for Danish institutions via the partners in Africa, these institutions received their share of the funds directly.

The Head of ELK described the initial difficulties of providing relevant incentives for Danish researchers. Since the second phase of the programme that started in 2014, Danish researchers had been compensated for their participation and small pilot research projects made it interesting for them to join, since they could use the pilots to prepare joint research applications with researchers in African universities to the Consultative Committee for Development Research (FFU).

The Special Adviser from ELK explained that in the case of Gulu University, few staff had more than a B.Sc. when the programme started, whereas a significant number now had PhDs. She acknowledged the ethnic bias favouring the Acholi group and said that this was something Danish researchers kept an eye on. However, she also explained that this was not special for Gulu University. In Uganda, each of the regions had a university, and there was a tendency for all of them to favour people living in the immediate vicinity of the universities. The Special Adviser went on to present numbers of female researchers who had achieved a PhD under the programme and of female key staff managing the programme in the Gulu University. While more men than women were PhD holders, this was mainly explained by the fact that when the programme started, most staff were men. Women were catching up, and also more younger people got PhDs.

The Chair of the Council for Development Policy concluded that the Council recommended the Building Stronger Universities programme, Phase IV (2023-2028) for approval by the Minister for Development Cooperation and Global Climate Policy.

Agenda Item No. 9: Support to the International Renewable Energy Agency (IRENA) 2023-2027

For discussion and recommendation to the Minister

DKK 153 million

Department for Green Diplomacy and Climate, GDK

Summary:

The International Renewable Energy Agency (IRENA) is the principal agency on renewable energy in the international energy and climate architecture with a global mandate and membership to support a sustainable, just, and inclusive energy transition. The project provides earmarked support to IRENA's engagement in ODA-eligible countries within 6 areas: (i) an African-focused coalition for renewable energy ambition, (ii) the Small Island Developing States (SIDS) lighthouses initiative, (iii) delivering on energy requests of the Nationally Determined Contribution (NDC) Partnership, (iv) accelerating off-shore wind energy in the context of Global Offshore Wind Alliance (GOWA), (v) addressing socio-economic impacts of the energy transition, and (vi) other earmarked

support to the outcome areas of IRENA's Medium Term Strategy (2023-2027), according to a set of eligibility criteria.

The Council for Development Policy recommended the Support to the International Renewable Energy Agency (IRENA) 2023-2027 for approval by the Minister for Development Cooperation and Global Climate Policy. The Council, however, expressed concern about the level of poverty orientation, the Human Rights-Based Approach, concrete development impact, and the results measurement system.

The Council expressed recognition of the International Renewable Energy Agency (IRENA) for its contribution to framework conditions for renewable energy at country level. At the same time, it was underlined that such support had to be demand-driven and aligned with national climate strategies.

Members of the Council pointed out that IRENA was a relatively young institution, still on a journey of maturing. Members of the Council asked about the development effects of the support to IRENA and emphasised that renewable energy and energy transition do not automatically lead to poverty reduction. It was stressed that IRENA should address access to renewable energy by various population groups and not just work for the availability of the infrastructure. Members of the Council also wanted an elaboration in the programme document on job-creation as part of the energy transition and underlined the importance of assuming that qualified labour was available for the green transition without investigating the specific situation in the countries.

Related to this, the Council was concerned about the Results-Based Management system, which was still under development. It was noted that there were no livelihood indicators and that IRENA's output indicators were only about renewable energy, which did not align with the Danish priorities that included livelihood and poverty reduction. Members of the Council underlined the importance of measuring improved framework conditions for renewable energy, data, capacities, and energy sector planning, as these were all preconditions for a successful energy transition.

Furthermore, Members of the Council expressed concern about the limited attention in the programme document to human rights, including land rights, and involvement of civil society organisations, given that the programme was financed by the development assistance. Members of the Council specifically asked if Denmark would work for the preparation of a human rights strategy for IRENA.

Members of the Council enquired about the position of IRENA in the debate about using gas for clean cooking and asked if IRENA used non-renewable energy sources in its development projects.

Concerning the size of the grant, Members of the Council observed that the proposed grant constituted a higher amount than the previous Danish support to IRENA and asked for the rationale behind this 'upgrade' and an explanation for supporting IRENA instead of giving the grant to another organisation such as e.g. the International Energy Agency (IEA). Members of the Council also expressed concern about the appraisal's conclusion that not all support went to countries eligible for Official Development Assistance (ODA) and asked for elaboration on this issue.

Finally, Members of the Council asked how Denmark was influencing and interacting with IRENA on thematic areas and in the countries, and how Denmark could help to make IRENA capable of delivering the envisioned results on the ground.

While the Head of the International Department of the Ministry of Climate, Energy and Utilities (MCEU) acknowledged that there were many players in the same field and it could be difficult to pinpoint the qualities of one compared to others, he explained that IRENA had a global mandate on renewable energy and strong relations with developing countries. The Deputy Head of the Department for Green Diplomacy and Climate (GDK) added that IRENA was in high demand amongst developing countries for its renewable energy expertise compared to e.g. IEA. Denmark had now jointed what used to be several different grants in this grant to IRENA. It represented a small increase in the support, but the main point was that a more focused approach would allow a more coherent dialogue on the strategic direction and progress of IRENA. He stressed that the support would focus solely on ODA-eligible countries.

The Deputy Head of GDK agreed that energy access did not automatically lead to poverty reduction but emphasised that IRENA had a strong work stream focussing on translating energy access into socio-economic development and poverty reduction. IRENA had also analysed how renewable energy such as solar could improve access to health services. He acknowledged that the development impact, including livelihoods, and the question about access should be elaborated in the programme document, and he confirmed that Denmark would seek to influence the creation of a Human Rights-Based Approach/Policy.

IRENA only worked with renewable energy sources and, therefore, used solar in its clean cooking projects. Referring to the exception for use of gas to clean cooking until 2025, the Deputy Head mentioned that Denmark was supporting the World Bank's clean cooking projects that used gas.

The Team Leader from GDK added that it was part of IRENA's priorities to improve the design of the Results Based Management. It was expected that e.g. inequality and access to energy would be monitored in the future. She specified that existing project support had been subject to project-based results monitoring. Going forward, it would be subject to programmatic and strategic monitoring based on the Medium-Term Strategy.

Regarding job creation, the Team Leader explained that IRENA was working with the International Labour Organisation (ILO) to analyse the changes in the job and labour market as part of the just energy transition. This included a focus on women.

The Chair of the Council for Development Policy concluded that the Council recommended the Support to the International Renewable Energy Agency (IRENA) 2023-2027 for approval by the Minister for Development Cooperation and Global Climate Policy, while at the same time the Council stressed the need for strengthening the focus on poverty orientation, human rights, and development impact and improving the results measurement system.

Agenda Item No. 10: Support to World Resources Institute (WRI) 2023-2027

For discussion and recommendation to the Minister

DKK 200 million

Department for Green Diplomacy and Climate, GDK

Summary:

The support to World Resources Institute (WRI) 2023-2028 focuses on data and analytical work to develop knowledge-based solutions that lead to evidence-based policies and development results on the ground. The support is aligned with WRI's Strategic Plan 2023-2027, which aims to drive a set of interconnected transitions. The Danish funding is earmarked for WRI's work in ODA-eligible countries with a main focus on sub-Saharan Africa, on food systems transition, building resilient and equitable cities, and national climate action, with nature-based solutions (NbS) cross-cutting the areas. The support includes institutional strengthening for: (i) consolidating and deepening WRI's activities in Africa based on the WRI Africa Strategy, (ii) mainstreaming poverty, gender, and social equity, and (iii) strengthening management for results.

The Council for Development Policy recommended the Support to World Resources Institute (WRI) 2023-2027 for approval by the Minister for Development Cooperation and Global Climate Policy.

The Council found that the World Resources Institute (WRI) was an important partner for Denmark and a leader on analytical work and networking at the global level. The Council supported the chosen thematic areas of earmarking for food systems and cities, which were seen as some of WRI's primary strengths.

While WRI's relevance and deliveries as a think tank at the global level was fully recognised, the Council found that WRI had limitations when it came to practical work as a 'do tank' at the local level. It was noted that WRI's focus on fundraising made it difficult to work with the organisation on practical operations at country level. Therefore, hard earmarking was found to be the best approach when working with WRI.

The Council expressed a need for WRI to strengthen its localisation and inclusion at country level and for WRI to base its efforts on local knowledge. The Council also highlighted that action on the ground required partnerships and collaboration at the local level, and that this was an area where it was important for WRI to partner with the Danish embassies, Danish civil society, and other actors. Members of the Council specifically encouraged a closer partnership with the Danish embassies in Kenya and Ethiopia and suggested that Denmark as a donor pushed for further local collaboration.

Concern was expressed about the ability of WRI to achieve a better balance between international networking and building knowledge inside the organisation. It was acknowledged that the current director was making an effort to focus more on substance and evidence, but it was mentioned that there was still some way to go to reach an appropriate balance. Members of the Council asked if WRI had the necessary will to change its course.

Drawing on the conclusions from the appraisal, Members of the Council reflected on the 50 per cent soft earmarking for WRI activities in or about Africa. While the earmarking was well received, Members of the Council asked if 50 per cent was enough and suggested that a larger amount should go to WRI's Africa office, which is the smallest of the regional offices.

Finally, Members of the Council commended the collaboration between Denmark and likeminded donors and saw potential in increasing the collaboration with the Nordic donors given the impact of ‘speaking with one voice’.

The Head of the Department for Green Diplomacy and Climate (GDK) confirmed the strong Danish commitment to the partnership with WRI, including monitoring and dialogue to guide WRI. In recent years, WRI had grown and it was important to support the ongoing decentralisation. The collaboration between the donor group in a coordinated Multi-Partner format was highlighted as a dedicated space for reflecting and guiding WRI’s development. The open dialogue with WRI was highlighted and it was recognised that Denmark and other Nordic and European donors had a larger impact when they spoke with one voice. WRI focused on the linkages between poverty, climate, and nature, and Denmark would continue to follow the development of WRI’s Africa Strategy.

On implementation and localisation, the Head of Section from GDK emphasised that WRI was not an implementing actor. Its role as a ‘do tank’ was focussed on influencing implementing organisations by strengthening their evidence-based approach. She stressed the increased focus by WRI on local partnerships and activities in countries where WRI was present (e.g. Ethiopia, Kenya, South Africa, and Rwanda) and explained that WRI’s decentralisation was a step towards this.

Concerning the question about earmarking for Africa, the Head of Section from GDK pointed to the unallocated budget as a way of further increasing the share of the funding for Africa. Part of the unallocated funds was expected to be earmarked for India and Indonesia, and dialogue was ongoing with the Danish embassies to find areas where WRI’s thematic priorities had an added-value to the existing Danish engagements.

The Chair of the Council for Development Policy concluded that the Council recommended the Support to World Resources Institute (WRI) 2023-2027 for approval by the Minister for Development Cooperation and Global Climate Policy.

Agenda Item No. 11: Danida Sustainable Infrastructure Finance (DSIF): Project Development Facility 2022-2025

For discussion and recommendation to the Minister

DKK 25 million

Department for Green Diplomacy and Climate, GDK

One Member of the Council, Deputy CEO and International Director Jarl Krausing (CONCITO), left the meeting during this agenda item with reference to the Rules of Procedure for the Council for Development Policy regarding conflicts of interest.

Summary:

Danida Sustainable Infrastructure Finance (DSIF) provides access to financing of sustainable infrastructure projects in developing countries. The Project Development Facility (PDF) supports local partners and authorities in developing countries to formulate and present project proposals for financing under DSIF, specifically projects of

a non-financial viable nature. The facility is a continuation of a previous PDF, which was in operation from 2017 to 2022. It is the aim of the facility to contribute to socially, economically, and environmentally sustainable infrastructure helping developing countries to deliver on the Sustainable Development Goals (SDGs) and delivering on Denmark's key development priorities.

The Council for Development Policy recommended the Danida Sustainable Infrastructure Finance (DSIF): Project Development Facility 2022-2025 for approval by the Minister for Development Cooperation and Global Climate Policy. The Council, however, expressed concern about the development impact (including sufficient development expertise) and the results measurement system.

Members of the Council expressed appreciation of a well-written document and found the Project Development Facility (PDF) relevant, including its focus on specific sectors.

The Council referred to the recommendations from the Evaluation of Danida Sustainable Infrastructure Finance (DSIF) published in early 2023 and the 2022 Mid-term Review of the previous PDF, which had raised issues regarding: (i) results measurement, particularly relating to development impacts and development expertise in the PDF, (ii) poverty reduction, (iii) the quality of feasibility studies, (iv) DSIF's reporting to the MFA, and (v) responsibility for undertaking appraisals. The Council also noted that the Evaluation challenged the modality of DSIF as the only remaining Danish tied aid instrument and asked for considerations in relation to this.

Members of the Council wanted to understand how the proposed impact-screening tool could be used for poverty reduction, stressing that investment decisions should also be based on impact indicators. It was proposed that a Key Performance Indicator on project development could be included in the results framework for Least Developed Countries (LDC). Related to this, it was recommended that LDCs and not just African countries were included in the facility's focus areas. Members of the Council noted that the requirement for developing countries to finance 25 per cent of the feasibility study could potentially hinder LDCs from being able to access the PDF.

Concerning the project preparation, Members of the Council did not find it clear from the programme document who was undertaking appraisals and how appraisals were made.

The importance of local capacity development was stressed, and Members of the Council pointed out that this was not just a matter of preparing an application to DSIF but also about how to implement activities. Was this monitored during and after project implementation? Concern was expressed about the fact that DSIF did not review projects later than one year after completion.

Members of the Council urged DSIF to apply a Human Rights-based Approach (HRBA) and to ensure that local stakeholders and civil society were involved at an early stage of project development to guarantee proper local capacity building and buy-in. Furthermore, Members of the Council asked how the PDF and DSIF's projects aligned with the partner countries' national climate action plans. Related to this it was mentioned that proposed projects should not merely focus on reduction of emissions, but also the carbon footprint of the proposed materials used for the infrastructure projects.

Members of the Council asked why the PDF had such a broad sector focus. Referring to the recommendation by the evaluation that two more staff with development expertise should be recruited, it was asked whether the DSIF team had adequate staffing to ensure the functioning of the PDF.

Finally, Members of the Council wanted to hear if DSIF and the Department for Green Diplomacy and Climate (GDK) had considered expanding the use of the PDF to other instruments as a catalytic financing tool.

The Head of GDK thanked the Council for their remarks and constructive suggestions. She emphasised that the new Administrative Agreement, currently being drafted, would include provisions for more DSIF staff members. These new staff members should be experts within the areas of sustainability, development, evaluation, and monitoring. The Head of GDK stressed that the Investment Fund for Developing Countries (IFU) had developed its Impact and Sustainability Department, presented to the previous Council in May 2022, and that this would inspire the further development of PDF.

On the appraisals, the Head of GDK informed that going forward, the Department for Evaluation, Learning and Quality (ELK) should comment on all Terms of References for the DSIF feasibility studies and also should conduct all appraisals of the DSIF projects.

The Vice President of DSIF noted that there was an action plan to implement the recommendations from the evaluation. Several of the recommendations were addressed in DSIF's Strategy 2022, and untied aid projects were now tested in South Africa, India, and Indonesia. The DSIF team was now working closely with Danish embassies and the Strategic Sector Cooperation (SSC) programmes. The new strategy not only focused on water, sanitation, and renewable energy sectors, but also on innovative climate solutions related to e.g. waste, based on the local needs. The PDF was a vital tool for DSIF to ensure a more systematic and focused approach to project development and partnering with LDCs.

The Vice President of DSIF assured that efforts to improve results measurement frameworks were ongoing, and an external consultant had been hired to assist with this. She stressed that it had been decided that DSIF should review all projects after five years of completion. However, due to the long duration of DSIF projects, no project had yet reached the five-year mark.

In relation to the requirement of 25 per cent co-financing by partner countries, the Vice President of DSIF stated that the 25 per cent requirement was flexible and could be an in-kind contribution from LDCs in the form of financing environment studies or similar.

In terms of expanding the use of the PDF, the Chief Advisor from GDK commented that the PDF could provide opportunities to include new partners such as Development Finance Institutions (DFIs) and other impact investors, particularly in countries and projects where DSIF could be untied. The Chief Adviser compared it to the situation when IFU was untied in 2017, as this had created a range of new opportunities for IFU in partnering with international investors and DFIs.

The Chair of the Council for Development Policy concluded that the Council recommended the Danida Sustainable Infrastructure Finance (DSIF): Project Development Facility 2022-2025 for approval by the Minister for Development Cooperation and Global Climate Policy, while at the same time stressing the need for a stronger focus on development impacts (including sufficient development expertise) and for strengthening the results measurement system.

Agenda Item No. 12: Any Other Business

No issues were raised under this agenda item.