

**Minutes from meeting in the Council for Development Policy**  
**on 24 February 2022**

- Members: Professor Anne Mette Kjær, University of Aarhus (Chair)  
International Director Jarl Krausing, CONCITO (Vice Chair)  
Senior Researcher Lars Engberg-Pedersen, Danish Institute for International Studies  
General Secretary Birgitte Qvist-Sørensen, DanChurchAid  
Executive Director Rasmus Stuhr Jakobsen, CARE Denmark  
Interim International Director Nina Christine Holm-Lundbye, The Danish Youth Council  
Vice President Bente Sorgenfrey, Danish Trade Union Confederation  
Director for Global Development and Sustainability Marie Gad, Confederation of Danish Industries  
Head of International Department Jens Kvorning, SMEdenmark  
Head of Department Kenneth Lindhardt Madsen, The Danish Agriculture & Food Council  
Private Advisor Morten Lisborg, Migration Management Advice
- MFA: Under-Secretary for Development Policy Stephan Schönemann  
Head of Department Tove Degnbol, Department for Evaluation, Learning and Quality, ELK  
Special Advisor Anne Marie Sloth Carlsen, Department for Evaluation, Learning and Quality, ELK  
Head of Section Josephine Mittag, Department for Evaluation, Learning and Quality, ELK
- Agenda item 2: Head of Department Karin Poulsen, Department for Green Diplomacy and Climate, GDK  
Deputy Head of Department Adam Sparre Spliid, Department for Green Diplomacy and Climate, GDK  
Chief Advisor Fin Poulsen, Department for Green Diplomacy and Climate, GDK  
Chief Advisor Charlotte Laursen, Department for Green Diplomacy and Climate, GDK  
Chief Advisor Albert Bruun Birnbaum, Department for Green Diplomacy and Climate, GDK  
Chief Advisor Hanne Carus, Department for Evaluation, Learning and Quality, ELK
- Agenda item 3: Head of Department Karin Poulsen, Department for Green Diplomacy and Climate, GDK  
Deputy Head of Department Adam Sparre Spliid, Department for Green Diplomacy and Climate, GDK  
Chief Advisor Tobias von Platen-Hallermund, Department for Green Diplomacy and Climate, GDK

Chief Manager Joakim Harlin, UNEP-DHI Centre  
Deputy Chief Manager Gareth James Lloyd, UNEP-DHI Centre

- Agenda item 4: Deputy Head of Department Adam Sparre Spliid, Department for Green Diplomacy and Climate, GDK  
Chief Advisor Albert Bruun Birnbaum, Department for Green Diplomacy and Climate, GDK  
Chief Advisor, Lena Veierskov, Department for Green Diplomacy and Climate, GDK  
Chief Advisor, Mads Mayerhofer, Department for Green Diplomacy and Climate, GDK  
Special Advisor, Mathilde Edith Byskov, Department for Green Diplomacy and Climate, GDK  
Deputy Head of Department Søren Davidsen, Department for Evaluation, Learning and Quality, ELK  
Chief Advisor Marina Buch Kristensen, Department for Evaluation, Learning and Quality, ELK  
Chief Advisor Henrik Vistisen, Department for Evaluation, Learning and Quality, ELK
- Agenda item 5: Deputy Head of Department Adam Sparre Spliid, Department for Green Diplomacy and Climate, GDK  
Chief Advisor Merete Villum Pedersen, Department for Green Diplomacy and Climate, GDK  
Chief Advisor Morten Houmann Blomqvist, Department for Green Diplomacy and Climate, GDK  
Chief Advisor Marina Buch Kristensen, Department for Evaluation, Learning and Quality, ELK
- Agenda item 6: Deputy Head of Mission Lars Vogtmann Sørensen, Beirut  
Head of Cooperation Thomas Thomsen, Beirut  
Programme Manager Karin Eriksen, Beirut  
Special Advisor Thomas Rudebeck Eilertzen, Beirut

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

The Under-Secretary for Development Policy briefed the Council about the preliminary considerations in relation to Danish humanitarian support for Ukraine following the Russian invasion. He also briefed the Council about his recent visit to Ethiopia, where new Danish engagements had been put on hold due to the still basically unresolved situation. He informed that it had, for the same reason, been decided to postpone the drafting of a new country strategic framework for Ethiopia.

The Chair of the Council thanked the Under-Secretary for the regular briefings, which were regarded as timely and important for the work of the Council.

## **Agenda Item No. 2: Danida Green Business Partnerships**

*For discussion and recommendation to the Minister*

DKK 416 million

Department for Green Diplomacy and Climate, GDK

### *Summary:*

*The longer-term objective of Danida Green Business Partnerships is to enhance the global green transition and private-led inclusive economic growth through innovative partnerships.*

*The Programme Outcomes are:*

- 1) Reduced vulnerability to climate change, reduced strain on natural resources and the environment and a stabilisation of greenhouse gas (GHG) emissions,*
- 2) Inclusive private sector growth and improved livelihoods.*

*The programme will fund and support market-based partnership projects between commercial and non-commercial partners addressing climate and environmental challenges, while contributing to inclusive growth and improved livelihoods. Innovative commercial solutions driven by international and local commercial partners will be developed and tested with a view to later upscaling. The environmental and social impact will be developed and tested in collaboration with non-commercial partners and should be part and parcel of the business case. Sustainability and the wider impact of the partnerships will rest on the commercial viability of the business. The climate and environmental outcomes are to be estimated in terms of avoided negative effects on climate and environment compared to status quo solutions. Furthermore, income and livelihood effects will be assessed based on the number of people engaged in the activities and the level of targeted products and services towards under-served populations.*

*The Council for Development Policy recommended the Danida Green Business Partnerships Programme 2022-2025 for approval by the Minister for Development Cooperation.*

The Council welcomed a very well written and overall solid programme document. The programme was considered well aligned with the overall strategy for development cooperation “The World We Share”. The clear programme transition towards a climate and environmental focus and the larger risk willingness were appreciated and acknowledged. It was recognised that the programme modality and approach was challenging and that engaging the private sector in new innovative green and climate-oriented partnerships would be a long term and difficult task which, however, was crucial to identify ways of mobilising private capital for climate and development purposes. At the same time, the Council wondered why the programme document contrasted climate change and development by stating (on p. 9) that it was not expected that the selected projects in general would have a direct effect on poverty alleviation.

The Council expressed appreciation for the inclusion of lessons learned in the programme document. At the same time, the Council advised a more proactive approach to collect and learn from experience and lessons from the previous and ongoing implementation of the current programme, Danida Market Development Partnerships (DMDP), as well as the new Danida Green Business Partnerships programme. Learning was important for better understanding the barriers for scaling-up, how the partnerships affected job creation and how civil society and private companies could better work together. The dissemination of lessons learned was underlined as critical if successful business models or improved framework conditions should be replicated. An annual lessons-learned and monitoring report was suggested.

Members of the Council stressed that special efforts and support was needed to underpin and further strengthen what could be considered often vulnerable and challenging partnerships between the commercial and non-commercial partners to ensure the best possible outcomes. It was further recommended that the development and strengthening of the local commercial partners was given a special emphasis throughout the programme implementation.

While noting that none of the 36 projects developed over the past five years under the DMDP programme were highlighted as scalable, Members of the Council underscored the need to ensure more systemic impact beyond the projects and called for a stronger focus on scaling of the projects and business plans over the lifespan of the project-funding period and thereafter. At the same time, Members of the Council recognized that scaling was not realistic in the short run given the time needed for partners coming from very different contexts to find common ground and develop the project in often very challenging markets.

Members of the Council commended that the new programme, in contrast to the previous programme, was open for initial and more limited funding to proposals and business ideas that needed to be further developed and matured before possible full-scale funding. Furthermore, it was indicated that the programme requirement of 25 pct. self-financing of the total received grant by the commercial partners was substantial and could be seen as a challenge for some, especially Small and Medium-sized Enterprises (SMEs). Members of the Council questioned what was understood as a specific programme focus on international companies.

Members of the Council questioned the expected employment effect of the programme, which was reflected in the Theory of Change, but somewhat overlooked or lost elsewhere in the programme document. Members of the Council also pointed to the potential dilemma in cases where increasing the productivity of an operation and/or introducing cleaner and more environmentally sustainable productions methods would not lead to the creation of more jobs.

Members of the Council indicated that the partnership modality at times could be seen by the commercial partners as an unnecessary, time consuming and little cost-efficient *modus operandi*. However, the potential information and campaigning effect of being introduced by a NGO to new markets, however challenging, could be of important value and could potentially be the opening for the commercial partners' long-term engagement in new markets as well as a further contribution to reach the Sustainable Development Goals (SDGs).

Members of the Council acknowledged that the programme attempted to further strengthen the partnership concept and business modalities and wanted to be assured that the newly established Advisory Committee would include solid capacities in business administration. Finally, based on the lessons learnt from the current DMDP programme, it was stressed that the partners should have sufficient experience and robustness to successfully implement the business endeavour in a developing country.

The Deputy Head of the Department for Green Diplomacy and Climate (GDK) acknowledged the valuable contributions from the Council. He stressed that this programme was a result of the greening of the private sector instruments in accordance with the strategy for development cooperation "The World We Share". The programme was built on the experiences from the DMDP and previous business programmes. It aimed at increasing the potential for scalability by

strengthening the business-oriented components and the potential size of the partnerships. Compared to the DMDP programme, it also opened a window for grants for earlier project development and maturation. He acknowledged that it would be important to continue to learn and adapt throughout the programme implementation and appreciated the proposal of an annual lessons learned and monitoring report. In this respect, he noted the concern about the level of co-financing but also underlined the importance of the parties' commitment to ensure sustainability. He stressed that there was no principled contradiction between the green focus and poverty alleviation and that that this would be further clarified.

The Head of GDK thanked for the engagement and very valuable comments and suggestions by all the Members of the Council, which would be further discussed, considered and directed into the future programme implementation. The overall support to a global green transition and a private-led inclusive economic growth through innovative partnerships was a difficult path to follow and reach. To succeed a constant learning process would be needed and adjustments and likely new approaches would be requested along the way.

The Chair of the Council concluded that the Council could recommend the Danida Green Business Partnerships Programme 2022-2025 for approval by the Minister for Development Cooperation.

### **Agenda Item No. 3: UNEP-DHI Centre 2022-2026**

*For discussion and recommendation to the Minister*

DKK 60 million

Department for Green Diplomacy and Climate, GDK

#### *Summary:*

*The programme document presents a 4-year contribution of DKK 60 million to the United Nations Environment Programme DHI Centre on Water and Environment (UNEP-DHI). The programme is phase six of the Danish support to the UNEP-DHI Centre. It builds on UNEP's mandate for supporting countries' reporting on the Sustainable Development Goal (SDG) indicators 6.5.1 on integrated water resources management (IWRM) and 6.6.1 on freshwater ecosystems. The reporting exercise is used as a platform for dialogue and action with and within countries on how to strengthen water resource management across sectors and stakeholders. These dialogues are underpinned by providing technical assistance and technology tools for water resource information management to address key water challenges and increase resilience and adaptation to climate change impact, protect natural ecosystems and reduce environmental pollution, using the globally recognized expertise of DHI.*

<p><i>The Council for Development Policy recommended the UNEP-DHI Centre 2022-2026 for approval by the Minister for Development Cooperation.</i></p>
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The Council found the programme document well written and recognized the relevance, timing and importance of the proposed programme as well as the objective of supporting country partners to implement climate change adaptation actions based on improved water resources management. The Council acknowledged the strong focus on institutional capacity building and gender equality and that the programme would be a continuation of a long, well-functioning partnership.

Members of the Council asked about the reasoning and justification for an increased contribution from DKK 40 million as included in the Finance Act 2022 to the proposed DKK 60 million included in the programme document. Members of the Council also noted that Denmark would fund half of the planned work and asked where the remaining funding would come from.

Members of the Council emphasized the importance of a strong focus on implementation and ensuring that the UNEP-DHI Centre had the necessary capacity to implement the programme. Furthermore, questions were asked about the criteria for the selection of countries given the significantly unequal availability of resources and capacity across countries to achieve SDG6. Questions were also raised about the Centre's approach to handling Integrated Water Resource Management (IWRM) in challenging country contexts and more broadly how the Centre would deal with the country context and political economy when designing and implementing activities in a very diverse set of countries.

Finally, Members of the Council enquired about the opportunities of involving the private sector as part of the programme activities with a reference to the sentence: "UNEP is not in a position to show what could be perceived to be favouritism towards private sector actors" (on p. 9 in the programme document). Similarly, the role of civil society organisations was raised as important during implementation.

The Head of the Department for Green Diplomacy and Climate (GDK) thanked the Council for the support and relevant questions and comments. She explained that the increase of funding was based on strong results from the current phase, utilization of funds, and strong alignment with the new Danish strategy for development cooperation. Moreover, GDK had a clear overall objective of having fewer and deeper engagements, which further justified the strengthening of the partnership with the UNEP-DHI Centre. The Head of GDK took note of the points relating to strengthening work at the country level and the points about the need for sufficient political economy analyses of country contexts. She confirmed that the MFA would look into how UNEP could get closer to the country level and partner with the right organisations. She also informed about the strong interest in the programme from Danish embassies and underlined the significant potential synergies between the programme and Danish bilateral engagements.

The Chief Manager of the UNEP-DHI Centre explained that the Centre was working with private sector organisations but also stressed that due to UNEP's impartiality as a UN agency, the organisation could not give preferential treatment to explicit commercial interests. Regarding the remaining funding needed to cover the budgeted work, the plan was to leverage funding from other sources, including vertical funds such as the Green Climate Fund (GCF) and the Global Environment Facility (GEF), as well as other bilateral donors. The Chief Manager also explained that the basis for selecting countries to engage in included considerations such as country demands and needs, the availability and conditions of donor funding as well as the Centre's capacity and ability to assist. At the country level, the Centre worked through partnerships including through [UN Water](#).

The Chair of the Council concluded that the Council could recommend the [UNEP-DHI Centre 2022-2026](#) for approval by the Minister for Development Cooperation.

#### **Agenda Item No. 4: How-to-Note: Jobs and Sustainable Growth**

*For information and discussion*

Department for Green Diplomacy and Climate, GDK

The Council discussed and commented on the internal How-to-Note on Job Creation and Sustainable Growth intended to guide the implementation of the new strategy “The World We Share” as part of a set of ‘how-to-notes’ and ‘approach-notes’. Members of the Council appreciated that the note had a very clear linkage to the strategy’s specific goals and ambitions, that dilemmas were clearly identified and the two-track approach (a “green-track” and a “fragility-track”), which provided a clear guidance on how to engage in different contexts. It was suggested that the note could reflect on the following themes which were discussed at length: (i) the opportunities and limitations of development assistance in growth and job creation (including in relation to technology, structural transformation, and productivity increase), (ii) the significant importance of the informal sector (across the two tracks) in many countries, (iii) how to include and address the poorest section of the population, (iv) the inclusion of women in private sector development, (v) the role of labour market partners, (vi) green recovery measures and just transition, (vii) the improvement of framework conditions (including the role of the state) and fair and sustainable trade policy, (viii) the contribution of SPA partners as part of the finalisation process and (iv) the significance of ownership to create lasting improvements. Members of the Council recommended that the linkages between the various How-to-Notes were ensured. The Under-Secretary for Development Policy agreed.

#### **Agenda Item No. 5: How-to-Note: Reduction and Energy**

*For information and discussion*

Department for Green Diplomacy and Climate, GDK

The Council discussed and commented on the internal How-to-Note on Reduction and Energy intended to guide the implementation of the new strategy “The World We Share” as part of a set of ‘how-to-notes’ and ‘approach-notes’. The Council applauded the note in general, including its differentiation between various types of countries, its overall theory of change, its integration of “Doing Development Differently” (DDD) principles, its synergies between mitigation and adaptation as well as between the international normative work and country-specific development cooperation, its narrative on poverty reduction, the Human Rights-Based Approach (HRBA) and reflection of gender. Members of the Council found that the note would be a good tool for the Ministry when guiding partners on the use of development funding. Members of the Council suggested an even stronger emphasis on the following: (i) local ownership given the in-country political economy, (ii) transformational change and alignment of finance flows, (iii) the choice of technologies and strategies e.g. off grid decentralized vs. large scale energy investments as some countries might be sceptical towards the former, (iv) linking issues of governance to local experience and histories, (v) youth and (vi) considerations and integration of commercial opportunities in a field where public investments risked crowding out private capital. Finally, the question was raised whether support to carbon markets was appropriate.

## **Agenda Item No. 6: Draft Programme for the Council in Jordan and Lebanon**

*For information and discussion*

Embassy in Beirut

The Head of Cooperation at the Embassy in Beirut, Thomas Thomsen, briefed the Council on the draft programme for its planned visit to Lebanon and Jordan in May 2022, noting that it remained indicative as all details were yet to be arranged with partners and interlocutors, based on inputs from the Council. The Council voiced its univocal appreciation for the draft programme and offered a few suggestions, including to ensure coverage of climate-related perspectives on the Syrian crisis through relevant background documents and one or more of the planned briefings. Further, Members of the Council wished to meet with experts on employment of Syrian refugees and other types of support to income-generating activities, including the International Labour Organization (ILO). The Council also expressed a particular desire to engage in regular debriefings with Embassy staff during the trip to get a first-hand understanding of how programme development and monitoring was carried out in complex situations. Finally, the Council welcomed the offer from one of its Members, the General Secretary of DanChurchAid, to contribute with a briefing on the overall situation in Lebanon, based on her annual visits to the country during the past ten years.

## **Agenda Item No. 7: Any Other Business**

No issues were raised under this agenda item.