

# Danish Support to SEforALL 2021–2023

Draft 31 May 2021

## Key results:


















- Electricity connections to mini grids and solar home systems, and clean cooking solutions in selected African countries.
- Developing countries supported to improve energy efficiency (EE) in line with SDG7.3 through partner collaboration that measurably increases cost-effective EE investment aligned with targets in Nationally Determined Contributions (NDCs) under the Paris Agreement on Climate Change.
- Secondment in support of SRSg's high level SDG7 and climate diplomacy including support to institutionalising the Energy Transition Council (ETC) dialogue with developing countries in Africa and Asia beyond the 2021 Conference of the Parties (COP 26), based on country priorities and demand for energy transition focusing on phasing out coal and replacing it with clean energy offers.

## Justification for support:

- The world is not on track to achieve SDG7 targets.
- Achieving universal energy access by 2030 urgently requires greater scale, speed, and innovative business models to reach the bottom-of the pyramid and unserved populations. Access to electricity is essential for productive use of energy and job creation in clean and just recovery from the COVID-19 crisis.
- EE is "the first fuel" and a universal means for decoupling economic growth from energy demand, and there is significant job creation potential. However, slow progress on EE undermines efforts towards achieving SDG 7 and the goals of the Paris Agreement on climate change.
- An MFA Review in 2020 recommended continued Danish support.
- Aligned with Danish Strategy for Global Climate Action.

## Major risks and challenges:

- Covid-19 can influence government priorities in other directions.
- Underfunding of SEforALL BP and SEforALL capacity constraints to deliver on highly ambitious and wide BP offers.
- Fragmented institutional responsibilities in the international architecture for sustainable energy and climate change.

<b>File No.</b>	2021-10421			
<b>Country</b>	Global			
<b>Responsible Unit</b>	GDK			
<b>Sector</b>	Energy			
<b>Partner</b>	SEforALL			
	<i>DKK million</i>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Commitment</b>		22.0		2020
<b>Projected disbursement</b>		0.6	11.2	10.2
<b>Duration</b>	2021-2023			
<b>Previous grants</b>	DKK 15 million for 2012-14, DKK 10 million for 2018-19, DKK 12 million for 2019-20.			
<b>Finance Act code</b>	06.34.01.40 energi- og vandressourcer			
<b>Head of unit</b>	Rasmus Abildgaard Kristensen			
<b>Desk officer</b>	Dorthea Damkjær			
<b>Reviewed by CFO</b>	Mette Schou Heise			
<b>Relevant SDG</b>	     			
	     			
	    			

## Objective

Contribute to achieve affordable, reliable, sustainable and modern energy solutions for all by 2030, ensuring a just and inclusive energy transition—in line with the Paris Agreement—that leaves no one behind.

## Justification for choice of partner:

SEforALL works in partnership with the United Nations and leaders in government, the private sector, financial institutions, civil society, and philanthropies to drive faster action towards the achievement of SDG7. Denmark has been a long-term partner of SEforALL since its establishment by the UN Secretary General (UNSG) as an initiative in 2011. An MFA Review of SEforALL in 2020 concluded that the organization's updated strategy for the period 2021-2023 is a good match for Denmark's strategic focus on energy access in Africa, and that SEforALL is a relevant partner for Denmark that holds the potential as a channel for the promotion of the Danish policy and priorities in relation to SDG7. The SEforALL Chief Executive Officer serves as the UNSG's Special Representative for Sustainable Energy for All, she is the co-chair of UN-Energy, and the co-chair of the ETC.

## Summary:

Earmarked contributions to SEforALL in support of energy transition and access to clean energy in ODA eligible countries in Africa: i) results-based funding of access to electricity and clean cooking solutions through the Universal Energy Facility (UEF); ii) support through the Three Percent Club for EE in 2 African countries as part of the clean energy transition and linked to targets of the Nationally Determined Contributions (NDCs); iii) secondment of a professional staff member to SEforALL in New York for one year in support of the SRSg's role in high level SDG7 and climate..

## Budget:

Support for Universal Energy Facility	DKK 12.0 million
Support for SEforALL's role in the Three Percent Club	DKK 4.5 million
Staff secondment related to high level SDG7 and climate diplomacy	DKK 1.5 million
Unallocated funds	DKK 2.5 million
SEforALL overheads (7% of total grant)	DKK 1.5 million
<b>Total</b>	<b>DKK 22.0 million</b>

**Sustainable Energy for All  
Ministry of Foreign Affairs of Denmark**

**Danish Support to SEforALL  
2021 – 2023**

**Project Document  
Draft, 31 May 2021**

Ref: F2 2021-10421

## List of key abbreviations and acronyms

Note: Abbreviations that are only used once or a few times are spelled-out where they appear and may not be included in the list below.

AfDB	African Development Bank
AMDA	Africa Minigrid Developers Association
AMG	Aid Management Guidelines - Danida
CCEE	Copenhagen Centre on Energy Efficiency
CDP	Danish Council for Development Policy (UPR in Danish)
CEO	Chief Executive Officer
COP	Conference of the parties under the UN Framework Convention for Climate Change
COVID-19	Coronavirus disease 2019; severe viral infection causing a pandemic in 2020-2021
Danida	Brand name for Danish development cooperation
FCDO	UK Foreign, Commonwealth and Development Office
DKK	Danish Kroner
DTU	Danish Technical University
EE	Energy efficiency
ELK	MFA Department for Evaluation, Learning, and Quality
ESMAP	World Bank Energy Sector Management Assistance Program
ETC	Energy Transition Council
EU	European Union
GDK	MFA Department for Green Diplomacy and Climate
GtCO <sub>2e</sub>	Gigatonnes of carbon dioxide equivalent
HLD	High level dialogue on energy, September 2021
HRBA	Human Rights-based approach
HQ	Headquarters
IEA	International Energy Agency
KPIs	Key Performance Indicators
LT	SEforALL Leadership Team
MCEU	Danish Ministry of Climate, Energy and Utilities
MEL	Monitoring, evaluation and learning
M&E	Monitoring and Evaluation
MFA	Ministry of Foreign Affairs of Denmark
NDC	Nationally determined contributions under the Paris Agreement on Climate Change
PANT	Participation, Accountability, Non-discrimination and Transparency
PD	Project Document
PV	Photo voltaic
RBF	Results based finance
RE	Renewable energy
SEforALL	Sustainable Energy for All, a legally independent entity registered as a Quasi-International Organization under the laws of Austria with offices and/or staff presence in Vienna, New York, Washington, D.C, and Nairobi. SEforALL works in partnership with the United Nations and leaders in government, the private sector, financial institutions, civil society and philanthropies to drive faster action towards the achievement of <a href="#">Sustainable Development Goal 7</a>

	(SDG7) – access to affordable, reliable, sustainable and modern energy for all by 2030 – in line with the Paris Agreement on climate change.
SDG 7	Sustainable Development Goal 7 <sup>1</sup> " <a href="https://sdg.data.gov/affordable-and-clean-energy">https://sdg.data.gov/affordable-and-clean-energy</a> "
SMART	Specific, measurable, achievable, relevant, and time-bound
SRSG	United Nations' Special Representative of the Secretary-General
Three percent club	A <a href="#">collaboration</a> of governments and supporting organizations that commit to working together to put the world on a path to three percent annual efficiency improvement
ToC	Theory of Change
ToR	Terms of Reference
UEF	Universal Energy Facility
UN-Energy	Established in 2004 as an interagency mechanism within the UN system, aiming to promote system-wide collaboration in the area of energy with a coherent and consistent approach since there is no single entity in the UN system that has primary responsibility for energy.
UNGA	United Nations General Assembly
UNEP	United Nations Environment Programme
UNIDO	United Nations Industrial Development Organization
UNOPS	United Nations Office for Project Services
UNSG	United Nations Secretary General
USD	United States Dollar
WRI	World Resources Institute

Exchange rate: 1 USD = 6.06 DKK; 1 DKK = 0.16 USD  
(25 May 2021)

---

<sup>1</sup> SDG 7 has the following targets and related indicators:

**Target 7.1:** By 2030, ensure universal access to affordable, reliable and modern energy services (**Indicator 7.1.1** Proportion of population with access to electricity; **Indicator 7.1.2** Proportion of population with primary reliance on clean fuels and technology). Note: This indicator is related to cooking, heating, and lighting, and therefore also reflects clean cooking.

**Target 7.2** By 2030, increase substantially the share of renewable energy in the global energy mix (**Indicator 7.2.1** Renewable energy share in the total final energy consumption).

**Target 7.3** By 2030, double the global rate of improvement in energy efficiency (**Indicator 7.3.1** Energy intensity measured in terms of primary energy and GDP).

**Target 7.A** By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology (**Indicator 7.A.1** International financial flows to developing countries in support of clean energy research and development and renewable energy production, including in hybrid systems).

**Target 7.B** By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programmes of support (**Indicator 7.B.1** Investments in energy efficiency as a percentage of GDP and the amount of foreign direct investment in financial transfer for infrastructure and technology to sustainable development services).

## Draft Project Document for the Programme Committee Meeting on 10 June 2021

### Strategic Questions for the Programme Committee

This document constitutes a first draft version of the project document concerning the proposed Danish Support to SEforALL 2021 – 2023.

Guidance is sought from Programme Committee on the following issues for the formulation of support:

1. It is proposed to support results-based financing of access to electricity through mini-grids and solar home systems as well as clean cooking solutions in African countries by contributing to the SEforALL Universal Energy Facility (UEF). Denmark currently supports a number of international organizations engaged in providing access to renewable energy and clean cooking such as the African Development Bank Sustainable Energy Fund for Africa (SEFA), the World Bank Energy Sector Management Assistance Program (ESMAP), and the Beyond the Grid Fund for Africa (BGFA). SEforALL's proposed value proposition for UEF is that it represents a paradigm shift to speed-up results-based delivery while promoting market development. The MFA will expect representation in the UEF governance structure/Advisory Board if the proposed Danish contribution to the UEF is agreed, and a dialogue on this is ongoing.

**Question:** How could Denmark promote greater complementary and collaboration between international actors to ensure better effectiveness and efficiency in providing access to energy in African countries? Is guaranteed MFA representation in the UEF Advisory Board a precondition for proceeding further with the formulation of UEF support?

2. It is proposed to support the SEforALL CEO's high level SDG7 and climate diplomacy work in her capacity as Special Representative of the UN Secretary General and Co-Chair of the UK COP 26 Energy Transition Council (ETC) with a view institutionalizing and sustaining the ETC dialogue focusing on phasing-out coal and replacing it with clean energy offers.

**Question:** Does the Programme Committee agree that the proposed support in the form of a one-year secondment of a professional staff member to SEforALL in combination with the unallocated funds provide flexibility and opportunities for supporting Danish priorities in linking sustainable energy and climate diplomacy beyond COP26?

3. Global upscaling of energy efficiency is a prerequisite for reaching the goals of the Paris Agreement and combating climate change. It is a challenge and an opportunity to ensure an effective combination of energy efficiency (EE) commitments, EE strategies, EE policies, and EE initiatives underpinned by reliable data, particularly in developing countries, including in Africa.

**Question:** Does the Programme Committee agree that the proposed support to SEforALL for promoting effective collaboration among Three Percent Club members is a promising approach that can make use of the combined knowledge, experience, and tools of Three Percent Members to increase investment in EE and achievement of a rate of improvement in line with Paris agreement and SDG7 targets in selected African countries?

## Table of Contents

List of key abbreviations and acronyms .....	i
Strategic Questions for the Programme Committee .....	i
<b>1. Introduction.....</b>	<b>1</b>
<b>1.1 Background.....</b>	<b>1</b>
<b>1.2 Context .....</b>	<b>1</b>
Box 1.1: Key policy messages from the report by the International Energy Agency, (IEA), “Net Zero by 2050 - A Roadmap for the Global Energy Sector”, May 2021.....	2
<b>1.3 Strategic Considerations.....</b>	<b>3</b>
<b>1.4 Results and Lessons from Previous Engagements .....</b>	<b>5</b>
Box 1.2: Examples of SEforALL key results achieved with Danish support during 2019- 2020 .....	5
<b>1.5 Rationale and justification in relation to OECD DAC Criteria .....</b>	<b>6</b>
Table 1.1: Project justification related to OECD DAC criteria .....	6
<b>1.6 Relation to Main Actors and key Stakeholders .....</b>	<b>7</b>
Table 1.2: Overview of SEforALL and other key institutions in the international energy architecture that are supported by Denmark and their key functions (draft, subject to further work).....	9
<b>1.7 Alignment with Danish Cross-cutting Priorities and Danish Strengths and     Interests.....</b>	<b>10</b>
<b>2. Project Objective.....</b>	<b>11</b>
<b>3. Theory of Change and Key Assumptions.....</b>	<b>11</b>
Box 3.1: Short Summary of the Theory of Change Narrative for Danish Support to SEforALL .....	12
Figure 3.1: SEforALL Theory of Change Graphic .....	13
<b>4. Summary of the Results Framework .....</b>	<b>14</b>
Table 4.1: Summary results framework for Danish Support to SEforALL 2021 – 2023...	14
<b>5. Inputs/budget .....</b>	<b>17</b>
Table 5.1: Tentative Budget at Outcome Level (DKK million).....	17
Table 5.2: Summary status of funding of the SEforALL business plan.....	18
Table 5.3: SEforALL current top ten funders .....	19
<b>6. Institutional and Management Arrangement .....</b>	<b>19</b>
<b>7. Financial Management, Planning and Reporting .....</b>	<b>22</b>
<b>8. Risk Management.....</b>	<b>23</b>
<b>9. Closure .....</b>	<b>23</b>
<b>Annex 1: Context Analysis .....</b>	<b>24</b>

<b>Annex 2: Partner Assessment .....</b>	<b>28</b>
<b>Annex 3: Theory of Change and Results Framework .....</b>	<b>30</b>
<b>Annex 4: Preliminary Risk Management Matrix .....</b>	<b>31</b>
<b>Annex 5: Budget Details .....</b>	<b>35</b>
<b>Annex 6: List of Supplementary Materials .....</b>	<b>36</b>
<b>Annex 7: Preliminary Strategy for Communication of Results .....</b>	<b>37</b>
<b>Annex 8: Process Action Plan .....</b>	<b>39</b>
<b>Annex 9: Quality Assurance Checklist .....</b>	<b>41</b>
<b>Annex 10: Summary of SEforALL Responses to the Recommendations of the MFA Review in 2020 .....</b>	<b>42</b>
<b>Annex 11: Job Profile for Danish Secondment to SEforALL.....</b>	<b>45</b>
<b>Annex 12: SEforALL in the International Institutional Architecture .....</b>	<b>46</b>
<b>Annex 13: Summary of key UEF operational Procedures and Safeguards .....</b>	<b>47</b>

## 1. Introduction

### 1.1 Background

The present Project Document outlines the background, rationale and justification, objectives and management arrangements for development cooperation concerning *Danish support to SEforALL 2021 – 2023*. The Danish contribution to SEforALL emphasises the strong Danish commitment to high level SDG7 and climate diplomacy; to closing the energy access gap and to an accelerated green energy transition also in Africa. The COVID-19 pandemic has put green energy access investment on reverse and there is an urgent need for funding to support that progress is kept on track by investing in energy transition as a starting point for applying a post-recovery build-back-better (and greener) approach.

[SEforALL](#) was launched in 2011 as a United Nations initiative by then UN Secretary-General (UNSG) Ban Ki-moon and has played an instrumental role in the universal agreement in 2015 on an SDG on sustainable energy, (SDG7). The CEO of SEforALL, Damilola Ogunbiyi, is Special Representative of the UN Secretary General on Sustainable Energy and Co-Chair of UN Energy in collaboration with the Administrator of UNDP, Achim Steiner. SEforALL works in partnership with the United Nations, governments, the private sector, international and financial institutions, civil society, and philanthropies to drive faster action towards the achievement of SDG7 – access to affordable, reliable, sustainable, and modern energy for all by 2030 – in line with the Paris Agreement on climate change. Denmark has supported SEforALL financially since the launch in 2011 with the following grants: DKK 15 million for 2012-14, DKK 10 million for 2018-19, and DKK 12 million for 2019-20. A review of SEforALL conducted by the Ministry of Foreign Affairs of Denmark (MFA) in 2020 recommended that Denmark should continue its engagement with SEforALL. Accordingly, the MFA has identified additional grant funding of DKK 22 million from 2021 – 2023 to support SEforALL. This Project Document is an annex to the legal agreement with SEforALL and constitutes an integral part hereof.

### 1.2 Context

*Climate change and energy transition:* Energy accounts for approximately 70% of global greenhouse gas (GHG) emissions and therefore energy transition is a cornerstone in combatting climate change and driving development pathways to sustainable, climate neutral and resilient inclusive societies. Renewable energy, energy efficiency and electrification combined could achieve 90% of the energy-related emission reductions needed to achieve the well-below 2°C target of the Paris Agreement, and clean cooking fuels can likely account for the remaining 10% if broadly deployed and utilized. Offsetting the use of natural biomass through clean fuels also slows deforestation and reduces the significant burden of fuel collection on women and girls.

*Access to electricity and clean energy transition:* Currently, the world is neither on track to achieving the Paris Agreement nor the SDG7 targets. Globally, over 780 million people still lack access to electricity (of these 70% are in Africa and 28% in Asia) and 2.8 billion people - over a third of the world's population - do not have access to clean fuels or technologies for cooking. In terms of energy efficiency and renewable energy targets (SDG 7.2 and 7.3), the preliminary estimates of the recent global annual rate of improvement in energy efficiency are 1.3 % (2018), 2% (2019) and 0.8% (2020, projected) versus the estimated 3% global annual average rate required to be aligned with Paris Agreement goals. A 17.3% share of renewables in total energy consumption (2017) also indicates that the world is making only incremental progress towards critical energy transition targets.

In Sub-Saharan Africa, COVID-19 has put progress on energy access into reverse for the first time since 2013. In 2020, the number of people lacking electricity in the region increased by 2% compared to 2019. Closing the energy access gap in Sub-Saharan Africa will require concerted efforts, including new policy frameworks, innovative investment designs, and blended finance models. Without additional efforts, it is



estimated that about 620 million people globally will remain without access to energy in 2030, 85 % of them located in Sub-Saharan Africa. Despite being home to 17% of the world's population, Sub-Saharan Africa currently accounts for just 4% of global power supply investment and only 2 % of the Global GHG emissions of which South Africa accounts for half. Achieving reliable electricity supply for all would, according to the IEA, require an almost fourfold investment increase, to around USD120 billion a year through 2040. Energy access for all should be part of an overall energy transition, including phasing-out of coal, increasing renewable energy, improving energy efficiency, and transitioning to an electrification of infrastructure development such as transport and cooking solutions. The IEA “Net Zero by 2050” report just released in late May 2021 provides compelling evidence for action and sets out key policy messages, some of which have been summarised in Box 1.1. below.

Box 1.1: Key policy messages from the report by the International Energy Agency, (IEA), “Net Zero by 2050 - A Roadmap for the Global Energy Sector”, May 2021

**Excerpts from the key messages in the report's Summary for Policy Makers:**

- Reducing global carbon dioxide (CO<sub>2</sub>) emissions to net zero by 2050 ..... calls for nothing less than a complete transformation of how we produce, transport and consume energy. Commitments made to date fall far short of what is required by that pathway.
- The path to net-zero emissions is narrow: staying on it requires immediate and massive deployment of all available clean and efficient energy technologies. A major worldwide push to increase energy efficiency is an essential part of these efforts, resulting in the annual rate of energy intensity improvements averaging 4% to 2030—about three-times the average rate achieved over the last two decades.
- Net zero means a huge decline in the use of fossil fuels. No additional new final investment decisions should be taken for new unabated coal plants, the least efficient coal plants are phased out by 2030, and the remaining coal plants still in use by 2040 are retrofitted.
- Providing electricity to around 785 million people that have no access and clean cooking solutions to 2.6 billion people that lack those options is an integral part of IEA's pathway.
- Energy transitions have to take account of the social and economic impacts on individuals and communities and treat people as active participants.
- The transition to net zero brings substantial new opportunities for employment, with 14 million jobs created by 2030 in IEA's pathway thanks to new activities and investment in clean energy.
- Policies need to be designed to send market signals that unlock new business models and mobilise private spending, especially in emerging economies.
- Accelerated delivery of international public finance will be critical to energy transitions, especially in developing economies, but ultimately the private sector will need to finance most of the extra investment required. Reducing risks for investors will be essential to ensure successful and affordable clean energy transitions.
- The net zero pathway relies on unprecedented international co-operation among governments, especially on innovation and investment. For many developing countries, the pathway to net zero without international assistance is not clear. Without greater international co-operation, global CO<sub>2</sub> emissions will not fall to net zero by 2050.

Africa has the potential to leapfrog to cost-efficient renewable energy solutions to increase universal and reliable energy for all. Since 2010, the cost of renewable energy has dropped by 82% for photovoltaic solar, by 47% for concentrated solar energy (CSP), by 39% for onshore wind, by 29% for wind offshore and similar reductions in prices for batteries. Africa is gifted with the richest solar resources in the world but has only installed 5 gigawatts (GW) of solar photovoltaics (Solar PV), less than 1% of the global total.

However, the falling technology costs on renewable energy can drive double-digit growth in deployment of utility-scale and distributed solar PV, and other renewables, across the continent. Yet, mobilization of private investments and building a more reliable power system that integrate more renewable energy, incl. greater focus on transmission and distribution assets, remains a challenge.

While the COVID-19 pandemic has exacerbated socio-economic challenges, including massive losses of jobs, post recovery measures also provide opportunities to build-back-better toward sustainable climate neutral and resilient inclusive futures. Investing in the energy transition implies co-benefits such as green job creation, sustainable growth, affordable energy provision, improved agriculture, food production and nutrition, gender and health outcomes, as well as a cleaner environment.

According to IRENA studies used by SEforALL<sup>2</sup>, globally, for every US dollar invested in the transition towards renewable energy, for example, an additional US 93 cents of additional GDP growth above business-as-usual is expected. Investments in clean energy furthermore produce 3.5 times more jobs than the same investments in fossil fuels, and every USD 1 million invested in energy efficiency building retrofits will produce approximately 17 jobs. In Africa, each USD 1 million invested in large-scale solar generation projects creates around 80 jobs. Switching to clean cooking solutions frees up time for more productive activities and helps foster female entrepreneurship. Providing institutional access to electricity delivers better healthcare and education and enhances food security. Sustainable and green technology reduces the impact of black carbon and greenhouse gas emissions and helps avoid deforestation. Sustainable cooling technology and better building and urban design can mitigate health and economic risk to workers and families in a warming world.

High-level SDG7 and climate diplomacy: At the SDG Summit and the Climate Action Summit in 2019, world leaders called for a Decade of Action to achieve the SDGs by 2030, and for unprecedented global climate action to reach the Paris Agreement's temperature targets and avoid the tipping points that will lead to irreversible climate changes. Against this backdrop, several international work streams focused on combining energy transition and climate action are under way. A High-Level Dialogue (HLD) on Energy during the 76th UN General Assembly (UNGA) in 2021 will be a stepping-stone to raising ambitions and implementation towards COP26 in Glasgow and beyond. The UK COP 26 Presidency has established an Energy Transition Council, (ETC) to phase out coal. The SEforALL CEO is co-chairing the ETC, which is conducting "Clean Energy Offer"-dialogues on replacing coal with renewable energy alternatives in countries in Asia and Africa, (Egypt, Morocco, Kenya, Nigeria, South Africa, Bangladesh, Indonesia, India, Laos, Pakistan, Thailand, Vietnam, Philippines) towards COP26. Denmark is supporting the dialogue at country level in several countries.

Further context information is found in Annex 1.

### **1.3 Strategic Considerations**

SEforALL has developed a 2021-23 Business Plan clustered into 4 programmes: i) Energy Diplomacy and Advocacy; ii) Energy Access and Closing the Gap; iii) Energy Transitions and Climate Change; and iv) Intersection with other SDGs. The programmes include a broad range of issues. Strategically, Denmark proposes to support three SEforALL "results offers" that both address international development challenges; Danish priorities of SDG7 and climate diplomacy and energy transition and access to clean energy in Africa. The focus areas are aligned with Danish perceptions of SEforALL's comparative advantages compared to other actors in the Internationale climate and energy architecture:

---

<sup>2</sup> The Recover Better with Sustainable Energy Guide for African Countries: <https://www.seforall.org/system/files/2020-06/RB-Africa-SEforALL.pdf>

- 1) Access to renewable energy for all in Africa via the Universal Energy Facility (UEF): Achieving universal access to renewable energy by 2030 urgently requires funding mechanisms for decentralized energy that allow for greater scale, speed, efficiency, and innovative business models to reach the bottom-of-the pyramid and unserved populations, compared to traditional procurement models that are time consuming and impose a high administrative cost on governments, donors, and project developers. A strategically important SEforALL value proposition in this area is the UEF with an approach representing a paradigm shift comprising advocacy, advisory, and financing vehicles to promote the transition to new results-based funding (RBF) mechanisms to speed-up delivery of new connections to mini-grids and solar home systems and clean cooking solutions while promoting market development. The UEF aspires to be a USD 500 million facility by 2023 and to deliver in the order of 2 million electricity connections as well as clean cooking solutions to some 300,000 households by 2023 in African countries. Backed by USAID, UKaid, Rockefeller Foundation, Shell Foundation, Good Energies Foundation, and German Cooperation/GIZ, the UEF launched a Wave 1 starting in October 2020, to provide proof of concept by delivering over 13,000 new connections in three African countries (Sierra Leone, Madagascar, and Benin) within 18 months. USD 6 million pilot funding has been secured. Grant finance is disbursed against independently verified results achieved, thus providing clear and transparent metrics for monitoring and reporting. The poverty orientation is implicit in selecting communities with a high access deficit for mini grid and solar home systems and in the focus on clean cooking. It is noted that a focus on results at community level in selected African countries through UEF does not imply that Denmark recommends a stronger country level representation of SEforALL and that - as also reflected in the MFA 2020 Review - SEforALL should be clear on its value added at country level and ensure additionality and coordination with the many other development institutions in the selected partner countries.
- 2) Promoting energy efficiency in Africa via SEforALL's role in the Three Percent Club: Energy Efficiency can account for approximately 37% of the required GHG reductions towards 2050, reduce the need for expanding energy supply, and thus free resources for other development purposes at country level. SEforALL facilitated the establishment of the Three Percent Club<sup>3</sup> launched during the UN Secretary-General's Climate Action Summit in 2019 to promote and coordinate acceleration of EE globally. Denmark is a founding member. The Club is a coalition of public and private sector partners working together to measurably increase cost-effective EE investment in target countries to achieve the three percent year-on-year global average rate of EE gain needed to meet Paris Climate targets. This objective of the Club is very much in line with Danish strategic priorities and builds upon and is synergetic with Danish support to the Copenhagen Centre on Energy Efficiency (CCEE) under the UNEP DTU Partnership (UDP), as well as Danish support to the International Energy Agency (IEA), both of which are key partners of the Three Percent Club. SEforALL is conducting an internal evaluation on 6 energy efficiency accelerators to inform the future Global Environment Facility (GEF) funding and partner collaboration on EE. This evaluation has found that of the 77 countries that have received active support from key partner energy efficiency initiatives<sup>4</sup>, only 24 of those are in Africa and only 10 of those countries have received support from more than one sector-focused initiative. To date, the Three Percent Club partners are not providing earmarked funding to support the Club directly, with the exception of the newly initiated UK-funded UNIDO programme

---

<sup>3</sup> The Three Percent Club includes 16 member countries and 61 partner companies, organizations, and initiatives. African member countries include Ethiopia, Ghana, Kenya, and Senegal. Key partner organizations and initiatives include each of the EE Accelerators, the Copenhagen Centre on Energy Efficiency (CCEE), the International Energy Agency (IEA), the United Nations Environment Programme (UNEP), the United Nations Industrial Development Organization (UNIDO) and the Alliance to Save Energy.

<sup>4</sup> Key partner energy efficiency initiatives include the Building Efficiency Accelerator, Zero Carbon Buildings Accelerator, District Energy in Cities Initiative, Global Fuel Economy Initiative, Industrial Energy Accelerator, United for Efficiency, and the Copenhagen Centre on Energy Efficiency.

(accelerating climate action and ambition on energy efficiency with a focus on industry). The other key partner organizations are currently providing purely in-kind support to the Club. SEforALL is proposing a full Energy Efficiency for Sustainable Development programme of USD 800,000 per year of which USD 300,000 per year will be used for SEforALL's roles in supporting progress with the Club member countries, partner organizations and initiatives. SEforALL's role in support of the Club includes leading developing country engagement, partner coordination, matchmaking assistance for target countries and sectors, communications and narrative development that support progress on energy efficiency in a broader range of developing countries than currently exists<sup>5</sup>. Denmark will support SEforALL efforts to support collaboration through the Three Percent Club and by pilot support in 2 countries<sup>6</sup> in Africa to directly benefit from the Club partner assets and approaches<sup>7</sup> to accelerate progress on energy efficiency.

- 3) Seconding a professional staff member in support of the high level SDG7 and climate diplomacy of the CEO of SEforALL in her capacity as Special Representative for the UN Secretary General on SDG7. The secondment will support collaboration with the UNSG Climate Action Team, the COP Presidency, and members of the ETC. Focus will be on using the office of the SRSG and its convening power towards COP27 and COP28 to: i) facilitate the continuation or institutionalization of the work on the Clean Energy Offers for replacing coal with renewables in ETC ODA eligible countries. ii) Facilitate continued and expanded collaboration possibly an international Coalition of donors, international organisations, and private sector actors to ensure results on the ground by further refining a coordinated clean energy offer for ODA eligible ETC countries. iii) Facilitate private sector capital for investments in the clean energy offers. iv) Identify new countries for dialogue and collaboration with the ETC on clean energy offers. DKK 2.5 million has been set-aside as unallocated funds for possible initiatives related to the secondment.

## 1.4 Results and Lessons from Previous Engagements

The latest Danish contribution to SEforALL was a grant of DKK 12 million for 2019-20, which had a focus on increasing flows of finance to energy access and more specifically: work towards integrated electrification plans in African countries; support and advise on sustainable energy and climate change to the UNSG and the broader UN System leadership as well as Danish SDG7 leadership; and support for bringing the energy efficiency accelerators and other organizations together under the Three Percent Club. SEforALL's formal monitoring review for 2020 is expected in June 2021 and may be reflected in the final Project Document for the new phase of Danish support. Meanwhile, key results achieved with Danish support are summarised in Box 1.2. below.

### Box 1.2: Examples of SEforALL key results achieved with Danish support during 2019-2020

- As supporting organization of the Danish and Ethiopian co-lead on energy transition for the UN Climate Action Summit in 2019, organized an international preparatory energy transition workshop in Abu Dhabi, in collaboration with DK facilitated the launch of Cool Coalition, the Getting-to-Zero Coalition on shipping, the Climate Investment Platform, (CIP), with IRENA, the Green Climate Fund and UNDP and the Three Percent Club on energy efficiency.

<sup>5</sup> This support is in coordination with key partner support that is expected to include: CCEE providing technical support scoping, knowledge platform, toolbox and business model support; IEA providing major economy engagement, data, analytics, and capacity building; UNEP providing EE initiative facilitation, targeted sector support and target county engagement; UNIDO providing baseline assessments, toolbox development, and direct support to South Africa, India, Indonesia and Morocco; and additional private sector engagement from the Alliance to Save Energy, the Business Council for Sustainable Energy and the World Business Council for Sustainable Development.

<sup>6</sup> Target countries for support in Africa include the: Ethiopia, Kenya, and Ghana, which are Three Percent Club member countries.

<sup>7</sup> Club partner assets and approaches include, but limited to, the toolkit and assets being developed by UNIDO to support the Three Percent Club (which are currently not planned for use in the African members of the Three Percent Club), the data, analytics and training modules developed by the IEA, the EE Accelerator methods and tools, the CCEE knowledge platform and technical support, and other assets by the Club partner companies and organizations.

<ul style="list-style-type: none"> <li>• High-level Dialogue on SDG7 (HLD): Supported the process of preparing the HLD that will be convened by the UN Secretary-General during the 76th session of the UN General Assembly (UNGA 76) in September 2021. In addition to being Co-Chair of the HLD, the SEforALL CEO/SRSG is appointed as the High-level Champion for the HLD.</li> <li>• Three Percent Club: Continued a leadership role in the Club, in close cooperation with other co-leads and has hosted most of the partner meetings, led the development of the concept note, theory of change and solution offers from partners. SEforALL has been working to further support Club members Ethiopia and Kenya as country knowledge partners including through hosting multiple meetings. Developed a programme funding and governance concept note for the Energy Efficiency for Sustainable Development programme in collaboration with the Club partners; co-led the development of a webinar on the 1-year anniversary of the UN Climate Action Summit launch of the Three Percent Club. Collaborated with the Copenhagen Centre on Energy Efficiency through the Three Percent Club and also on an “Issues Brief” that examines the role of energy service companies (ESCOs) in Recovering Better from the global COVID pandemic.</li> <li>• Energy Efficiency Accelerators: Supported the Building Efficiency Accelerator meetings and other Buildings initiatives (Programme for Energy Efficiency in Buildings, Building Energy Efficiency Project India). Supported the development of Recovery Better guides to support countries in achieving economic recovery through investment in energy and energy efficiency.</li> <li>• Cooling: Provided technical inputs related to “cooling for all” data, research and policies in Ghana, South Africa, and Nigeria.</li> <li>• Energy Access: Implemented a technical assistance project for advising government on a tariff regime for minigrids in Sierra Leone. Launched a procurement tender to help develop Integrated Energy and COVID-19 Vaccine Distribution Plans for Nigeria, Sierra Leone.</li> </ul>
--

The 2020 MFA Review of SEforALL made 9 recommendations (see Annex 10 that includes SEforALL responses). SEforALL continues to be relevant for Danish support in light of the need for increased advocacy on SDG7, effective partnerships, and strategic coalition building. In the capacity as SRSG, the SEforALL CEO and her team can play a key role brokering partnerships between the many institutions within and outside the UN, the private sector, philanthropy, civil society and governments including promoting the UNSG’s focus on coal phase out and green energy transition. The Review also found that SEforALL’s priorities of policy reform, investment promotion, and private sector engagement for improved access to electricity, are relevant to the Danish focus on Africa. The review recommended that a future Danish contribution should be provided as earmarked support against SEforALL 2021-23 Business Plan and that seconding a professional staff member to SEforALL should be considered.

## 1.5 Rationale and justification in relation to OECD DAC Criteria

The Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) has defined six quality criteria which serve as the reference frame for evaluating international cooperation projects and programmes and which are also a useful frame for the justification of the project, as reflected in Table 1.1 below.

Table 1.1: Project justification related to OECD DAC criteria

Criteria	Justification
Relevance	<ul style="list-style-type: none"> <li>• The Project focuses on SDG7 (but also SDG13 and several other SDGs) as well as the Paris Agreement on Climate Change. The proposed support is in line with the Danish priority of priority energy access to 5.8 million people in Africa by 2023. Energy access is key for underserved population groups and for productive end use and thus for overall national economic and social development. Focussing on energy transition, the project supports the opportunities of African countries to leapfrog by investing in clean energy transition – renewable energy and energy efficiency - toward net zero carbon climate resilient pathways, avoiding stranded fossil fuel assets and preventing greenhouse gas emissions from expansion of energy supply and consumption that could make a second energy transition necessary.</li> </ul>
Internal and external coherence	<ul style="list-style-type: none"> <li>• SDG7 and the Paris Agreement provide a robust framework for action that facilitates external coherence (i.e. support other actors’ interventions in the same context). At global level, SEforALL addresses interlinkages of its activities with interventions of other institutions with mandates related to SDG7 and the Paris Agreement.</li> <li>• SEforALL events, such as the SEforALL Forum provide a framework for internal and external coherence, as these events provide a forum of exchanges on each partner’s activities/programmes/policies.</li> <li>• The SEforALL governance structures, both at the general Strategy and Business Plan levels through the Administrative Board and the Funders’ Council, and more specifically in the framework of UN Energy,</li> </ul>

	<p>ETC, the UEF Advisory Board and Investment Committee, and the Three Percent Club partnership structure, also facilitate coordination, complementarity and synergies and thereby both internal and external coherence<sup>8</sup>.</p> <ul style="list-style-type: none"> <li>• The SEforALL Monitoring, Evaluation and Learning (MEL) system is aimed at ensuring internal coherence, learning and adaptive management.</li> </ul>
Effectiveness	<ul style="list-style-type: none"> <li>• SEforALL's overall strategy and BP KPIs – and the proposed areas of Danish support - are aimed at achieving SDG 7 targets, underpinned by globally accepted indicators, which provide a universally agreed and robust framework for effective action i.e. ensuring that interventions achieved, or is expected to achieve, their objectives and its results.</li> </ul>
Efficiency	<ul style="list-style-type: none"> <li>• SEforALL's relationships, policy dialogue and experience of collaboration with a range of international institutions since its establishment in 2011 assist in facilitating the best use of each institution's comparative strengths in the global “ecosystem” around SDG7 and climate action. It is however noted that there is still a risk related to fragmentation, competition, overlaps and gaps.</li> <li>• The proposed Danish support for results-based financing of electricity connections and clean cooking solutions provide a basis for verified results against resources allocated and thus a clear measure of efficiency. Support for the Three Percent Club is directly focused on activities that support measurable improvements in energy efficiency.</li> </ul>
Impact	<ul style="list-style-type: none"> <li>• SEforALL's Theory of Change is focused on the achievement of SDG7 – affordable, reliable, sustainable and modern energy for all by 2030 - and thereby the higher-level effects or impact of sustainable energy for development and clean energy transitions, in alignment with the Paris Agreement.</li> <li>• The ETC process, the Three Percent Club, and the results-based approach inherent in the UEF, are all examples of initiatives that have a strong focus on transformational change leading to impact.</li> <li>• SEforALL earlier used a High Impact Country (HIC) approach – this is now being changed to a Country Assessment Framework Methodology to ensure that SEforALL support is well aligned to country needs and priorities and this will also help establish benchmarks that SEforALL will then use to measure impact against.</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>• Institutionalising the ETC process beyond COP26, providing UEF support contributing to results-based market development, and the Three Percent Club's approach to impact by • elevating energy efficiency in the development agendas • supporting Three Percent Club member countries with solution offers from SEforALL, and • investing in energy efficiency by supporting alignment of grants, loans and incentives from funds and financial institutions, are all initiatives intended to enhance the sustainability of development outcomes and impact.</li> </ul>

The proposed Danish contribution to SEforALL is earmarked for ODA eligible countries with a focus on Africa.

## 1.6 Relation to Main Actors and key Stakeholders

SEforALL is born out of the UNSG initiative, and the CEO is appointed SRSG and co-chair of UN Energy, which enable a close relationship with the Office of the Secretary General and the UN system. In combination with SEforALL's position as an advocacy organisation, the link to the UN provides the organisation with a unique position to broker relations with other key stakeholders for achievement of SDG7 and sustainable climate neutral and resilient development pathways. SEforALL's convening power has been demonstrated in the preparations of the UN Climate Action Summit, participation in the ETC dialogue on Clean Energy Offers to ODA eligible participating countries, preparation of the SDG7 HLD as well as through the annual Sustainable Energy for All Forums in 2014-2018 and in the 2019 Charrettes. SEforALL continues collaborating closely with partners across the energy ecosystem in order to achieve maximum influence and collective action in pursuit of SDG7 and energy transitions. SEforALL is actively partnering with the relevant UN agencies, the World Bank, International Energy Agency (IEA), the International Renewable Energy Agency (IRENA), regional multilateral development banks, the UNEP-

<sup>8</sup> In the final version of this Project Document, a summary overview of SEforALL linkages with other key institutions in the sustainable energy and climate change architecture will be included. This will also include identification of potential synergies with other multilateral programmes supported by Denmark and Danish bilateral energy partnership programmes.

DTU Partnership and others to pursue focused efforts that can increase the opportunity for greater progress on SDG7.

In relation to synergies and activity division by partner organizations of the Three Percent Club (also discussed in Section 1.3), SEforALL is primarily called on to engage developing countries, convene partners, match assistance for target countries and sectors, and to communicate an improved energy efficiency narrative that supports more energy efficiency progress. On results-based financing for energy access, SEforALL co-ordinates with donors financing other funds including Beyond the Grid Fund through a Results-Based Financing Leadership Group that seeks to co-ordinate RBF plans on a six-monthly basis. SEforALL collaborates with the World Bank Energy Sector Management Assistance Program (ESMAP) in multiple programmes including the Universal Energy Facility, UN-Energy, research into international financial flows, work on clean cooking data and powering healthcare clinics. With IRENA, SEforALL collaborates through UN-Energy, the Climate Investment Platform and powering healthcare amongst other channels. In the final version of this Project Document Annex 12 will provide overview of SEforALL's strategic position and how SEforALL coordinates with the main actors, including those supported by Denmark. In the meantime, a short overview is given in Table 1.2 below of key functions of SEforALL and other key institutions in the international energy landscape supported by Denmark.

Table 1.2: Overview of SEforALL and other key institutions in the international energy architecture that are supported by Denmark and their key functions (draft, subject to further work)

Institution/ initiative	Policy dialogue	Global analysis/ policy recommen- dations	Research/ knowledge work	RE integration	Mini/off grid solutions	Clean cooking	Cooling	Technical assistance (country level)	Project prepara- tion and readiness	Financing (RE/EE/ access)
SEforALL	√	√	(√)		√	√	√	√	√	√
UNDP	√	√		(√)	√	√	(√)	√	√	(√)
UNEP DTU Partnership,		√	√					√	√	
Danish Energy Agency	√			√				√		
ESMAP (WB)		√	√	√	√	√		√	√	√
GCF					√				√	√
GEF		√								√
IEA	√	√	√				√	√		
IFU									√	√
IRENA	√	√	√	√	√			√	√	
NDF									√	√
SEFA (AfDB)			√	√	√	√		√	√	√
WRI		√	√			√	√	√		
Beyond the Grid Fund for Africa (BGFA)					√				√	√



## 1.7 Alignment with Danish Cross-cutting Priorities and Danish Strengths and Interests

**Gender Equality:** The empowerment of women in energy leadership roles is a cross-cutting element and “inclusive and gender-sensitive action mainstreamed” an explicit outcome in SEforALL’s Theory of Change.

**Just transition - Leaving no one behind:** Inclusive action is explicit in SEforALL’s TOC and SEforALL works to amplify the voices of women, youth, and other key stakeholders to support a just transition, ensuring that its advice and solution offers are based on a good understanding of household and community needs of all stakeholders to ensure no one is left behind—as the organization supports leaders to make the right choices towards a legitimate energy future.

**Human rights-based approach (HRBA):** While access to affordable, reliable, sustainable, and modern energy for all is a Sustainable Development Goal (SDG7), access to sustainable energy is not a human right in itself. But given the role of clean and sustainable energy as a broader enabler of human and economic development, it is strongly interconnected with basic rights such as the right to life, food, health, shelter, education, etc. SEforALL’s work therefore makes indirect contributions to the general human rights principles of participation, accountability, non-discrimination, and transparency:

- SEforALL emphasizes participation (P) of in-country actors at all stages of its work by consulting and actively engaging with a broader array of members, including local/indigenous developers, local civil society organizations, influencer, investors and policymakers.
- SEforALL addresses accountability (A) across its work by facilitating access to reliable sources of data, evidence and networks, as well as engaging both state and non-state actors.
- Through its work, SEforALL helps ensure equitable access to energy to all and the creation of an enabling, non-discriminatory (N) environment that foster participation and well-being of the last mile communities.
- SEforALL enhances global transparency (T) in the energy sector by prioritizing data-driven evidence, best practice sharing, inclusive partnerships with high-impact countries and establishing presence on the ground.

**COVID-19, health and environment:** SEforALL’s business plan has a thematic focus on the synergies of SDG 7 with other SDGs, and its focus on stronger and more resilient health systems in Africa has been accentuated by the COVID-19 crisis, and the emphasis on access to electricity, access to cooling, and clean cooking solutions all relate to health and environment benefits.

### Danish Strengths and Interests

The objectives of the support to SEforALL align well with policies and priorities of the Danish Government and Parliament, including the Danish strategy for development cooperation and humanitarian assistance “[The World 2030](#)”, and the Global Climate Action Strategy: <https://um.dk/en/foreign-policy/new-climate-action-strategy/>. Through these strategies, Denmark is committed to accelerating action to raise ambitions for a clean energy transition globally, consistent with the goals of the Paris Agreement and the partner countries’ Nationally Determined Contributions (NDCs). Denmark supports a wide range of multilateral development institutions in the sustainable energy and climate architecture, and the MFA’s Doing Development Differently paradigm calls for increased focus on synergies and complementarities between and among these interventions, as well as with bilateral cooperation with many developing countries and emerging economies. In the final version of the present Project Document, these synergies will be highlighted vs. SEforALL’s strategic position and many collaborative linkages with other development partners and initiatives. Denmark also has a strong private sector resource base in sustainable energy and climate change action which will also be

interested in supporting the sustainable energy transition in the partner countries that enjoy SEforALL support.

## 2. Project Objective

The development objective of the project is to achieve affordable, reliable, sustainable and modern energy solutions for all by 2030, ensuring a just and inclusive energy transition—in line with the Paris Agreement—that leaves no one behind.

## 3. Theory of Change and Key Assumptions

SEforALL's **Theory of Change** (ToC, see Figure 4.1 below) represents the organization's vision for how the world should move towards the achievement of SDG7, and its contribution to achieving access to affordable, reliable, sustainable and modern energy for all by 2030. SEforALL's operates based on **four thematic programmes**:

- *Energy Diplomacy and Advocacy*;
- *Energy Access and Closing the Gap*;
- *Energy Transitions and Climate Change*;
- *the Intersection of Energy with Other SDGs*.

Each programme consists of several “results offers”. Together, these Programmes represent the organization's intended direct contribution to SDG7 indicators in line with the Paris Agreement.

SEforALL has developed a **Monitoring, Evaluation and Learning (MEL) Framework** that maps each Programme's work to outputs, and programmatic outcomes to those in the Organizational TOC, ensuring a ‘bottom-up’ and ‘top-down’ approach to developing and monitoring results towards SDG7. As shown in Figure 4.1, there are a number of learning loops reflective of the adaptive management approach inherent in SEforALL's TOC and MEL. Programme outputs contribute to **intermediate outcomes** (by 2023-2025), which in turn lead to **longer-term outcomes**. SEforALL believes that achieving these outcomes will bring the speed and scale of action necessary by all partners to realize the ultimate ambition of achieving SDG7 by 2030. This ToC is grounded in the **assumptions** that there is political will to act, energy and climate finance is available to mobilize investment for implementation, and that cost-effective, reliable solutions exist or can be identified through SEforALL's work. These assumptions are connected to associated **risks** that may prevent changes from taking place, delay or reduce their significance.

This is why before engaging deeply in supporting a country, SEforALL applies its **Country Assessment Framework Methodology** to discern whether the SEforALL support offers align to country needs before engaging in next steps. The framework helps SEforALL to assess national energy access gaps, energy transition goals, current trajectories; identify trends, gaps, and challenges for each country; and map the ‘stakeholder landscape’ of organizations already working in-country. The goal is to outline the current energy access situation clearly and succinctly in the country, the policy and regulatory frameworks, business environment, current stakeholders in country, government receptivity, etc. in order to uncover the gaps and needs that align with SEforALL programme offerings. However, SEforALL notes that in reality, it selects country projects based on the framework analysis combined with the relationship with the host government(s) and donor(s) in question. SEforALL focus countries in Africa include Benin, Burkina Faso, Egypt, Ethiopia, Ghana, Kenya, Madagascar, Morocco, Niger, Nigeria, Rwanda, Sierra Leone, South Africa and Zambia.

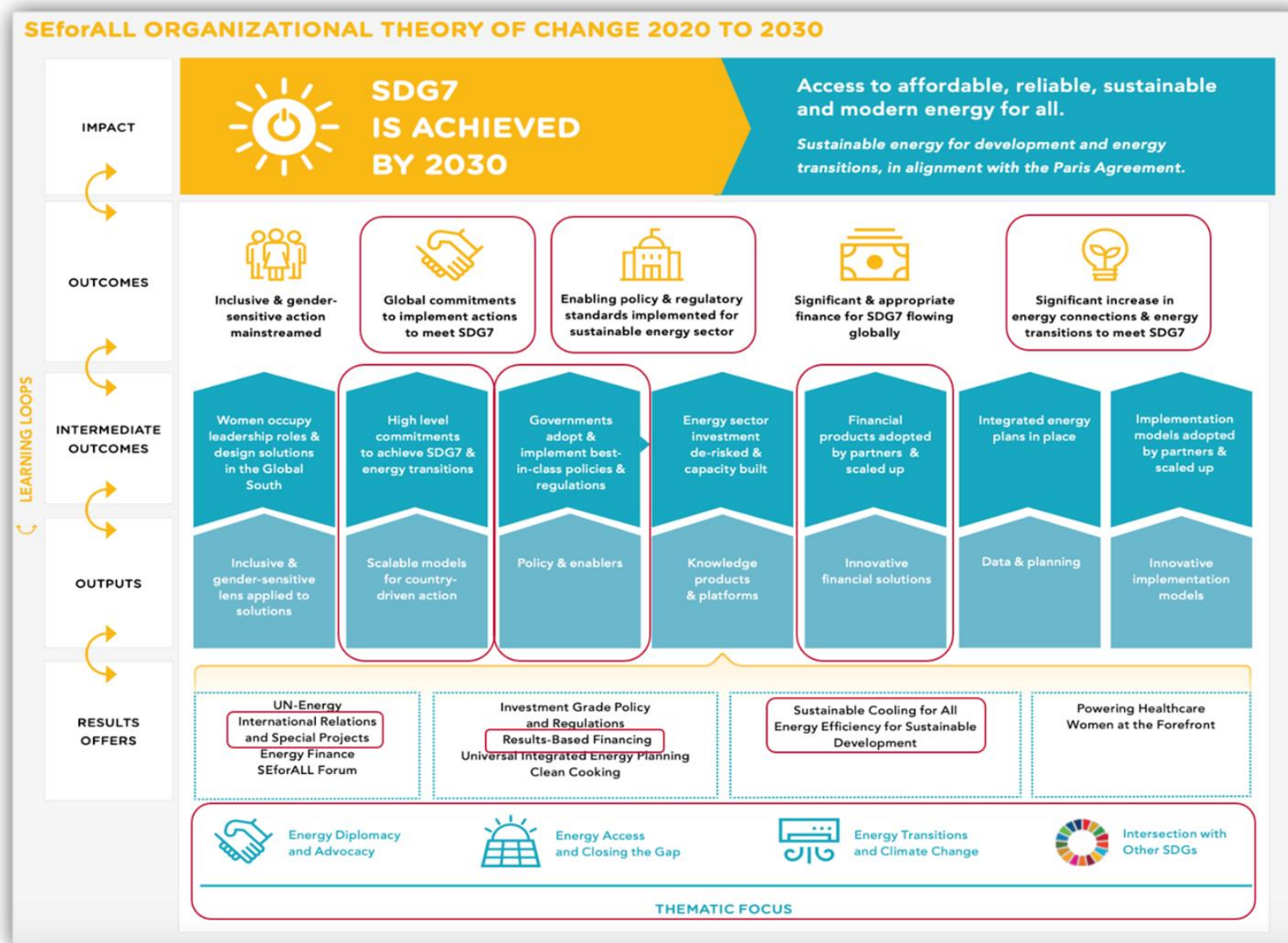
The graphic representation in Figure 3.1 below of SEforALL's organizational Theory of Change indicates in red the thematic areas of focus, programme areas, outputs, intermediate outcomes, and outcomes that will be supported by the Danish contributions – but note that under the combined results offer on Sustainable Cooling for All and Energy Efficiency for Sustainable Development it is only the latter that is proposed to be supported. As required by Danida guidelines, the intervention logic for the support to SEforALL is summarised briefly in Box 3.1 below in narrative form, answering the 8 standard questions that reflect how the identified development problem is expected to be solved through mechanisms and pathways by which the intended changes will take place.

**Box 3.1: Short Summary of the Theory of Change Narrative for Danish Support to SEforALL**

- 1 - What is the political, economic, societal and institutional context?** SDG7 has been globally agreed but the world is not on track to achieve its targets. Similarly, and closely linked, the world is not on a path to achieve the goals of the Paris Agreement on Climate Change. These challenges have been aggravated by the COVID-19 crisis.
- 2- What is development problem or issue - and the desired transformation?** Danish support is intended to address i) the deficit in access to electricity and clean cooking solutions in African countries; ii) the need to achieve the 3 % per year improvement in energy efficiency needed to meet SDG 7 and Paris Agreement goals; iii) to get further commitment by developing countries to phase-out coal in return for clean energy offers. The desired transformation is: i) to upscale a results-based financing approach that will produce verifiable results in access to energy and clean cooking in Africa faster and more cheaply than traditional financing mechanisms and support a market transformation in this regard; ii) to support target countries<sup>9</sup> to increase their rate of annual energy efficiency improvement in alignment with SDG7.3 goals; iii) to sustain the transformational change being supported by the Energy Transformation Council ETC.
- 3- Which are the main changes that will need to take place for this transformation to happen?** i) The Universal Energy Facility UEF for results-based finance needs to produce its intended results in additional countries/communities with SEforALL support. ii) Decision makers need to become more aware of the importance of EE as “the first fuel” and adopt the targets and approaches of the Three Percent Club and its partner initiatives. iii) The ETC energy diplomacy process needs to demonstrate results and be institutionalized and sustained beyond COP26 with more developing countries making public commitments to phase-out coal.
- 4-Who are the most important drivers of these changes?** SEforALL advocacy and capacity development support to developing countries, more concerted and coordinated action between the relevant development partners leading to more effective and efficient implementation of energy and climate action including further investment and private sector engagement.
- 5-How and with which modalities and instruments will we contribute to the changes?** Support to SEforALL earmarked to UEF, SEforALL's role in the Three Percent Club, and the ETC diplomacy process with ODA eligible developing countries in Africa and Asia. The Danish contribution to improving EE will be combined with the parallel contribution to support African countries on access to electricity and clean cooking solutions through the UEF with a view to helping align support on energy efficiency and access issues within target countries.
- 6 Why do we think that the changes will happen?** The UEF proof of concept is being demonstrated through its current funding and 1<sup>st</sup> wave of implementation; the Three Percent Club builds upon action of the EE Accelerators and partner initiatives, but the activities that support progress with the Club and in developing and lower-income economy Club member countries are seriously underfunded.
- 7- Which assumptions are relevant for the change to happen?** Key assumptions are decision makers' sustained commitment to SDG7 and Paris climate change goals; demand, relevance and suitability of the proposed support and models; and SEforALL's ability to influence decision makers and provide value added in a crowded institutional landscape. The main identified impact drivers are high-level political commitment and the power of effective communication of knowledge experience, and success stories.
- 8-What are the main risk factors?** There are contextual, programmatic, and institutional risks as briefly summarised in Chapter 8 and identified in more detail in Annex 4 of this Project Document.

<sup>9</sup> None of the countries involved has signed up on the premise of attaining national 3% year on year trajectory, the intent rather is to increase efficiency in line with this global trajectory.

Figure 3.1: SEforALL Theory of Change Graphic



#### 4. Summary of the Results Framework

For results-based management, learning and reporting purposes the MFA will base the actual support on progress attained in the implementation of the project as described in this Project Document. Progress will be measured through the SEforALL's MEL Framework.

For the MFA reporting purposes the following key outcome and output indicators have been selected to document progress:

- **Outcome 1:** Significant increase in electricity connections and clean cooking solutions in selected African countries, and associated significant increase in the number of households and thereby people with access to affordable, reliable and modern energy services, as evidenced by verified connections with power flowing: # minigrid connections with clean electricity flowing<sup>10</sup>, # operational standalone solar home systems<sup>11</sup>, # clean cooking solutions deployed<sup>12</sup> through the Universal Energy Facility UEF, proxied by the number of households who receive the electricity connections and clean cooking solutions via SEforALL's remote and onsite verification processes, further proxied by average number of people per household.
- **Outcome 2:** Developing countries strengthen the enabling environment for investment in cost effective EE to support improvement in EE consistent with the achievement of SDG7.3<sup>[1]</sup> and the global three percent year-on-year rate of EE gain needed to meet Paris Climate targets.

These outcomes and associated targets are outlined in the results framework Table4.1 below. In the final Project Document, a results framework also at output level will be included in Annex 3.

Table 4.1: Summary results framework for Danish Support to SEforALL 2021 – 2023.

Project	Danish Support to SEforALL 2021 – 2023
Project Objective	Affordable, reliable, sustainable and modern energy solutions in African and Asian developing countries, ensuring a just and inclusive energy transition in line with the objectives of the Paris Agreement that leaves no one behind.
Impact Indicator	Contributions to SDG7 (access to affordable, reliable, sustainable and modern energy for all by 2030) in the selected target countries; measured by <sup>13</sup> : 7.1.1: the proportion of the population with access to electricity. 7.1.2 is the proportion of the population with primary reliance on clean fuels and technology. 7.2.1: renewable energy share in the total final energy consumption. 7.3.1: energy intensity measured in terms of primary energy and GDP.
Baseline (2020)	2020 marked the start of the final decade to achieve SDG7 – access to affordable, reliable, sustainable, and modern energy for all by 2030. The latest data show that the world is off-track to achieve this goal. Denmark has contributed to SEforALL's efforts toward achieving SDG 7 targets.

<sup>10</sup> Connected to SEforALL MEL Framework for this programme – KPI is No. of verified mini-grid connections with power flowing”.

<sup>11</sup> Connected to SEforALL MEL Framework for this programme – KPI is „No. of verified functional SHS installed”

<sup>12</sup> Deployed = subsidized via the UEF, however a subsidy does not always equate to fully funded

<sup>[1]</sup> SEforALL proposes this KPI as an alternative in alignment with our MEL Framework and Strategy, once accepted by both parties, the targets will be finalized via SEforALL Leads.

<sup>13</sup> Support aligned to SEforALL's Programme areas that directly and indirectly contribute to these SDG7 indicators and this connection is mapped in more details in associated results frameworks which can be found in SEforALL 2021-2023 Business Plan and are detailed in SEforALL's MEL system through which impact, outcomes and outputs are tracked.

Outcome 1		Significant increase in electricity connections and clean cooking solutions in selected African countries, and associated significant increase in the number of households and thereby people with access to affordable, reliable and modern energy services, as evidenced by verified connections with power flowing	
Outcome indicator 1		<ul style="list-style-type: none"> <li>• # minigrid connections with clean electricity flowing<sup>14</sup></li> <li>• # operational standalone solar home systems<sup>15</sup></li> <li>• # clean cooking solutions deployed<sup>16</sup> through the Universal Energy Facility UEF</li> </ul> <p>The number of households who receive electricity connections and clean cooking solutions will be ascertained by proxy data via SEforALL's remote and onsite verification processes. Results verified remotely by the Odyssey data platform and on the ground by an independent verification agent (currently under selection). Further proxied by the average number of people per household, the outcome in terms of the # of people benefiting will be estimated.</p>	
Baseline	Year	2020	UEF first Wave underway in Sierra Leone and Madagascar providing proof of concept.
Target	Year	2023 <sup>17</sup>	<ul style="list-style-type: none"> <li>• 573,400 (mini grid connections)</li> <li>• 1,347,000 (solar home systems)</li> <li>• 313,000 (clean cooking solutions deployed)</li> </ul>
Outcome 2		Developing countries strengthen the enabling environment for investment in cost effective EE to support improvement in EE consistent with the achievement of SDG7.3 and the global three percent year-on-year rate of EE gain needed to meet Paris Climate targets.	
Outcome indicator 2		<ul style="list-style-type: none"> <li>• # of comprehensive EE commitments<sup>18</sup></li> <li>• # of comprehensive EE strategies</li> <li>• % of energy demand with associated EE policies</li> <li>• % of energy demand with associated EE initiatives</li> </ul> <p>Each of these indicators support an improved enabling environment for increased investment in cost effective energy efficiency that support improvement in EE consistent with the SDG 7.3 goals and to meet Paris Climate targets. Further resulting progress can be tracked through:</p> <ul style="list-style-type: none"> <li>• EE investment</li> <li>• EE rate of improvement</li> </ul>	

<sup>14</sup> Connected to SEforALL MEL Framework for this programme – KPI is ,“No. of verified mini-grid connections with power flowing”

<sup>15</sup> Connected to SEforALL MEL Framework for this programme – KPI is ,“No. of verified functional SHS installed”

<sup>16</sup> Deployed = subsidized via the UEF, however a subsidy does not always equate to fully funded

<sup>17</sup> These targets have been defined by SEforALL and reflect the ambition of a fully funded programme, to which Denmark's funding will contribute. As noted in the MFA's risk analysis these aspirational targets are seen as optimistic by 2023 even with a fully funded programme.

<sup>18</sup> SEforALL is proposing to first perform a baseline assessment globally to understand the current number of countries with EE commitments, EE strategies, EE policies and EE initiatives that support improvement in EE consistent with the SDG 7.3 goals. Following this baseline, the SEforALL programme will annually track progress against the gaps identified in the baseline assessment. After understanding the gaps, a quantifiable target will be more realistic to produce, based on evidence and data. This indicator and scope of work is only achievable with a fully funded programme of work, where support from the MFA will represent a contribution. It is noted that SEforALL, based on SDG7 tracking, is now working on analyzing the average rate of improvement in EE and comparing it to GDP growth to see how countries are tracking in support of global progress. This will be ready soon and can provide more details for the baselines.



		Results are verified through the SEforALL MEL system and in narrative case examples.	
Baseline	Year	2020	<p>A baseline would be set for each country supported, where currently:</p> <ul style="list-style-type: none"> <li>• EE commitments: each of the target countries has committed to energy efficiency as a member of the Three Percent Club, but most need improved NDC goals that include comprehensive energy efficiency commitments.</li> <li>• EE strategies: currently SEforALL tracking estimates that 32 countries have comprehensive energy efficiency strategies. Kenya has recently completed their national energy efficiency strategy with support from CCEE.</li> <li>• EE policies: each country as determined by their RISE scores for energy efficiency.</li> <li>• EE initiatives: The EE Accelerators and Hub have supported Ghana has had support for buildings, transport and appliances; Kenya has had on strategy, buildings and transport; and Ethiopia has had support on transport.</li> <li>• EE investment: global investment in energy efficiency at USD250 billion per year is significantly lower than the cost-effective energy efficiency investment pace estimated by the IEA to support the clean energy transition.</li> <li>• EE rate of improvement: global rate of improvement continues to be off-pace, with the most recent progress in 2020 estimated to be 0.8%, well off the global 3% goal.</li> </ul>
Target	Year	2023	<p>Increase in the number of countries with direct and comprehensive EE commitments, EE strategies, EE policies and EE initiatives that enable increased investment in cost effective energy efficiency that support improvement in EE consistent with the SDG 7.3 goals and to meet Paris Climate targets.</p> <ul style="list-style-type: none"> <li>• EE commitments: each target country commits to energy efficiency as a member of the Three Percent Club and through improved NDC goals that include comprehensive energy efficiency commitments.</li> <li>• EE strategies: each target country has further outlined their commitment through a national energy efficiency strategy.</li> <li>• EE policies: each target country has improved their policies to cover the majority of energy demand and have increased RISE scores for energy efficiency.</li> <li>• EE initiatives: each target country is supported by 2-3 of the EE Accelerators in coordinated action on policies, projects, and data tracking.</li> <li>• EE investment: each target country has increased investment in energy efficiency that can be reported to the IEA energy efficiency investment database.</li> <li>• EE rate of improvement: each target country has increased rate of improvement in EE at or above the average improvement rate for similar GDP growth rate countries.</li> </ul>

## 5. Inputs/budget

The total Danish contribution to SEforALL will be a DKK 22.0 million grant covering 2021-2023<sup>19</sup>. Since the Agreement between SEforALL and MFA is expected to be signed early in the 4<sup>th</sup> Quarter of 2021, the budget for 2021 is accordingly much lower than the full calendar years of 2022 and 2023. The Danish contribution will be earmarked ODA eligible funding to deliver the following outcomes that are closely aligned to the SEforALL Business Plan:

Table 5.1: Tentative Budget at Outcome Level (DKK million)

Outcome/budget item	2021	2022	2023	Total
Results-based funding of access to electricity and clean cooking in selected African countries.	0	6	6	12.0
Energy Efficiency increased through the Three Percent Club with SEforALL facilitation of EE progress for 2 African countries	0.5	2	2	4.5
Staff secondment to SEforALL	0	1.0	0.5	1.5
Unallocated funds	0	1.5	1	2.5
SEforALL Overheads (7%)	0.1	0.7	0.7	1.5
Total	0.6	11.2	10.2	22.0

The Danish grant will be spent solely on activities leading to the expected outputs and outcomes as agreed between the parties and all expenditure will be ODA eligible<sup>20</sup>. SEforALL is responsible for ensuring that the funds are spent in compliance with the agreement and with due consideration to economy, efficiency, and effectiveness in achieving the results intended. A detailed budget at output level will be included in Annex 5 of the final Project Document, and this will also reflect inputs from other donors to the outcomes and outputs to be funded by Denmark.

SEforALL may provide suggestions for use of unallocated funds, which will be agreed with GDK.

A brief summary status of funding of the SEforALL business plan is provided in Table 5.2 below.

---

<sup>19</sup> SEforALL fiscal year is the calendar year.

<sup>20</sup> This will require that time spent by the secondees can be linked to work with ODA eligible developing countries, e.g. through time sheets.



Table 5.2: Summary status of funding of the SEforALL business plan

Programme ('results offer')	Budget	Budget	Budget	Budget	Funds secured	Funds secured	Funds secured	Funds secured	Secured funding as % of budget
	2021	2022	2023	2021-2023	2021	2022	2023	2021-2023	
UN-Energy & SDG7 Leadership	2.281.415	3.238.497	3.239.416	<b>8.759.327</b>	1.891.171	369.040	279.324	<b>2.539.534</b>	<b>29</b>
International Relations & Special Projects (Including COP26-28)	2.520.852	1.359.260	1.478.382	<b>5.358.494</b>	779.473	123.414	116.066	<b>1.018.954</b>	<b>19</b>
Energy Finance	1.327.746	1.390.203	1.331.621	<b>4.049.570</b>	559.925	226.224	104.544	<b>890.693</b>	<b>22</b>
Campaigns & Events	1.729.287	2.754.899	2.637.442	<b>7.121.628</b>	1.055.591	330.132	224.063	<b>1.609.785</b>	<b>23</b>
Investment Grade Policy & Regulation Frameworks	1.322.086	1.478.179	1.367.313	<b>4.167.577</b>	1.362.531	509.212	232.347	<b>2.104.089</b>	<b>50</b>
Results-Based Financing (UEF, excluding subsidy grants)	1.908.491	1.975.238	1.960.014	<b>5.843.744</b>	1.761.149	596.342	236.879	<b>2.594.370</b>	<b>44</b>
Universal Integrated Energy Planning	1.656.727	946.461	893.012	<b>3.496.199</b>	1.576.326	418.934	237.110	<b>2.232.369</b>	<b>64</b>
Clean Cooking	1.073.906	1.645.150	1.763.989	<b>4.483.045</b>	480.861	224.088	138.489	<b>843.438</b>	<b>19</b>
Energy Efficiency & Cooling for All	1.871.946	1.810.802	1.708.816	<b>5.391.564</b>	1.365.811	594.412	189.158	<b>2.149.381</b>	<b>40</b>
Powering Healthcare	858.456	1.915.775	2.727.372	<b>5.501.603</b>	705.344	493.943	214.123	<b>1.413.411</b>	<b>26</b>
Gender (Women at the Forefront)	1.037.581	1.090.095	1.055.892	<b>3.183.568</b>	95.462	98.975	82.897	<b>277.334</b>	<b>9</b>
<b>Total</b>	<b>17.588.493</b>	<b>19.604.558</b>	<b>20.163.268</b>	<b>57.356.319</b>	<b>11.633.642</b>	<b>3.984.716</b>	<b>2.055.000</b>	<b>17.673.358</b>	<b>31</b>

Below is a listing of the Top Ten Current Funders. Note that the funding noted below is a subset of the secured funding noted in table 5.2.

Table 5.3: SEforALL current top ten funders

CURRENT FUNDERS	Programme	Period (years)	Years	Total USD (approx.)
IKEA Foundation	Core	5	2020 - 2024	7.500.000
Rockefeller Foundation	UIEP, PRF, UEF	3	2019 - 2023	5.150.000
Swiss Agency for Development and Cooperation	Cooling	3	2019 - 2023	1.700.000
Ministry for Foreign Affairs of Denmark	Core	1	2019 - 2020	1.600.000
United Kingdom (Carbon Trust, FCDO)	UEF, UIEP	2	2020 - 2023	1.100.000
USAID Power Africa	Powering Healthcare	2	2021 - 2022	1.000.000
Austrian Development Agency	Core	3	2019 - 2021	950.000
ClimateWorks Foundation (K-CEP)	Cooling	2	2018 - 2020	800.000
Ministry for Foreign Affairs of Iceland	Core	3	2021- 2023	600.000
Charles Stewart Mott Foundation	Energy Finance	2	2021 - 2022	500.000

## 6. Institutional and Management Arrangement

**SEforALL Organisation:** SEforALL is a legally independent entity formed as a quasi-international organisation under the laws of Austria with offices and/or staff presence in Vienna, New York, Washington, D.C, and Nairobi. The organisation has 53 Limited Term staff as well as 12 Full-time and Part-time Short-Term Consultants, working across its offices with competences in diverse energy-related topics. SEforALL maintains close links with the UN, including through a special [Relationship Agreement](#) endorsed by the Secretary-General's Cabinet. Supported by the SEforALL team, the CEO serves as the UN Secretary General's Special Representative for Sustainable Energy for All. Alongside Achim Steiner, the United Nations Development Programme (UNDP) Administrator, she also acts as Co-Chair of UN-Energy, the United Nations' mechanism for inter-agency collaboration in the field of energy. SEforALL's work with the UN Foundation as a fiscal sponsor for SEforALL in the United States, and with the UN Office of Project Services (UNOPS) on the management of funds, staff contracts and procurement. SEforALL is able to establish funding relationships through UNOPS or directly as a Quasi-International Organization under Austrian law.

**SEforALL Governance:** The SEforALL governance structure consists of an [Administrative Board](#), a [Funders' Council](#), and is defined by [bylaws](#) and [statutes](#):

- The Administrative Board is SEforALL's principal governing body. Its Chair and members provide guidance on strategic direction and handle all policymaking decisions, including appointing the CEO and approving the annual work plan.
- SEforALL relies on partner contributions to fund its operations. SEforALL Funders' Council - a consultative group that provides advice and recommendations to the CEO and Administrative Board. Council Members also nominate a Council Chair that also serves on the Administrative Board. The Funders' Council virtually meets every quarter. During quarterly meetings SEforALL Members receive updates on financial position, fundraising efforts, MEL updates and are asked to provide advice on strategic documentations (i.e. annual workplans). Denmark participates actively in the Funders' Council quarterly meetings. Switzerland currently holds the position of Council Chairperson.

- SEforALL comprehensive administrative procedures covering all key aspects of its operations, including a partnership & resource mobilization management system (Salesforce), financial (Accounting Seed), staff management systems, including time registration (Replicon and Bamboo HR), travel guidelines, and [procurement](#).

**SEforALL key policies:** SEforALL is committed to being open, honest, and accountable, and to conducting our activities with the highest standards of integrity. In 2020, the CEO spearheaded the development and institutionalisation of a number of organization-wide policies that demonstrate commitment to carrying out work transparently. SEforALL has in place procedures for vetting prospective employees and suppliers against Terrorism and Exclusion watch-lists and databases. SEforALL also recognises that conflicts of interest may arise amongst staff from time to time in the course of carrying out SEforALL's Programmes and activities.

- The *Conflict-of-Interest Policy* guides staff to conducting themselves with objectivity and impartiality; recognising and disclosing any conflict or potential situations and take steps to avoid and manage the appearance of conflict of interest, in the performance of their duties.
- The *Safeguarding Policy* and the *Workplace Bullying Discrimination Sexual Harassment Policy* take all reasonable steps to prevent harm from occurring, listen to those who are affected and respond sensitively but robustly when harm or allegations of harm occur.
- The *Whistleblowing Policy* ensures that if an internal or external individual wants to raise any serious concerns, they can do so with confidence and without having to worry about being victimised, discriminated against or disadvantaged in any way as a result.
- The *Anti-Corruption Anti-Bribery Anti-Fraud Policy* supports efforts to prevent corruption, bribery and fraud, improve remedies to address wrongdoing when they occur, as well as work towards improving behaviours, norms, and standards needed to sustain anti-corruption, anti-bribery and anti-fraud efforts.
- The *Anti-Money Laundering Policy* facilitates compliance with *Anti-Money Laundering* legislation and good practices which includes internal procedures and integrity guidelines that staff must follow on how to identify, assess and respond to money laundering and terrorist financing risks in its activities.
- The *Anti-Modern Slavery and Anti-Human Trafficking Policy* commits SEforALL to not providing its services or activities under an environment of forced or compulsory labour, including for children, work with partner organisations and suppliers who do not uphold these values.
- Finally, *SEforALL's Anti-Terrorism Policy* ensures that the organisation's funds and donor funds and resources are not used directly or indirectly to support terrorist activities and to provide a clear guide on what to do if terrorist funding activity is suspected. The set of policies are available on request from the Human Resources team, whilst some are also posted on: <https://www.seforall.org/who-we-are/staff/our-values>.

**Strategy for adaptive management and learning during implementation:** The newly updated MEL framework is intended to ensure that planned activities lead to desired impact. As part of the revised MEL strategy, a learning framework enables SEforALL to act on learnings through formal learning loops (illustrated in Figure 3.1). This framework is centered on continuous improvement in line with OECD-DAC criteria and aimed at influencing organizational processes, ongoing Programmes, design of new Programmes, and continuous evolution of the organizational TOC.

## **Governance and Management arrangements for the proposed area of Danish support:**

**Universal Energy Facility:** SEforALL's results-based finance (RBF) team is the UEF Project Manager, with the UEF falling under SEforALL's existing governance structure, ultimately overseen by SEforALL's Administrative Board. For the current ('Wave 1') deployment of funding, a UEF Advisory Board (that includes members from World Bank ESMAP, Rockefeller and Shell Foundations, and the Nigeria Electrification Project) provides strategic direction and fundraising support, approves prequalification and disbursement to grantees, and monitors UEF progress against delivery indicators. A UEF Investment Committee (membership includes Rockefeller and Shell Foundations and USAID) approves projects at site selection stage and conducts independent reviews of projects. Finally, a UEF Taskforce (membership includes the Africa Minigrid Developers Association (AMDA), Shell Foundation, Rockefeller Foundation, and SEforALL) provides market intelligence for the design and operationalization of the Facility. Fund disbursement is currently handled directly by SEforALL in Wave 1, with an option to engage an independent fund manager for Waves 2 and 3 in consultation with donors. Results are verified remotely by the Odyssey data platform and 'on the ground' by an independent verification agent (currently under selection). The proposed MFA contribution would be towards a second ('Wave 2') round of funding, with SEforALL's ambition of targeting a total fund size from all sources of USD 100 million (DKK 607 million). In the final version of this project document, an annex will summarise key UEF operational procedures and safeguards against risk factors. SEforALL is reviewing project governance for Wave 2 in consultation with donors considering new commitments. MFA will require a set-up and procedures either by the Funder's Council or another mechanism ensuring transparency and accountability and full donor insight into the agreement and use of UEF. A dialogue on this is ongoing. Denmark has been invited to participate in a SEforALL established "Results-Based Finance Leadership Group", that focuses on informal coordination and joint learning, including mapping of participants' investments and future plans by target country and technology

**SEforALL's role in the Three Percent Club:** The Three Percent Club was launched during the UN Secretary-General's Climate Action Summit in 2019 to coordinate action on accelerating EE, and Denmark is a founding member. The Club has over 75 members and partners: 16 member countries including Denmark; 12 founding partners; 29 institutional partners; 6 programme partners; and 26 industry partners. Lead partners in the Club are SEforALL (coordinator), IEA, UNEP, CCEE, GEF, EBRD, WRI, Alliance to Save Energy, International Copper Association, and Johnson Controls. SEforALL's roles in supporting the Club include coordination, matchmaking, communications and narrative development, developing country engagement. While the final roles and responsibilities are still pending negotiation of funding for partners, preliminary roles have been identified for a number of agencies including IEA, UNIDO; UNEP, and the Copenhagen Centre on Energy Efficiency (CCEE, under the UNEP-DTU Partnership, which is funded by Denmark as the EE hub for SEforALL and which is envisaged to focus on technical support scoping, toolbox, business models and knowledge platform – CCEE has expressed that there is close coordination with SEforALL with regard to the Three Percent Club). SEforALL's Energy Efficiency for Sustainable Development is the programme developed to support action with the partners of the Three Percent Club. Partners work together to support the goals of the Three Percent Club in three steps, (1) Elevate Energy Efficiency, (2) Support Energy Efficiency and (3) Invest in Energy Efficiency, the current funding supports progress through the "Elevate" activities. The proposed governance and management structure includes the collection of core partners and funders (jointly known as the Funders Council and Technical Committee, or similar) supporting decision making for activities, deliverables, and narrative of the "Elevate" activities. Further, this group will support decision making on fund disbursement for technical assistance and similar projects through the "Support" activity funding if that scale of funding is available and further coordinate with

member countries and financial institutions that are taking decisions on fund disbursement for direct investment in energy efficiency projects in the “Invest” activities.

## **7. Financial Management, Planning and Reporting**

SEforALL and MFA will strive for full alignment of the Danish support to SEforALL’s procedures and minimum requirements while respecting sound international principles for financial management and reporting. Administration costs will be kept to the lowest possible level and will not exceed 73 percent<sup>21</sup> of the budget.

**Disbursement of funds:** Funds will be transferred from the MFA in Danish Kroner based on a disbursement request received from SEforALL. In order to maximise security, Bank details will be confirmed by videoconference call ahead of funds transfer. SEforALL will return a letter or email with acknowledgment of receipt of funds.

**Procurement of goods and services:** SEforALL shall perform procurement in accordance with its procurement guidelines. Travel shall be procured in accordance with SEforALL’s travel guideline.

**Accounting requirements:** Accounts shall be kept in accordance with internationally accepted accounting principles and the organisation must follow the basic four-eye principles for all payments. The accounts shall at all-time be kept updated according to international standards. The accounts shall be drawn up to the same level of details as is done in the budget. The total budget cannot be exceeded and shall be used for the purposes as approved by the SEforALL Administrative Board.

**Financial reporting:** A final statement of accounts (covering the entire project period) shall be submitted by 31 July 2024. Statement of accounts shall be drawn up to the same level of details as is done in the budget (reflecting any agreed changes made).

**Unspent funds:** Any unspent balance or any savings of project funds shall be returned to the MFA together with any interest accrued from deposit of Danish funds.

**Audit requirements:** SEforALL produces an annual financial statement and has an annual audit conducted by an external certified auditor. Copies of the audited financial statements for [2018](#) and [2019](#) can be found on SEforALL’s website.

**Obligation to report on changes and irregularities:** SEforALL produces a monthly forecast for internal management purposes that monitors expenditure for interventions, and Programmes. SEforALL reports to donors on budget and expenditure, highlighting over and under expenditure on a regular basis in accordance with the donor agreement where reporting. SEforALL also convenes regular Funders’ Council meetings, and the Chair of the Funders’ Council sits on the SEforALL Administrative Board.

**Progress and Results Reporting:** SEforALL will provide an annual Monitoring Report on progress up to the 31 December of every year, with the report published no later than 30 June of the following year. The format of the Monitoring Reports will follow SEforALL’s MEL Framework.

**Monitoring and evaluation:** The Ministry of Foreign Affairs of Denmark shall have the right to carry out any technical or financial supervision mission that is considered necessary to monitor the implementation of the project. After the termination of the project the Ministry of Foreign Affairs of Denmark reserves the right to carry out evaluations in accordance with this article.

---

<sup>21</sup> SEforALL’s standard organizational overhead rate is 20%, but as agreed for Danish support during 2019-2020, the rate of 13% has been also agreed also for the proposed project.

**Plan for communicating results:** Compelling communications continues to be a critical component of SEforALL's strategic direction and its programmes and activities. Building on a track record as a key communicator and convener on SDG7, SEforALL is positioning itself as a hub for information, insight, and inspiration on SDG7. Along these lines, SEforALL is currently rethinking how the organization communicates, who are the key audiences, and what the key messages will be. SEforALL will offer a new set of messages that will show impact of its work and put SDG7 at the forefront of conversations. SEforALL aims at being at the forefront of the messaging: linking energy to climate, education, health, and gender. SEforALL's Be Bold digital campaign will harness this momentum by calling for ambitious action from governments, businesses, civil society, and international development leaders, as well as citizens. Above all, SEforALL's communications efforts will work to ensure energy for development is understood and recognized as a top priority for target countries and international institutions. A preliminary strategy for communication of results has been included as Annex 7. More information about how SEforALL will partner with Denmark to brand this Project and communicate its results will be included in an updated version of Annex 7 in the final Project Document.

## **8. Risk Management**

SEforALL undertakes ongoing and regular risk assessments as part of its Leadership Team (LT) process. The organizational risk assessment is also reviewed by SEforALL's Administrative Board on a quarterly basis. The MEL Team gathers this information each month from operational reporting to the CEO, codes the data, flags for risk level and the key risks are then reviewed by the LT each month for agreed response.

In line with Danida guidelines, risk factors related to the Danish contribution are grouped into contextual, programmatic, and institutional risks. Contextual risks include that governments might protect assets that would otherwise be stranded, also due to fears of potential job losses if switching to sustainable energy. Also, the Covid-19 pandemic may force governments to reassess the energy transition and climate change priorities in the light of the health and economic crisis. Programmatic risks include insufficient staff capacity and skills mix in SEforALL. Institutional risks include underfunding of the SEforALL business plan, challenges related to mixed messages and dilution of resources due to competing development partner initiatives and risks of duplication with other institutions and initiatives and failure to achieve and communicate the intended results, which would reflect negatively on SEforALL and the MFA. The project design is mitigating against these risk factors as further explained in the preliminary risk management matrix included in Annex 4 to this draft Project Document.

## **9. Closure**

The exit strategy and the formal closure of this collaboration will – unless the partners should agree to renew the collaboration – include the following steps and tentative timeline:

- (i) SEforALL's final report to GDK: SEforALL will provide the final annual Monitoring Report on progress up to the 31 December 2023 no later than 30 June 2024. The report will be directly linked to the KPIs and 2023 targets in the results framework for the Danish contribution.
- (ii) GDK's final results report: (GDK's internal MFA results reporting will be specified in the final project document)
- (iii) Closure of accounts, including final audit: A final statement of accounts (covering the entire project period 2021-2023) shall be submitted by SEforALL to GDK by 31 July 2024.



## Annex 1: Context Analysis

**Energy accounts for 60% of global greenhouse gas (GHG) emissions and is therefore the dominant factor in anthropogenic climate change.**<sup>22</sup> Pivoting to renewable energy generation, drastically increasing energy efficiency and deploying clean cooking fuels in developing countries form a ‘nexus’ between energy access and climate change. **Renewable energy and energy efficiency combined could achieve 90% of the energy-related emission reductions needed to achieve the well-below 2°C target of the Paris Agreement,**<sup>23</sup> and clean cooking fuels can likely account for the remaining 10% if broadly deployed and utilized. Offsetting the use of natural biomass through cleaner fuels also slows deforestation and reduces the significant burden of fuel collection on women and girls.

The latest data show that despite concerted international efforts the world is not on track to achieve the Paris Agreement and SDG7 targets. Globally, **789 million people still lack access to electricity (of these 70% are in Africa and 28% in Asia) and 2.8 billion people - over a third of the world’s population - do not have access to clean fuels or technologies for cooking.**<sup>24</sup> This deficit particularly inhibits the empowerment of women and girls, who are most likely to bear the burden of everyday consequences of energy poverty and climate change. Households in these countries rely on emission-heavy and environmentally destructive traditional biomass for most cooking. In Africa, household air pollution kills about 600,000 people per annum, 60% of whom are women, a proxy for the degree of particulate emissions generated.<sup>25</sup>

In terms of energy efficiency and renewable energy targets (SDG 7.2 and 7.3), the preliminary estimates of the recent **global annual rate of improvement in energy efficiency are 1.3 % (2018), 2% (2019) and 0.8% (2020, projected)**<sup>26</sup> **versus the estimated 3% annual rate required to be aligned with Paris Agreement goals.** A 17.3% share of renewables in total energy consumption (2017) also indicates that the world is making only incremental progress towards critical energy transition targets.<sup>27</sup>

The International Renewable Energy Agency (IRENA) has in its **World Energy Transitions Outlook** preview<sup>28</sup> outlined a pathway for the world to achieve the Paris Agreement goals and halt the pace of climate change by transforming the global energy landscape. This preview presents options to limit global temperature rise to 1.5°C and bring CO<sub>2</sub> emissions closer to net zero by mid-century, offering high-level insights on technology choices, investment needs and the socio-economic contexts of achieving a sustainable, resilient and inclusive energy future. Meeting CO<sub>2</sub> reduction targets by 2050 will require a combination of: technology and innovation to advance the energy transition and improve carbon management; supportive and proactive policies; associated job creation and socio-economic improvements; and international co-operation to guarantee energy availability and access. Among the Review’s key findings are that **proven technologies for a net-zero energy system already largely exist today; a combination of technologies is needed to keep us on a 1.5°C climate pathway.** These include increasingly efficient energy production to ensure economic growth; decarbonised power systems that are dominated by renewables; increased use of electricity in buildings, industry and transport to support decarbonisation; expanded production and use of green hydrogen, synthetic fuels and feedstocks; and targeted use of sustainably sourced biomass. In anticipation of the coming energy transition, financial

---

<sup>22</sup> [UN, 7 Affordable and Clean Energy: Facts and Figures](#)

<sup>23</sup> [Global Energy Transformation: A Roadmap to 2050](#) (2019)

<sup>24</sup> [Tracking SDG7 Report](#) (2020)

<sup>25</sup> [UN Women, A Review of Energy Policies in East and Southern Africa](#) (2017)

<sup>26</sup> <https://www.reuters.com/article/us-iea-energy/energy-efficiency-progress-falters-amid-pandemic-ia-idUSKBN28D1LS>

<sup>27</sup> [Tracking SDG7 Report](#) (2020)

<sup>28</sup> <https://www.irena.org/publications/2021/March/World-Energy-Transitions-Outlook>

markets and investors are already directing capital away from fossil fuels and towards other energy technologies including renewables. **Energy transition investment will have to increase by 30%** over planned investment to a total of USD 131 trillion between now and 2050, corresponding to USD 4.4 trillion on average every year. National social and economic policies will play fundamental roles in delivering the energy transition at the speed required to restrict global warming to 1.5°C.

The ClimateWorks Foundation assesses that of the 30 GtCO<sub>2</sub>e of new actionable opportunities to reduce global greenhouse gas emissions by 2030, 10% is now located in Africa, 7% in Asia and 14% in India: on par with Europe (10%), Latin America (9%) and North America (13%).<sup>29</sup>

At the national level, despite substantial financial flows into the energy sector, many developing countries around the world have been unable to move away from coal and other high emissions fossil fuels. Africa currently contributes a small fraction of global emissions but has upwards of 550 million people that are without electricity. Ensuring access to modern energy through sustainable sources will be critical in limiting Africa's emissions growth as universal access is achieved. More must be done to attract investment and shift local demand away from fossil fuel-intensive energy production, especially as renewable technologies become increasingly viable and affordable and competitive with fossil fuels due to technological advancement and local adaptation, especially through service combinations like telecommunications or water filtration with energy access.<sup>30</sup> **The COVID-19 pandemic has exacerbated the above-cited challenges, curtaining economic growth and resulted in massive losses of jobs, but it has also highlighted the critical role sustainable energy plays for countries to 'recover better' to combat the pandemic, create new clean and decent jobs, catalyze increased GDP, affordable energy provision, and improved agriculture, gender and health outcomes, as well as a cleaner environment.**

SEforALL has expressed the belief that if we act now, the world can still achieve SDG7 by 2030 and be on track for the goals of the Paris Agreement. But urgent action is required, and the next few years are critical to increase energy access, deliver a global energy transition that is truly inclusive, equitable and leaves no one behind, and to capture the associated development and economic opportunities. For every US dollar invested in the transition towards renewable energy, for example, an additional US 93 cents of additional GDP growth above business-as-usual is expected. **Investments in clean energy furthermore produce 3.5 times more jobs than the same investments in fossil fuels, and every USD 1 million invested in energy efficiency building retrofits will produce approximately 17 jobs.** Switching to clean cooking solutions frees up time for more productive activities and helps foster female entrepreneurship. Providing institutional access to electricity delivers better healthcare and education and enhances food security. Sustainable and green technology reduces the impact of black carbon and greenhouse gas emissions and helps avoid deforestation. Finally, sustainable cooling technology and better building and urban design can mitigate health and economic risk to workers and families in a warming world.

The global context is also characterised by numerous other initiatives toward implementing the 2030 Agenda for Sustainable Development and the Paris Agreement. This includes **the High-Level Dialogue on Energy (HLD) to be held in New York in September 2021** under the 76th UN General Assembly. The HLD represents the first inclusive global gathering on energy under the auspices of the General Assembly since the UN Conference on New and Renewable Sources of Energy held in Nairobi in 1981 and presents a historic opportunity to provide transformational action in the first years of the Decade of Action to deliver the SDGs and support the implementation of the Paris Agreement. This HLD also

---

<sup>29</sup> [Achieving global climate goals by 2050: Actionable opportunities for this decade](#) (2020)

<sup>30</sup> [Facebook & Bloomberg New Energy Finance. Powering Last Mile Connectivity](#) (2018)



comes is also at a critical juncture in the process leading-up to COP 26<sup>31</sup> in Glasgow, UK in November 2021. The process of preparing the HLD includes ongoing work of multi-stakeholder technical working groups<sup>32</sup> as well as Ministerial-level Thematic Forums in June 2021. An inter-agency report on accelerating SDG 7, covering individual themes and substantive tracks, will be prepared with the support of UN-Energy in collaboration with other relevant stakeholders as a substantive background material for the Dialogue. **The SEforALL CEO/SRSG has been designated as Dialogue Co-Chair to facilitate substantive content development, multi-stakeholder mobilization and inter-agency support, and she serves as the High-level Champion to drive global advocacy.** HLD outcomes are planned to comprise a Global Statement with action plans as well as “**Energy Compacts**” with voluntary commitments from Member States and businesses on all SDG7 targets in support of achieving all SDGs by 2030 and net zero emissions by 2050 – the Compacts will detail key outcomes, milestones and implementation timelines with clear tracking frameworks towards 2030. SEforALL together with UN-Energy members are co-leads on the development of energy compacts. As emphasized in concept notes for the HLD preparatory process, the HLD and COP26 are “inherently connected and mutually reinforcing processes providing a framework for international co-operation, with the goal of a sustainable, prosperous world where no one is left behind. Energy runs through all facets of these global agreements, and it is a decisive element for their achievement. Over the next decade, every part of the energy-related systems will be affected by changes in demand and supply, developments in policy and continuous technological advancements. The ongoing changes are transformational and already profoundly affecting the system that has evolved over the past century. Notably, previously unimagined possibilities are emerging for millions who lack access to energy. But the past year profoundly challenged our relationship with energy. The COVID-19 pandemic highlighted the cost of tying economies to the fate of fuels prone to price shocks. The very real challenges facing healthcare systems with unreliable energy access were magnified. The difficulties people faced continuing work or schooling were amplified, with many households without remote access. The energy system – along with the rest of economy – has been shaken to the core. How the world emerges from this crisis will determine our shared future. There is a window of opportunity to shape a new energy future. This future has to be resilient and inclusive, and transitions must be just. Renewable technologies, coupled with energy efficiency, provide an immediate, cost-effective solution in the quest for economic prosperity, social inclusion, and a resilient future”. “That energy transitions must take place is not in question. The question now is how to transition. It is incumbent on all to ensure the global community moves now and moves quickly. Delaying the transitions will only make this job harder later on and bring unnecessary hardship to those already struggling.”

Another important context for this project is the COP 26<sup>33</sup> **Energy Transition Council (ETC<sup>34</sup>)**, launched by the UK as part of its COP26 Presidency. The ETC finds that rapid and just transition to clean power is vital, to meet the goals of the Paris Agreement for avoiding dangerous climate change and limiting global warming to 1.5 degrees Celsius. The transition offers huge opportunities for jobs and growth, cleaner air, and improved public health. It can also boost energy access, energy efficiency and energy security. However, the ETC also recognises the challenge that “The pace of the global transition to clean power needs to at least quadruple over the next decade if we are to meet our Paris goals”. UK

<sup>31</sup> 26<sup>th</sup> Conference of the Parties under the UN Framework Convention on Climate Change: <https://ukcop26.org/>

<sup>32</sup> The HLD website <https://www.un.org/en/conferences/energy2021> provides overview of the technical working groups including substantive Concept Notes on the HLD preparatory process and for each of the five themes. SEforALL and the MFA are actively engaged in this preparatory process.

<sup>33</sup> The 26th Conference of the Parties in Glasgow, UK in November 2021 under the United Nations Framework Convention on Climate Change, see: <https://ukcop26.org/> and <https://www.gov.uk/government/publications/cop26-energy-transition-council-summary-statement>.

<sup>34</sup> <https://www.seforall.org/news/new-cop26-energy-transitions-council>

chairs the ETC alongside the SEforALL CEO also in her capacity as Co-Chair of UN-Energy. At its first meeting the ETC decided to explore specific opportunities for collaboration in areas including:

- a) Making clean power technologies the preferred option for countries investing in new power generation, with the aim of doubling the rate of investment in clean power by 2030.
- b) Developing policy and regulatory frameworks to attract the private sector to help deliver and finance these investment needs.
- c) Supporting people and communities heavily reliant on the coal economy to make a secure and just transition to clean power and other economic opportunities, ensuring that no one is left behind.
- d) Enabling the delivery of SDG7, harnessing centralised and decentralised clean energy solutions to achieve universal access to sustainable, affordable, modern energy by 2030, increase energy efficiency, and maximise the wider development benefits of the energy transition.

## Annex 2: Partner Assessment

### Brief presentation of partner

SEforALL is a legally independent entity registered as a Quasi-International Organization under the laws of Austria with offices and/or staff presence in Vienna, New York, Washington, D.C, and Nairobi. SEforALL works in partnership with the United Nations and leaders in government, the private sector, financial institutions, civil society, and philanthropies to drive faster action towards the achievement of SDG7. Denmark has been a long-term partner of SEforALL since its establishment by the UN Secretary General (UNSG) as an initiative in 2011. The SEforALL Chief Executive Officer serves as the United Nations Secretary-General's Special Representative for Sustainable Energy for All, and she is the co-chair of UN-Energy, and the co-chair of the UK COP26 Presidency's Energy Transition Council for COP26.

### Summary of partner capacity assessment

Note: This text is from the MFA Review of SEforALL in 2020, as updated in May 2021 by SEforALL where relevant and may be further updated in the final Project Document. SEforALL has 54 fulltime staff positions as of May 2021, organised in 15 programme teams. The majority of staff are based in the headquarters in Vienna and a small number is based in Washington DC, in the CEO's office in New York and working remotely (with all staff working remotely for the past year due to the COVID-19 pandemic). SEforALL's New York office facilitates the CEO's Co-Chairmanship of UN Energy, and the CEO is now based in this location. . The SEforALL organogram is not location based and most teams with the exception of Operations and MEL work across offices/locations. Five staff (including the CEO) are currently allocated to the New York office. The New York office provides a good opportunity for Denmark through which to build closer relationship with SEforALL and for cooperation and engagement in the advocacy for advancement of the SDG7. The MFA Review in 2020 concluded that the effect of SEforALL moving further into implementation, as foreseen by the framework for the next Strategy – yet not scaling down on advocacy - might constitute a challenge in relation to SEforALL staff capacity to deliver on the results offers. It is a relatively small organisation compared to the spread of its planned actions spanning from advocacy, over coordination at country level, to support to implementation, hence it could be a challenge to find the right balance of staff profiles. The Review also found that SEforALL had in the past faced human resource challenges as noted in the 2018-formative evaluation: high turnover<sup>35</sup> at senior level, lack of people strategy, and no HR expertise, and contracts offered for a one-year period only, due to funding constraints (lack of long-term predictable funding). SEforALL continued to face the issue of vacant positions and a relatively high level of staff turnover. SEforALL is a unique organisation, which can attract high-profiled staff, but the organisation is also too small to offer a real long-term career-path for staff; further the organisation has to source staff in a growing sector. While much has already been done to secure the delivery capacity, the MFA Review Team found that delivery capacity may continue being a constraining factor on successful execution of the next Strategy. Given the complex and dynamic institutional landscape in which SEforALL operates and the need to focus its efforts to strengthen delivery capacity, SEforALL could benefit from undertaking/updating its analyses of Strengths, Weaknesses, Opportunities and Threats (SWOT) and discuss the SWOT analysis in the Administrative Board and Funders Council. Such SWOT analysis has not yet been carried out, but SEforALL has in May 2021 noted that this recommendation is still welcome.

---

<sup>35</sup> The SEforALL turnover April 2020-April 2021 was 14%, with only one member of staff at a Director level leaving. SEforALL now has a detailed people strategy, and an experienced HR director was hired in April 2021 with support staff – and in early 2021 the organization published a career framework.

Summary of key partner features:

Name of Partner	Core business <i>What is the main business, interest, and goal of the partner?</i>	Importance <i>How important is the project for the partner's activity-level (Low, medium high)?</i>	Influence <i>How much influence does the partner have over the project (low, medium, high)?</i>	Contribution <i>What will be the partner's main contribution?</i>	Capacity <i>What are the main issues emerging from the assessment of the partner's capacity?</i>	Exit strategy <i>What is the strategy for exiting the partnership?</i>
SEforALL	Supporting the achievement of SDG7.	Low (Danish funding would be in the order of 5.5 % of SEforALL's aspirational budget of USD 58.9 million for the three-year BP period 2021-2023.	High	Staff time, convening power, leverage vs. other development partners including the UN system, substantive experience.	It is a small organization with a highly ambitious strategy. Funding and delivery capacity may continue being a constraining factor on successful execution of its BP.	The reporting on successful delivery against the KPIs in this Project Document.

### **Annex 3: Theory of Change and Results Framework**

*In the final project document this annex will include a results framework at output level.*

## Annex 4: Preliminary Risk Management Matrix

### Contextual risks:<sup>36</sup>

Risk Factor	Likelihood <sup>37</sup>	Impact <sup>38</sup>	Risk response	Residual risk	Background to assessment
Governments protect assets that could otherwise be stranded and continue to prioritize incumbent energy supply.	Likely	Significant	SEforALL has a strong role in advocacy and awareness raising in relation to SDG7 and in demonstrating the economic and social development benefits of green energy transition including meeting growing energy demand through EE and clean energy.	Medium	Vested interests, concerns about jobs, knowledge gaps, conducive policy frameworks including fossil fuels subsidies and lack of financing are obstacles to phasing-out coal and other fossil fuels.
Political risk: SEforALL may not be considered a key stakeholder in the SDG7 review process along with other agencies involved.	Unlikely	Significant	SEforALL has made strong progress on this in 2020 and is now a closer partner with the UN Secretary-General, UNDESA and partnering actively with the IEA, IRENA, World Bank, UN agencies, regional multilateral development banks and others to pursue focused efforts to increase the opportunity for greater progress on SDG7.	Minor	Since SEforALL became a quasi-international organisation, its role in the SDG7 review process has changed, but the role of the CEO as SRSG and co-chair of UN Energy
The COVID-19 pandemic could lead to further economic downturn that changes government priorities away from the clean energy transition and climate action to competing priorities.	Likely	Significant	SEforALL has adjusted its existing programmes and launched new initiatives to support the global COVID-19 response, see: <a href="https://www.seforall.org/covid-19-response">https://www.seforall.org/covid-19-response</a> SEforALL should collaborate with knowledge institutions to make the socio-economic case and its multiple	Major	The COVID-19 crisis has had profound effects on the global economy and government priorities in developing countries. Lack of knowledge on how to green recovery

<sup>36</sup> According to Danida definition, this category includes governance weaknesses, natural hazards, pre-existing socio-political tensions, etc.

<sup>37</sup> Danida standard classification: very unlikely, unlikely, likely, almost certain

<sup>38</sup> Danida standard classification: insignificant, minor, major, significant

			co-benefits of investing in the future by green recovery programmes aligned with NDCs and long-term climate neutral and resilient development pathways.		
--	--	--	---	--	--

**Programmatic risks:**<sup>39</sup>

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Capacity risk #1: Staff resource planning falls short of delivering key outcomes.	Unlikely	Major	Forward planning of work plan activities and cost saving measures. SEforALL is pursuing several pathways to fill skills gaps in the light of resource constraints, including relaunching a Secondment Programme with existing and potential partners. Part of the proposed Danish contribution is the secondment of a staff member.  SEforALL should prioritize and downscale the broad coverage of the Business Plan to match available resources	Minor	SEforALL has an ambitious Business Plan that is currently underfunded and ensuring adequate staffing and skill mix is a challenge. SEforALL has had a freeze on recruitment.
Capacity risk #2: SEforALL fails effectively to deliver and demonstrate impact across Programmes.	Likely	Major	SEforALL MEL and Programme frameworks are now more results oriented and focused on outcomes in the SEforALL ToC than previously, mapping it to the high-level outcomes and impacts. Insufficient funding for organization and Programme-level evaluations is an ongoing risk SEforALL will monitor and attempt to mitigate.	Major	To demonstrate impact, it is best practice to conduct organization and Programme-level evaluations.
The aspirational targets for the UEF outcomes by 2023 may	Likely	Major	SEforALL has been requested by the MFA to clarify baselines and targets.		The targets by 2023 for UEF outcomes as evidenced by # of mini-

<sup>39</sup> This category includes two kinds of risk: (1) the potential for the project to fail to achieve its objectives; and (2) the potential for the project to cause harm in the external environment.



be overly optimistic even though the UEF value proposition is to deliver results faster than traditional funding approaches. .			And proof of concept of the UEF's ability to deliver faster results, SEforALL fund raising for UEF is ongoing.		grid connections, # of solar home systems, and # of clean cooking solutions appear to be high even if the UEF was fully funded.
--	--	--	--	--	---

**Institutional risks:**<sup>40</sup>

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Funding risk: Funding base expansion and diversification required to ensure long term planning matches available funding streams.	Likely	Major	While funding commitments have grown on average USD 1.2 million/year, SEforALL is undertaking a concerted resource mobilization effort to match the needs of its work plan to the objectives of (potential) funders.	Major	SEforALL has an ambitious Business Plan that is currently underfunded.
Insufficient budget to deliver targets to 2021 Workplan: Targets were set in the three-year business plan and 2021 workplan assuming a full budget. Operating under budget will impact SEforALL ability to deliver on core activities and targets, especially those agreed with partners and funders.	Likely	Major	Forward planning of work plan activities and expenditure as well as other cost saving measures on travel, offices etc. Continuous review of fundraising strategy and target donors in collaboration with the Leadership Team, Administrative Board and Funders' Council.	Major	SEforALL has an ambitious Business Plan that is currently underfunded.
The risk that members of the Funders' Council from ODA donor agencies and private foundations and philanthropies may have different focus and thus provide mixed signals to	Likely	Significant	Make efforts to have a balanced representation and ensure that council members are well aware of the restrictions related to ODA eligibility of funding. SEforALL should seek registration with OECD DAC.	Major	Different funders of SEforALL may have different interests and priorities and the restrictions related to ODA eligibility should be well understood by all.

<sup>40</sup> This category includes "internal" risk from the perspective of the donor or its implementing partner, including operational security risks, operational risks linked to weak performance of the donor or partners, financial and fiduciary risk, and reputational risks.

<b>Risk Factor</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Risk response</b>	<b>Residual risk</b>	<b>Background to assessment</b>
SEforALL and that the balance between earmarked and core funding may be skewed.					
HR risk: High staff turnover results in loss of key relationships and institutional knowledge.	Unlikely	Significant	SEforALL has rolled out a Job and Career Framework to create compelling career journeys, retain talent and support the next generation of leaders in the sector. SEforALL is re-initiating its annual staff survey in 2021 to track employee satisfaction.	Major	There has been considerable staff turnover in SEforALL, for instance in relation to work on energy efficiency.
Mixed messages and dilution of resources due to competing development partner initiatives and risks of duplication with interventions supported by other multilateral and/or bilateral development institutions and initiatives.	Almost certain	Major	SEforALL's organisational set-up provides for nimbleness and flexibility to act while the roles of its CEO as UNSG Special Representative and Co-Chair of UN-Energy provides the formal links into the UN system which strengthen and facilitate the building of coalitions.  SEforALL will actively engage in coordinating with other international organizations and donors to ensure a division of labor based on comparative advantages to avoid duplication and overlap	Major	Sustainable energy and climate change mitigation is a crowded field with many multilateral and bilateral development partners and insufficient clarity in the ecosystem/institutional architecture on roles/comparative strengths. The institutional architecture envisaged when SEforALL was originally launched as a campaign, has not really materialized.
Data security risk: SEforALL confidential information is accessed by external parties and published	Unlikely	Significant	SEforALL uses secure cloud-based systems to store data, and an external firm provides IT support, security, and advice on improvements. Staff are trained on hacking and phishing threats. A security review in 2020 resulted in recommendations including a move to dual factor authentication for core systems to be rolled out in Q1 2021	Minor	A security breach in late 2020 involved the interception of emails between SEforALL and the Permanent Mission of Denmark in the United Nations. SEforALL found no indication that its systems were compromised during the incident but continue to support follow up with the relevant authorities.

## **Annex 5: Budget Details**

*This annex will in the final Project Document have a budget at output level and all relevant budget notes.*

## Annex 6: List of Supplementary Materials

#	Document / Material	Source
1.	SEforALL Business Plan 2021 - 2023	<a href="#">Link</a>
2.	SEforALL Be Bold digital campaign	<a href="#">Link</a>
3.	Three Percent Club	<a href="#">Link</a>
4.	Universal Energy Facility	<a href="#">Link</a>
5.	Energy Transition Council	<a href="#">Link</a>
6.	UN High-level Dialogue on Energy	<a href="#">Link</a>
7.	Tracking SDG 7: Energy Progress Report 2020	<a href="#">Link</a>
8.	SEforALL Recover Better guides	<a href="#">Link</a>
9.	Documents on the Universal Energy Facility, including UEF Operating Manual, UEF Investment Committee Guidelines, UEF Advisory Board Guidelines, UEF Taskforce Guidelines	
10.	Review of SEforALL, Review Aide Memoire, final 16.06.20	MFA (not a public document)
11.	Development Engagement Document for Danish contribution to SEforALL 2019-20	MFA (not a public document)

## Annex 7: Preliminary Strategy for Communication of Results

Section 3.4 of the SEforALL Business Plan 2021-2023 states that: “Compelling communications continues to be a critical component of SEforALL’s new strategic direction and is at the heart of our Results Offers and activities. We will build on our track record as a key communicator and convener on SDG7, positioning SEforALL as a trusted hub for information, insight and inspiration on SDG7. Action on SDG7 can be mobilized if decision-makers have the information they need and are inspired to act. They will implement policies, collaborate with others and invest their time and resources if they are empowered with information that is dependable, timely and motivating. As the organization evolves into SEforALL 3.0, our communications will evolve, ensuring we utilize innovative communications platforms and channels to reach the right people with the right messages at the right time. Employing the power of social media, creative communications campaigns, targeted op-eds and a dynamic website, we will support and amplify the activities and outcomes of each of the Results Offers and reinforce the brand of SEforALL. Our communications will put a face to SDG7 and illuminate the essential role of energy in achieving the broader set of Sustainable Development Goals (SDGs), including those related to gender equality, health and education. Above all, SEforALL’s communications efforts will work to ensure energy for development is understood and recognized as a top priority for target countries and international institutions”.

<b>What?</b> (the message)	<b>When?</b> (the timing)	<b>How?</b> (the mechanism)	<b>Audience(s)</b>	<b>Responsible</b>
<i>What is/are the key messages that we would like to communicate?</i>	<i>When do we want to communicate these messages?</i>	<i>How will we make sure that the key messages are clearly communicated and understood as we want them to be understood?</i>	<i>Who is the primary (and secondary) audience targeted by through these communication activities?</i>	<i>Who will be responsible for making sure that identified activities are carried out?</i>
Progress against SEforALL Results Framework, or Theory of Change and 3 Year Business Plan	No later than 30 June each year, reporting on results and progress against KPIs from previous year	Annual Monitoring Review	SEforALL donors, key partners	SEforALL
Key learnings, emerging data and evidence	Quarterly	PowerPoint presentations in set meetings throughout the year on this schedule	To the Funders Council and Administrative Board as appropriate, internally at SEforALL with its Leadership Team, all staff, as appropriate to integrate	SEforALL

			learnings into efficiencies and effectiveness gained	
Energy Compacts joined as part of High-level Dialogue on Energy (HLD) process	Ongoing throughout 2021; major activities around HLD in September 2021	Announcements through SEforALL digital channels and UN-Energy channels; profiling at HLD	Prospective Energy Compact members: national governments, companies, and sub-national governments	SEforALL and UN-Energy
Governments adopt policy and regulatory changes advocated by SEforALL	Ongoing based on country-specific support	Digital content on SEforALL channels; earned media in local media for countries supported	Governments and regulators in other countries in need of revised policy and regulatory frameworks – priority on Sub-Saharan Africa	SEforALL
Energy connections delivered as a result of results-based financing	Timed with Universal Energy Facility (UEF) waves	Video profiling of connections being made and impacts on local population; earned media coverage with local news outlets and larger development-focused media; variety of digital content profiling impact of UEF	Prospective funders of UEF: development finance institutions, philanthropies, etc.	SEforALL and all UEF partners
Denmark contributes to SEforALL. Impact stories for both country examples and public awareness	From the approval of the project and throughout the project duration and beyond	MFA and MCEU websites, websites of Danish embassies in countries benefiting from support, relevant Danish publications, World's Best News campaign, State of Green.	Danish decision makers, partners in developing countries, the Danish professional resource base, and taxpayers	MFA, MCEU and relevant Danish embassies

## Annex 8: Process Action Plan

### Project identification and formulation process:

The MFA is an active member of the SEforALL Funders' Council, and this has facilitated ongoing dialogue with SEforALL. The MFA Review of SEforALL in 2020 was a period of intense interaction with SEforALL, and the Review Report dated 16 June 2020 and the SEforALL management response in June 2020 and updated response March 2021 (see Annex 10) have informed the formulation process. SEforALL has made suggestions concerning the possible focus areas for Danish support. From mid-March 2021, GDK and SEforALL have embarked on a structured formulation process with working meetings and exchange of a substantial amount of information, and an external consultant has been engaged by GDK to assist the formulation. An internal MFA Identification Note has in mid-late April provided GDK management guidance to the formulation team on priorities for support, and GDK has also consulted with the Danish Ministry for Climate, Energy and Utilities (MCEU) and with Danish embassies in three African countries. Moreover, GDK has had brief interactions with UNEP, the Copenhagen Centre on Energy Efficiency, and IEA – as well as with another donor, the UK – during the formulation process.

It is noted that the MFA in early 2021 has adopted new guidelines for development cooperation, and that some clarification has been required in this regard. Due to the MFA's accumulation principle, the MFA guidelines for grants above DKK 39 million must be followed, meaning that the proposed new grant described in the present Project Document must first be subject to a public consultation process and discussion in the Danida Programme Committee then be quality assured through an MFA appraisal process and subsequently endorsed by the Council for Development Policy for final approval by the Danish Minister for Development cooperation before Agreement with SEforALL can be signed. Consistent with Danida guidelines and instruction from the secretariat of the Danida Programme Committee, the present version of the Project Document (that will be subject to the public consultation process and then be discussed by the Programme Committee), is a light version with key performance indicators (KPIs) only at objective and outcome levels. The Project Document that will be the basis for appraisal and the subsequent approval process, will be a full version with KPIs and budget also at output level and with all relevant annexes fully completed.

### Next steps toward approval of the grant and implementation:

Action/product	Key dates	Responsible
Revised draft Project Document for internal GDK management review.	27 May	GDK/Consultant
Forward draft Project Document to MFA Programme Committee secretariat (ELK).	1 June	GDK
Public consultation process.	4-17 June	MFA/ELK
Programme Committee Meeting.	24 June	MFA/ELK
Revise draft PD based on available information from Programme Committee meeting.	28 June-8 July	Consultant with SEforALL inputs and in liaison with GDK
Internal GDK management quality assurance of draft project document before appraisal.	8-12 July	GDK
Draft Project Document ready for appraisal.	12 July	GDK
Appraisal.	9-20 August	MFA Appraisal team
Draft appraisal report circulated to SEforALL, GDK, MCEU for comments	20 August	MFA Appraisal team



Comments to draft appraisal report.	24 August	SEforALL, GDK, MCEU, formulation consultant
Final appraisal report.	26 August	Appraisal team
Adjust Project Document based on appraisal recommendations.	23-26 August	Consultant
Final internal GDK management quality assurance of Project Document.	27-30 August	GDK
Final Project Document with appropriation cover forwarded to ELK for distribution to members of the Council for Development Policy.	30 August	GDK
Council for Development Policy (CDP) Meeting.	16 September	MFA/ELK
Conclusions from the CDP Meeting.	Mid-September	ELK
Approval by the MFA/Danish Minister for Development Cooperation of the grant to SEforALL.	Late September	GDK
Signing of Agreement between SEforALL and the MFA.	Early October	GDK/SEforALL
Disbursement of first instalment of grant to SEforALL.	4th quarter 2021	MFA
Meetings of the Funders' Council (virtual meetings).	Quarterly during 2021-2023	Participation by GDK
Annual Monitoring Report on progress up to the 31 December of every year.	No later than 30 June of the following year	SEforALL
Final Annual Monitoring Report on progress up to the 31 December 2023, directly linked to the KPIs and 2023 targets in the results framework for the Danish contribution.	No later than 30 June 2024.	SEforALL
Annual financial statement to the MFA and annual audit conducted by an external certified auditor.	June 2022 and 2023 for the previous calendar year	SEforALL
Final audited statement of accounts (covering the entire project period) to the MFA.	Latest by 31 July 2024	SEforALL

## **Annex 9: Quality Assurance Checklist**

(will be included in the final Project Document after appraisal)

## Annex 10: Summary of SEforALL Responses to the Recommendations of the MFA Review in 2020

Recommendations	Short summary of SEforALL responses updated 19 March 2021
1: Denmark continue its engagement with SEforALL and release the second tranche of the current commitment subject to satisfactory management response to the review findings.	Thank you for the second tranche of Denmark's commitment for 2019-2020. Denmark is a key leader of the SDG7 movement that is helping change the narrative around climate and clean energy transition. Denmark's continued support of SEforALL's mission has helped us fund our programmes, putting people at the heart of our work. Our updates against the original recommendations are presented below. On review we believe we are on track to address all of the primary recommendations.
2: The MFA should promote a more active Funders Council and consider announcing its candidacy for the function of Chairperson for the Funders' Council.	Delighted to see the active participation and engagement of Danish MFA. At Q1 2021 meeting, the Council elected a new Chair from the Swiss Agency for Development and Cooperation for two years.
3: SEforALL should develop a robust theory of change for the 2021-2024 Strategy forming the basis for a solid results framework, which includes baselines and annual targets with SMART indicators at impact, outcome, and output levels.	We have implemented a robust ToC for 2021 – 2023 in alignment with our new BP. Our BP, MEL Frameworks for all programmes, and associated KPI databases include baselines and annual targets against SMART indicators developed at the programme level. These indicators have been mapped to cross-organizational SMART KPIs that align with the 5 outcomes of our ToC, focused on gender, commitments, policy and regulation, finance, connections / energy transitions.
4: The annual workplans should follow the results framework and be directly linked to budgets at outcome and output levels and form the basis for a results-oriented reporting to Administrative Board and funders.	Throughout 2020, we restructured our workplans and SMART KPIs to be results oriented in nature across the organization. We have also restructured our internal reporting so that each programme reports on progress and results in the context of our ToC, and the 5 outcomes therein (gender, commitments, policy and regulations, finance, connections / energy transitions). This forms the basis of information reported against the organizational ToC (results framework in the context of the Denmark project document) and subsequently all donors and Administrative Board. We wholeheartedly agree with this recommendation and appreciate the support in this direction.

5: The results framework should include relevant baseline data, end targets broken down to annual targets and use SMART Key Performance Indicators (KPIs) to allow for a more structured approach to workplans and reporting against the targets.	This has been completed in 2020 and is implemented across the organization as noted above.
6: SEforALL monitoring and reporting systems should enable budgeting and expenditure tracking and reporting at output and outcome levels, and SEforALL should report on effectiveness and efficiency in the results achieved.	Budget and expenditure tracking is governed through our time management system that was implemented in 2020: Replicon as well as our financial management system implemented in 2020: Accounting Seed Budgets and expenditures are aligned with our workplans which are connected to our activities, outputs, outcomes and results oriented reporting. This allows us to track our efficiency and effectiveness of delivering programmes of work against the proposed / forecasted budgets and learn from analysis to gain efficiencies. Regarding the establishment of additional offices as discussed in the 2020 response, due to the COVID-19 pandemic this has slowed down and become a lower priority. We have established presence of our CEO and her support staff in New York and have not in fact set up a new office but will be embedded for the time being in the Rockefeller Foundation's Offices there once the pandemic eases. We are also in the process of establishing a regional office in Nigeria
7: SEforALL should in its reporting to the MFA for 2020 focus more on concrete results and learnings and use the format given in the Development Engagement Document for Danish core funding during 2019-2020 as examples "from SEforALL's indicative Results Framework for donor reporting for 2020" while limiting lengthy narrative reporting.	Our sole focus in 2020 reporting has been on results and learning, specifically in the context of our results framework, which we call our ToC. We have given a preliminary view of this through the sample reports submitted to the formulation team in March 2021 and look forward to sharing the full recommendation from Denmark via our Annual Monitoring Review release in June 2021, covering 2020.
8: The MFA should consider to second one professional staff member for an initial two-year period with the possibility of extension.	SEforALL launched a Secondment Programme to seek professionals through limited term secondments or JPOs from our funding and partner organizations to bring new skills, perspectives, and capacity to SEforALL. We would welcome the opportunity to discuss with Denmark a secondment to one of SEforALL's offices (Vienna or New York).
9. Future support from Denmark to be provided as programmatic/earmarked support against key priorities identified in the Strategic Plan 2021 – 2023.	We continue to welcome ongoing programmatic support. Having researched requirements for our official eligibility for OECD DAC listing we have identified two options: (1) UNOPS as our fund manager for many donors is already an OECD

	<p>DAC listed entity, and funds received via this route are (according to UNOPS) eligible. (2) an organization of SEforALL's annual budget can apply directly for listing to OECD but only with the sponsorship/endorsement of a sovereign donor. We have raised a request on a few occasions over the past year with the Ministry to seek endorsement but have so far not received a response.</p>
--	---

## **Annex 11: Job Profile for Danish Secondment to SEforALL**

*This annex will follow in the final Project Document.*

## **Annex 12: SEforALL in the International Institutional Architecture**

*This annex will follow in the final Project Document with more details on SEforALL Collaboration and Linkages with other multilateral Development Institutions and Stakeholders.*



## **Annex 13: Summary of key UEF operational Procedures and Safeguards**

*In the final Project Document, this annex will summarise key UEF operational procedures and safeguards against risk factors.*