Framework Programme on Strategic Sector Cooperation with City of Aarhus (2023-2026) DRAFT Framework Programme Document

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1. Introduction

This document outlines the framework programme of Municipality of Aarhus and its partners under the Strategic Sector Cooperation (SSC). The SSC instrument was launched in 2015 for engaging Danish authorities in cooperation with partner authorities in developing countries.

The framework programme (FP) covers the period 2023-2026 with a budget of DKK 56 million. It is the first FP with City of Aarhus under the 2021 SSC guidelines, replacing single-project agreements between Danish authorities and the Ministry of Foreign Affairs (MFA) with 4-year strategic framework agreements.

The FP is guided by Danish government policies, in particular the Strategy for Development Cooperation, the Global Climate Action Strategy, the Action Plan for Economic Diplomacy, and by the international strategy of Municipality of Aarhus and its partner Aarhus Vand A/S¹. The FP focuses on green transition with a focus on climate responsive urban water management, targeting areas where City of Aarhus through its core competencies can contribute to important positive change (see Box 1 below).

Building on lessons and results from on-going phase 1 projects – in Ghana, South Africa and India – and responding to specific challenges, priorities and demand in each of the three countries, the FP will mobilise the above indicated core competencies (Box 1) to contribute to climate adaptation and resilience in cities through climate responsive urban water management. The core competencies will be mobilised to promote the change in the enabling environment, to elevate ambitions for a green and climate resilient transition and to foster engagement of the private sector. Further, in line with the 2021 SSC Guidelines, the FP has distinct focus on Denmark's green diplomacy efforts and enhanced bilateral relations – and promotes the Danish private sector's engagement in dialogue, solutions, and investments across the broad area of climate responsive urban water management.

This document describes the focus, guiding considerations, and management mechanisms for the FP. It includes projects in three countries. In South Africa and India phase 2 will start at the beginning of this FP in January 2023, whereas the phase 2 project in Ghana is expected to start in the second half of 2023. As a framework programme, the document introduces the individual projects included in the programme although these are not described in detail.

2. Context and strategic considerations and justification

2.1 Global context of urbanization and water challenges – Danish priorities and role of SSC

Urbanisation is an integral part of the development process and well-functioning cities contribute directly to economic growth and poverty reduction. More than half of the world's population live in cities and by 2025, another 2.5 billion people will have been added to the world's urban areas. Countries in Sub-Saharan Africa and some parts of Asia experience the highest urban growth rates.

¹ Aarhus Vand A/S is Municipality of Aarhus's water utility. Hereafter, the term "City of Aarhus" refers to Municipality of Aarhus <u>and</u> Aarhus Vand A/S when used in this document.

Responsible for primary service delivery to urban dwellers, cites are continuously more important for delivering on the Sustainable Development Goals (SDGs) while engaging in green transition.

At the same time, many cities are increasingly challenged by the effects of climate change. They are directly confronted with water scarcity, pollution and floods. Climate change impacts on water systems are severely felt in urban centres in a context where rapid urbanisation has already increased pressures on infrastructure and water services. Vulnerable communities are particularly exposed to water risks, as their existing safeguards are weaker and they lack the means to recover from disasters.

The FP targets select aspects of these climate related challenges to urban water resources and systems, in relation to which City of Aarhus' core competencies can contribute to important positive change (re. Box 1).

First, the combined effect of population growth and climate change puts water resources under pressure. This calls for holistic planning including climate adaptation. With accelerating urbanization, it is particularly important to adapt a holistic planning approach addressing effects on different water systems and different needs. This includes water for economic sectors (agriculture as well as industry at different scales) and household water, including for populations

Box 1 City of Aarhus and Aarhus Vand A/S core competencies mobilized under the FP:

- (i) Overall climate adaptation and holistic planning of water resources at municipal level
- (a) Protection and management of municipal water resources including stormwater management
- (b) Enhanced municipal water resource efficiency including distribution systems and reduction of non-revenue water

(c) Municipal wastewater management including sewage planning, waste to energy and sustainable sludge management

(ii) Cross-cutting public-private partnership approach, and citizen and stakeholder engagement

in prolific unmanaged settlements. Yet, many developing countries and growth economies do not have a tradition for holistic planning at municipal level (and often not at national level either). Weak governance systems and limited data availability are often met obstacles. These weaknesses are magnified at city level, where administrations are faced with far more serious capacity and resource constraints. City of Aarhus' competencies in climate adaptation and holistic planning can add important value to city administrations in the three partner countries.

Second, water-related hazards like floods and stormwater are increasing in frequency and intensity due to population growth and the effects of climate change. In a context where most cities are confronted with water scarcity, it becomes increasingly urgent to control urban water flows to protect ground water from contamination from surface water flooding. River restauration and establishment of rainwater lakes are part of the solutions and can further contribute to protecting exposed urban dwellers from the effects of flooding and erosion. This is particularly important for vulnerable urban communities in informal settlements, where pollution from uncontrolled sewage is an additional challenge. However, cities in the three partner countries have not yet established sufficient mechanism to address the growing challenge. The experience and expertise of City of Aarhus can contribute to enhancing approaches to protection and management of municipal water resources, including stormwater management.

Third, growing demand for water imposes efficient use of resource. It is particularly important to address the challenge in the fast growing cities where distribution systems are stretched and mostly insufficient. Over 700 million people live in high and critically water stressed countries and a growing number are threatened by displacement due to water shortage. But, if wisely used, the planet has sufficient water for all. By some estimates, more than 70 countries have low water efficiency levels. Research conducted by the International Water Association² estimates that if world's volume of non-revenue water was reduced by just one-third, the savings would be sufficient to supply 800 million people. This would also serve to reduce the climate vulnerability of many more. Reducing water losses contributes to alleviating poverty as it will improve water service reliability and water supply to the urban poor who are the most poorly served. City of Aarhus contributes with extensive experience and Danish knowledge on water resources efficiency, distributions systems and reduction of non-revenue water.

Fourth, current practices in urban wastewater management are unsustainable. Globally, more than 2 million tons of sewage are dumped everyday into water bodies. Improving wastewater management will significantly improve not only human health but also environmental sustainability and secure valuable water resources. Further, intelligent investments in blue-green solutions can transform urban wastewater management into a source of energy, while sludge may be turned into an additional income stream. City of Aarhus is a leader in this area and can bring strong additional value to urban wastewater management in the three partner countries.

Further, City of Aarhus has built a strong culture of public-private partnership approach and of citizen and stakeholder engagement. This will be integrated across all targeted action areas of this FP.

The FP is guided by the Danish government's deep commitments to climate action, including enhanced action for adaptation to climate change in our development cooperation. The Strategy for Development Cooperation's, *The World We Share*, and Denmark's Global Climate Action Strategy set out to provide global leadership in green and climate resilient transition. The strategies commit Denmark to mobilize Danish knowhow and technology in the water sector to further global ambitions on climate, environment and nature in support of the Paris Agreement and the SDGs. Highlighting the negative effects of climate change on the world's water resources, *The World We Share* further underscores Denmark's commitment to contribute to ensuring climate-smart infrastructure, with a focus on water supply and sanitation in rapidly growing urban centers affected by climate change.

With its focus on climate responsive urban water management, the FP delivers on the Government's intention for SSC to be a core instrument in achieving its priorities on green transition. As such, it forms part of Denmark's climate diplomacy and is tailored to match long-term needs of partners in the three partner countries and to engage the Danish private sector in green solutions and investments. It focusses on green transition with a focus on climate responsive urban water management, where Denmark – through City of Aarhus' core competencies, the private sector, NGOs, green investors – is well placed to promote change by contributing with special knowledge and technology. It supports partners in developing countries and growth economies to tackle their own legislative, regulative, and policy challenges and needs.

² <u>https://iwaponline.com/ws/article/19/3/831/41417/Quantifying-the-global-non-revenue-water-problem</u>

The Sustainable Development Goals (SDGs) set the global framework that guides the present framework programme. The program directly targets SDG 6 (Water) and SDG 11 (Cities) and SDG 13 (Climate Action). Through actions targeting these SDGs, the program will contribute to SDG 1 (Poverty Reduction) and is expected to have positive effect on other goals including SDG 3 (Good health and well-being). The table below illustrates how the programme will address the targeted goals:

| Goal | How addressed |
|---|--|
| Goal 6 on clean water and sanitation | by: improving water supply efficiency [target 6.4]; by improving water quality by treating waste water [target 6.3, 6.6) through capacity development [target 6.a] |
| Goal 11 on making cities and human settlements inclusive safe, resilient and sustainable | by improving safety of basic services [target 11.1]; by increasing resilience against water related disasters through improved planning and institutional capacity for waste water treatment [target 11.5]; by reducing untreated waste [target 11.6]; by contributing to improving integrated planning on adaptation to climate and resilience [target 11.b] |
| Goal 13 on climate action | • by strengthening resilience and adaptive capacity to water related climate hazards [target 13.1] |

2.2 Municipality of Aarhus and Aarhus Vand A/S international strategies and core competences

In its 2017 international strategy for growth, Municipality of Aarhus lays out its vision for a vibrant and international perspective. It sees a city where all the citizens, private enterprises and the public sector adopt an outward looking and international mindset. A mindset that strengthens cultural diversity, builds relations between people and contributes to growth and employment. The strategy presents several initiatives including active engagement in export orientated international cooperation. Aarhus and the Greater Aarhus Area have become a strong water tech hub and are set to play a major role in the Danish government's efforts to make Denmark a world leader in intelligent, sustainable and efficient water solutions for the energy-neutral, zero-carbon water sector of the future.

The SSC is recognized by Municipality of Aarhus as an important instrument. Over the past couple of years, City of Aarhus has progressively focused its SSC engagements in Ghana, South Africa and India on climate responsive urban water management. Municipality of Aarhus aims at engaging with SSC by drawing on its core competencies (re. Box 1, under 2.1 above) building on the Danish strengths in water management in close collaboration with partners such as Aarhus Vand A/S, the Water Valley Denmark and the wider objectives of the "Business Region Aarhus"³.

Aarhus Vand have an active and complementary international vision that aims at creating export opportunities and attractive jobs with the utility itself. Aarhus Vand identify substantial reasons for the utility company to look beyond its local and national borders and participate in international cooperation. Principle among these is the aim to enhance the export of Danish water technology in close cooperation with Danish export companies and companies working in the sector. Aarhus has active collaboration with partners in the USA, Singapore, Zambia as well as Ghana, South Africa and India. Aarhus Vand see its role as providing know-how and showcasing demonstration of innovative and economically attractive technologies and approaches. The utility recognizes that an international

³ A formalised partnership comprising 12 municipalities in East Jutland.

dimension makes the company more attractive as a workplace and helps to enlarge and expand the skill base. In summary, Aarhus Vand's international objective is to perform the role of water ambassador, water innovator and water supplier in collaboration with others.

Both Municipality of Aarhus and Aarhus Vand work closely with Water Valley Denmark, an alliance between Danish and international research institutes, startups and global supply companies. Water Valley Denmark aims to create a platform for developing and disseminating groundbreaking water technology that accelerates green growth and lead to resource efficient and cost-effective water and wastewater management. The vision is to double Danish export of water technology to DKK 40 billion by 2030 and to contribute to over 4000 jobs. The organization has four focus areas: research and development, start-up and incubation, demonstration and scaling up, global collaboration. These areas complement and reinforce the SSC programme.

2.3 Results and lessons from previous phases

The overall lesson learnt from phase 1 is that it is important to set the right ambition level, have a clear focus of the engagement and align the project clearly to the priorities of the partner authority. A key lesson from the South Africa and Ghana phase I projects has been the benefit of a more narrow focus on the water sector rather than engaging across a wider range of municipal planning functions. In India it has become clear that stronger commitment and potential for replication would arise if the project was integrated into the Amrut 2.0 program which is a national initiative driven at state level. Another key lesson from India and elsewhere is the importance of involving different kinds of partners in order to bring change (policy, academia, companies and citizens). The Covid-19 has shown that it is possible to hold virtual meetings and thereby the knowledge exchange and planning of activities can be conducted without the physical meetings and resulting in strengthening the collaboration. However, regular physical visits to and from the partner are important to keep the momentum and to experience profound knowledge exchange and understanding.

Examples of specific results will be added.

2.4 Alignment with SSC guiding principles and global results

The FP is designed to align with SSC's Guiding Principles, including its global vision to promote a socially just green transition and to contribute to sustainable growth and resilient development for people in partner countries. The FP's objective supports **SSC's global intermediate objective**, through its focus on to contributing to climate adaptation and resilience in cities through climate responsive urban water management.

In line with the SSC's Guiding Principles, the FP focusses on **areas where Denmark has special strengths** and shows international best practice, by building on City of Aarhus' core competencies in overall climate adaptation and holistic planning of water resources at municipal level (with a focus on stormwater management, water resources efficiency through non-revenue water reduction, and wastewater management). Moreover, the FP works towards three programmatic outcomes (specified in section 2) which flow directly from SSC's global results framework and reflect areas where City of Aarhus is best placed to contribute to results in partner authority legislative and capacity development, climate

diplomacy and bilateral relations, and Danish private engagement - all focused on climate adaptation and resilience in cities through climate responsive urban water management.

With an enhanced focus on the water sector, the FP aims to deepen gains and enhance potential impact through vertical integration at country level and by replicating approaches to a wider set of cities in collaboration with C40 and other pertinent partners. Through this approach, the programme will consolidate Denmark's green diplomacy efforts and bilateral relations – and promote the Danish private sector's engagement in dialogue, solutions, and investments.

Based on the above the FP supports the following SSC global results:

The FP addresses **SSC's Outcome 1** (strengthening partner authorities' capacity to develop and implement conducive legislative and institutional mechanisms for the green transition), through sharing experience on policies, laws, regulations and institutional arrangements. Danish experience, both what has worked and what hasn't on city planning and administration, standard operating procedures and collaboration with civil society and the private sector will be shared.

The FP addresses **SSC's Outcome 2** (climate ambitions and the green transition via bilateral relations and green diplomacy by providing examples that can inspire how urban climate adaptation and resilience can be enhanced. It does this by helping present and showcase the feasibility and cost benefit of sustainable urban management including water resource planning, increasing water use efficiency and improving on stormwater and wastewater management. All of which will contribute to enhancing climate resilience.

The FP addresses **SSC's Outcome 3** (Danish private sector's engagement in sustainable and green solutions and investments), by show casing Danish knowhow and technology and where relevant demonstrating these on site in Denmark or the partner country. Information and exchange visits will build up awareness of Danish solutions, goods and services among potential clients as well as pointing to opportunities for Danish exporters.

2.5 Alignment with Danish cross-cutting priorities

The FP will contribute to improving the quality of life and climate resilience of people living in poverty. It is the poor who are most vulnerable to water scarcity, flooding, polluted water resources and untreated wastewater and the ones first in line to benefit from climate responsive urban water management. Vulnerable communities are particularly exposed to water risks, as their existing safeguards are weaker and they lack the means to recover from disasters. The FP will integrate a multi-dimensional approach to poverty. At project level, this will contribute to shaping the dialogue and collaboration with national partners. Across activities, City of Aarhus will in particular seek to influence approaches to integration of poverty considerations in planning, procedures and regulations while simultaneously building institutional capacity, the latter particularly at city level.

Issues of rights, participation, and discrimination are highly present when dealing with to use of water resources, and typically the poor and marginalized population suffer the most direct and highest costs from e.g. water scarcity or flooding. Integration of a **human rights approach** will be promoted through city, water resource and climate resilience planning. This will be done by demonstrating the benefits of

an inclusive, non-discriminatory approach. **Gender** issues are significant in relation to water in the three partner countries, as women and girls are the primary providers managers and users of household water. City of Aarhus will build on extensive Danish experience to draw attention to practical means for understanding and addressing the different need of women and girls. Mainstreaming of human rights and gender will be based on MFA's tools and principles. Simple steps will be integrated in project preparation and implementation processes to ensure consideration of these issues.

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

3. Framework programme objectives and Theory of Change

The objective of the framework programme is

• Strengthen framework mechanisms and institutional capacity of partner authorities to promote climate adaptation and resilience in cities through climate responsive urban water management by building on Danish expertise and solutions with a focus on water related challenges.

City of Aarhus will work towards the framework objective by following the below theory of change:

- If City of Aarhus building on solid experience of developing and implementing a strong regulatory framework in the area of climate responsive urban water management addresses key structural challenges in the institutional capacity in mutually prioritized areas of cooperation within the water sector, and
- If City of Aarhus successfully identify strategic partner authorities recognizing the need to work towards increasing climate change resilience, reducing greenhouse gas emissions where relevant and environmental conservation supporting transformation towards establishing more sustainable water systems; and
- If City of Aarhus and partner authorities in the three countries based on demand, readiness, and competence to effect change agree to establish a collaboration; and
- If City of Aarhus mobilise areas of competence within critical sector issues including nonrevenue water, waste water management and storm water management; and
- If City of Aarhus support developing practices, legislation and implementation schemes, as well as transferring knowledge and assisting in the strengthening of the institutional framework conditions through systematic and proven approaches to capacity development; and
- If City of Aarhus ensure adequate monitoring, learning and adaptation during implementation; and
- If the relevant Danish Embassies work closely with City of Aarhus to strengthen the bilateral green and economic diplomatic relations in strategic areas of the water sector and climate adaptation; and
- If City of Aarhus enables increased bilateral private sector cooperation and promotes public private partnerships (PPP);

- **Then** City of Aarhus will be able to contribute to a strengthened legislative framework by introducing and improving the prerequisite requirements for a climate responsive and sustainable water sector in the partner country; and
- Then City of Aarhus will be able to support the implementation of climate responsive and sustainable policies and approaches together with the partner countries to enable a green and climate resilient transition of the water sector systems;
- Resulting in climate responsive and sustainable urban water management in strategic partner countries through a holistic approach.

The drivers and critical assumptions moving from inputs to outputs are:

- City of Aarhus are able to deliver flexible and timely support to meet partner authority needs
- Partner authorities and others are ready and able to absorb and make best use of expertise and support from Denmark
- Partner authorities and others are able to access and procure Danish knowhow and technology that they find relevant and competitive
- Danish exporters of knowhow and technology promote their solutions and establish working commercial relations Partner authorities and others

The drivers and critical assumptions moving from outputs to outcomes and impacts are:

- There is institutional and political stability in the relevant partner authorities to ensure that capacity transferred is made use of and sustained
- There is a continued policy commitment at national level and in the relevant partner authorities to achieving climate and SDG goals
- Large scale investment financing is mobilised, where required, to complement institutional strengthening and demonstration projects.

4. Results framework

Monitoring and reporting of the FP will be based on the results framework below. In addition, outcome harvesting will be carried out in the third year of the FP to capture wider results related to e.g. poverty, climate diplomacy, and potential commercial effects. The proposed outcomes and targets are preliminary and will be revisited based on final project designs and discussed in the Programme Management Group and approved by the first meeting of Strategic Management Group after FP approval.

| Programme | | | | | | | |
|------------------------------|--------|--|---|--|--|--|--|
| Programme Ob | ective | Strengthen | framework mechanisms and institutional capacity of partner authorities to promote | | | | |
| | | climate ada | ptation and resilience in cities through climate responsive urban water management | | | | |
| | | by building | on Danish expertise and solutions with a focus on water related challenges. | | | | |
| Outcome (1) | | Strengthened framework mechanisms and institutional capacity to promote climate adapta | | | | | |
| | | and resilience in cities with a focus on water related challenges | | | | | |
| Outcome indicator Policy, re | | | gulatory or procedural obstacles for enhancing urban climate resilience through water | | | | |
| efficier | | | wastewater treatment and stormwater management have been addressed | | | | |
| Baseline | Year | 2022 Each partner authority is facing institutional obstacles for climate resilience in | | | | | |
| | | water sector | | | | | |
| Target | Year | 2026 At least one major institutional obstacle has been addressed in each of the 3 partner | | | | | |
| | | | authorities as reported and evidenced in the annual report for 2026 | | | | |

| Outcome (2) | | Enhanced Danish green diplomatic engagement in support of climate adaptation and resilience in cities with a focus on water related challenges | | | | | |
|-------------------|-------|---|---|--|--|--|--|
| Outcome indicator | | Number of | Danish dinlomatic outreach activities that successfully use knowledge or networks | | | | |
| Outcome maiea | 101 | linked to t | he ED's work on when alimete shares resilience with a forward water related | | | | |
| | | | the FF's work on urban chinate change resinence with a focus on water related | | | | |
| | | challenges | | | | | |
| Baseline | Year | 2022 | Phase 1 end of project reports will inform the number of outreach activities | | | | |
| Target | Year | 2026 | 10 (additional to the first phase) of which at least 3 engaging authorities outside the | | | | |
| | | | 3 partner countries - as reported and evidenced in the annual report for 2026 | | | | |
| Outcome (3) | | Platforms | have been created for enhanced private sector engagement in climate resilient | | | | |
| | | transition o | transition of the water sector | | | | |
| Outcome indica | tor | Number of | events linked to the framework partnership work created with the possibility for | | | | |
| | | Danish co | monies to showcase knowhow and technology related to water efficiency | | | | |
| | | wastewater | treatment and stormwater management | | | | |
| Basalina | Voor | 2022 | Limited pletforms for Danish private sector approximation defined areas | | | | |
| T | I cal | 2022 | Limited platforms for Danish private sector engagement in defined areas. | | | | |
| Target | Year | 2026 | o workshops with participation of 1-5 Danish companies in each | | | | |
| | | | 6 visits each with participation of at least I Danish company or industry | | | | |
| | | | organisation | | | | |
| Output 1.1 | | The potent | ial for water use efficiency has increased across the 3 countries | | | | |
| Output indicator | r | The non-revenue water percentage in targeted pilot areas [target: demonstration project showing | | | | | |
| | | that up to 10% reduction is achievable] | | | | | |
| Output 1.2 | | The potential for an increased share of wastewater treated has increased in x cities | | | | | |
| - | | [or potential for energy neutral treatment demonstrated in x cities] | | | | | |
| Output indicator | | The share | of wastewater that is treated in accordance with the regulatory standards [target: | | | | |
| 1 | | demonstrat | ion project showing that up to a 10% increase is achievable | | | | |
| Output 1.3 | | The potent | ial for an increased share of stormwater sustainability managed has increased across | | | | |
| - | | the 3 partne | er authorities | | | | |
| Output indicator | r | The share | of stormwater that is sustainably managed standards [target: demonstration that at | | | | |
| 1 | | least a 10% | increase is achievable | | | | |
| Output 2.1. | | A strategy f | for replication of green and climate resilient transition measures | | | | |
| Output indicator | r | Adoption of the replication strategy (indicating ownership of national entities such as water | | | | | |
| 1 | | associations, national government or non-government organisations such as C40) [target: MOU | | | | | |
| | | or similar approval by project end] | | | | | |
| Output 2.2. | | The replication strategy is implemented and results monitored | | | | | |
| Output indicato | r | Green and climate resilient transition measures piloted at project level have been introduced t | | | | | |
| 1 | | the replication target groups [target: at least 3] | | | | | |
| Output 3.1. | | Awareness of Danish know how and technology in the water sector in partner countries has | | | | | |
| 1 | | increased | | | | | |
| Output indicator | | Export rele | vant workshops held with participation of Danish private sector [target -more than | | | | |
| o alpar maleator | | 5 workshops and participation of at least 5 Danish companies 1 | | | | | |
| Output 3.2 | | Projects de | monstrate Danish knowhow and technology in the partner authorities | | | | |
| Output indicator | r | Implement | ation of projects demonstrating Danish knowhow and technology in the partner | | | | |
| Surput indicato. | | authorities with and showcasing to potential sustamers [target: At least 2 have been | | | | | |
| | | authorities with and showcasing to potential customers [target: At least 3 have been | | | | | |
| | | implemente | tu anu snowcaseu to potentiai customersj | | | | |

Note: the above monitoring framework will be complemented by an outcome harvesting that will use evaluation techniques to capture wider results and communicate them

5. Programme portfolio and design features

The FP builds on a portfolio of projects based on earlier phases of cooperation. The projects are selected and designed to support the Danish policy priorities and address climate adaptation and resilience in cities through climate responsive urban water management. The projects are context specific and respond to partner commitments and demand, and underpin wider Danish development, climate diplomacy, and commercial concerns.

The FP is aligned to the national partners' plans and will work closely with the Danish embassies and other development partners to ensure a harmonized approach. This with an aim to lift potential impact, enhance ownership, and minimize transaction costs.

All three focus countries are countries with a relatively high influence on regional and global commitments to climate change and sustainable development. The Indian sub-continent, western and southern Africa are some of the areas most affected by climate change and challenged both by drought and floods. The three countries are opinion leaders in each their region and in a position to influence the perspectives and approaches to green transition and climate adaptation at a regional level and well beyond their own boundaries. The climate diplomatic aim would be to promote a constructive and developing world consensus around the opportunities for green transition based on solid evidence of the benefits on the ground.

All three countries are emerging and medium income countries that have economies increasingly ready to engage with and benefit from advanced Danish knowhow and technologies. The countries have growing populations ranging from 30 million in Ghana to over 1.4 billion in India. Rapid urbanization and concentration of resource use is taking place in an expanding number of their urban settlements. Many of these face similar climate change adaptation and water sector challenges. This together with an increasing purchasing power suppressed in the past by obstacles in the enabling environment presents future opportunities for Danish know how and expertise in the sector, not least those located in the Greater Aarhus Area. The Danish embassies and trade councils in the countries are aware through the first phase of cooperation of the potentials and also the challenges in promoting Danish export.

Across the programme, the second phase will narrow down to areas where concrete achievements can be realized and lifted up from a city to a countrywide level. Based on lessons learnt from the first phases of cooperation, the main challenges and opportunities that the projects will address have been narrowed down to areas where the demand is high and where concrete improvements are possible through learning from Danish experience. In practice this means a focus on using Danish water resource and city planning, know-how and technology. This will be harnessed to improve institutional collaboration, digitalize water sector management, reduce non-revenue water and improve stormwater and waste water management. An overall aim will be to enhance climate resilience. The main actors from the Danish side will be Municipality of Aarhus, Aarhus Vand a/s, the Danish Water Valley alliance and relevant private sector enterprise. From the partner countries the main actors will be the city authorities, the entities responsible for water and sanitation either utilities or departments within the city authorities as well as civil society and the private sector. To bring lessons learnt to a higher level, the programme will engage with C40, ICLEI (Local Governments for Sustainability) and others in the three target countries and beyond to help ensure dissemination and replication of approaches.

| Projects under Munic | ipality of Aarhus | SSC framework programme | |
|----------------------|-------------------|-------------------------|--|
| | | | |

| Project title | Country | Phase | Partner | Objective | Climate | Planned |
|--------------------|---------|----------|-----------|---|------------|---------------|
| | | (Period) | authority | | change | adjustments |
| | | | - | | adaptation | |
| | | | | | (%) | |
| Climate resilience | South | Phase II | City of | The climate resilience of Tshwane and other South | 100 | PD to be |
| and water | Africa | (2023- | Tswane | Africa urban areas is enhanced through climate | | approved late |
| management | | 2026) | | responsive water management | | 2022 |

| Strategic Sector | Ghana | Phase I | GWCL/ | Tema's citizens and businesses are resilient against | - | Ongoing with |
|-------------------|-------|----------|-----------|--|-----|------------------|
| Cooperation on | | (2020- | Tema | climate change though improved water | | planned |
| Urban Water | | 2023) | | management with replication in other urban areas | | extension to end |
| | | - | | in Ghana | | 2023 |
| Strategic Sector | Ghana | Phase II | GWCL/ | Tema's citizens and businesses are resilient against | 100 | PD to be |
| Cooperation on | | (2024- | Tema | climate change though improved water | | approved mid |
| Urban Water | | 2026) | | management with replication in other urban areas | | 2023 |
| | | | | in Ghana | | |
| Sustainable Urban | India | Phase II | Rajasthan | Rajasthan State has enhanced resilience through | 100 | PD to be |
| Water | | (2023- | State | climate responsive water management | | approved late |
| Management | | 2026) | | · · · · · | | 2022 |

6. Budget

| Budget City of Aarhus SSC framework | programme | 2023-2026 (| DKK) | | | | | |
|---------------------------------------|--------------|-------------|------------|------------|------------|------------|------------|--|
| project title (phase) | Country | period | total | 2023 | 2024 | 2025 | 2026 | |
| Tema urban water sector (phase 1) | Ghana | 2020-2023 | 3.000.000 | 3.000.000 | | | | |
| Tema urban water sector (phase 2) | Ghana | 2024-2027 | 12.000.000 | | 3.500.000 | 4.000.000 | 4.500.000 | |
| Rajasthan urban water sector (phase : | India | 2023-2026 | 16.500.000 | 4.000.000 | 4.000.000 | 4.500.000 | 4.000.000 | |
| Tswane urban water sector(phase 2) | South Africa | 2023-2026 | 16.500.000 | 4.000.000 | 4.000.000 | 4.500.000 | 4.000.000 | |
| | | | | | | | | |
| Projects total | | | 48.000.000 | 11.000.000 | 11.500.000 | 13.000.000 | 12.500.000 | |
| | | | | | | | | |
| Communication | | | 1.000.000 | 250.000 | 250.000 | 250.000 | 250.000 | |
| Reviews, learning, outcome harvesting | 5 | | 2.000.000 | 250.000 | 500.000 | 750.000 | 500.000 | |
| Unallocated (9%) | | | 5.000.000 | 500.000 | 1.500.000 | 1.500.000 | 1.500.000 | |
| | | | | | | | | |
| Total | | | 56.000.000 | 12.000.000 | 13.750.000 | 15.500.000 | 14.750.000 | |
| | | | | | | | | |

7. Governance and management arrangements

The management arrangements will follow the SSC Guiding Principles and Administrative Manual. Overall City of Aarhus will implement the FP and its projects in close collaboration with Danish Embassies and MFA, working in alignment with the relevant Government strategies and guided by MFA Aid Management Guidelines. Municipality of Aarhus and MFA will engage at two levels in the governance and management of the FP:

Strategic Management Group (SMG), with mandate for guiding on the FP's strategic direction, discuss and address relevant sector developments and issues emerging vis à vis the objectives, and approve use of unallocated funds including new project phases. The SMG will guide and advise with a view to maximize the impact of Denmark's international engagement (bi- and multilateral) in the sector and any related matters ensure all stakeholders are adequately informed and guided. The SMG is composed of senior representatives from Municipality of Aarhus and MFA, with the Chair rotating between the two parties. The SMG will meet annually in April/May. See TOR for SMG.

Programme Management Group (PMG), responsible for overseeing overall FP implementation and progress, review project progress with respect to results, compliance and challenges in implementation. The PMG is composed of and Municipality of Aarhus and MFA senior staff involved in FP management and implementation with Municipality of Aarhus as Chair. The PMG meets bi-annually, as follows: In February/March, to review the annual progress report and financial expenditure report, and address deviations and challenges in implementation of individual projects; in October/November, to review and approve next years' programme planning and budget and to review the capacity and contributions of all involved stakeholders. See TOR for PMG.

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

Potential new projects approved under the FP are initiated with an inception phase (maximum DKK 1 million, 1 year) followed by project phases 1-3, each of maximum 3 years. The transition to a next phase is decided at the level of the individual project, and by the SMG.

Municipality of Aarhus is responsible for governance, management, and administration of the individual projects. Project Steering Committees are composed of City of Aarhus, Danish Embassy, partner authority and Sector Counsellor as Secretary, co-chaired by the Danish Ambassador/ Deputy and a high-level partner representative.

Preparation of new project phases will be discussed in the SMG well in advance and must be agreed upon in the Project Steering Committee. New and adjusted outcomes will be discussed with partners and a new project document and workplan agreed upon.

8. Financial management, planning and reporting

Municipality of Aarhus will provide an **Annual Progress Report**, assessing progress, developments, risks, and lessons in relation to the FP Results Framework, FP Theory of Change, and which also provides a synthesis of progress across the outcomes and outputs defined in the individual projects under the FP, structured in terms of outcomes and main areas of work defined under the FP. The report will address assumptions to the Theory of Change, risks, and learning as basis for adjustments to the individual projects. The narrative programmatic annual reports are prepared by Municipality of Aarhus in close cooperation with Sector Counsellors at the Embassies. The Annual Progress Report is main basis for discussion of progress in the PMG and SMG and for reporting on MFA's Results Framework Interface (RFI). An **Annual Financial Report** submitted by the Municipality of Aarhus will complement the progress report and be supplemented by an Annual Audited Accounts. [*To be further defined for SSC 2.0 in coming weeks*]

9. Monitoring, learning, and risk management

Municipality of Aarhus is responsible for **monitoring** of the projects under the FP based on the three FP outcomes, the project specific results frameworks, risks matrix, and guided overall by Danida Aid Management Guidelines (AMG). Municipality of Aarhus will ensure internal quality assurance systems for preparing project documents, annual and mission reporting on new and on-going SSC projects and others. Municipality of Aarhus will establish an outcome/output-based monitoring system adequate for meeting the monitoring, learning and reporting requirements across the SSC projects and FP results framework. Municipality of Aarhus will be responsible for reporting on the RFI.

MFA will commission a **mid-term review** of the FP in 2025 with focus on progress towards results, lessons learned; organizational management capacity of Municipality of Aarhus and partner authorities; and lessons on cooperation and dialogue with main relevant private sector actors. The mid-term review will also be an occasion to consider the unallocated funding. Municipality of Aarhus will adequately in

advance of the mid-term review undertake an outcome harvesting- and lessons learned study across the projects of the FP. The outcome harvesting focus on capturing broader results on climate adaptation and resilience in cities through climate responsive urban water management, bilateral relations and climate diplomacy, green commercial effects, and poverty and effects on beneficiaries.

City of Aarhus and the Embassies will collaborate with **Danida Fellowship Centre (DFC)** to maximize results of the FP and support joint identification of needs, co-creation of opportunities, and coordinated evaluation of results. City of Aarhus and the Embassies will collaborate with DFC to ensure that learning opportunities, research-to-policy support and networking initiatives offered by DFC, and research project funding managed by DFC, are leveraged by and remain supportive of the individual projects, including by integrating relevant DFC initiatives as part of these projects. To this end, City of Aarhus will ensure that possibilities for relevant collaboration are considered under the individual projects and discussed across the FP annually in the PMG, and that DFC is included as relevant in the formulation of new phases under each project, and the evaluation of such phases upon their conclusion. Decisions on collaboration are made at project level, with sector advisors as initiators. City of Aarhus and DFC will strive to have an annual meeting for information and lessons sharing.

| Risk Factor | Likeli- | Impact | Risk response | Residual | Background to |
|---|----------|-------------|-------------------------|----------|---------------------------------------|
| Partner political priorities change | Unlikely | Major | Monitor and adjust | Minor | Experience from phase 1 (see annex |
| Covid lock down | Unlikely | Significant | Remote work | Minor | for details) |
| City of Aarhus staff availability | Unlikely | Major | Consult with management | Minor | |
| Partner commitment weakens | likely | Major | Advocate with partners | Minor | |
| Danish private sector does not respond | Unlikely | Major | Intensify advocacy | Minor | |
| Duplication with other development partners | Unlikely | Major | Coordinate and map | Minor | |

Summary risk analysis and risk response

10. Closure and exit

The project will follow the principles for exiting and closing SSC project. Details are shown in the process action plan in annex 5.

Annex 1: Project descriptions

Aarhus Municipality SSC Framework Programme – Summary of current and planned projects 2023-2026

Note: Alignment to national context and priorties as well as to bilateral DK engagement in country will be added in each of below country sections.

| Project title | Strategic Sector Cooperation on Urban Water |
|-----------------------|---|
| Projektperiode | 4 years (January 2020 – December 2023) (phase I) |
| Country | Ghana |
| Main sector | Non revenue water and waste water management and stormwater |
| development issues | drainage are reducing the climate resilience of the city and causing |
| | operational challenges in providing a good level of service. Many years |
| | of under investment combined with the growing population are |
| | stretching service provision. |
| I hematic focus | Urban water efficiency, wastewater and climate adaptation |
| National partner | Municipality of Tema (TMA) / Ghana Water Company Limited |
| authority (recipient | (GWCL) |
| country) | |
| Other partners to | Municipality of Aarhus and Aarhus Vand are the key partners from |
| include, incl. Danish | Denmark. Other Danish partners and institutions including Danish |
| authornties | Water Valley and C40 and Danida Fellowship Centre. |
| | |
| | Ghana Environmental Protection Agency is an affiliated stakeholder. |
| | Further, for phase II relevant line ministries (e.g. Ministry of Sanitation |
| | and Water Resources, Ministry of Environment; Ministry of Local |
| | Governance and Rural Development) will be considered. |
| | |
| Objective | TEMA's citizens and businesses are resilient against climate change |
| , | though improved water management with replication in other urban |
| | areas in Ghana |
| Main possible or | Outcome A – Wastewater management: Strengthened institutional |
| expected components | capacity for enhancing climate resilience through improved |
| (outcome areas) | wastewater management. Development of a long-term strategy and |
| | climate adaptation and wastewater plan and improve the institutional and |
| | technical skills and capacities needed in relation to operation and |
| | recinical skins and capacities needed in relation to operation and |
| | maintenance of the wastewater system. |
| | |
| | Outcome B – Water efficiency: Improved planning and strategy |
| | development for reduction of Non-Revenue Water (NRW). |
| | Strengthen systems, capacities, skills, and procedures to bring down |

Ghana - Phase I, on-going project, with expected start up of phase II in 2024

| | NRW and increase the level of financial and technical sustainable |
|--|--|
| | drinking water services. |
| Considerations about how "greening" would be addressed | The focus on coherent wastewater planning and climate adaptation will have the potential of improving water quality in general, increase resilience against water related diseases and reduce the impact of untreated wastewater on water-related eco-systems. The reduced pollution to river and the aquatic environment will ensure greater availability of safer water to downstream users and also to the ecology and environment. The preservation of a high-quality aquatic environment acts as a buffer in periods of stress from either drought or floods and rising temperatures. This is important for the city as a whole, but the burden of climate breakdown is disproportionately borne by the most underserved, marginalized communities. |
| | Reduction of NRW will reduce the leakage from water supply pipes thus increasing efficiency of the water supply system and improve the water services, namely for the underserved and marginalised communities. Reducing losses and improving efficiency will ensure that in periods of drought, scarce water resources will be conserved and be available for domestic consumption. This will increase the capacity for the city to ensure an adequate and safe provision of water during drought periods so that threats to human health and hygiene are adverted and economic activity disruption minimized |
| | Overall, the project will lead to increased liveability and increased resilience of the city in terms of its ability to withstand climate induced shocks (drought, flooding, rising temperatures etc). Further, the institutional capacities in TMA, GWCL and nationally will be strengthened through the capacity building and leverage of learnings to national level. |
| Significant outstanding questions or critical steps in the process | The most relevant SDG-goals addressed are 5, 6,11, 13 and 17. The continued relevance and wish to continue into a Phase II 2022 were reconfirmed by the partners by signing of an MoU about phase II (March 2022) as addendum to the overall MoU signed at the beginning of the partnership. A critical assumption is that the political focus and the support at management level in TMA and GWCL will continue, also beyond national elections or changes in administrative leadership. As Phase I of the project is not yet finished the project description may be updated as the outcomes and objectives for Phase II will be described more detailed and adapted to the progress of the project in 2022 and 2023. |

| Danish priorities, | Standing on the shoulders of a long cooperation in the water sector, |
|--------------------------|---|
| interests, and coherence | between Ghana and Denmark, the SSC on Urban Water has made it |
| | possible for the embassy to maintain its network, and an active and |
| | visible role in the overall sustainable and green development of the |
| | sector, this will be continued with phase II. The embassy has defined |
| | water as one of its focus areas. This gives the Trade Council and SSC a |
| | mandate to join efforts and develop a pipeline of private sector events |
| | and engagements. Further, as Ghana is being perceived as an opinion |
| | leader in West Africa it is a thriving entry point for Danish goods and |
| | services in one of the most water scarce regions of the world. |
| | |
| | The signed one-year Covid-19 response engagement, with UNICEF, |
| | will bring Denmark into the core of some of the sector development |
| | discussions and give a strong insight and network in the sector. |
| | Moreover, the clear synergy between the SSC wastewater activities and a |
| | WB financed feasibility study in Tema, is expected to give a unique |
| | opportunity to introduce new standards and criteria for public |
| | investments in wastewater management, e.g. energy efficiency, reduced |
| | running cost solutions, life span assessment and innovative risk |
| | assessments. |
| | |
| Previous results lessons | Only mid-way and with delays in many activities due to Covid-19, hence |
| | limited lessons learnt yet. |
| | |
| | Close and frequent dialogue with TMA management and the mayor, has |
| | supported a solid high-level anchoring and organisational consolidation |
| | of the project, and assured mobilisation of relevant staff. |

South Africa – Phase II, future project

| Project title | Tshwane -Aarhus partnership on enhancing climate resilience and water |
|-----------------------|---|
| , | management |
| Projektperiode | 2023-2026 |
| Country | South Africa |
| Main sector | Non revenue water and waste water management and stormwater |
| development issues | drainage are reducing the climate resilience of the city and causing |
| | operational challenges in providing a good level of service. |
| Thematic focus | • Water; water efficiency; wastewater; stormwater |
| National partner | City of Tshwane, South Africa |
| authority (recipient | |
| country) | |
| Other partners to | Municipality of Aarhus and Aarhus Vand are the key partners from |
| include, incl. Danish | Denmark C40 will be involved in phase II. Other Danish partners and |
| - | |

| | institutions including Danish Water Valley, C40 and Danida Fellowship |
|--------------------------|---|
| | Centre. |
| | |
| Objective | The climate resilience of Tshwane and other South Africa urban areas is |
| | enhanced through climate responsive water management |
| Main possible or | Outcome A - enabling environment creation: best practices for |
| expected components | climate responsive water management have been created through |
| (outcome areas) | improved governance. |
| | |
| | Outcome B – showcase: best practices for climate responsive water |
| | management have been showcased. This is done through four pilot |
| | cases on wastewater management; non-revenue water management; |
| | stormwater management; and own-resource optimization. |
| | |
| | Outcome C Adoption and outreach: best practices for climate |
| | responsive water management have been adopted. Focus on both |
| | policy level and community level, as well as integration in the M&E plan. |
| Considerations about | There is a great potential for impact in terms of climate change adaptation |
| how "greening" would | and a more sustainable management of water resources to increase |
| be addressed | resilience by considering the whole water cycle. This includes reducing |
| | water losses by leak detection. This will help to conserve the scarce water |
| | resources, so it can be used for domestic consumption, even during |
| | droughts. Further, improving the wastewater treatment operation and |
| | management will reduce pollution of drinking water reservoirs and the |
| | environment. Optimization of energy use will increase the energy |
| | efficiency and mitigate carbon emissions. Improving the stormwater |
| | management will reduce vulnerability to flooding particularly in low-lying |
| | areas, which are where informal, poor communities without access to |
| | adequate and risk-reducing infrastructure are often located and hence it |
| | will have a positive impact. In addition, the improvements in water |
| | management will help minimizing financial losses, which can potentially |
| | enable reinvestment of savings into the city's water infrastructure. |
| | The most relevant SDG-goals addressed are 3, 6,11, 13 and 17. |
| Significant outstanding | It was mutually agreed to continue the collaboration between City of |
| questions or critical | Aarhus and City of Tshwane in order to consolidate the gains made and |
| steps in the process | provide a basis for wider replication of lessons learnt. A joint workshop |
| | was recently held and consolidated outcomes of that is still being |
| | drafted, hence the outcomes and objectives might be further adapted. |
| Danish priorities, | The SSC project is an important platform for the embassy and |
| interests, and coherence | Denmark in the broader context of the South Africa-Denmark |
| | relationship. It serves as an economic diplomatic platform, whereby the |
| | South African framework mechanisms are improved so that they are |
| | conducive to the implementation of technical solutions by Danish |

| | companies. Further, the SSC program offers an opportunity for | | | | | |
|--------------------------|--|--|--|--|--|--|
| | Denmark to engage and position itself in international city-diplomacy | | | | | |
| | through the collaboration with C40 and City of Tshwane. | | | | | |
| Previous results lessons | One of the lessons learnt from phase 1 is to define activities and outcome | | | | | |
| | that can be linked to the KPIs in City of Tshwane. The phase II | | | | | |
| | partnership is focused on concrete actions within the water sector, | | | | | |
| | because City of Tshwane has plans and already defined operation and | | | | | |
| | maintenance targets in place. Linking activities to KPIs ensures alignment | | | | | |
| | and commitment of budget and human resources. Further, it has been | | | | | |
| | found that it is difficult to commercialize the broad holistic urban | | | | | |
| | planning of phase 1. Therefore, the narrowing of focus to predominantly | | | | | |
| | water-related issues will be a positive step in terms of bringing Danish | | | | | |
| | companies to the table. | | | | | |
| | | | | | | |
| | Another lesson from phase 1 is the necessity to get high priority from | | | | | |
| | both management and operational level by ensuring close alignment of | | | | | |
| | project activities with City of Tshwane KPIs. As a further measure, in | | | | | |
| | Phase 2 the management team (divisional heads and/or groups heads) | | | | | |
| | will be involved in the Project Management Team. | | | | | |

India – Phase II, future project

| Project title | Sustainable Urban Water Management | | | | | |
|-----------------------|---|--|--|--|--|--|
| Projektperiode | 2023-2026 | | | | | |
| Country | India | | | | | |
| Main sector | Urbanisation and water crisis are reducing the climate resilience of | | | | | |
| development issues | Indian cities and causing operational challenges in providing a good | | | | | |
| | level of service. | | | | | |
| Thematic focus | Sustainable Urban Water Management | | | | | |
| National partner | Rajasthan state with partners at city level | | | | | |
| authority (recipient | | | | | | |
| country) | | | | | | |
| Other partners to | Municipality of Aarhus and Aarhus Vand are the key Danish partners. | | | | | |
| include, incl. Danish | Other Danish partners and institutions including Danish Water Valley, | | | | | |
| authorities | C40, and Danida Fellowship Centre. | | | | | |
| | | | | | | |
| Objective | Sustainable Urban Water Management | | | | | |
| Main possible or | Outcome A - water security and efficiency: Improved security and | | | | | |
| expected components | quality of drinking water services. Focus on water efficiency | | | | | |
| (outcome areas) | measures (NRW reduction, distribution efficiency) and improving | | | | | |
| | Water resource planning and management e.g through mapping of | | | | | |
| | potential surface and groundwater resources. | | | | | |
| | | | | | | |

| | Outcome B - wastewater: Improved water quality by reduced |
|--------------------------|---|
| | proportion of untreated wastewater. A pilot wastewater project on |
| | sewage planning and sustainable sludge management, capacity building |
| | on waste to energy and Sewage planning, handling and treatment |
| | disseminated in Rajasthan. |
| | Outcome C - river rejuvenation: Enhanced liveability through River Rejuvenation and Blue-Green Solutions in Urban areas. |
| | Support with design for rejuvenation of a river stretch (demonstration project) and exchange experiences in regulation for tender specifications on river rejuvenation and development of urban liveability via nature-based solutions. |
| Considerations about | The Rajasthan state is highly sensitive to climate variations, and has |
| how "greening" would | limited available water resources. Hence, there is a need to ensure that |
| be addressed | cities take a sustainable and resilient approach towards the development |
| | of their infrastructure one that sime to constate positive social |
| | aconomic and environmental impact. Making Cities Water Secure is the |
| | economic, and chynomicinal impact. Making Chies water secure is the |
| | (AMPLIT 2.0 (Atcl. Mission for Deisson for und Luber |
| | (AMROI 2.0 (Atal Mission for Rejuvenation and Orban |
| | Iransformation)). The thematic focus of phase 2 will be Sustainable |
| | Urban Water Management in compliance with the AMRUT 2.0 including |
| | water supply resources and efficiency, wastewater management and river |
| | rejuvenation. It will be achieved through circular economy of water, by |
| | effecting water source conservation, rejuvenation of water bodies and |
| | wells, recycle/ reuse of treated used water, and rainwater harvesting by |
| | involving the community at large. This will increase the resilience of the |
| | cities to adapt to climate change. Rejuvenating the rivers has the potential |
| | to satisfy the water needs and balance the environment Further |
| | provision of fundamental public services (clean and affordable water) will |
| | improves the health of citizens, including people living in powerty, who |
| | improve the health of chizels, including people living in poverty, who |
| | are most vumerable to polluted water resources and untreated |
| | wastewater. |
| | The Joint Project aims at contributing towards the UN SDG 11 on cities |
| | SDG 6 on water SDG 17 on partnerships and SDG 8 on economic |
| | SDG 0 on water, SDG 17 on partnersnips and SDG 8 on economic |
| 0 | growth. |
| Significant outstanding | The Danish and Indian partners have mutually agreed to collaborate to |
| questions or critical | Contribute to the AIVIRU 1 2.0 mission and to achieve the SDG 6 goal. |
| steps in the process | They have drafted a fetter of intent for this conductation and are in the process ($4 tril 2022$) of formalizing the cooperation in the form of a |
| | MoI |
| | |
| Danish priorities, | India and Denmark have recently entered into a Green Strategic |
| interests, and coherence | Partnership (GSP) and a joint action plan under the GSP between |

| | Denmark and India has been agreed on 6 th April, 2021. The chapter 4 of | | | | | |
|--------------------------|--|--|--|--|--|--|
| | the joint action plan states that Denmark and India will cooperate on | | | | | |
| | sustainable and smart urban development with a view to promoting a | | | | | |
| | circular economy, creating sustainable, smart and liveable cities. | | | | | |
| | Denmark and India have already engaged in the Urban water sector in | | | | | |
| | the form of the City-City collaboration between City of Aarhus and City | | | | | |
| | of Udaipur, which is funded by the Strategic Sector Cooperation. India | | | | | |
| | and Denmark have also signed a letter of Intent on 5th July 2021 on | | | | | |
| | collaborating on implementing the AMRUT 2.0 agenda with Udaipur | | | | | |
| | and Aarhus as the participants at city level. During the first phase of the | | | | | |
| | project there has been a close collaboration with the Trade Council at | | | | | |
| | the Embassy in New Delhi and the project and different private sector | | | | | |
| | organisations like Danish Industry, Danish Water Forum and other | | | | | |
| | private sector were involved and this will continue in phase II. | | | | | |
| Previous results lessons | The learnings from the Phase 1 of the Strategic Sector Cooperation | | | | | |
| | project emphasized the importance of continued working in Udaipur | | | | | |
| | and Jaipur as the cities for demonstrating concrete projects and to let | | | | | |
| | results from the cities impact the framework conditions by engaging at | | | | | |
| | the state level with the State of Rajasthan. | | | | | |
| | | | | | | |

Annex 2: Partner Assessment

Brief presentation of the City of Aarhus

The Municipality of Aarhus is home to more than 350.000 inhabitants, the majority living in the city proper making Aarhus the second-largest city in Denmark. Furthermore, in "Business Region Aarhus" 1.2 million people live within a one-hour drive from Aarhus.

The Aarhus City Council have set out a vision to make Aarhus a diverse and vibrant city, a city on the move, and a good city for everyone. Besides being one of Denmark's main engines of growth, Aarhus is also a college town due to the many educational institutions with over 50,000 students enrolled in 150 different advanced degree programs.

As the only municipality in Denmark, the Municipality of Aarhus is run by a City Executive Board consisting of the Mayor, five Aldermen who each head a municipal department as well as three aldermen who do not head a political department. The City Executive Board prepares the meetings of the Aarhus City Council which has 31 members and is the city's supreme authority in terms of decision-making and the allocation of funding.

The Municipality of Aarhus has six permanent committees covering areas such as finance, technical services and environment; social affairs and employment; health and care; culture as well as services for children and young people. The City Council can refer cases for consideration in the committees where citizens and institutions can be granted audiences. Furthermore, a committee can discuss cases and summon the mayor or the aldermen for consultation on its own initiative. As the municipality is run by a City Executive Board, the permanent committees only serve as advisory bodies.

The International Strategy for Growth lays out the cities vision for a vibrant and international perspective. Historically, the Municipality of Aarhus has collaborated with a wide range of international partners and is home to a large number of private enterprises that both operate and recruit internationally. Additionally, students and expats from all over the world, come to Aarhus to study and work, while simultaneously contributing to the city's openness and growth and employment, through insight into foreign cultures and knowledge. Aarhus is continuously working on developing new bonds and international partnerships.

The strategy presents several initiatives including active engagement in export orientated international cooperation. The SSC is recognized as an important instrument and the Municipality of Aarhus aims at engaging with the instrument by building on Danish strengths in water management in close collaboration with partners such as Aarhus Vand a/s, Water Valley Denmark and the wider objectives of the Business Region Aarhus.

Furthermore, the massive challenges presented by global warming and climate change can only be solved by means of international cooperation and through the exchange of knowledge. Therefore, Aarhus is acutely aware of the special responsibility and major role it plays in combatting climate change. Accordingly, Aarhus has set it owns ambitious target to reduce its CO2 emissions and aims to become a CO2-neutral city in 2030.

Aarhus maintains the position that the massive challenges presented by global warming and climate change, can only be solved by means of international cooperation and through the exchange of knowledge.

Summary of partner relevant capacities

Core strengths:

- The Municipality of Aarhus with its partners is at the leading edge of Danish technology, knowhow and practice within climate change adaptation and sustainable water resource management.
- The munipality has long experience of inclusive urban planning that engages with and integrates across social, economic and environment dimensions.
- Innovative approaches to climate resilience and environmental sustainability have been developed through fostering partnership with civil society and the private sector.

Capacity developed through phase 1 projects:

- The municipality and its partners have broadened the range of planning and technical specialists who are familiar with conditions in Africa and Asia.
- Through a range of platforms and events a network of contacts have been created both within the public and private sector which will serve the second phase well.
- By working with Aarhus Vand a/s and Water Valley, Denmark the city has widened the wide range of expertise is available for the framework programme.
- Core staff have become familiar with the demands and procedures of development cooperation in terms of project management and reporting.
- The skill set for effective capacity development and advocacy in a development context have increased.
- Recognition of the importance of top management attention and support for timely release and commitment of senior staff has increased.

Annex 3: Risk Management

Contextual risks

| Risk factor | Likelihood | Background to assessment | Impact | Background to assessment | Risk response if applicable / potential effect on development cooperation in context |
|--|------------|---|-------------|--|--|
| The political situation and priorities on climate change adaptation and sustainable water management in the cities or countries could change e.g. after elections | Unlikely | Each country is different but none of the 3 are unstable and elections have recently been held | Major | The programme is built on current planning and levels of priority- if this changes the original outcome will not be achievable | Re-planning and consultation to adjust the programme to the new situation - in the worst case the sustainability of some of the results might be weakened |
| Local and national lock-down due to covid-19 | Unlikely | The pandemic appears to be manageable and travel is opening up - yet there is always the threat of new virus or new strains | Significant | Travel and person to person contact is important for building trust and paving the way for active commercial engagement | Use of remote communication - the ambition level and demonstration effect will probably need to be adjusted downwards |

Programmatic risks

| Risk factor | Likelihood | Background to assessment | Impact | Background to assessment | Risk response if applicable / potential effect on development cooperation in context | Combined residual risk |
|--|------------|---|--------|---|---|------------------------------|
| Senior experienced staff in the City of Aarhus are not available to meet demand and needs | Unlikely | Management level on board and Aarhus has a strong focus on its international involvement in the water sector. | Major | The peer-to-peer element of the projects is key, and the senior staff is needed for the success of the projects. | Consult with management and ensure allocating of time to the project | minor |
| Lack of commitment and participation from relevant stakeholders (high-level management, other authorities, private sector) could affect progress and results | Likely | The management level has committed to phase II of the projects (Ghana TBC), but other authorities and stakeholders might not prioritise it. | Major | Other authorities and stakeholders might slow progress if they are not practising the project. | Regular meetings with the stakeholders, sharing of useful information and gradual involvement in activities will encourage engagement and commitment. | major |

| The Danish private sector does | Unlikely | Aarhus Municipality and Aarhus | Major | The showcasing of Danish | Intensify advocacy e.g. through water | minor |
|--------------------------------|----------|--------------------------------|-------|--------------------------|---------------------------------------|-------|
| not respond to the potential | | Vand has a good cooperation | | solutions and an active | wally, business events etc. | |
| opportunities | | with the private sector | | commercial engagement is | | |
| | | | | essential for the SSC | | |
| | | | | programme. | | |

Institutional risks

| Risk factor | Likelihood | Background to assessment | Impact | Background to assessment | Risk response if applicable / potential effect on development cooperation in context | Combined residual risk |
|---|------------|--|--------|--|--|------------------------------|
| The projects could risk duplicating activities and/or fail to recognise interfaces and synergies with other initiatives in a crowded and dynamic field of development partners | Unlikely | It is second phase of the three projects, and Aarhus Municipality and their counter partners in the three countries show a good understanding of the context and where the projects can add value. | Major | Several other development partners are active in the water sector. | Coordinate and map development engagement of others | minor |

Annex 4 Plan for Communication of Results

| What (message/purp | When | How (mechanism) | For who (audience_ | By who (responsible) |
|--|---|---|--|---|
| Programme approval | When programme is approved by all parties. | Press release and news item on the Ministry of Foreign Affairs website and the Embassy of Denmark in the 3 countries Web news on Municipality of Aarhus and partner websites & blogs & twitter | Municipality of Aarhus and partners Country partners Danish public Business sector in all countries | Ministry of Foreign Affairs City of Aarhus and partner communication dept to coordinate communication from their side including with Dansk Industri/Aarhus regional business and others |
| Project city level approval | On practical start up | Press release and news item on the Ministry of Foreign Affairs website and the Embassy of Denmark in the 3 countries Web news on Municipality of Aarhus and partner websites & blogs & twitter Country partners inform their constituencies in line with their communication practice | Municipality of Aarhus and partners Country partners Danish public Business sector in relevant countries | Ministry of Foreign Affairs Project management group to coordinate: Municipality of Aarhus and partner communication dept to coordinate communication from their side including with Dansk Industri/Aarhus regional business and others Country partners via project manager and their communication forums |
| Key events, seminars and forums | In advance to enable preparation | Direct contact (email and mailing list) Web/blogs/twitter | Potential participants | Project management group to coordinate C40 and other partners |
| Results and impact stories, replicable examples of good practice | At least yearly Mid term review and or end year | Case studies and videos Outcome harvesting | Project stakeholders Ministry of Foreign Affairs | Project management group to coordinate: Ministry of Foreign Affairs |

Process Action Plan

Formulation SSC Framework Programme with Municipality of Aarhus

| Action/product | Deadlines | Responsible/involved units | Comment/status | | | | |
|--|---------------------------------------|---|---|--|--|--|--|
| Formulation | | | | | | | |
| Formulate 1 st draft Framework Programme Document | March | Consultant/Aarhus/GDK | | | | | |
| Forward 1 st draft Framework Programme documents to ELK for public consultation | 8 April | GDK and ELQ | An early draft should provide sufficient outline of the intended project/programme without having all details fully fleshed out. | | | | |
| 1 st draft Framework Programme document presented and discussed in MFA Programme Committee | 2 May 2022 | ELQ and GDK | List of received responses from the consultation | | | | |
| Update final draft Framework Programme document | 3 - 20 May 2022 | Consultant/Aarhus/GDK | Adjusted based on summary conclusions from Programme Committee | | | | |
| | Appraisal/qual | ty assurance process | | | | | |
| Quality assurance: Appraisal Draft Appraisal Report, including summary of conclusions and recommendations | 23 May-7 June 2022 Early June 2022 | External consultant in dialogue with ELQ Development specialist (Silke/Torben) | To ensure alignment of appraisal of three first SSC Framework Programmes | | | | |
| Adjusted draft Framework Programmes based on appraisal | 13 - 30 June | Consultant/Aarhus/GDK | | | | | |
| Follow-up adjustments as required | August | Consultant/Aarhus/GDK | | | | | |
| Final Framework Programme documents (incl. annexes and cover note) to ELQ | 5 September 2022 | GDK | | | | | |
| Presentation for Council for Development Policy | 22 September 2022 | GDK | | | | | |
| Development of Draft Framework Agreement | September | GDK in dialogue with Aarhus | Sparring with FRU | | | | |

| Approval process | | | |
|---------------------------|----------------------|--------------------------|--------------------------------|
| Minister's approval of | Late October/early | ELQ submits proposed | After Council for |
| Framework Programme | November | Framework Agreements and | Development Policy |
| | | minutes of CDP meeting | meeting |
| Document and submission | After the Minister's | | Only if direct legal basis for |
| for Finance Committee | approval | | the commitment is not in |
| (Aktstykke) | | | place at Finance Act |
| | | | |
| | | | |
| Signing of Agreement | December | GDK/Aarhus | |
| Preparation of framework | December 2022/ | Aarhus/embassies | |
| program implementation | January 2023 | | |
| Start implementation of | January 2023 | | |
| Framework Program and | | | |
| Phase 2 projects in South | | | |
| Africa and India | | | |
| Programme Management | May 2023 | Aarhus/GDK | Stock-taking and |
| Group Meeting | | | preparation of decision on |
| | | | SSC Ghana phase 2 project |
| Strategic Mangement | June 2023 | GDK/Aarhus | Decision on Ghana phase 2 |
| Group Meeting | | | project |
| Programme Management | November | Aarhus/GDK | Review and approve 2023 |
| Group Meeting | | | programme planning and |
| | | | budget. |

Annex 6 (: Quality Assurance Checklist or signed table of appraisal recommendations and follow-up actions taken, depending on whether the appraisal has been conducted by a development specialist