

DRAFT Framework Programme on Strategic Sector Cooperation

with Ministry of Climate, Energy and Utilities and its agencies (2023-2026) Framework Programme Document

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Abbreviations

AMG	Aid Management Guidelines
APR	Annual Progress Report
DEA	Danish Energy Agency
DEPP	The Danish Energy Partnership Programme
DFC	Danida Fellowship Centre
DGBP	Danida Green Business Partnership
DKK	Danish Kroner
DMDP	Danida Market Deveopment Partnerships
DMI	Danish Meteorological Institute
DSIF	Danish Sustainable Infrastructure Finance
ELK	Evaluation, Learning and Quality (MFA department)
EUMETSAT	European Organisation for the Exploitation of Meteorological Satellites
FP	Framework Programme
GHG	Greenhouse Gasses
GP	Guiding Principles (SSC's)
HIRLAM	High Resolution Limited Area Model
HRBA	Human Rights-based Approach
IFU	Investment Fund for Developing Countries
ILO	International Labour Organisation
IRENA	International Renewable Energy Agency
MCEU	Ministry of Climate, Energy and Utilities
MEAL	Monitoring, Evaluation, Accountability, and Learning
MFA	Ministry of Foreign Affairs
MoU	Memorandum of Understanding
PANT	Participation, accountability, non-discrimination, transparency
PMG	Programme Management Group
QA	Quality Assurance
RFI	Results Framework Interface (MFA's)
SDGs	Sustainable Development Goals
SMG	Strategic Management Group
SOFF	Systematic Observations Financing Facility
SSC	Strategic Sector Cooperation
ToC	Theory of change
UN	United Nations
UNDRR	United Nations Office for Disaster Risk Reduction
USD	United States Dollar
UWC	United Weather Centers
WHO	World Health Organisation
WMO	World Meteorological Organization

Explainer – Strategic Sector Cooperation and SSC 2.0

Box A: What is a strategic sector cooperation (SSC)?

- A peer-to-peer, long-term cooperation between a Danish sector authority or municipality and one or more authorities in a developing country, mainly focused on technical assistance
- Tackles selected challenges of capacity in the partner country institutions, which the Danish authority's core competences are relevant for addressing – but may likely not tackle all partner capacity constraints
- Consists of 1) project-cooperation between the Danish and partner authority, and 2) a Sector counsellor and a part time local staff member stationed at the Danish Embassy to facilitate the project and ensure linkages and synergies between partners and agendas of sustainable development, climate diplomacy, multilateral initiatives, and green private solutions.
- Use instruments such as study tours, seminars, workshops, training courses, analyses, networking and contacts, and direct engagement of experts for drafting or commenting on regulations, policies, guidelines, or processes.
- Inputs mainly consist of Danish authorities' staff time, travels, consultancies, and expenses for workshops/seminars, studies, trainings.
- Projects run in phases, commencing with a 1-year inception phase (DKK 1 million) for in-depth needs assessment and project design with the peer authority, followed by up to three phases of each 3-years; each phase with a app. budget of DKK 10 million.
- The SSC contributes to three global outcomes: 1) Strengthen partner countries' capacity to develop, implement and enforce conducive framework conditions for green transition and selected development priorities e.g. sector specific laws, policies, tools and plans; 2) Increased climate ambitions and ambitions for green transition and sustainable development through strong bilateral relations and green diplomacy; and 3) Enhanced engagement of the Danish private sector in identifying sustainable development solutions and opportunities for the promotion of green financial investment. The three outcomes are mutually supporting each other. A conducive framework makes higher climate ambitions more realistic, and high climate ambitions also provide a momentum for improving framework conditions. Similarly, private sector engagement both enhances implementation of framework conditions and attainment of climate ambitions and at the same time benefits from a conducive policy environment.

Box B: What is a SSC 2.0 Framework Programme?

- A framework programme, that gives the Danish authority responsibility for developing and managing a portfolio of projects over a 4-year period, based on agreed objectives, outcomes/results, budget, and governance and management structures. A shift from single-project to a programmatic approach.
- Aims to provide stronger strategic, programmatic, and development focus as well as improve cross-learning and ensure a more lean administration. Places all SSC projects under a single agreement, managed based on one consolidated work plan, annual progress report, and accounting.
- All projects within the programme are founded on the needs and demands of the recipient countries matched with the Danish authority's international strategy and core competences; as well as the Danish political and embassy priorities in the country; commercial interests and opportunities.
- Defines objectives, project selection criteria, results, budgets, and governance mechanisms for the Danish authority's development and management of its project-portfolio
- The programme comprises from the start on existing projects – and develops and adds new project phases and new projects during the 4-year period, encompassing projects at various stages.
- While placing the primary operational implementation of the SSC projects with the authority, it boosts synergies to the Danish climate diplomacy at the Embassies and green private sector engagement
- Strengthen integration of the Danish Fellowship Centre engagement across the authority's project portfolio allowing for a more strategic approach to the development of new sector specific courses

1. Introduction

This document outlines the Framework Programme (FP) with the Danish Ministry of Climate, Energy and Utilities (MCEU) and its agencies under the Strategic Sector Cooperation (SSC), an instrument launched in 2015 for engaging Danish authorities in cooperation with partner authorities in developing countries to improve framework conditions for a green, inclusive transition and key development priorities.

The FP covers the period 2023-2027, with a budget of DKK 120 million and is the first FP with the MCEU under the 2021 SSC 2.0 guidelines, replacing single-project agreements between Danish authorities and the Ministry of Foreign Affairs (MFA) with 4-year strategic framework agreements. The funding is subject to annual Parliamentary approval (as described in paragraph 6 budget).

Guided by the Danish Government's policies, The World We Share, Long-term Strategy for Global Climate Action, and Action Plan for Economic Diplomacy, the FP focusses the partnerships on green transition challenges in partner countries, targeting areas where MCEU and its agencies, Danish Energy Agency (DEA) and Danish Meteorological institute (DMI) through its core competencies (Box 1) can contribute to important positive change.

Also, in follow-up to the 2021 SSC guidelines, the FP has distinct focus on Denmark's bilateral green diplomacy efforts and the Danish private sector's engagement in dialogue, solutions, and investments within sustainable energy and methodological services.

The SSC supports Denmark's commitment to reduce emissions and increase climate resilience globally recognising that combatting climate change is a global challenge and responsibility. To give greatest effect the programme focuses on developing countries where emissions are high or projected to increase and on countries hardest hit by the effects of climate change.

Finally, the FP comes at a time with increased pressure on the natural resources and a need for both mitigation and adaptation measures. The increasing energy insecurity and pressure on the global energy market underline the pressing need for increased deployment and integration of renewable energy, energy efficiency measures and better long-term energy planning to promote energy security globally and strengthen the green transition of the global energy sector. Climate change and unpredictable weather patterns make reliable methodological services like climate modelling and projection, remote sensing and early warning systems urgently needed to enhance adaptation especially in countries particularly vulnerable to climate change.

Box 1: MCEU core competencies mobilized under the FP:

DEA

Five key areas have been important for the Danish energy transition and today, they contribute to building a strong foundation for green transition in partner countries

- Long-term energy modelling and scenarios - based on long experience of DEA in developing scenarios and modelling in Denmark
- Integration of renewable energy – DEA works with Energinet, the Danish national transmission system operator for electricity
- Wind power – offshore and onshore - promotion of renewable energy
- Energy efficiency in industry and buildings - with a focus on industry, surplus heat and efficiency of buildings
- District heating

DMI

Five key areas are at the center of DMI international development activities

- Climate modelling and projection
- Numerical weather prediction
- Early warning systems
- Oceanography and coastal protection
- Remote sensing

The FP will increasingly focus on selected areas of the MCEU's core competences that directly promote and establish building blocks for the green transition in the energy sector, especially on long term energy planning, integration of renewable energy and energy efficiency and – as a new area of cooperation - strengthen meteorological services especially in climate modelling and projection, numerical weather prediction, remote sensing and early warning systems. Moreover, synergies are supported between the SSC projects and bilateral country programmes and projects and multilateral partnerships in the partner country.

The FP document describes the focus, guiding considerations, and management mechanisms for the programme and will be the basis of an agreement between the MFA and MCEU and its agencies (2023-2027). It will include a number of projects (listed in Table 2 and detailed in annex 1). Four of them are on-going in various phases (Turkey, China, Kenya and Egypt) and three are new projects currently being developed (Brazil, Colombia and Ghana). The countries are expected to be selected during the spring of 2023 before presentation to the Council for Development Policy.

2. Context, lessons learnt, strategic considerations and justification

2.1. Context - Danish priorities and role of SSC

The climate crisis is rapidly accelerating, and the impacts are now visible everywhere, including record-breaking temperatures, and increased floods and wildfires. The number of disasters has increased by a factor of five over the past five decades, and economic losses have increased sevenfold with average daily losses of USD 383 million. [The World Bank](#) estimates that global climate change will push up to 132 million people into poverty in the period 2020 to 2030. Towards 2050, it is concluded that 213 million people will migrate because of climate change. The combination of the Covid pandemic and the current energy crisis means that 70 million people who recently gained access to electricity will likely lose the ability to afford that access. In developing countries, where energy and food make up a large proportion of household budgets, the [rising energy prices](#) have contributed to an increase in the number of people living in extreme poverty.

Combined with increasingly unpredictable weather and lack of reliable weather data the pressure on vulnerable countries and people have increased. A [report](#) from the United Nations Office for Disaster Risk Reduction (UNDRR) and the World Meteorological Organization (WMO) warns that half of the countries globally are not protected by multi-hazard early warning systems (2022). This was followed by a pledge from the UN Secretary General that everyone should be covered by Early Warning System within five years (2022). The situation is even worse for developing countries on the front lines of climate change. Early warning systems are a proven means to reduce harm to people and damage to assets ahead of impending hazards, including storms, tsunamis, droughts, and heatwaves, to name a few. Early warning systems and other measures of adapting e.g. farming to local climate change impact require access to high-quality weather and climate science and data. By addressing the capacity in partner institutions to collect and process large data of basic weather and climate observations the programme will support quality, accuracy and timeliness of weather forecasts and climate prediction.

The FP targets specific areas where SSC can contribute to climate change mitigation and adaptation. Based on political support and institutional demand from partners the FP promote climate mitigation, adaptation and resilience through green transition of the energy sector and use of advanced meteorological and climate modelling and early warning systems. In both areas the FP will provide technical assistance that build on Danish experience.

Acceleration of the global transition towards low carbon energy. Energy is central to nearly every major challenge and opportunity the world faces today. Be it for jobs, security, climate change, food production or increasing incomes, access to energy for all is essential. Transitioning the global economy towards clean and sustainable sources of energy is one of our greatest challenges in the coming decades. Sustainable energy is an opportunity – it transforms lives, economies and the planet. Renewable and green energy is hence one of the most important prerequisites for creating a world in which people can thrive and live good lives without causing damage to future generations or the current populations in the most exposed areas on the globe. A green transition of the energy sector is not only a transition towards a more sustainable energy supply, it is also a transition towards greater energy security and independence of importing fossil fuels. The share of green jobs within renewable energy has grown at a global level in the period 2012 to 2022 and 12 million are now employed in renewable energy related jobs. A [report](#) from International Renewable Energy Agency (IRENA) and the International Labour Organisation (ILO) (2021) also concludes that more jobs will be created through a green energy transition than will be lost. However, this requires that socio-economic impacts from the green transition are considered in a holistic planning. The same applies for renewable energy and energy efficiency, where both job creation and job loss (e.g. counteracting negative effects for local communities depending on fossil energy sources) should be taken into account.

Better weather data will allow for better adaptation and enhanced resilience. Provision of relevant and timely climate data and meteorological forecasts will allow for better adaptation and enhanced resilience of livelihoods to a changing climate as well as better preparedness and responses to weather hazards. Further, it will inform decision-making at all levels (farmers, private sector, civil society, academia, local authorities, national authorities), thus enabling better and more timely response strategies. Thereby, disaster prevention measures becomes more effective, which help save lives, reduce damage to infrastructure and assets, reduce crop losses, and increase agricultural productivity. Better weather data can thus contribute to bridging the humanitarian-development nexus, both reducing the need for humanitarian assistance and facilitating timely delivery of humanitarian assistance. Lastly, reliable weather data also provides a critical role in green energy planning for both solar, wind and hydro energy. Meteorological data is thus critical for socio-economic development and effective green transition.

The poor and vulnerable are significantly affected by lack of reliable energy and lack of sufficient meteorological services. As shown in annex 1, all partner countries have significant numbers of poor and vulnerable people. Inclusive economic growth and adequate, reliable, and competitively priced modern energy can effectively reduce poverty and boost prosperity. In addition, a majority of poor and vulnerable people rely on agriculture. Their resilience and productivity would benefit from reliable and timely weather data. The FP contributes to poverty reduction first of all by improving some key conditions for poor people's opportunities, choice, and ability for voice and influence. It is the poor and vulnerable - with weak resources and powers – who depend most on fair, rules-based, and effective public systems for compliance, respect for standards and rights to access and participation. The FP's enable a more level playing field for all citizens by supporting the creation of transparent and rules-based systems. Thereby reducing scope for influence and access based solely on power

Box 2 – Human Rights Based Approach (HRBA):

The below principles are cornerstones in DEA and DMI's dialogue with and advice to partners.

1. Non-discrimination: e.g. the energy from the turbines benefit everyone by integrating it into the electricity market, and is not reserved for specific groups of people.
2. Participation and inclusion: e.g. open hearings for society (business, NGOs, educational institutions) and involvement of local communities in the process of defining the project.
3. Transparency: e.g. open tenders with transparent and equal access to information (one-stop shop)
4. Accountability: e.g. tenders and contracts have a complain mechanism in place.

and resources. In the dialogue with partner authorities holistic planning is in focus, ensuring evidence-based knowledge about least-cost power sector development, job creation, cross sectoral links (e.g. mining), national value chains, strengthening of local communities, protection of livelihoods through improved early warning systems, agricultural planning and education. Direct poverty reducing effects are observed when improved access to cleaner energy reduces indoor pollution that disproportionality affects children living in low-income housing (WHO, 2018).

Similarly, energy efficiency measures for social housing can contribute to poverty reduction of low-income households.

Box 3 – DEA’s multidimensional poverty approach:

1. Resources: Access to resources including energy to keep up a reasonable living standard and meet basic needs.
2. Opportunities and choices: The information provided through energy planning and scenario building allow policy makers to ensure that all social groups have access to energy on equal terms and the security of supply is uniform and does not discriminate low-income groups.
3. Voice and influence: The information provided through energy planning and scenario building provides a sound basis for political decisions in the energy sector to be carried out with transparent access to information and with the opportunity for all stakeholders to be heard in the process.
4. Personal security: green transition reduces pollution (especially example air pollution) and thus improves the health status of vulnerable social groups who are exposed (especially for reducing respiratory disease arising from indoor burning of biomass or fossil fuel for heating or cooking.)

The approaches are still being developed through an interactive process between DEA and UM/ELK. It will be further elaborated and concretised in the next coming months.

The FP will address poverty based on the individual projects, using a multidimensional poverty perspective, and ensuring a focus on a Human Rights Based Approach including do-no-harm. The FP’s poverty and HRBA approach is presented in box 2 and 3.

Key Danish policies and priorities

The FP is guided by the Danish Government’s ambitions to engage in the green transition. It directly responds to Denmark’s Strategy for Development Cooperation’s *The World We Share* by “strengthening the Danish SDG7 leadership and energy cooperation on green transition in developing countries, including promoting renewable energy and energy efficiency. This applies particularly to growth economies with high emission levels. The international cooperation on energy under the strategic sector cooperation will lie at the heart of the efforts to promote green transition and underpin Danish climate diplomacy” and “contribute to preventing and reducing the risk of loss and damage due to the impacts of climate change”. The FP follows the Global Climate Action Strategy’s commitment for Denmark to cooperate with other countries in energy transitions with a focus on renewable energy, energy efficiency and access to energy. Further, the FP also follows the strategy’s focus on adaptation and resilience in developing countries, with a focus on emerging economies, including contributing to preventing and reducing the risk of losses and damage as a result of climate change and the need for using future climate scenarios in investments and planning. Finally, it supports the Action Plan for Economic Diplomacy’s aim to introduce more SSCs and emphasizes the role of Danish private sector’s green solutions and investments in the green energy transition.

The FP delivers on Government’s intention for SSC to be a core instrument in achieving its priorities on the green transition - and to engage the Danish private sector in green solutions and investments. The SSC projects are interacting closely with Trade Council. In line with the strategy, the FP focusses the SSC on sustainable energy and methodological services, where Denmark – through MCEU’s core competencies, the private sector, NGOs, green investors, Denmark’s climate diplomacy – is well placed to promote change by contributing with expertise and technology. It supports partners in developing countries and growth economies to tackle their own legislative, regulative, and policy challenges and needs. The FP has climate change adaptation and climate change mitigation as principle objectives and thus is a Rio marker 2. It directly aligns with SSCs’ focus on delivering on the Paris

Agreement and the Sustainable Development Goals (SDGs) by promoting a socially just green transition, and sustainable growth and resilient development in the partner countries.

The Sustainable Development Goals (SDGs) guides the FP. The FP directly targets SDG 7 (affordable and green energy) and SDG 13 (Climate Action). Through actions targeting these SDGs, the program will also indirectly contribute to SDG 1 (Poverty Reduction). The table 1 below illustrates how the programme will address the targeted goals:

Table 1 Contributions to SDG's (core goals 7, 13, 1)	
Goal	How ?
Goal 7 on affordable and green energy	By improving the access to affordable, reliable and modern energy services and increasing the share of renewable energy in the global energy mix as well as improve the global energy efficiency [target 7.1, 7.2 and 7.3]
Goal 13 on climate action	By Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters and integrate climate change measures into national policies, strategies and planning [target 13.1, 13.2]
Goal 17 on Partnership for Goals	To provide capacity building and exchange of knowledge
Goal 1 on poverty (indirectly)	By improving access of poor and vulnerable to basic service and reducing exposure of the poor to climate related extremes [target 1.4, 1.5]

2.2. MCEU - international strategy and core competences

The FP is part of MCEU's overall international engagement, which contributes to the Danish Government's green priorities and the green transition, including Denmark's overall climate goals and the goals in the Global Climate Action Strategy. As such, the FP follows from DEA's international strategy (Box 4), highlighting its role in

Box 4: DEA's international strategy:

- Accelerate global reductions of CO2 emissions.
- Identify green paths where partner countries can maintain economic growth and a high security of electricity supply 24/7.
- Strengthen the capacity of central partner institutions through sharing of Danish experiences, know-how, technical solutions and regulatory frameworks.
- Engage with the Danish transmission system operator, Energinet, as a close partner in several of the partnerships, as well as engaging with the Danish embassies, which play a vital role locally.

contributing to the SDGs and climate goals in the Paris Agreement to promote a more climate-friendly and sustainable development in the world. DMI will update their general strategy in spring of 2023, including strategic directions for their international work by then. DMI's international development work will be based on the WMO Meteorological Value Chain, which will be used as the entry point for capacity assessment of and dialogue with partners regarding core adaptation plans and strategies. DMI's international engagement will build on the domestic experience and capacities, which will include sharing of technical knowledge. Where possible DMI will explore opportunities for complementing the capacity development activities with joint research projects to strengthen the knowledge base of the interventions.

The FP is a step-up in MCEU's well-established engagement with MFA in recent years. Going forward, the engagement will be more strategic, further systematized and concretized, and reinforced through synergies with MCEU's other international engagements, with for instance The Danish Energy Partnership Programme (DEPP) and the Systematic Observations Financing Facility (SOFF).

In line with the Danish Government priorities, the FP is an important instrument for MCEU's ambition to mobilize its core competencies and capacities to tackle the energy sector development and meteorological challenges in strategic partner countries where it can contribute to relevant improvements. Besides knowledge-sharing and capacity-building within its core competencies, MCEU can contribute in several valuable ways: Facilitating contacts to the Danish knowledge base with innovative green technologies; Sharing lessons and approaches on the Danish collaborative model, where public and private sector partners collaborate to achieve high standards – and in turn promote a strong Danish brand internationally.

MCEU has good experiences in showcasing best-cases from the Danish model which will be leveraged even more through the SSC FP. Denmark has gone through a ground breaking energy transformation over the last 40 years and has a society where both public and private support to the green agenda is high, and MCEU experiences great international interests in Danish green and innovative solutions and know-how. Danish strongholds within energy are combined with extensive capabilities for government-to-government cooperation with partner country governments. Moreover, Denmark has a strong position within international climate diplomacy, where the Danish Government aims to reduce greenhouse gas emissions by 70% in 2030 compared to 1990 levels is a showcase of the frontier position among the most ambitious climate targets in the world.

Box 5: MCEU specific results examples:

- In **Turkey** the SSC project has supported the drafting of a heating law, based on Danish principles. The draft law has been an inspiration for the amendment to the geothermal Act, including articles with the aim to promote district heating, partly inspired by Danish regulation. The amendment is expected to be approved by Parliament in 2023.
- In **China** a Sino-Danish clean heating expert panel group was established. It has been key to accelerate the knowledge exchange between sector experts from academia and utilities.

2.3. Results and lessons from previous phases

MCEU's overarching achievement from its SSC work is the productive partnerships developed on long-term energy planning, renewable energy and energy efficiency. The Danish Energy Agency cooperates with several governments in order to contribute to their reduction of carbon emissions and to assist in their energy transition to become a low-carbon economy. The cooperation is primarily focusing on improvements of partner governments approach to long-term energy planning and modelling, framework conditions for renewable energy, integration of renewable energy, energy efficiency, district heating systems. The strong relationships and consolidated networks in partner countries are key foundations for MCEU's next step under the FP of working with the authorities on green transitions of the energy sector. Other key results include partners' readiness to reform and learn from Danish approaches for greener energy planning, especially the Danish model of collaboration - across authorities, industry, universities and public sector - with transparency and information sharing across the entire energy sector. Box 5 highlights a few examples of key results achieved.

DMI aims to build long-term collaborations with meteorological institutes in developing countries that are particularly vulnerable to climate change, however, this is a new direction of DMI and therefore no

prior results or lessons learnt exist. While this is a new strategic area, DMI has over the years engaged in a number of projects, primarily research related, with meteorological services in the developing world. DMI thus have a good number of staff with solid knowledge on the fundamental challenges for meteorological agencies in developing countries, which includes limited observation networks and lack of IT capacity, which in turn limits the meteorological models that can be applied. DMI is also engaged in a number of international networks and organizations (WMO, UWC, HIRLAM, EUMETSAT, etc), and have extensive knowledge and experience with international cooperation and projects.

Box 6 outlines key lessons that will inform MCEU's FP. A main lesson is the need to adapt during implementation, as political agendas and needs change, and that being responsive to changing needs ensures a high engagement by partners. The FP will have mechanisms for cross-project Quality Assurance (QA) and sharing of lessons on approaches and knowledge, so its impact becomes more than the sum of the projects. This includes groups that have experience on working on cross-project sessions and comparative analysis of projects for learning and synergies on green diplomacy, green commercial solutions, poverty and HRBA, and involvement of non-government and private sector actors. The background analysis on poverty and political economy should be used more actively for policy dialogue and it should be updated when projects start a new phase (every third year). In addition, poverty and political economy considerations could be integrated in Danida Fellowship Centre (DFC) courses.

Box 6: Lessons from the SSC

- There is potential to harvest synergies and improve results through a programmatic FP management approach with emphasis on closer coordination and sharing of lessons learned across projects and sectors, results reporting, , and quality assurance.
- The cooperation leads to best results when using a flexible and adaptive approach, with emphasis on interaction and mutual benefits between partners.
- It is crucial to tailor projects to the specific context and link-up with national partner processes, for best partner engagement, delivery of results, and use of Danish skills and know-how from the public and private sectors.
- Essential that all partners are clear of the nature of the green commercial results to expect in each country and SSC's realistic contribution; SSC may at best contribute in the form of wider branding of Danish knowledge and solutions, network building, knowledge sharing, and market information.

The evolution and conditions for transition to other forms of partnerships and SSC exit phases need to be considered early on. By monitoring the achievement of key outcomes of individual projects under the FA, the partners will be in a better position to sequence the phases of project engagement and prepare for transition to new forms of partnership that will capitalise on the long partnerships that have been built on information exchange and cooperation on climate diplomacy and private sector engagement. These partnerships will build on market forces and the momentum created through improved framework conditions and ambitious climate policies to scale up green investments and commercial opportunities for accelerating green transition in energy and increasing climate resilience.

2.4. Alignment with SSC's principles and global results

The FP aligns with the SSC 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**⁵, through its focus on the green transition of the energy sector and inclusive metrological services through stronger legislative frameworks and institutional capacity of partner authorities.

The FP focusses on **areas where Denmark has special strengths** and shows international best practice, by building on MCEU's core competencies as shown in box 1. The FP's three outcomes - defined in the

FP Results Framework (section 4) and FP Theory of Change (section 3) - align with the SSC's three global outcomes, as further described below.

The FP's outcome 1 addresses **SSC 2.0's global Outcome 1** (*strengthening partner authorities' capacity to develop and implement conducive regulatory, legislative and institutional framework for the green transition*), through 1) projects selected with a view to ensure the best relevancy of MCEU's core competencies to support significant change towards climate mitigation, adaptation and resilience through green transition in the energy sector and improved meteorological services, given the country context, and 2) selection of partners with core mandates to maintain the institutional frameworks for the energy sector and meteorological services, showing clear priorities to green transitions, and clear demand for MCEU's support and collaboration.

The FP's outcome 2 addresses **SSC's 2.0's global Outcome 2** (*increased climate ambitions and ambitions for green transition via bilateral relations and green diplomacy*), by ensuring the projects feed into initiatives by Embassies, MFA and MCEU to promote Denmark's bilateral climate diplomacy and agendas on sustainable energy and meteorological services. Annex 1 highlights how the FP forms part of such wider Danish country-level priorities and engagements in the individual countries. To this end, the SSC projects will be used for sharing knowledge, networks, results, and lessons gained from the partner authority collaboration.

The FP's outcome 3 addresses **SSC's global 2.0's Outcome 3** (*Danish private sector's engagement in sustainable and green solutions and investments*), 1) by promoting framework and market conditions that enable a level-playing field in markets for green solutions where Danish companies can offer best-practice solutions; and 2), by promoting country-level dialogue, networking and sharing of knowledge between the projects, Danish companies and business associations.

The sector counsellor's position in the embassies is joint to the SSC project in the individual countries. The counsellor will liaise and coordinate directly with DEA and DMI and facilitate and support the Danish authority in the identification, development and implementation of the SSC projects. The sector counsellor will facilitate contacts and in-depth knowledge about the relevant framework conditions to be shared with colleagues at the embassy and the DEA and DMI. The sector counsellor will build and maintain a broad sector network, which includes donor cooperation and relations to the Investment Fund for Developing Countries (IFU). Specific SSC contributions from DEA, DMI and sector counsellors in support of embassy diplomatic outreach activities or Trade Council events will be agreed to in work plans of the SSC project. The sector counsellor is posted on diplomatic terms and refers to the ambassador.

2.5. Alignment with Danish cross-cutting priorities and aid effectiveness

The FP will take into consideration poverty in all projects, using the multidimensional poverty concept and ensuring leave-no-one behind. The principles are outlined in box 2 and 3 and further informed by the MCEU poverty reduction papers. The initial background analysis in the inception phase that will be updated before programming of new phases is the main instrument for incorporating considerations of specific dimensions of poverty into the SSC.

The FP will address the human rights-based approach by integrating the principles of participation, accountability, transparency, and non-discrimination ("PANT" principles) in initiatives with partners to strengthen their legal frameworks and institutional management systems for green transition of the energy sector and better meteorological services, where relevant and possible (see also annex 5). This will consider the rights of the poor and marginalized population who typically suffer

the most direct and highest costs from lack of reliable and timely weather data. As HRBA challenges and entry-points will be context- and partner specific, project-specific assessments will be made to decide focus and approaches.

Similarly, MCEU will integrate gender concerns in the inputs and dialogue with partners. This will entail ensuring that all initiatives on improving the framework conditions examine and deepen the understanding of the presence of gender-related issues. When relevant the SSC will propose actions that maximise opportunities for gender equality. Both energy transition and better meteorological services are areas where a gender perspective can substantially increase the impact of the SSC. Women are key to analysis of energy use at the household level and especially in poorer areas women plays an important role in the transition to cleaner and renewable fuels. Women are in many countries the backbone of the agricultural sector and meteorological services are more effective when they also work through channels that reach women decision makers. This is an area where MCEU tools and approaches can benefit from experiences of the Danish foreign ministry and potentially also the Danish Fellowship Centre.

The FP will make use of current and evolving MCEU's tools and methodologies for mainstreaming the cross-cutting priorities. The FP will mainstream human rights and gender using MFA's tools and principles and DEA's newly developed approach to poverty and HRBA. DEA and DMI are currently developing their approach to poverty and HRBA (see example in box 2 and 3) which is expected to be ready before mid 2023. Since relevant HRBA issues, opportunities, and entry-points are always context- and partner specific, project-specific assessments will be made to decide focus and approaches. As such, the FP will 1) introduce steps in the project preparation and QA process for assessing relevant poverty and HRBA issues and opportunities and define initiatives to address these, 2) apply relevant HRBA screening and monitoring tools (to be identified), and 3) develop MCEU capacity and partnerships on HRBA with DFC. Project documents will have sections describing approach to poverty, gender, and HRBA.

Aid effectiveness of the FP is promoted by projects' direct focus on strengthening 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 MCEU experts will be based on partners' needs and requests. MCEU will ensure dialogue, agreement, and transparency on plans and inputs to ensure projects are based on country level donor cooperation at sector level, accountability and mutual trust.

3. Framework programme objectives and Theory of Change.

The **overall long-term objective** of the FP is to promote a socially just, inclusive and green transition and contribute to climate mitigation, sustainable growth and resilient development for people in partner countries through SSC in areas of i) sustainable energy and ii) meteorological services.

The **immediate objective** of the framework programme is to strengthen framework conditions and institutional capacity of partner authorities to promote climate mitigation and adaptation and resilience through green transition of the energy sector and use of advanced meteorological modelling and early warning systems that build on Danish experience.

The FP is guided by the Theory of Change (ToC), which aligns with the SSC's global ToC: If MFA/MCEU through DEA and DMI/ Embassies select countries for the SSC where ENS/DMI's core competences, supplemented by Danish climate diplomacy and Danish private sector, can contribute to tackling challenges related to climate change with a focus on energy transition especially on long term

energy planning, renewable energy and energy efficiency and on meteorological services especially in climate modelling and projection, numerical weather prediction, remote sensing and early warning systems, this contribution will in turn create conditions that will reduce poverty.

And if MCEU (DEA/DMI) and relevant Embassies in these countries identify relevant partner authorities with commitments to respond to these challenges by working towards inclusive climate mitigation and adaptation through green transition in the energy sector and improved meteorological services and overcoming framework and institutional capacity weaknesses that hamper them in leading such transitions;

Then framework conditions will be improved, climate ambitions will be increased through the diplomatic action and the resources and capacities of the private sector will be mobilised.

And if outputs are supported that relate to improving long term energy planning, use of renewable energy and greater energy efficiency as well as improved meteorological modelling, remote sensing and early warning systems;	And if outputs are supported that enhance approaches and build partner capacity for replicating green and climate resilient and climate mitigation transition measures,	And if this is done through enhancing the capacity of partners to engage with the private sector in stakeholder consultations, transparent approval processes etc.
And if , MCEU (DEA/DMI) use its core competences, best practice knowledge, and learning-based capacity development approaches to address partners' weaknesses and gaps in policies, regulations, and systems	And if the Danish embassies in the relevant countries engage in active climate diplomacy bringing lessons and best practice solutions to the national level	And if private sector and investors can offer green transformative solutions related to renewable and energy efficiency as well as provision of meteorological services.
And if , this is done through sharing experience on medium and long-term green transition in the energy sector and meteorological services that enhance climate resilience.		And if , Danish Embassies, Trade Council, and sector counsellors supported by MCEU (DEA /DMI), collaborate and share knowledge and networks on green market issues and opportunities for green investments and commercial solutions in the energy sector and provision of meteorological services
Then , the outcome of strengthened framework conditions and institutional capacity to accelerate the green transition in the energy sector and meteorological services that enhance climate resilience will be achieved.	Then , Danish bilateral technical and diplomatic initiatives will enhance the replication of green energy transition approaches and meteorological services to the regional and national level. In this way, higher and well-founded inclusive climate related ambitions at country level will be enhanced on paper and in practice.	Then , the exposure of green and sustainable solutions provided by Danish private sector actors in the green transition of the energy and meteorological sectors could be increased in the partner markets
And then the energy sector and the provision of meteorological services will have moved forward on climate mitigation, adaptation and enhanced resilience through stronger framework conditions and institutional capacity of partner entities to adopt new approaches in: i) long term energy planning, ii) integration of renewable energy, iii) wind power – offshore and onshore, iv) energy efficiency, v) district heating as well as vi) climate modelling, remote sensing and early warning systems.		
And then , the energy and meteorological agencies and utilities will have improved their governance to act as duty-bearers, and the rightsholders will have access to information to better claim and exercise their rights.		
And then a long-term contribution has been made towards a socially just, inclusive and green transition and to sustainable growth and resilient development for people in partner countries in areas of energy and meteorological services.		
And then Denmark and partner countries jointly will contribute to the fulfilment of the SDGs and the Paris Agreement, for a green transition and sustainable development, and strengthening the global cooperation on climate mitigation and adaptation.		

Note: the cause effect chain is not linear with for example climate diplomacy and engagement of the private sector both supporting green transition and improved framework conditions but also benefitting from them.

The **critical assumptions** moving from inputs to outputs are:

- Partner authorities and others are ready and able to absorb and make best use of expertise and support from Denmark
- Partner authorities give full access to necessary data
- Partner authorities and others with the support of the trade council, if relevant, are able to access and understand the value of Danish knowhow and technology that they find relevant and competitive

The 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 the targeted climate and SDG goals
- Larger scale investment financing is mobilised, where required, to complement institutional strengthening and demonstration projects.

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

- Political national and global commitments such as the NDCs lead to improved incentives for green transition
- Partner authorities have the capacity to create the relevant frameworks to accelerate the green transition using best practise and a least cost approach.
- The FP inspires and catalyses good governance and institutional strength
- Opportunities for export provide incentives for Danish companies to invest time and resources in responding to market opportunities.

4. Results framework

Monitoring and reporting of the FP will be based on the results framework below, where MCEU and Embassies are jointly responsible for results. The FP indicators, approach to aggregating project level results, and roles will be finally developed in a Monitoring, Evaluation, Accountability and Learning (MEAL) Plan for approval by the Programme Management Group (PMG). To supplement the monitoring based on indicators, outcome harvesting will be carried out during the second year, with special focus on capturing broader results related to climate action, a green, inclusive and just transition, and green commercial contributions (these will be informing the mid-term review of the FP). Further details of the outcome harvesting will also be defined in the MEAL Plan. The results framework and targets will be revisited during the mid-term review. All projects do not have to contribute to every output or even outcome. DEA and DMI have different core competencies and hence their SSC projects will have different focuses; DEA focus on mitigation (energy transition), while DMI focus on adaptation (meteorological services).

Results framework

The overall SSC strategy aims at 3 global results within 1) cooperation on framework conditions and technical lessons learned in order to accelerate the transition to renewable energy, 2) diplomacy and 3) private sector). Outcome 2 and outcome 3 are derived from outcome 1 and to some extent dependent but also contributing to a successful outcome 1. The embassy and the implementing agency (DEA and DMI) have a shared responsibility of successful implementation of outcome 2 and 3 as contributions

from the agencies are dependent on the level of activity of the embassy. The below table is generic hence not all projects will need to contribute to every output or potentially even to every outcome

Programme			
Programme Objective		To strengthen framework conditions and institutional capacity of partner authorities to promote climate mitigation and adaptation and resilience through green transition of the energy sector and use of advanced meteorological modelling and early warning systems that build on Danish experiences	
Outcome (1)		Strengthened framework conditions and institutional capacity to promote climate mitigation, adaptation and resilience through green transition in the energy sector and improved meteorological services.	
Outcome indicator		Policy, regulatory, procedural or capacity obstacles for enhancing green energy transition and improved meteorological services have been addressed	
Baseline	Year	2023	Partner authorities in 6 countries are facing institutional obstacles for green energy transition and 1 partner country for providing meteorological services.
Target	Year	2026	At least one prioritised framework-related obstacle suitable for SSC intervention has been addressed in each of the 7 partner authorities as reported and evidenced in the annual report for 2026
Outcome (2)		Enhanced Danish green diplomatic engagement in support of climate mitigation, adaptation and resilience through green transition in the energy sector and improved meteorological services.	
Outcome indicator		Number of Danish diplomatic outreach activities by Danish diplomatic actors that successfully use knowledge or networks supported by information arising from the FP's work on green transition in the energy sector and improved meteorological services.	
Baseline	Year	2023	0
Target	Year	2026	30 of which at least 4 of the outreach actions, (such as high-level meetings and policy dialogue events) have engaged authorities beyond the regions where the projects are directly involved - as reported and evidenced in the annual report for 2026
Outcome (3)		Platforms have been created by Danish embassy, trade council and others for enhanced private sector engagement in green transition in the energy sector and improved meteorological services.	
Outcome indicator		Number of events carried out by the Danish embassy trade council and others, linked to and informed by the framework partnership work, that provide opportunities for showcasing Danish knowhow and technology related to green transition in the energy sector and improved meteorological services.	
Baseline	Year	2023	Limited platforms for Danish private sector engagement in defined areas.
Target	Year	2026	10 workshops with participation of 1-3 Danish companies in each 10 visits each with participation of at least 1 Danish company or industry organisation
Output 1.1		Long term energy planning has improved	
Output indicator		A comprehensive power sector model has been developed/enhanced in the partner institution and several power sector scenarios has been developed for political purposes and possibly also led to the development of Energy outlooks [target: in two thirds of those countries where this output is planned at project level]	
Output 1.2		The potential for an increased share of renewable energy	

Output indicator	Policy, institutional and technical measures ¹ for greater renewable energy potential have been implemented [target: in two thirds of those countries where this output is planned at project level] ²
Output 1.3	The potential for increased energy efficiency has increased
Output indicator	Policy, institutional and technical measures for greater energy efficiency been implemented within buildings, industry or through district heating [target: in two thirds of those countries where this output is planned at project level] ³
Output 1.4	The potential for improved meteorological services has increased
Output indicator	Policy, institutional and technical measures for improved meteorological services [target: at least 2 measures across the projects where the FP aims at this output]
Output 2.1.	The capacity of partner countries to update and fulfil NDC targets on mitigation and adaptation have increased (arising from the diplomatic outreach activities which are informed by the FP)
Output indicator	NDC targets on either mitigation or adaptation are met and/or new targets set (arising from the diplomatic outreach activities which are informed by the FP) [target: at least 4 of the 7 countries]
Output 2.2.	The capacity of the Danish embassy to promote climate diplomacy through green transition in the energy sector has increased and improved meteorological services.
Output indicator	Meetings held with key public, private and civil society organisations that document how information on how climate targets can be reached and extended has been shared and responded to [target: at least 3 meetings in each of 7 countries]
Output 3.1.	Partner awareness of private sector know how and technology in green transition in the energy sector and improved meteorological services has increased
Output indicator	Partner authorities have made changes in the framework conditions that open up for an increased participation of the private sector in green transition in the energy sector and improved meteorological services [target: at least 4 of 7 countries]
Output 3.2.	Awareness of Danish private sector know-how and technology in green transition in the energy sector and improved meteorological services
Output indicator	Export relevant workshops carried out by the Danish embassy trade council and others held with participation of Danish private sector [target –more than 2 workshops and participation of at least 3 Danish companies in each of 7 countries]

Notes: 1) It is important to appreciate that the primary aim of the programme is a change in framework condition (outcome 1), it is expected that achieving outcomes on climate diplomacy and involvement of the private sector will both support the change in framework conditions but also benefit from such change. 2) The above monitoring framework will be complemented by an outcome harvesting that will use evaluation techniques to capture wider results and communicate them

5. Emerging project portfolio: Context and design features

The FP is founded on a set of individually tailored projects that will evolve over the FP period, as new phases and projects develop, but which share certain features with respect to contexts and designs, and all draw on (one or more of) MCEU's core competencies (Box 1), as relevant and demanded by the partner to address critical challenges related to sustainable energy and meteorological services. All SSC projects will be implemented in phases, initiated by an inception phase (developing the SSC project proposal); 1st phase, commencing the collaboration; 2nd phase, consolidation and further development; and 3rd phase, concluding and ensuring a proper exit and sustainability, in total corresponding to 10 years engagement (SSC Administrative Manual chapter 3).

¹ Measures can be at policy, institutional or technical level. In general they will be advisory and linked to capacity development - the type of intervention varies between the projects and the intention here is to look for evidence that the advice and capacity has been put to use in one form or another i.e. not just measuring that an activity such as a workshop or training course has been held but also that there are signs that some of what is advocated or learnt is being put into practice

² Too early or too ambitious to quote actual RE share increases per country – this target will need to be confirmed, further quantified and adjusted up or down depending on the later project designs,

³ Too early or too ambitious to quote actual energy intensity reductions per country - this target will need to be confirmed, further quantified and adjusted up or down depending on the later project designs,

The common features of current project contexts and designs, which also serve as criteria for future phases/projects under the FP, are as follows (elaborated in Annex 1, as required by SSC 2.0 guidelines):

- In all country contexts, energy systems or meteorological services face critical challenges in relation to the green transition, which impact significantly on the livelihoods and resilience of the poor and vulnerable populations
- In all cases, MCEU's core competencies are relevant for contributing to the strategies that effectively promote the green transition of energy sectors or improved meteorological services
- All projects are based on and respond on demands from local partners and all partner authorities are committed to reforms and collaboration on the green transition energy sectors or meteorological services
- All projects align with Danish priorities for the countries and stem from requests and backing from Embassies
- Denmark has substantial engagements and interests in the countries that provide synergies, including development cooperation and climate diplomacy.
- There are in most cases Danish commercial interests that can be promoted by collaboration on green energy transition or meteorological services.

Table 2 summarizes the projects in the FP. They will be basis for the development and approval of new phases and projects according to the governance mechanisms described in section 7. Annex 1 gives further information on the project.

#	Country /phase	Project objectives	Partner authority	Thematic focus	Project document
1	Egypt Phase I (2020-2023) Phase II (2024-2027)	Accelerating the green transition in Egypt through exchanging experiences in energy system planning and operational integration of variable renewable energy (VRE).	Egyptian Ministry of Energy and Renewable Energy (MoERE) Egyptian Ministry of International Cooperation (MoIC)	Increased capability in power sector planning for variable renewable energy; Enhanced power system ability to integrate renewable energy generated in the power system in a cost-effective way; Assessment and review of options for wind project development. Governing and registration of an energy management system with an energy efficiency register (monitoring, reporting and verification system MRV).	Available
2	Turkey Phase III (2023-2026)	Support the MENR during the transition of the energy sector in Türkiye focusing on energy modelling to make best use of the renewable energy sources and assist the MENR in enabling deployment of low carbon and energy efficient, economic viable district heating and cooling.	Ministry of Energy and Natural Resources of the Republic of Türkiye (MENR)	District Energy Energy Planning and modelling	Available
3	China Phase I (2020-2024) Phase II to be integrated in new DEPP 3	Support for NDC goals for decarbonising heating and scale the clean heating ambition in future Five-Year Plans. To assist Chinese government agencies and other stakeholders in developing relevant strategies, policies and solutions to improve the integration of renewable energy and energy efficiency in the heating sector.	National Energy Administration. Other partners: China Renewable Energy Engineering Institute and Ministry of Housing, Urban and Rural Development	Integration of renewable energy and efficient energy planning in the heating sector	Available
4	Kenya Phase I (2022-2024) Phase II (2025-2028)	Kenya continues its low carbon energy transition supporting sustainable development targets through least-cost long-term energy planning and optimized infrastructure development.	Ministry of Energy	Long-term Energy planning Integration of variable renewable energy	Available
5	Brazil Phase I (2023-2026) Phase II (2026 - 2029)	Strengthened institutional capacity at national level in the fields of offshore wind development, long-term energy planning, including technology catalogue, and integration of variable renewable energy in the system.	Ministry of Mines and Energy (main partner) and their office of Energy Research Office Other partners: Brazilian Electricity Regulatory Agency, the National Electric System Operator and Brazilian Institute of Environment and Renewable Natural Resources	Offshore wind development Long-term energy planning Integration of variable renewable energy	Submission for SMG Q2 2023
6	Colombia Phase I (2023-2026) Phase II (2026-2029)	Strengthened institutional capacity at national level in the fields of offshore wind development, long-term energy planning, including technology catalogue, and integration of variable renewable energy in the system. (tentatively)	Ministry of Mines and Energy (MME) Other partners: Energy Planning Agency, National grid operator, Commission on Electricity and Gas Regulation	Offshore wind development Long-term energy planning Integration of variable renewable energy	Submission for SMG Q2 2023
7	Ghana Phase I (2023-2026) Phase II (2026-2029)	Strengthened Capacity of GMET to support the socio-Economic development of Ghana through provision of relevant and timely climate data and forecasts within xx sector.	Ghana Meteorological Agency (GMET)	Oceanography and coastal protection Numerical weather prediction Climate modelling and risk indicators Early warning systems Remote sensing	Submission for SMG Q2 2023
8	TBD				
9	TBD				

6. Budget

Figures in the indicative budget below are preliminary and subject to Parliamentary approval. This budget overview reflects the expected support as indicated in the 2023 Finance Act and approved by the Danish Parliament in Q1 2023.

Project title, phase	Period	Total	2023	2024	2025	2026	2027
Egypt Energy, phase I + extension 2022	Phase I ends in Q2 2025 (extension)	9.000.000	3.000.000	3.000.000	3.000.000		
Egypt Energy, phase II	Q3 2025-2027	6.650.000			1.330.000	2.660.000	2.660.000
Turkey, energy/research, phase II	Phase II ends in Q1 2023	0					
Turkey, energy/research, phase III	Q2 2023-2027	13.300.000	2.660.000	2.660.000	2.660.000	2.660.000	2.660.000
China, energy - district heating, phase I	Q2 2024 (thereafter integration in DEPP 4)	6.649.999	3.325.000	3.325.000			
Kenya, Energy, phase I	Phase 1 ends in Q2 2025	6.650.000	2.660.000	2.660.000	1.330.000		
Kenya, Energy, phase II	Q3 2025-2028	6.650.000			1.330.000	2.660.000	2.660.000
Brazil	2023-2026	13.300.000	2.660.000	2.660.000	2.660.000	2.660.000	2.660.000
Colombia	2023-2026	13.300.000	2.660.000	2.660.000	2.660.000	2.660.000	2.660.000
New country	2024-2027	13.300.000	3.325.000	3.325.000	3.325.000	3.325.000	3.325.000
Ghana	2023-2026	13.300.000	2.660.000	2.660.000	2.660.000	2.660.000	2.660.000
New country	2024-2027	13.300.000	3.325.000	3.325.000	3.325.000	3.325.000	3.325.000
Projects total		115.399.999	19.625.000	26.275.000	24.280.000	22.610.000	22.610.000
Communication		875.000	175.000	175.000	175.000	175.000	175.000
Reviews, learning, outcome harvesting		2.000.000				1.000.000	1000000
Unallocated		1.200.000			600.000	600.000	
		4.075.000					
Total		119.474.999	19.800.000	26.450.000	25.055.000	24.385.000	23.785.000

7. Governance and management arrangements

The FP is subject to management arrangements of the FP will follow Guiding Principles, Administrative Manual and Financial Annex relevant Danish Government policies/strategies and MFA's Aid Management Guidelines. MCEU is overall responsible for implementing the FP, working closely with Danish Embassies and MFA. MCEU 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, address sector developments, and issues emerging in regard to objectives, and approve use of unallocated funds (subject to Aid Management Guideline (AMG) procedure). The SMG will also guide and advise to maximize the impact of Denmark's international engagement (bi- and multilateral) in the sector and related matters and ensure all stakeholders are adequately informed and guided. MCEU and MFA has already established the SMG to strategically manage Danish Energy Partnership Programme (DEPP), SSC and Danish Energy Transition Initiative (DETI). The SMG is composed of high-level representatives from MCEU and MFA, with the Chair rotating between MCEU and MFA. The SMG will meet annually in April/May. TOR for SMG will be developed.

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 will also approve new projects, new project phases, and phasing out, in accordance with this FP. New phases and new projects will be assessed and decided based on the focus and considerations defined in this FP document (based on project documents formulated in accordance with AMG, including description of objectives, results frameworks, risks, ToC, budgets, work plans, etc.). The PMG is composed of MCEU and MFA senior staff involved in FP management and implementation with MCEU 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. TOR for PMG to be developed.

MCEU will organize and facilitate all meetings and follow-up of the SMG and PMG. Meeting documentation will be circulated by MCEU 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.

Preparation of new projects and new phases will be discussed in the SMG well in advance. Proposals for such must be agreed upon in the Project Steering Committee (see below) and submitted for initial screening, discussion, and recommendations for approval from the PMG, before submission to the SMG. New and adjusted outcomes will be discussed with partners and a new project document and work-plan agreed upon. The new phases or new projects must be described in project documents aligned with the requirements in the AMG.

As defined in SSC's Administrative Manual/Guiding Principles, **Project Steering Committees** for the individual projects are composed of MCEU, Danish Embassy, partner authority and Sector Counsellor as Secretary, co-chaired by the Danish Ambassador/ Deputy and a high-level partner representative. MCEU is responsible for operational management, and administration of the individual projects. National non-public stakeholders may participate as relevant in project steering committees.

A mechanism (a task force and meeting structure) will be established at embassies to jointly monitor, share lessons, and coordinate activities for the projects to contribute to each of the FP's 3 outcomes. That mechanism will be responsible for monitoring progress, agreeing, and coordinating activity plans, and compiling monitoring data for results reporting relevant to the three FP outcomes at project/country level. It will be chaired by the Embassy and include MCEU, Sector Counsellor, Secretary, Trade Council, relevant Embassy diplomatic/development staff and other relevant members identified. It will meet on a needs-basis that ensures timely input to annual progress reports and work plans.

Annual FP planning, budgeting, and reporting cycle: MCEU will submit a consolidated FP workplan and budget for the coming year in October/November for discussion and approval in the PMG. The work plan and budget will describe planned FP-level activities and highlight significant project-level activities that impact on overall FP progress and expected results, priorities and budgets, and main deviations from plans. Proposed new phases and projects will be reflected in the work plans.

In February/March, MCEU will submit to the PMG the annual FP progress report and financial expenditure report, highlighting deviations and challenges in implementation of individual projects with significance for overall progress and results of the FP. The annual progress and expenditure reports will be reviewed as basis for directions on adjustments or approval by the PMG. Based on the annual progress report, financial expenditure report and work-plan and budget subsequent annual transfer of funds from MFA to MCEU will be decided. The report will include reporting on HRBA activities, incl. stakeholder engagement.

The FP will establish **processes for systematic sharing of knowledge and lessons**. There will be regional meetings (virtual) between MCEU, MFA and relevant Embassies with focus on sharing information and knowledge on issues, challenges, and opportunities, across all three FP outcome areas. Generally during implementation, MCEU will facilitate relevant opportunities for Embassies to engage at high-level with partner authorities; and in connection with Danish high-level visits to the countries, MFA/Embassies will engage with MCEU early-on regarding relevant opportunities in connection with such visits; all will explore opportunities through DFC to enhance learning outcomes. The sessions will also cover sharing of lessons regarding integration of HRBA and stakeholder engagement.

8. Financial management, planning and reporting

MCEU will provide an **Annual Progress Report (APR)** that assesses the FP's progress, developments, risks, and lessons in relation to the FP Results Framework, Theory of Change, and a synthesis of progress across the outcomes and outputs in the individual projects, structured in terms of outcomes and main areas of work defined under the FP with input from specific embassy and Trade council. The report will address assumptions to the Theory of Change, risks, and learning, as basis for any adjustments to individual projects. The narrative FP annual reports are prepared by MCEU in close cooperation with Sector Counsellors and 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).

MCEU will follow the MFA Guidelines for Financial Management and the SSC Annex on financial implications for a Danish Authority engaging in Danish officially financed Development Assistance. Budgeting and financial accounting and reporting to MFA will be at program level in similar format as the FP budget (see Chap. 6) and at project-level, including output-based reporting at project level. MCEU should be able to provide accounting for use of inputs including staff time at output-level. The funds will be disbursed by MFA to MCEU annually in one tranche based on approved reporting. Standard best-practice accounting procedures apply.

Disbursements are subject to approval by the granting authority in the fiscal year in which the payment is made.

9. Monitoring, learning, and risk management

MCEU 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) with input from specific embassy and Trade council. MCEU will ensure internal quality assurance systems for preparing project documents, annual and mission reporting on new and on-going SSC projects and others. MCEU 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. MCEU will be responsible for reporting on the RFI. Monitoring will be based on the MEAL plan, which will be developed by MCEU and include final results frameworks, roles, and approach to aggregating project level results for the FP.

The QA system, learning, and competence development will include a focus on the HRBA and poverty reduction (see section 2.5), including based on the FP's annual reporting on HRBA related activities.

MFA will commission a **mid-term review** of the FP in 2026 with focus on progress towards results, lessons learned; organizational management capacity of MCEU and partner authorities; and lessons on cooperation and dialogue with main relevant private sector actors; and implementation of programme monitoring and learning system; operationalization of the HRBA and poverty reduction in the capacity development efforts. The mid-term review will also revisit the result framework and targets. MCEU will adequately in time for the mid-term review undertake an outcome harvesting- and lessons learned study across the projects of the FP. For each project the outcome harvesting will focus on capturing broader results on improved framework conditions in the energy sector, bilateral relations and climate diplomacy, green commercial effects, and poverty and effects on beneficiaries.

Annex 3 describes the **main risks** facing the FP. MCEU will annually review and update the risk assessment for discussion in the PMG and SMG meetings if needed. The main contextual risks that all projects share is the risk of delays and changes after national elections and new priorities of incoming

governments. The mediation measures is a high level of flexibility in project implementation and a long time horizon (up to ten years) that builds trust in technical relations and between the participating institutions that allows continuation of capacity building. Covid restrictions on travelling and meetings could result in project delays as was the case during 2020-2021. Mediating measures will contain of increased use of online meetings and work shops. Risks at the level of the individual projects will be identified and monitored based on the project documents.

MCEU and the Embassies will collaborate with **Danida Fellowship Centre (DFC)** to maximize results of the FP and support joint identification of learning needs, co-creation of opportunities, and coordinated or joint evaluation of results (e.g. via outcome harvesting). DFC is offering learning opportunities within different technical areas such as water management, renewable energy, food safety or public health and cross-cutting areas like change management, leadership, nudging, innovation, communication, public-private partnerships etc. An overview of 2023 learning programmes can be found [here](#). The learning themes and related activities depend on the overall strategic priorities in e.g. SSC and identified learning needs. The learning activities can include webinars, longer learning programmes combining stays in Denmark with online pre- and post-activities, tailored learning programme, digital learning, regional courses, communities of practice etc. MCEU 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. Such learning initiatives will include the HRBA approach.

To this end, MCEU 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 Councillor as initiators. MCEU and DFC will strive to make memorandums of agreement at an overall programme level and at project level and to up-date these through annuals meeting for information and lessons sharing.

10. Closure and exit

The process for closure and exit and/or transition to other forms of partnerships will follow the procedures defined in the SSC guidelines and Danida's AMG. All projects are likely to end at the end of a third phase, corresponding to approximately 10 years, but can be ended any time decided by the SMG.

Any project entering phase 3 should include, as part of the project documentation for approval, an outline strategy for transition that ensures sustainability of main project results after project completion. The strategy should describe how results are planned to be sustainable within the partner authority systems, for instance, through focus on particular partner reform processes that the partner is committed to sustain, and relevant plans for how project results will be transferred to be managed by the partner. It should also describe how the SSC project's synergies with the wider Danish engagement in the country will be sustained, for instance, through contribution to other Danish aid and business instruments and/or further commercial or investment cooperation in that country.

One year before the termination of the FP, the PMG - and later SMG - should assess and agree on the possible next phase of FP. A final FP results report based on AMG's format should be submitted by MCEU for discussion and approval by the SMG. The closure of accounts should follow the principles in the AMG.