

# **Management response**

## **Evaluation of Danish Support for Climate Change Adaptation in Developing countries**

*(January 23, 2021)*

This note summarises the main findings and lessons learned from an evaluation of Danish Support for Climate Change Adaptation in Developing countries covering the period 2008 – 2018. The note includes the summary of the evaluation including recommendations and management response prepared by the Department of Green Diplomacy and Climate (GDK). The Department for Evaluation, Learning and Quality (ELK) commissioned and managed the evaluation, which was carried out by PEMconsult.

### **Summary of evaluation**

#### **Introduction**

The evaluation of Danish support to climate change adaptation (2008-2018) was commissioned by the Department for Evaluation, Learning and Quality of the Ministry of Foreign Affairs and conducted from October 2019 to December 2020. It was framed by nine evaluation questions under four areas of inquiry: the role of the Climate Envelope within the overall adaptation portfolio; mainstreaming climate considerations into bilateral Danish official development assistance; transformative responses to climate change and; Denmark's role in the international climate adaptation support landscape. The evaluation also examined the extent to which Danish support strengthened livelihoods and enhanced the resilience of poor and marginalised communities.

The evaluation was based on consultations with the Ministry of Foreign Affairs, Danish representatives in four sample countries (Bangladesh, Burkina Faso, Ethiopia, Kenya), cooperating partners in developing countries as well as multilateral partners at the global level. Covid-19 affected the degree to which field work was conducted. Field work was completed as planned in Bangladesh and on a more limited scale in Burkina Faso. In Ethiopia and Kenya, the planned field work was not possible and reliance was put on intensive consultation with partners and, where possible, beneficiaries using remote communication. In total, some 25 projects were sampled in the four focus countries and beyond.

Denmark has provided financing for international climate change interventions since 2002. Bilateral development assistance has supported developing countries in particular, but also for mitigation in emerging economies. Funding has also been provided for global and regional multilateral interventions, such as the Least Developed Countries Fund (LDCF) managed by the Global Environment Facility (GEF), the Climate Investment Funds (CIF) managed by multilateral development banks (including the World Bank), and more recently, the Green Climate Fund (GCF). Moreover, Denmark has also provided

funding to Danish NGOs through the Fund for Climate and Environment managed by CISU (Civilsamfund i Udvikling).

With the Danish Climate and Development Action Plan (2005), the bilateral and multilateral support for mitigation and adaptation to climate change became more coordinated. In 2008, the Danish Government established the Climate Envelope, an important mechanism for Danish climate funding covering both mitigation and adaptation initiatives. In 2012, the Climate Envelope was split into two frames: the poverty frame that encompasses climate change adaptation and mitigation in low-income countries and is managed by the Ministry of Foreign Affairs and the global frame for emerging economies covering mitigation and managed by the Ministry of Climate, Energy and Utilities. In 2016, guiding principles for the Danish Climate Envelope were developed with a theory of change which stated that: “The specific impact that is targeted by the Climate Envelope is the following: (i) Reduced greenhouse gas emissions, (ii) Increased climate resilience specifically for vulnerable and marginalised groups”.

## **Findings**

*Policy context and mainstreaming* - Danish policy priority to climate change varied over the period, which led to a generally weakening strategic focus, especially on climate change adaptation. Climate change adaptation opportunities and challenges were insufficiently understood and underestimated, in part because they were highly situation-specific, complex and subject to uncertainty, low levels of capacity among partners and wavering levels of political support at country level. These effects combined to weaken and complicate efforts to both mainstream climate change adaptation through ongoing development cooperation programmes and/or engage directly with climate change specific projects. Nevertheless, Danish engagement was effective in supporting an increasing partner country commitment to mainstreaming climate change adaptation and examples of this were found in Ethiopia through the Greening Agricultural Transformation programme and Kenya through the support to the climate change unit in the Office of Prime Minister. Mainstreaming of climate change adaptation in the planning and budgeting phases was more successful than mainstreaming in the implementation and monitoring phases. So, whilst mainstreaming at policy and planning level improved, there was still a gap between policy and practice - where the Danish cooperation was less able to contribute.

*Poverty and resilience outcomes* - Community-level interventions were in general effective at targeting and empowering vulnerable people and led to improved climate resilience and livelihoods, even if it was in many cases still too early to conclude if such interventions were sustainable. Underlying factors that were found influential for improving climate resilience and livelihoods included: a focus on community empowerment, capacities, institutions and participation in decision-making; engagement with key actors at the sub-national level, including community-based organisations, civil society organisations and local governments; facilitation of dialogue and cooperation among different stakeholders in the public and private sector; linking to livelihoods and income streams and; engaging in ecosystem-based approaches and natural resource management. However, in general, the level of innovation and the degree to which interventions were specific to climate change adaptation was low even for the climate envelope projects.

*Transformation* - Making a significant contribution to the transformation towards a climate-resilient economy has been challenging to achieve with the resources available to Denmark. Such change is highly dependent on committed national and local leadership in partner countries. The most promising potential for transformation appears when Denmark has adopted a programmatic approach that responds to national incentives, as in the support provided to the Greening Agricultural Transformation thematic

programme in Ethiopia. Sustaining such change is critical and the sustainability of the outcomes of many short-term climate-related projects within the Danish portfolio remains uncertain without continuing external assistance and a supporting political economy.

*Global landscape* - Danish engagement with the global landscape influenced the multilateral interventions that it contributed to. However, there appears to have been relatively little learning within Danida from the engagement with the global landscape due to missing mechanisms for sharing and resource constraints. Danish capacity and readiness to influence the global adaptation and development agenda, although threatened by dwindling resources, shows potential through mobilising Danish research as well as experience within the public and private sectors.

*Modalities* - The range of funding modalities enabled Danish cooperation to reach different target audiences at different levels and respond to different objectives and contexts, but the potential of the modalities has not yet been fully utilised.

- The Climate Envelope complemented the bilateral funding as it could fund regional and global thematic programmes with an explicit climate change adaptation focus. Although at the country level, the Climate Envelope was closely linked to Danish bilateral cooperation it did not utilise the potential for climate change adaptation additionality.
- Bilateral support benefitted from long-term in-country partnerships, together with a comparatively large scale and significant influence in specific sectors in some partner countries. Although this gave a favourable environment the opportunities for advancing mainstreaming were underexploited. The Climate Envelope was, in principle, able to draw more on the sound context analysis provided by the bilateral country programme.
- The multilateral support, often financed through the Climate Envelope, enabled Denmark to influence the global climate processes. The multi-donor approach gave benefits of operating at scale and enabling a more influential policy dialogue but had limited Danish visibility.
- NGO funding benefitted from the NGO's strong implementation capacities and experience vis-à-vis empowering communities and civil society with a strong focus on poverty reduction and resilience of vulnerable groups. However, the NGO engagement by nature remained dependent on continuous donor-funding and had varying traction with national policy making.

Overall, Denmark made good use of these different modalities but there were missed opportunities to ensure synergy, mutual reinforcement and comprehensive operation across different levels from community to local government to central government. The potential to contribute to transformation through a tight coherence in the use of modalities under a programmatic approach of working with others at scale and over a long time-frame were not fully exploited.

## **Management response**

### **General comments**

The Department for Green Diplomacy and Climate (GDK) welcomes the evaluation and appreciates the work done by PEMconsult of evaluating the Danish Support for Climate Change Adaptation in Developing countries. GDK also appreciates the relevant timing of this evaluation in relation to the development of a new strategy for development cooperation in 2021. Overall, GDK agrees with the recommendations provided and finds the proposed measures to implement each recommendation, to be useful. As described in the management responses to each recommendation below, the Ministry of

Foreign Affairs has already initiated several measures, which will directly address some of the recommendations.

Overall, GDK agrees with the conclusions of the evaluation. This includes conclusions around the need for stronger strategic focus on climate change adaptation, stronger internal learning and experience exchange, the need to work more consistently with climate change mainstreaming throughout the programming cycle, and scope for a more comprehensive approach to adaptation in Danish funded development engagements including in the Climate Envelope. GDK is pleased to note positive findings from specific bilateral engagements for example in Ethiopia. In this case, the evaluation finds that Danish support has been effective in supporting increased partner country commitment to mainstreaming climate change adaptation as well as contributed to transformation towards a climate-resilient economy. In terms of impact from adaptation activities, GDK notes with appreciation the conclusions of the evaluation that Danish support enhanced the resilience of poor and vulnerable people in developing countries. Furthermore, that Danish engagement with the global landscape demonstrated influence on the multilateral interventions to which it contributed.

The evaluation was carried out during the same period as the Danish Government's long-term strategy for global climate action: A Green and Sustainable World (2020) was prepared. A specific aim of the Strategy for Global Climate Action is to drive adaptation and resilience initiatives in the fight against climate change. Several strategic initiatives in the strategy seek to address some of the main recommendations of the evaluation. As the evaluation mentions, the timing of the evaluation provides an excellent basis for building on the findings and recommendations outlined in the evaluation to develop a set of long-term and realistic ambitions on how to increase the contribution to climate change adaptation. The process of preparing a new strategy for development cooperation and related guidance material during 2021 will allow for such policy development and set a clear ambition for climate change adaptation.

The response to specific recommendations of the evaluation is provided as follows:

## **Recommendations**

### **Recommendation 1**

Develop a long-term and realistic ambition for increasing Denmark's contribution to climate change adaptation at global, regional and country level.

*GDK agrees with this recommendation. A clear and long-term ambition based on a strategic approach is critical for Denmark's future engagement in climate change adaptation. The Strategy for Global Climate Action specifically calls for an ambitious effort in climate change adaptation and sustainable development in which Denmark will inspire and drive adaptation and resilience initiatives in the fight against climate change. A specific initiative under the Strategy for Global Climate Action is to prioritise the integration of climate considerations across the development cooperation portfolio including in all relevant country strategies, organisation strategies and agreements with civil society. Strategic directions and policy objectives specifically on climate change adaptation will derive from the new strategy for development cooperation. The new department for Green Diplomacy and Climate with a team dedicated to climate change adaptation will provide a stronger basis for a more strategic approach based on*

*evidence and prioritization. This new team comprises all funding modalities within adaptation, water and environment and will create a stronger platform for enhancing climate diplomacy and increase the strategic focus on climate change adaptation as part of a green transition.*

## **Recommendation 2**

Make greater strategic use of the Climate Envelope for interventions that are highly additional, innovative, experimental or strengthening the climate change adaptation approaches under the bilateral support.

*GDK partially agrees with this recommendation. The Climate Envelope should be used in a more strategic manner both for mitigation and adaptation interventions. GDK plans to revise the current principles of the Climate Envelope in order to provide a clear strategic framework for interventions to be financed under the envelope. It is important to note, however, that the Climate Envelope only accounts for around 30% of the total climate finance. As such, increased strategic guidance is needed for interventions not only within the Climate Envelope but also across the climate change adaptation portfolio. To strengthen the climate change adaptation approaches, GDK and The Department for Evaluation, Learning and Quality (ELK) in collaboration with other relevant MFA departments, will develop guidance material and establish a help-desk function to assist HQ units and embassies to develop new climate change adaptation initiatives and integrate climate change adaptation into new and existing programmes. An expected focus will be to seek co-benefits for example through nature-based solutions. GDK will increase dialogue and cooperation with relevant NGOs and multilateral partners at country level to strengthen climate change adaptation approaches as part of the bilateral support. In addition to this, GDK is also in the process of increasing its cooperation with the Ministry of Environment and the Environmental Protection Agency to better utilize their competences and experience within climate change adaptation.*

## **Recommendation 3**

Gain greater clarity over what climate change adaptation is and how Danish development cooperation can best support both mainstreaming and transformation.

*GDK agrees with this recommendation. As mentioned above, GDK and ELK in collaboration with other relevant MFA departments, will develop guidance material and establish a help-desk function to assist HQ units and embassies to develop initiatives specifically targeted climate change adaptation approaches in order to make a significant contribution to the transformation towards a climate-resilient economy. This work will also entail integration of climate change adaptation into new and existing programmes across sectors. Due to the importance of climate change adaptation for fragile and conflict-affected contexts, the interlinkages between climate and security and fragility will serve as a specific priority with the aim of completing activities that address both climate and conflict risks. As part of the process of developing the new strategy for development cooperation, a policy note on climate change adaptation will be prepared and thereby provide guidance to HQ units and the embassies around climate change adaptation. To ensure improved monitoring of climate change adaptation activities the current guideline for monitoring the Climate Envelope will be revised to cover climate change activities more broadly and to be based on international experience.*

#### **Recommendation 4**

Seek opportunities to reduce uncertainties on how best to adapt to climate change through enhancing climate-related knowledge, information and planning routines.

*GDK agrees with this recommendation. As a specific initiative under the Strategy for Global Climate Action, GDK will strengthen Strategic Sector Cooperation in the area of climate change adaptation incl. water in developing countries, with a primary focus on Sub-Saharan Africa. This cooperation will take into consideration activities linked to enhanced climate-related knowledge. It is also expected that as part of the Danish ambitious effort on climate change adaptation, a stronger emphasis will likely be put on locally-led adaptation initiatives with support to the development, use and dissemination of local knowledge on weather information, coping strategies, and solutions.*

#### **Recommendation 5**

Adopt a programmatic approach that is informed by the political economy context of each partner country when aiming to contribute to transformation.

*GDK agrees with this recommendation. A programmatic approach to climate change adaptation that is evidence-based and informed by the political economy of partner countries is critical and will be pursued through several initiatives. As part of the integration of climate change adaptation aspects in country strategic frameworks, the revised principles of the Climate Envelope and the guideline for monitoring the Climate Envelope will be applied in a more systematic manner both during the design and implementation phase. A specific objective of the newly adopted guidelines for country strategic frameworks is a stronger coherence between bilateral, multilateral and humanitarian engagements, regional engagements, private sector instruments, and strategic partnerships with Danish NGOs, etc. This approach will include forming alliances with other international partners, who undertake contextual analysis, especially where the Danish representation does not have the resources to lead support on climate change adaptation. Moreover, a new climate partnership with Danish civil society organisations will be established in 2021 with the aim to strengthen dialogue around environment and climate change aspects. Lastly, new guidance material and the help desk function will focus on how programme and projects can contribute to the goal of transformation for climate change adaptation.*

#### **Recommendation 6**

Develop internal sharing mechanisms and enhance the learning from and contribution to the global landscape.

*GDK agrees with this recommendation. Increased focus on learning aspects and enhanced requirements on monitoring and reporting is part of the newly adopted guidelines for support to multilateral and international organisations. These aim for a stronger and more systematic cooperation and knowledge sharing between all MFA units working with international organisations. GDK will seek a stronger collaboration around this subject with key stakeholders in Denmark and international networks, funds and organisations involved in climate change adaptation. The MFA Doing-Development-Differently approach including the focus on seeking*

*enhanced linkages between multilateral and bilateral support, will serve as an important instrument to address this recommendation. The new department of Green Diplomacy and Climate is expected to create a stronger basis for increased knowledge sharing and information exchange. It will enhance opportunities to ensure a more systematic dialogue with embassies with focus on how lessons learned from bilateral programs on climate change adaptation can feed into Danish engagement at the global level as well as how relevant experience and knowledge in multilateral organisations can support bilateral programs. ELK is currently working to strengthen monitoring and learning in developing cooperation as well as development of enhanced mechanisms for reporting to capture impact better. In 2020-21, climate change has been prioritised as a theme for development research projects funded by Danida, with the aim of contributing to evidence-based engagements.*