

Annex 3: Overview of selected country programmes

Bangladesh

Denmark's Country Policy Paper for Bangladesh 2019-2021

Country Programme for Bangladesh 2016-2021

The Country Programme for Bangladesh 2016-2021 has three thematic programmes: Agricultural Growth and Employment; Climate Resilience and Sustainable Energy; and Governance and Rights. The Agricultural Growth and Employment Thematic Programme has two DEDs: (1) Integrated Farm Management Component II, and (2) Agriculture and Food Security Project in the Chittagong Hill Tracts (AFSP III).

The objective of the Thematic Programme on Agricultural Growth and Employment is 'Inclusive agricultural growth, through better skills, organisation and market access'. The thematic programme focuses on landless, marginal, ethnic minorities and small farming households in the districts across the plains and in the Chittagong Hill Tracts, an area that lags behind the rest of Bangladesh both in terms of economic and social development and security. In addition, the thematic programme focuses on landless, marginal, ethnic minorities and small farming households. Adult education on farm productivity takes place in Farmer Field Schools (FFS). Strengthening forward linkages between production and marketing is done by training new market related skills and strengthening farmer organisation.

Governance and set up of the two engagements of the Bangladesh bilateral programme:

- Development engagement 1 is implemented by the Department of Agricultural Extension (DAE). The government of Bangladesh is expected to contribute DKK 30 million (33% of the total budget).
- Development engagement 2 is implemented by UNDP. UNDP suggests using a variety of short-term TA from within the UN system to support the AFSP III. Reviews of AFSP will determine the need for TA in this Engagement.

The thematic programme on Climate Resilience and Sustainable Energy will enhance adaptation to climate change by upgrading connectivity in climate vulnerable areas using labour-intensive approaches empowering women. Access to renewable and efficient energy will be improved by working with the private sector. This thematic programme is in line with the Danish Strategic Framework for Natural Resources, Energy, and Climate Strategy's focus on green growth in a participatory, inclusive and transparent process, contributing to fight poverty and sustainable development.

A recent review Danish programming in Bangladesh indicates that the Bangladesh bilateral programme within growth and employment has a strict poverty alleviation focus working solely with agricultural smallholders, often marginalised groups, in a less developed part of the country. However, the Country Programme document does not mention private sector involvement under the Thematic Programme on Agricultural Growth and Employment. Activities implemented by the Department of Agricultural Extension and may therefore not be sufficiently aligned with the interests and needs of the private SMEs.¹

Ethiopia

Current programme: *Danish Country Programme for Ethiopia 2018-2022* (DKK 995m)

Objective: to contribute to inclusive, sustainable growth and improved governance in Ethiopia by supporting the vision of building a climate resilient green economy and reaching lower middle-income status by 2025.

¹ PEM Consult (2020) *Cross-cutting study on Danish support to sustainable growth and employment in developing countries*.

Four thematic programmes are spread across six DEDs:

- Agricultural commercialisation clusters
- Coherence between humanitarian responses and development cooperation
- Climate resilient forest livelihoods
- Governance and human rights

Two outcomes have very clear PSD ambitions. Outcome 1, ‘market-driven value chain development for the benefit of small holder farmers through an inclusive and environmentally sustainable approach’; and Outcome 3, ‘improved institutional capacity and enabling environment for commercialisation’.

Ghana

Danida has a rich history of PSD-BER programming in Ghana. This has included strategic, high-level engagements as well as innovative support to private sector advocacy and value chains.² Danida’s support for PSD in Ghana included co-chairing the national PSD Working Group with the Ministry of Trade and Industry for six years. The 2018 evaluation of the Ghana-Denmark partnership found that Danida had been a driving force in the efforts to coordinate the debate and influence the dialogue on PSD policy and implementation issues. However, ‘despite the government’s commitment to PSD’, major reforms had not been implemented during the evaluation period. ‘Danida’s main contribution at national level has been related to business advocacy, especially public-private dialogue to improve local and national business environments’.³ The evaluation cited the World Bank’s 2017 report on *Shifting Ghana’s Competitiveness into Higher Gear: Ghana Economic Update*, which describes how, despite a focus on PSD in Ghana’s national development strategy, significant challenges to private sector growth remained. This is supported by the annual series of World Bank *Doing Business* reports which show a decline in key indicators.⁴ Moreover, the World Economic Forum’s *Global Competitiveness Index* also described a significant drop compared to Ghana’s performance benchmarked against comparator countries.

In the absence of progress on the overall policy framework, Danida reoriented its focus on enterprise level support while also addressing the business environment at local and national levels through business advocacy and PPD.⁵ The support for business advocacy is discussed under Section 4.3.

Kenya

Current programme: *Kenya Country Programme 2016-2020* (DKK 905m)

Objective: Supporting of Kenya’s Vision 2030 ‘Contributing to a globally competitive and prosperous nation with a high quality of life by 2030’.

Three thematic programmes:

1. Governance (DKK 225m): (i) Democratic practices; (ii) Public sector effectiveness; and (iii) Peace, security and stability.
2. Green Growth and Employment (DKK 500m): (i) Sustainable growth and jobs from investment and trade; and (ii) Sustainable use of natural resources and community resilience.
3. Health (DKK 245.5m): (i) Support to the devolved health sector in the form of

² Government of Denmark (2017) [The Ghanaian-Danish Partnership in Transition: From Aid to Trade: An account of Danida’s private sector support and future perspectives](#), Embassy of Denmark in Ghana, Accra.

³ Government of Denmark (2018) [Evaluation of the Ghana-Denmark Partnership \(2007-2017\)](#), Evaluation, Learning and Quality Department, Ministry of Foreign Affairs, Copenhagen.

⁴ Getting Electricity; Paying Taxes; Trading across Borders; Enforcing Contracts; and Resolving Insolvency.

⁵ The recent partnership evaluation (Government of Denmark 2018, Op. Cit.) suggests that in future programming of this kind, ‘business advocacy and public-private dialogue concepts should be anchored at a business or university entity to enhance evidence-based actions’ (p. 19).

operational support for primary health care facilities and for health systems strengthening at county and national government levels; and (ii) support for sexual and reproductive health and rights.

The current country programme generally has a very limited focus on PSD. It assumes an established 'normative framework' and does not support reform of framework conditions, despite recognizing that conducive conditions are required. The programme targets innovative enterprises (see pp. 20-21).

Previous country programmes have contained a much stronger focus on PSD and framework conditions, including BER specifically. These include the Business Advocacy Fund (BAF) and the Micro Enterprises Support Programme Trust (MESPT).

Denmark has supported MESPT – originally Micro-Enterprises Support Programme Trust, now named Trust Value Chain Greening and Financing Programme – since 2005. The budget for the present MESPT programme is DKK 70 million (July 2016-June 2020). The programme, which works through financial intermediaries, first started implementation in the beginning of 2017. The Country Programme describes the objective of MESPT is 'to promote economic growth, employment creation and poverty alleviation through support to microenterprises' The MESPT [website](#) states that the mission is to 'support the growth of micro, small and medium enterprises by providing integrated business solutions for sustainable development'.

Mali

Country Programme for Mali 2017-2022

The Country Programme for Mali 2017-2022 has three thematic programmes: Peaceful coexistence, Decentralisation, and PSD (from 2019).

The PSD programme has four DEDs:

1. Inclusive Finance and Facilitation of Agricultural Value Chains (INCLUSIF) – managed by IFAD and supervised jointly with the Danish embassy;
2. Supporting the creation of micro- and small enterprises of young men and women (FACEJ) – organised through a trust fund that the World Bank manages;
3. Enhancement of Framework Conditions Entrepreneurship (EPEC); and
4. Guarantee Fund for financing of SMEs in Agricultural Value Chains—a private sector guarantee fund set up under the embassy and managed by a Danida advisor.

The main thrust is to create sustainable job opportunities and self-employment, mainly within the agricultural and agro-industrial sector through a value-chain approach with the private enterprise (i.e., SMEs) as an entry point. In addition, the focus is on access to finance for SMEs, the integration of young people into the labour market and improvement of framework conditions.

While the improvement of economic infrastructure is paramount for private sector growth, this is funded under the decentralisation programme of the country programme.

Somalia

Current programme: *Danish Country Programme for Somalia 2019-2023* (DKK 980m)

The objective of the country programmes is: Basic building blocks put in place for the development of a resilient, stable and peaceful Somalia based on responsive and inclusive governance and a growing and poverty-reducing economy.

Three thematic programmes:

1. Strengthen resilient, responsive and inclusive governance and service delivery, and fundamental human rights.
2. Develop core economic institutions and strengthen inclusive private sector driven growth and economic development to diversify livelihoods.
3. Develop protection and safety nets for enhanced resilience, enabling durable solutions and reducing forced displacement.

The second thematic programme described above focuses specifically on improving the

framework conditions for inclusive and resilient private sector led growth, Improved framework conditions for inclusive and resilient private sector led growth, especially in critical value chains and through strengthened economic management.

The theory of change presented for this programme suggests, in part, that ‘if Denmark, together with other likeminded partners, provides... technical and financial support to the private sector (working in strategic value chains also connected to strong national and international markets), including the financial sector, is provided; then this will deliver on the short-term ambition of improved framework conditions and incentives for accelerated inclusive private sector growth, allowing for more long-term investment, higher value added, while simultaneously also improving the governments capacity to manage fiscal challenges and the relationship between the public and private sectors in a more transparent and fair manner... (pp. 27-28).

The objective of the previous programme Danish Country Programme for Somalia 2015-2018 (DKK 450m) was ‘to advance nascent progresses and seize new opportunities to consolidate basic building blocks of Somali governance and its economic foundations, with a long-term view to sustain inclusive politics and poverty reduction through inclusive economic development’.

There were also three thematic programmes:

1. **Governance:** To consolidate basic governance institutions at the local and national levels, in line with a long-term ambition for Somalia to develop transparent, participatory and accountable government institutions, systems, and practices.
2. **Inclusive economic growth:** To initiate sustainable and inclusive poverty reduction and economic growth by supporting basic regulatory frameworks and capacities, private sector opportunities and critical sector value chains.
3. **Somali Compact Financing Windows:** To support multi-donor mechanisms that advance Somali Compact results in inclusive politics, economic foundations, revenue-raising and service delivery.

While this earlier programme made specific reference to ‘supporting basic regulatory frameworks and capacities’ (Thematic Programme 2), it in fact, focused on other issues, such as vocational training for young people in livestock, market information systems and village level resilience. It also supported the UK-funded market systems development programme known as Promoting Inclusive Markets in Somalia.

Tanzania

The current Tanzania Country Programme runs from 2014/15 to 2019/20. Within this, the Business Sector Programme Support Phase IV, 2013-2019 (BSPS-IV) has the following development objective: ‘improved employment and income opportunities for farmers and micro, small and medium enterprises (MSMEs) through green inclusive growth’.

BSPS-IV has three components:

1. **Agricultural Markets Development Component** (DKK 130 million): The immediate objective is defined as ‘Targeted agricultural markets in Tanzania work better’.
2. **Business climate component** (DKK 214.8 million): The immediate objective is defined as Improved business climate for the private sector, inducing businesses to grow and create employment opportunities. The component consists of the Local Investment Climate sub-component, an advocacy fund - BEST-Dialogue and a sub-component funding a twinning programme between Confederation of Tanzanian Industries and the DI.
3. **Access to finance component** (DKK 185.2 million): The immediate objective of the access to finance component is defined as Farmers, enterprises and employees increase their access to quality financial services. Both sub-components are continuations of BSPS III support, namely the Financial Sector Deepening Trust (FSDT) and the Private Agriculture Sector Support (PASS) Trust.

Uganda

Current programme: *Country Programme Document 2018-2022* (DKK 945m)

The current programme Country Programme 2018-2022 indicates the objective is: to contribute to the continued development of a stable and democratic Uganda, which through inclusive and sustainable growth improves the prospects for the future of its population and heads for middle-income status, while playing a stabilizing role in the region. In support of this, there are three strategic objectives: (1) contribute to poverty reduction through inclusive and sustainable economic development; (2) promote democracy, good governance and human rights; and (3) support Uganda's stabilising role in the region.

The country programme is comprised of two programmes. The first is the Uganda Programme for Governance, Rights, Accountability and Democracy (UPGRADE). This is a governance programme with the objective to enhance accountability and stability and to deepen democracy and respect for human rights. The second is the Uganda Programme for Sustainable and Inclusive Development of the Economy (UPSIDE). This is a PSD programme with the objective of 'sustainable and inclusive economic growth' pursued through three development engagement documents (DEDs) and focussing on agricultural development with the main beneficiaries being smallholder farmers as well as SMEs within agri-business using value chain development with an improved emphasis on M4P.

UPSIDE consists of three interventions:

- **Agricultural Business Initiative (aBi).** Danida and the Uganda Ministry of Finance, Planning and Economic Development established aBi, which is closely aligned with the government's overall development goals. The aBi Board reports to the Founders (i.e., the finance ministry and Danida). aBi offers financing and technical assistance to private sector investments through challenge funds and loan guarantees based on implementing partners' own funding proposals.
- **TradeMark East Africa.** TMEA works closely with East African Community institutions, national governments, the private sector and civil society organisations to increase trade through reducing barriers to trade and increased business competitiveness. TMEA is funded by a range of donor agencies and is governed by a Board representing business and civil society, a Council representing TMEA's investors, and National Oversight Committees representing implementing institutions, private sector, civil society, and investors.
- **Northern Uganda Resilience Initiative.** The NURI engagement is largely implemented by the embassy in dialogue with the Uganda Ministry of Finance, Planning and Economic Development. NURI works closely with local government and with farmer associations, international non-government organisation (NGOs), and private sector contractors.

Denmark has supported partnerships between Danish and Ugandan businesses for several years through Danida's business platform. From 2006 to 2016, partnerships were supported by the Business-to-Business-programme and then by the Danida Business Partnerships programme.⁶ The results were mixed – lasting and productive partnerships were formed but documenting substantial job creation proved to be difficult. With the introduction of DMDP in 2016, focus is now on partnerships between civil society organizations and the private sector.

A 2020 review of the actions in Uganda found that this is a priority country with a large bilateral programme within growth and employment. Indeed, while investments through core initiatives in

⁶ Also see: Government of Denmark (2014) [Evaluation of the Business to Business Programme 2006-2011](#), Evaluation Department, Ministry of Foreign Affairs, Copenhagen. While this evaluation found there had been 'no impact of B2B on the national enabling environment', in 'some countries and in some sectors, B2B has had a positive impact in the sense of systemic effects on addressing market constraints especially in agro-businesses. Overall, there is a good impact in strengthening some of the local companies in technology, management practices and international market knowhow' (p. 13).

Uganda are small, with the exception of one new investment in the water sector, the country programme exhibits a good match between priorities in the country programme and the core initiatives.⁷

⁷ PEM Consult (2020) *Cross cutting study on Danish support to sustainable growth and employment in developing countries.*