Annex B: Theory of Change

Outputs Outcomes Intermediate impacts Inputs **Impacts** provides, Short-term Sustainable infrastructure in low Viable and Enhanced **Project Development** Improved living and low-middle income Improved living conditions services bankable ESG Facility conditions countries Feasibility studies standards projects Improved health Other TA Potable water Health & Social donors, Access to potable water New/expanded/improved & sanitation Economic benefits infrastructure Improved healthcare Long-term Enhanced Value for money, Better access to partners such as governments. DFIs, and private sector. competitiveness transparency + ESG education Inclusive Job creation DSIF Products: standards etc Sustainable Growth Subsidies Water & sanitation (The World 2030) Economic Concessional loans Energy esp. Contribution to SDGs Guarantees Lower energy imports renewable and/or costs Transport & logistics Greater access to Telecoms telecoms & internet Improved environmental Improved living protection services conditions Lower transport costs Improved health Technology and knowledge Facilitation of increased Less poverty transfers Other DSIF productive capacity other State of art equipment Additionality Project structuring & New methods and Improved governance and Environmental Complementary activities due diligence Higher economic better management CSR standards Lower green house gas Co-financing growth rates emissions mobilisation Better management and Implementation **Direct Project Jobs:** support/monitoring use of water & natural Environmental Construction phase Partnering & twinning resources Higher standards with Danish utilities Operational phase Improved mitigation of adverse Lower green and experts Danish contractors and effects of climate change supervisors house gas Tied aid: Increased business emissions opportunities for Danish exporters and contractors Mix of finance, design, Sufficient interest and/or Governance structure in unities Framework conditions allow Overall macrotechnical advice and capability by DK contractors and conducive to service delivery for translating better utility economic stability ESG providing enterprises to invest. Participating utilities and service delivery into (for user fees, conducive utility-level DK contractors delivering VfM government owners committed improved development growth and to/financing O&M framework despite tied aid. outcomes. repayments).