



A GREENER WORLD FOR ALL **STRATEGIC FRAMEWORK** **FOR NATURAL RESOURCES, ENERGY** **AND CLIMATE CHANGE**

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PREFACE

Climate change, increasing resource scarcity, population growth, and urbanization are global challenges that have local impacts. These challenges affect people's livelihood through access to food, water, and energy – resources critical to the alleviation of poverty.

The strategic framework for natural resources, energy, and climate change presented in this paper aims to build resilience among poor countries and vulnerable population groups to cope with these challenges.

The recent positive trends with high economic growth rates among many poor developing countries have contributed to bringing down poverty. Still, many countries and population groups are faced with unfulfilled human needs, socially and economically. Economic growth is necessary for poverty eradication. But economic growth will be hampered if climate change and resource depletion are not reversed.

The provision of official development assistance (ODA) has played an important role in creating conditions for economic growth and social development in many developing countries. But the role of ODA is changing, becoming less and less

important relative to other flows of funds, especially from the private sector. The magnitude of ODA is too small to facilitate the pace change and scale of the challenges at hand.

This trend calls for developing new kinds of collaborative partnerships among governments, businesses, social partners, and civil society in which ODA can be the catalyst for generating new solutions and scaling up funds. The gravity of current and future challenges requires a scale of investments that goes beyond incremental improvements to transform economies towards a green growth pathway.

The concept of green growth is increasingly part of international and national responses to address development challenges posed by environmental degradation, climate change impacts, and natural resource depletion. A push for greening of growth acknowledges that economic growth is critical to lifting countries out of poverty and that the economic, social, and environmental dimensions of development need to be addressed simultaneously to ensure long-term sustainability.

The strategic framework for natural resources, energy, and climate change

will focus Danish development cooperation efforts to support a vision of inclusive green growth as a pathway to sustainable development. It will make provision for support to new ways of thinking, innovation, and transformation; to new and scaled up solutions, financing, and new technology; and to new types of partnerships. Danish aid will provide strategic and catalytic input for greening of development.

Special emphasis will be given to a few selected priority areas: common global goals; climate change; energy; sustainable management of natural resources, water and land; and sustainable agriculture and food production. Danish competencies – from the private sector, civil society, and research institutions – will be involved where they can add value or fill gaps in the transition towards green growth, thereby ensuring that safeguards against adverse environmental, cultural, and social impacts continue to be addressed.

INTRODUCTION: OBJECTIVE AND TARGET GROUPS

Denmark's development cooperation strategy, **The Right to a Better Life**, adopted by the Danish Parliament in May 2012, includes green growth as one of four priorities for Denmark's development policy engagement.

The objective of the *Strategic Framework for Natural Resources, Energy, and Climate* (NEC Strategy), together with the 2011 *Strategic Framework for Growth and Employment* (GE Strategy), is to jointly set the priorities and define the instruments for Denmark's development cooperation for green growth.

The NEC Strategy provides the framework and demonstrates opportunities for pursuing greener pathways across all instruments and intervention areas in Danish development cooperation.

This will be the key approach for mainstreaming environment as a cross-cutting issue in Danish development cooperation.

The **GE Strategy** provides the framework for efforts to foster sustainable, economic growth and creation of decent jobs and outlines the main principles and priorities for instruments that directly engage the Danish business community in fostering growth and employment. This includes high prioritization of the development of partnerships and investments that can expand the use of green technology and contribute to increased food security. The NEC Strategy will use and adapt elements from all six focus areas in the GE Strategy to ensure consistency with a green growth agenda.

The NEC Strategy is complemented by the **Strategy for Danish Humanitarian Action 2010–2015**, adopted in 2009, to guide humanitarian responses following natural disasters caused by climate change, conflicts, and environmental degradation.

The NEC Strategy is the framework to be applied by stakeholders involved in the implementation of Danish policy and support to natural resources, energy, and climate change interventions in Danish priority countries (Poverty Frame) and in some middle-income countries (Global Frame). The strategy targets staff and counterpart stakeholders responsible for identifying, formulating, and implementing (including monitoring and reporting) Danish international cooperation on green growth interventions. The NEC Strategy is supplemented by the *Danida Green Growth Guidance Note* (in prep.), including a *catalogue on green growth cases and interventions previously supported by Denmark* (in prep.). Denmark's support of the green growth agenda will include staff training (via e-bytes and technical seminars).

The NEC Strategy establishes the parameters to guide Danish partners such as governments and local public authorities, multilateral and other international organizations, the private sector, CSOs, and research institutions who may participate or have specific interests in the roll-out of Danish support to NEC-related interventions.

THE STRATEGIC FRAMEWORK FOR GROWTH AND EMPLOYMENT

The GE Strategy covers six focus areas: improving developing countries' access to global and regional markets, improving local frameworks for economic growth, advancing access to new technology and innovation, increasing production and processing (value chains), strengthening tax systems and working with the most vulnerable. The strategy presents detailed tools and approaches for implementing these six focus areas, all of which are highly relevant to implementing the NEC Strategy. Moreover, the GE Strategy outlines the main principles and priorities for instruments that directly engage the Danish business community in fostering growth and employment.

GLOBAL CHALLENGES AND GREEN GROWTH

Economic growth has been and continues to be critical to reducing poverty in a world where 1.4 billion people still live in extreme poverty. While high growth rates have brought unprecedented benefits in poverty reduction, economic growth has generally come at the expense of environmental deterioration.

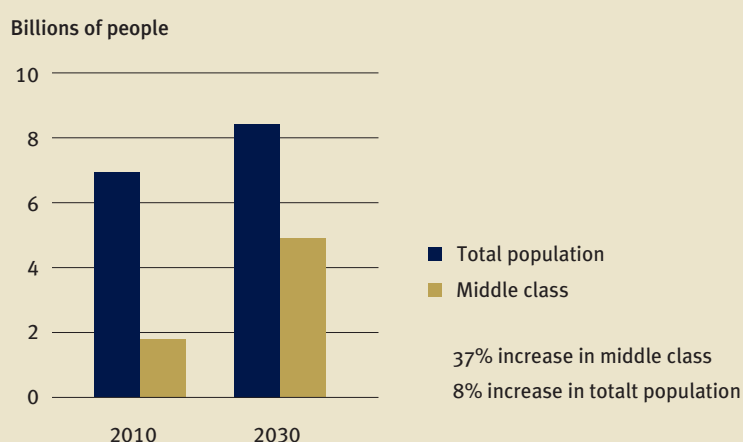
The global population is projected to reach more than 8 billion by 2030 – 60 percent of which will be in urban areas and belonging to the middle class. Demand for food, water, and energy are by several sources expected to grow by as much as 35 percent, 40 percent, and 50 percent, respectively. This demand will further strain natural resource systems and threaten long-term growth prospects and livelihood improvements.

Global climate change will exacerbate resource scarcity and food and commodity price fluctuations, thus intensifying poor populations' struggle to meet resource and livelihood needs. Climate change is also likely to amplify conflict in developing countries that have limited ability and capacity for adaptation measures.

In addition, the world faces a huge challenge to stay within planetary boundaries and establish a safe operating space for human development. This will require coordinated actions to mitigate and adapt to climate change, reverse the decline of ecosystems and their services, avoid further biodiversity depletion, use natural resources more efficiently, and meet increased energy demand.

ACCELERATING GLOBAL FOOD DEMAND

Actual and projections of size of global population and middle class, 2010 and 2030



Source: OECD Development Centre Working Paper No. 285, January 2010; United Nations. 2012. World Population Prospects: The 2012 Revision.

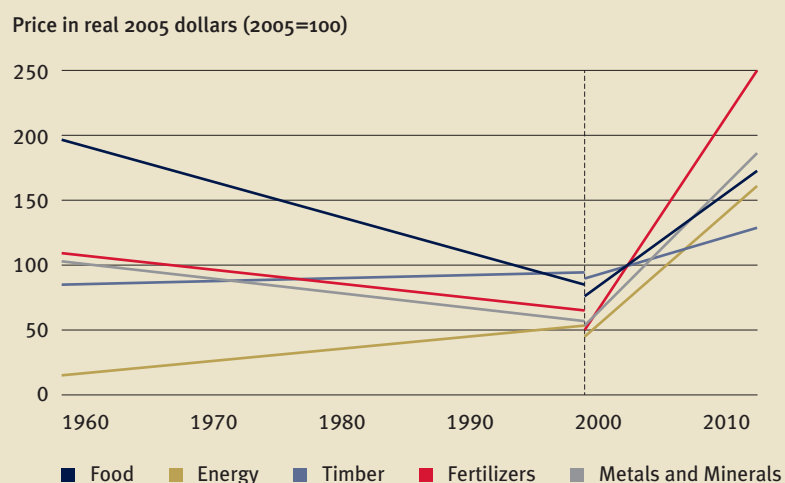
Growth, as we see it today, cannot continue. We need to rethink the development paradigm taking into account the following factors:

- Access to and benefits from common public goods are critical to development and fundamental to securing the fulfilment of the human rights of present and future generations, including their economic and social rights.
- The poor are disproportionately dependent on healthy ecosystems and natural resources for their livelihoods.
- A more equal and inclusive growth is important for sustainable growth and development.
- New partnership arrangements that combine private-sector and civil society engagements are needed to solve complex development challenges.

Danish development cooperation will support the transition towards a greener economy and promote a more inclusive green growth. This transition requires high-level commitments from governments, the private sector and civil society. Together these actors must agree on new frameworks that decouple economic growth from environmental degradation.

ARE WE RUNNING OUT? PRICE TRENDS OF MAJOR COMMODITY BUNDLES (REAL 2005 USD)

Price trends of major commodity bundles during two time periods: 1960–1999 & 2000–2011 (linear regression).



Source: WRI graph (2012) using World Bank data updated 2012

Green growth is the process by which the current economy can make the transition to a sustainable green economy, which entails shifting production and consumption patterns to become environmentally sustainable. Shifting these patterns requires reducing pollutants and greenhouse gas (GHG) emissions, improving energy and resource efficiency, and avoiding natural resource degradation.

Informed by a rights-based approach and good governance, inclusive green growth secures access to energy and natural resources for poor populations and thus promotes their economic resilience in times of environmental change.

Green growth calls for a holistic approach bridging – or recognizing the linkages between – different economic sectors,

DEFINITION OF GREEN GROWTH (FROM RIGHT TO A BETTER LIFE, PAGE 17)

Green growth should be understood as an integral part of sustainable growth, which promotes general economic growth and development in a manner that enables the environment today and in the future to deliver the resources and environmental services on which our welfare depends. Green growth should catalyze investments, innovation and job creation, which not only sustain continued growth, but also give rise to new economic opportunities.



especially related to food, water, energy, and climate change. Green growth should promote green innovative capabilities by supporting entrepreneurs from all productive sectors in their efforts to find new business models and create and apply green technologies. The key is to find ways to create innovations in either products or production processes that result in an environmental gain by way of reduced use of natural capital, water, material, or energy.

There is no one-size-fits-all strategy for making the transition towards a green economy. Countries differ in national capabilities. The transition to a green economy will reflect the national context, priorities, and governance capacity. The aim is not to define green growth in a uniform manner but to accept that each country has to develop its own solutions of and political framework for green growth that fit its national conditions.

For national governments, key enabling conditions for green growth include a variety of instruments: good governance, conducive trade regimes, innovation of green solutions and dissemination of green technologies, transparency in and enforcement of the regulatory regimes, new indicators of progress, skills development and education for green jobs, and policy coherence. For local governments, the important enabling conditions shall be provided by national governments – for example, the authority to implement relevant environmental taxes or impose regulatory measures and introduce incentives for green-growth interventions.

Green growth is not sufficient in itself; it doesn't solve everything. Measures will need to be put in place to ensure a just transition. The poor and vulnerable segments of the population must not be excluded from benefits or harmed in the green transition. Such a transition is not always a win-win scenario; there will be trade-offs. Green growth inherently presents trade-offs between resource preservation and allocation to productive purposes, as well as allocation among resource user groups. Implementing agencies must address these trade-offs through interventions that secure energy, water, and food supplies without compromising the ecosystems on which present and future society depends. A human rights-based approach should guide green growth interventions to ensure people's right to participate in environmental decision making that is transparent and accountable and that safeguards access to natural resource benefits.

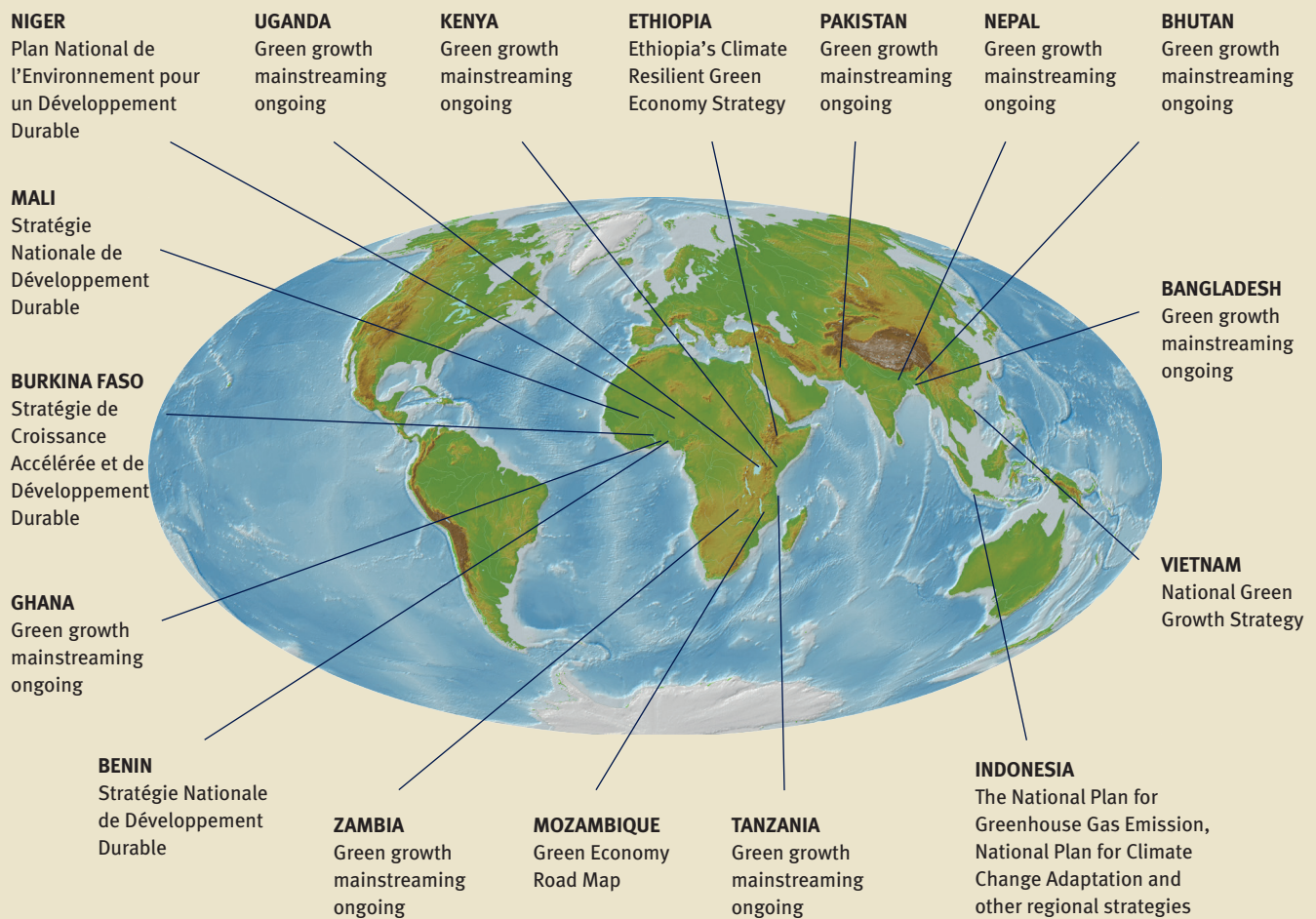
FIRST-MOVER GREEN GROWTH COUNTRIES

Green growth is relevant to all countries, independently of their level of economic and social development. The sooner they adopt and start implementing green-growth policies, the better equipped they will be to meet the resource constraints of tomorrow. The NEC strategic framework will apply to all Danish priority countries, reflecting various political priorities and different green-growth opportunities. Some countries have already formulated green-growth strategies and are embarking on their implementation. Other countries are in the initial process of studying and considering their options.

First-mover countries range from poor countries affected by conflict and fragility, such as **Ethiopia, Rwanda** and **Sierra Leone**, to emerging economies such as **Brazil** and **Indonesia**. They also include **Vietnam, Kenya, Mozambique, Costa Rica**, and **Cambodia**. All these countries have made initial progress on the green-growth agenda, either by having designed a green-growth strategy with clear targets for green growth and enhanced climate resilience or through ambitious green sector strategies.

Whereas Ethiopia and Rwanda aim at reducing their dependence on fossil fuels and intensive natural resource use as one of their primary targets, Sierra Leone seeks the most sustainable exploration and management of natural resources in an economy that will remain highly dependent on resource extraction for the next decades. Vietnam and Kenya are exploring cleaner, low-carbon, and more resource efficient pathways to development. Due to their size, Brazil and Indonesia have introduced a more decentralized approach where some regions have made innovative progress on reducing the rate of deforestation, improving management of ecosystems, and introducing more sustainable agricultural systems.

GREEN GROWTH STRATEGIES AND PLANS IN DANISH PRIORITY COUNTRIES



Source: UN Sustainable Development Knowledge Platform

NATURAL RESOURCES, ENERGY AND CLIMATE: DRIVERS OF DEVELOPMENT

RIGHTS – A GUIDING PRINCIPLE

Green growth has the potential to deliver benefits to poor and vulnerable groups, including the provision of alternative livelihoods. In some cases, however, the transition process may not be inclusive and can present new risks and adverse impacts on traditional livelihoods and customary rights to land and natural resources, such as water and forests. It is critical to ensure that poor and marginalized groups are not excluded from the benefits nor harmed by new green policies, regulations and investments.

To address these concerns most effectively, Denmark will promote a more inclusive growth by applying a human rights-based approach (HRBA) as an overall guiding principle for all interventions. This will involve both procedural and substantive rights.

Emphasis will be given to the four core elements relating to procedural rights: non-discrimination, participation, transparency, and accountability. Assistance will be directed towards ensuring access to information and increased transparency in relation to regulations and policy formulation, as well as effective mechanisms for involvement of the public in decision-making processes.

Substantive rights are particularly at stake for poor and marginalized people, who often are dependent on natural resources and ecosystems services and have few alternative economic opportunities.

Accordingly, the realization of basic human living conditions, such as the right to life, to property, to health, and to a healthy environment, will be a key priority.

The HRBA will be an integral part of bilateral country programming and the dialogue with multilateral partners. Supported interventions will be based on concrete context-specific analyses, which will involve a combination of local capacity and knowledge with international expertise to ensure that the challenges are identified accurately and that interventions are targeted to address them efficiently.

Denmark's bilateral programmatic work and multilateral support will aim to strengthen both capacities of rights-holders to make their claims and of duty-bearers to meet their obligations. As a supplement and a way to apply a rights-based approach, Denmark will also put appropriate social and environmental screening processes in place to mitigate adverse and discriminatory impacts on poor and marginalized population groups.

Denmark will more specifically work with the following issues within future country programmes:

- Through general support of conflict resolution mechanisms there will be an opportunity to advance the right of access to justice and the right of access to information. New information technologies will be applied in this context, e.g. for citizen engagement.

- Denmark will pay specific attention to strengthening the participation and rights of women and poor and disadvantaged groups. Furthermore, Denmark will support indigenous peoples' rights to free, prior, and informed consent (see box on "Indigenous peoples' rights and forests").
- Denmark will participate in developing international norms or regional instruments on critical procedural rights, such as the right of access to information or minimum standards on when governments should release information on natural resource licenses, contracts, and government revenues. This will include efforts supported through initiatives on transparency and legal and contractual measures with regard to extraction of natural resources.
- There will be screening of all interventions within the NEC Strategy with respect to HRBA concerns. The focus will be on mainstreaming the human rights approach as an imperative building block for sustainable and inclusive green growth.

INDIGENOUS PEOPLES' RIGHTS AND FORESTS

The importance of the rights and interests of indigenous peoples and forest dwellers has gradually been recognized in the effort to establish effective mechanisms for reducing GHG emissions caused by deforestation and forest degradation in tropical developing countries.

To strengthen this effort, Denmark has supported the “Pro-poor REDD” project implemented by the International Union for the Conservation of Nature (IUCN). The project aims to ensure that the design of compensation mechanisms for avoided deforestation focuses on rights, benefit sharing, and participation of the poorest and most vulnerable forest communities. Five countries – Cameroon, Ghana, Guatemala, Papua (Indonesia), and Uganda – were selected for piloting the promotion of sustainable livelihoods, better forest governance, and equitable sharing of benefits from the conservation and management of forests and landscapes. The project is built on seven key rights-based principles, which have emerged from efforts undertaken in these countries.

Through the project, the IUCN and partners have been instrumental in promoting dialogue and multi-stakeholder consultations, which emphasize the rights of indigenous peoples and vulnerable forest communities as the foundation to establish national and international mechanisms for reducing emissions from deforestation.

THEMATIC PRIORITIES: COMMON GLOBAL GOALS

Since the Earth Summit in 1992, the three Rio conventions on climate, biodiversity, and desertification and the numerous ensuing environmental agreements and protocols have formed the normative foundation for a global commitment to pursue a sustainable course of development. From a Danish perspective, intergovernmental dialogue is the backbone of the multilateral system and global environmental governance. The global challenges to be addressed – the protection of global public goods and achieving common goals – warrants strong multilateralism. Nonetheless, realization of sustainable development has proven less than satisfactory over the last 20 years. As a consequence, new types of collaborative efforts and partnerships promoting sustainable development must be explored to supplement the multilateral avenues.

The 2012 Rio+20 UN Conference on Sustainable Development recognized for the first time in a global commitment – *The Future We Want* – that a green economy in the context of sustainable development and poverty eradication is one important tool available for achieving sustainable development and providing options for policymaking. As a follow-up to Rio+20, the UN has been mandated to propose a set of sustainable development goals (SDGs) to be integrated into the

post-2015 development framework. Agreeing on selected, easy communicable and global SDGs with clear, time-bound targets and indicators will provide guidance to all countries in promoting and achieving sustainable development.

Negotiations are on-going to translate the UN conventions of biodiversity, desertification and climate into binding, implementable commitments. Under the Biodiversity Convention, the adoption of the Nagoya Protocol on Access and Benefit Sharing in 2010 was an important step; but several issues remain unresolved, including how to double overall investments in preserving biodiversity. Negotiations under the Convention to Combat Desertification concern, among other issues, the question of how to establish credible reporting procedures and binding targets for reducing land degradation.

In its role as the financial mechanism of the Rio conventions and agreements in relation to the chemicals and waste areas, the Global Environment Facility (GEF) will continue to source funding for implementation of the associated convention obligations in developing countries. As part of the sixth GEF replenishment in 2014, a new GEF strategy will provide for adjustments in GEF's institutional and policy framework.

These adjustments should reflect the changes taking place in the international financial architecture, notably the operationalization of the Green Climate Fund and the efforts to bring in private-sector financing as a key contributor to investments in climate and the environment.

In parallel with the intergovernmental dialogue through the multilateral system, new types of collaborative approaches and partnerships have emerged. They seek to advance bottom-up initiatives and innovative solutions that have the potential to assist countries in using the opportunities offered by inclusive green growth. These partnerships involve private-sector partners, civil society, research institutions and – not least – emerging development partners. Examples of such initiatives include the Fossil Fuel Subsidy Reform, the UN and World Bank initiatives to reform the measuring of wealth and national accounting to include natural capital, and the efforts to make green public procurement break a path for green growth. A major challenge will be to translate such innovative approaches and technologies into workable solutions that can be scaled up to have broad impact. While traditional development assistance may be catalytic, the success of these initiatives will depend on the ability to pull in considerable private-sector financing.

TOOLS AND APPROACH

Denmark will engage in **formulating new SDGs**. Denmark commits to seek maximum coherence and convergence between the work and outputs of the SDG Open Working Group and the broader process on the post-2015 development agenda. The aim is to reach an agreement on a single set of new goals and targets. In close collaboration with EU partners, Denmark will work towards a common understanding of how goals can be developed that incorporate the economic, social, and environmental dimensions of sustainable development. Denmark will work to promote the embedding of the green-growth agenda in the SDGs and subsequently the overall post-2015 framework. Particular emphasis – also on subsequent implementation of SDGs – will be given to the **sustainable use and management of water and energy**.

The changes taking place in the architecture for international **financing for climate and the environment** will call for an active Danish involvement in the related negotiations. This will involve discussions on climate financing within the Climate Convention, the operationalization of the Green Climate Fund, and the adoption of a new strategy for GEF and its sixth replenishment. The focus will be on supporting new frameworks for innovative sources of finance and on creating incentives for mobilizing private-sector funding. Furthermore, emphasis will be on strengthening results-based management and indicator systems to document impact.

In parallel with the engagement in the formal multilateral negotiation tracks, Denmark will support international solutions helping developing countries to use opportunities within inclusive green growth. Emphasis will be given to **innovative approaches to technology and financing and to scaling up and accelerating progress along proven pathways to green growth**. Denmark will engage in policy dialogue with and support to international programmes (e.g., UNEP, GGGI, IUCN), think tanks (e.g., IIED, IISD, WRI) and initiatives (e.g., 3GF, World Bank-WAVES), which are mandated to promote green growth. Denmark will also provide support to advocacy initiatives by national and international CSOs aiming at advancing goals and targets as outcomes of the multilateral negotiations.

Support to the implementation of the **Biodiversity Convention** and the **Convention to Combat Desertification** will primarily be through the GEF mechanism. Through Danish bilateral cooperation, a call will be made for increased national implementation through government and private-sector involvement. Depending on the specific country situation, this may also involve support through Danish cooperation programmes.

FOSSIL FUEL SUBSIDY REFORM (FFSR)

The magnitude of fossil fuel subsidies and their highly distorting impact on sustainable development and the transition to green growth call for decisive action at national as well as global level. At the Rio+20 Conference in 2012, Denmark supported the international think tank, International Institute of Sustainable Development (IISD) to push the reform debate into the mainstream by launching an advocacy campaign among civil society organisations. As a result, fossil fuel subsidy reform (FFSR) was voted by the public as a key issue for action. The call for FFSR subsequently made its way into the concluding document “The Future We Want”.

To further advance the campaign for FFSR Denmark supports the IISD-initiated Global Subsidies Initiative (GSI), which is based on an international partnership involving government institutions as well as networks of NGOs, media and research institutions.

The GSI programme assists countries by providing advice on national work plans, which lay out a strategy for a socially balanced FFSR-process. The multilateral development banks provide funding and exert influence in the private arena. Intergovernmental organisations such as OECD and IEA use their academic credentials to link with ministries of finance and ministries of energy, which are key partners to drive the reform process. The partnerships between all international actors will lead to better coordinated work, leveraging each organisation’s skills, experience and country networks and partners.

GREEN PUBLIC PROCUREMENT

IISD has partnered with the 3GF on an initiative to promote green growth through green public procurement. The Partnership for Procurement and Green Growth-programme is advising the governments of India and South Africa on the implementation of green public procurement. In addition to IISD and 3GF the partnership includes important government and industry representatives from Brazil, India and Abu Dhabi as well as key business representatives such as Danfoss and Philips.

In India, the partnership is assessing environmental and social costs to the public coffers when public private partnerships (PPPs) are implemented with little regard to environmental and social impacts. While India has robust laws on conservation, forest preservation, environmental impact assessment, land tenure, compensation, resettlement and more, these safeguards are not factored into the financing, construction and operation of PPPs.

In South Africa, the partnership is working to demonstrate that green public procurement can be used as an effective driver of green growth. The project involves the Department of Trade and Industry as well as with the Provincial Government of the Western Cape to demonstrate that green public procurement is implicit in key national policies for industrial development. Very little has been done to incorporate sustainability into public procurement supply chains in a systematic way. The project has facilitated a high-level roundtable to discuss these deficiencies and agree on a tentative plan for a work plan, including mentoring municipalities in undertaking demonstration projects and compiling guidance material on green public procurement.

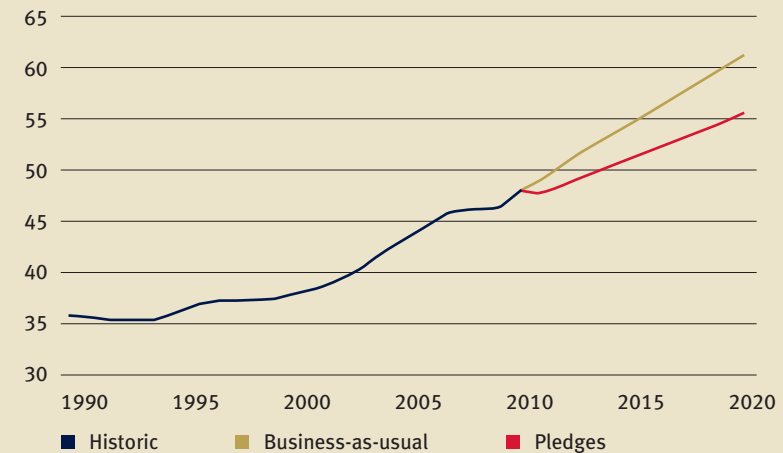
THEMATIC PRIORITIES: CLIMATE CHANGE

Climate change is increasingly affecting and determining the development prospects of all countries. The predicted global temperature increase in the coming decades will have a profound impact on human well-being. Studies compiled in the assessment reports issued by the Intergovernmental Panel on Climate Change (IPCC) over the past 25 years show that temperature increases and altered rainfall patterns are accompanied by an increasing short-term variability and by an increasing frequency of extreme events such as heat waves, storms, floods, and droughts. Recent studies conclude that with current level of emissions and present mitigation pledges implemented, the world is on a path towards a temperature rise of more than 4 degrees above pre-industrial levels in this century and will be heading towards 6 degrees.

GAB BETWEEN REDUCTION PLEDGES AND ESTIMATED GHG EMISSIONS (GTCO₂):

Global CO₂ historic (blue line) and projected (brown and red lines) emissions. Pledges consist of the current best estimates of pledges put forward by countries.

Global GHG emissions in GtCO₂eq



Source: Adapted from World Bank report "Turn Down the Heat: Why a 4°C Warmer World Must Be Avoided", p. 6.

While the consequences of climate change will affect regions and localities in different ways, it is clear that the poorest countries and the poorest and most vulnerable groups in the population – those who have the least resilience and adaptive capacity – will be the hardest hit.

More than 20 years ago, the climate negotiations commenced to reach a global agreement on reducing greenhouse gas emissions – amid common but differentiated responsibilities – while providing financing for adaptation and mitigation efforts in developing countries. The Kyoto Protocol was a first milestone, but clearly not ambitious enough to address the problem. If a new agreement is reached as planned in 2015, commitments will only be effective as of 2020. Current and pledged actions by countries are not sufficient to stay below the agreed maximum of 2 degrees change.

In the absence of a comprehensive, legally binding agreement to limit global emissions of GHGs, combined with the lack of a well-functioning international carbon-market, it is imperative that governments seek alternative pathways to mitigate climate change and to adapt to higher temperatures.

National and local measures and incentives are needed both to reduce emissions and to deal with the impacts of climate change. Many countries have already embarked on the design and implementation of both GHG mitigation measures and adaptation programmes guided by the partial agreements resulting from the UNFCCC negotiations.

In the short term, the increasing climate variability will have negative effects on production systems and increase the vulnerability of developing countries in particular. Government institutions at national and local levels, as well as local communities, will be challenged to consider adaptation strategies that involve both livelihood diversification and climate-proofed investments. Adaptation strategies should encourage the private sector and civil society to find solutions that both strengthen resilience and provide business opportunities. This would be an example of how green growth could be stimulated.

An important component concerns improved knowledge and understanding of the dynamics of climate change itself and how increased temperatures and altered rainfall patterns will affect

ecosystems and populations. Systematic data collection and analyses, using innovative technologies such as remote sensing and smart phones, are essential to improving climate-change services and enhancing resilience as well as underpinning and informing climate change policymaking. There will also be scope for continued support of research into the potential for mitigation and for better adaptation practices.

TOOLS AND APPROACH

Tackling climate change in all sectors through a range of interventions will be **integrated across Danish development cooperation**. The allocation of Danish development assistance will reflect a balance between mitigation – reduction – of GHG emissions and the need to support adaptation to the changing climate in developing countries. Danish assistance will focus on the integration of climate-change concerns into **national development strategies** as well as local development and planning processes. This assistance will strengthen **framework conditions and institutions** to enable governments, private businesses, and civil society organisations to advance solutions for climate change mitigation and adaptation.

Design and implementation of national **low-carbon development strategies and appropriate mitigation actions (NAMAs)** and adaptation actions (NAPAs) will be supported primarily through Danish funding for the **Green Climate Fund**, once operationalized. In the meantime, Danish funding will be channelled through funds and mechanisms working towards the same climate objectives. It may also involve collaboration with international expert institutions such as UNEP and GGGI. Depending on the specific national context, bilateral support could be relevant through climate adaptation programmes building people's adaptive capacity, especially with a focus on natural resource management and climate-smart agriculture interventions.

Due to the greater potential for **mitigation in middle- and higher-income countries**, support will be channelled to nationally appropriate mitigation actions in these countries either through international initiatives or bilaterally, when of particular strategic interest to Denmark and the partner country. The collaboration with South Africa and Vietnam serve as examples.

Denmark will push for allocating significant **public and private investments** for climate-change mitigation and adaptation in

developing countries through new financing and partnership models. The **Danish Climate Investment Fund** will be an important instrument in this regard.

The push for finding new **low-carbon technologies to enhance more efficient production** will require support to promoting public-private partnerships for innovation, research, and development. The **Global Green Growth Forum (3GF)** is an important platform for building up these partnerships. Appropriate climate technologies will also be advanced through the new Climate Technology Centre and Network (CTCN). At the bilateral level, Denmark may encourage investment in technological solutions through support to climate innovation centres and via Danida Business Instruments to advance Danish skills and technologies as appropriate. Danish-supported climate interventions in Kenya serve as examples.

Support for **advocacy work by international and national CSOs** to push for promoting an ambitious climate agenda and for securing inclusive and transparent decision making will be part of Danish support. A special focus will be given to promoting the rights of **vulnerable forest communities and indigenous peoples' groups** in the context of forest and climate related initiatives. Partners include national and international CSOs and international agencies.

Green growth and climate change screening tools have been developed for use in priority countries. Denmark will continue to develop climate change safeguards and ensure that these tools are used in all new country programmes to identify the risks and opportunities associated with climate change. Denmark will work with other donors as well as national and international institutions on safeguard tools and take into account already available analytical studies for the country in question.

KENYA CLIMATE CHANGE PROGRAMME

Kenya was the first African country to receive bilateral, Danish funding for the design and implementation of a Climate Change Programme (CCP). The selected CCP investments complement interventions in the Danida Business Sector Programme Support (phase 2) and Natural Resource Management Programme. The CCP is developed to take advantage of emerging business opportunities related to implementation of low-carbon and resource efficient technologies as well as strengthening climate resilience of rural communities.

The Northern Rangeland Trust is one of the CCP partners. The Trust works with 19 community conservancies and covers a population of 110,000 people over an area of 16,000 km². The pastoralist communities in the arid and semi-arid parts of Northern Kenya are highly vulnerable to climate change and extreme weather events such as droughts and flooding. The scope of the project is to build more climate resilient communities that are able to cope with the impacts of climate change by strengthening local governance institutions, diversifying their economies and by improving management of water, rangelands and wildlife. The project also contributes to improved carbon storage in the rangelands as a result of the improved grazing management system.

The current programme runs until 2015 through support from Danish climate funding of more than 100 mio. DKK.

THEMATIC PRIORITIES: ENERGY

Today, more than 2.6 billion people in developing countries (about 40 percent of the world population) continue to rely on traditional biomass fuels for their cooking and heating needs, breathing in toxic smoke that causes lung disease and killing nearly 4 million people a year, most of them women and children. An estimated 1.3 billion have no access to electricity. In Sub-Saharan Africa, the situation is especially dire: Only 24 percent of its population has access to electricity, and electrification efforts are being outpaced by rapid population growth. Urbanization is a key development trend that will be particularly important in African countries, as more than 70 percent of the world's population is expected to live in urban areas by 2050.

Without access to modern energy, it will not be possible to achieve the Millennium Development Goals. Lack of access to modern energy constrains social service delivery, entrenches poverty, hampers the education of children and youth, increases gender inequality, and erodes environmental sustainability. Access to sustainable and affordable energy is a necessary condition to achieve lasting, sustainable development; but it must be combined with a focus on stimulating economic activities and social services to achieve local development impacts. These important linkages need to be addressed by government institutions in policy formulation, planning, and implementation of interventions.

To address these challenges in the absence of a global institutional framework for energy, the UN secretary general has launched the Sustainable Energy for All (SE4ALL) initiative. SE4ALL seeks to achieve three interlinked objectives by 2030: universal access to modern energy services, a doubling of the global rate of improvement in energy efficiency, and a doubling of the share of renewable energy in the global energy mix. Such a focus will advance the broader goal of supporting countries in a transition towards low-carbon growth, and focusing on renewables and energy efficiency strategies will be the most critical.

A coherent policy framework is essential for moving towards universal access combining grid and non-grid options. Renewables can play an important role for both central and decentralized systems, and many renewable energy technologies are essential for developing off-grid and mini-grid solutions, which are critical for rural populations living too far from the central grid. Renewable energy sources and their relative cost vis-à-vis fossil fuels need to be considered when designing national energy plans along with the possibilities for enhanced efficiency in both production and consumption of energy. A focus on energy efficiency and renewables is crucial for moving towards global long-term sustainable energy systems.

The role of subsidies warrants special attention: The International Energy Agency reports that about 80 percent of all energy worldwide comes from fossil fuels supported by consumption subsidies that amounted to USD 523 billion in 2011. This figure is six times the size of subsidies to renewables. This enormous challenge is not to be tackled only in poor developing countries, as their share of global GHG emissions is marginal, but by designing resource-efficient and low-carbon energy systems for all countries.

Incentives to promote more low-carbon energy solutions are challenged by the availability of gas, including shale gas, and low prices of Certified Emission Reductions (CERs), which have negatively affected the clean development mechanism (CDM) for reducing GHG emissions.

TOOLS AND APPROACH

Denmark will support the UN secretary general's **SE4ALL initiative** as the forum for intergovernmental dialogue on global energy issues. Denmark will be guided by the three interlinked SE4ALL objectives on access to energy, energy efficiency, and renewable energy, when implementing both bilateral and multilateral support programmes.

The multilateral support will in particular focus on upstream, policy related interventions. Denmark will assist government institutions in establishing the **policy framework and developing technical and management capacity** required to enhance energy access for the poor and at the same time attract the substantial private investments required to deliver more sustainable energy services. The focus will be on support for improving access policies as well as advancing renewable energy in the overall energy mix, combined with energy efficiency at both system and appliance levels. Support will include advancing analytical studies in the energy sector to facilitate well-informed decision making that also recognizes the linkages among energy, water, and food. Denmark will also promote innovative funding mechanisms that will leverage and accelerate public and private investments.

Denmark will **enhance access to knowledge on renewable energy** (e.g., wind, water, solar heating, solar photo voltaic power generation, biomass, geothermal energy) and energy efficiency (including in buildings and transport systems) for the private sector to play a greater role in advancing energy access. This will include bilateral support for **preparation of energy programmes and access to innovative, financial instruments including** through the Danish Climate Investment Fund and multilateral support for implementation of energy programmes launched by relevant multilateral initiatives such as the Climate Investment Funds and the Green Climate Fund, when operationalized. Consideration will be given to the strengths of the Danish resource base and the use of relevant funding mechanisms such as Danida Business Finance and 3GF to

facilitate the involvement of Danish knowledge and technologies in disseminating and implementing innovative energy solutions.

In the Danish bilateral support, priority will be given to the transfer of low-carbon technologies involving grid-based and off-grid or local grid solutions that will improve living conditions for the urban and rural poor. This includes **small-scale renewables (including clean cooking), integration of renewable energy and energy efficiency into traditional power grids,** and development impact assessments of off-grid energy development.

Denmark will encourage initiatives that introduce new accessible energy sources for the urban and rural poor. This includes support for assessments of **new opportunities within sustainable biomass energy production**, such as fuel wood production as part of integrated sustainable landscape and climate-smart agriculture approaches and **energy efficiency improvements** related to the production and use of charcoal and firewood. Finally, Denmark will promote and facilitate an **inclusive and transparent decision-making processes on energy matters**. This might include decisions on energy sources, power-generating sites, electricity grids, and energy prices. Denmark will also support the release of information on energy matters (e.g., power purchase agreements and revenues).

Implementation will be through multilateral partners including the Energy Sector Management Assistance Program (ESMAP) of the World Bank, the Sustainable Energy Fund for Africa (SEFA) of the African Development Bank and the UNEP/Risoe Centre, the SE4ALL Energy Efficiency hub and the Climate Technology Centre and Network (CTCN) placed in Copenhagen. Bilateral energy interventions will be supported in selected priority countries working with government, the private sector, and CSOs.

ACCESS TO ALTERNATIVE ENERGY IN NEPAL

Denmark supports access to clean, sustainable and renewable energy for rural households in Nepal. By the end of 2012, the Energy Sector Assistance Programme has supported more than one million households to gain access to renewable energy solutions. These rural communities have now access to off-grid electrification from hydro-systems of various sizes and from solar-home systems. Improved cooking stoves have helped reducing health problems arising from smoke inhalation and it has reduced the pressure on forest resources.

Denmark is a lead donor of the National Rural and Renewable Energy Programme (NRREP), which is co-funded with other donor agencies and implemented by the Government of Nepal. The programme has a clear emphasis on gender and aims to reach the most remote and poorest parts of the country. The target is to provide an additional one million households with renewable energy solutions within the next five years. The micro hydro power grids is one of the priorities and is an interesting option as they can be merged with the national grid once it has been extended to area of intervention.

Total Danish support amounts to more than 500 mio. DKK. The current programme runs until 2017.

THEMATIC PRIORITIES: SUSTAINABLE MANAGEMENT OF NATURAL RESOURCES, WATER AND LAND

Just and fair access to natural resources is a prerequisite for economic and social development. This is particularly important for poor households that dependent on natural resource-based livelihoods linked to productive wetlands, community forests, grazing lands, and agricultural landscapes. Degradation of these ecosystems negatively affects biodiversity, as well as food, pasture, forest, and water resources, and reduces the resilience of these households to the impact of climate change.

Adequate national framework conditions are fundamental for the development of sustainable natural resource management systems. Policy failures and weak institutions leave natural resources undervalued and unprotected. Without secure access and clear management rights, resource-dependent and vulnerable households have few incentives to invest in the protection, regeneration, and sustainable use of these natural resources. Furthermore, undervaluation of ecosystem services, together with insecure rights, contribute to an inefficient and unsustainable use of natural resources and to land degradation and pollution, including from the use of pesticides.

To meet the increased demand for arable land and water for productive purposes from a growing and ever wealthier world

population, new ways must be found to secure a sustainable growth path. The increasing demand for food and biofuels is driving large land acquisitions by public and private investors. Acquisitions often take place in countries where land rights are weak, unclear, and poorly governed with equally poor regulation of land use.

Global freshwater resources are limited and increasingly under pressure. It is estimated that, by 2030, there will be a 40 percent gap between the supply of water and the demand for it – not taking account of the impact from climate change. Water resource management must address the multiple demands for water while securing the rights of all people to have access to clean water. To achieve this, national water policies and management and governance structures must be strengthened. There is, furthermore, a growing need to strengthen regional water governance as most water resources are transboundary. Improved regional cooperation in terms of institutions, policies, strategic frameworks, and joint investments is key to sustainable use of shared water – e.g. in African river basins – and to regional stability.

Understanding and working with the linkages among water, agriculture, energy, and ecosystems is important for

sustainable natural resource management. Agricultural production globally takes up around 70 percent of all freshwater withdrawals. Water demand will increase due to a growing population's increasing demand for energy production, industrialization, and food production. Meanwhile, water basins are being degraded and polluted with subsequent reduced water availability and quality and with increased vulnerability to flooding and drought. Forests are particularly important for protecting water resources and biodiversity, and it is therefore important to support agricultural systems that increases tree cover and preserve forests.

Adverse environmental impacts from intensive extraction of renewable and non-renewable resources tend to affect poor and marginalized population groups disproportionately, leaving them more vulnerable to natural disasters and climate change. Adverse environmental impacts also increase the risk for instability and social conflict in some regions. As counteracting measures, it is important to build human and institutional capacity in public institutions, the private sector, CSOs, and local communities. It also requires empowering all stakeholders to claim their rights via new information and communication technologies.

TOOLS AND APPROACH

Denmark will support policies and regulations balancing economic growth with sustainable management of natural resources and ecosystems, and respect for the natural resource access rights of poor and vulnerable communities. This will be done through support to capacity development of duty-bearing institutions to **strengthen environmental regulations and natural resource governance and management** at all relevant institutional and organizational levels.

Integrated natural resource management of land and water resources will be a priority for support. The three dimensions of sustainability – economic, social, and environmental – will form the basis for this work with a view to seek efficiency gains, expand access, and reduce pollution. Special attention will be given to the linkages among agriculture, water, and energy.

This support will be provided through multilateral organisations, such as UNEP and the World Bank, and to a limited number of recognized international CSOs. Strengthening of institutions and integration of natural resources management in the productive sectors have been demonstrated in several Danish-supported bilateral programmes, e.g., in Bolivia, Indonesia, Kenya, Mozambique, and Tanzania. The activities have involved national and local government institutions, business associations, CSOs, and research institutions. In the bilateral programmes, Denmark will seek to advance the application of knowledge and experiences generated by the multilateral partners.

Improved **valuation of natural resources and ecosystem services** will be a priority for Danish support. Sustainable land use and integrated landscape management, payment for environmental services, and inclusive land investments will be supported to complement market-oriented growth and employment approaches. This will be done through support to initiatives like the World Bank WAVES-programme and to ecosystem service programmes of international organisations and NGOs. In bilateral programmes, natural resource valuation and payment could be integrated into growth and employment and natural resource management interventions.

As regards **rights of access to natural resources**, capacity development will be provided to rights holders through support to user groups and business associations to claim and manage their rights. Concrete activities will be implemented by national institutions and international organisations, which are working with a rights-based agenda and have proven capability to support national capacity building. In the context of access rights, Denmark will support countries implement the Voluntary Guidelines on the Responsible Governance of Tenure of Lands, Fisheries, and Forests. This could be as part of a bilateral programme or as an integral part of support to an international organisation.

In particular, Denmark will support **women's and vulnerable groups'** rights of and access to land, water, and ecosystems, including the rights of indigenous peoples. This will be done primarily through support to advocacy work and capacity building of national CSOs, either in cooperation with relevant international organisations or as an integral part of a bilateral cooperation programme.

Trans-boundary water issues will be addressed through partnerships with international expert institutions (e.g., the World Bank, UNEP, and the Global Water Partnership). National interventions may be supported in particular in areas with immense water resource constraints, as is the case in Kenya, Mali, and Burkina Faso.

Transfer and development of **innovative green technologies and system approaches** within resource efficiency; cleaner production methods; pollution control; and improved land and water management, including water efficiency and wastewater management, will also be strengthened by leveraging public-private partnerships and applying business instruments such as IFU and Danida Business Finance that benefit from Danish competencies in these fields.

INDIGENOUS RIGHTS, NATURAL RESOURCES AND AGRICULTURE IN BOLIVIA

Denmark supports agriculture and natural resource management in Bolivia including a land reform that recognizes the indigenous peoples' collective land rights for the first time in the history of the country. More than 11 million hectares have been titled in favour of 135 indigenous territories from 1998–2009. Indigenous communities also receive support to develop sustainable territorial land-use plans and pilot productive projects.

Forests cover more than 50 % of Bolivia and are home to more than 30 indigenous groups. The rate of deforestation is one of the highest in the world per capita with subsequent degradation of vital ecosystems. Denmark supports a national program for holistic forest management, which implies support for policy making on control and incentive structures, capacity building of public entities to implement these policies, and support to civil society and communities to implement sustainable timber and non-timber forest management to generate additional incomes from forest conservation.

Support is given to indigenous quinoa producers by strengthening their producer associations, optimizing the value chain of organic quinoa and supporting a more sustainable soil management. Today, Bolivia's 70,000 small-scale quinoa producers grow almost half of the globally exported quinoa. The export boom of quinoa has improved the income of thousands of families in some of the poorest regions of Bolivia, while collective property rights have been secured by the land reform.

A new phase of the program is planned for 2014–2018 with a budget of DKK 266 million.

THEMATIC PRIORITIES: SUSTAINABLE AGRICULTURE AND FOOD PRODUCTION

The world is faced with several, inter-related global food security challenges: recurrent food price fluctuations with increasing spikes, more than 800 million people who are chronically hungry, and the need to feed a growing world population in the face of increased pressure on natural resources and climate change. The world's population is projected by UN to reach more than 9.6 billion by 2050, and demand for food is expected to increase by about 50 percent, according to World Bank estimates. The increased demand for food, combined with rising demand for biofuels and continued reliance on unsustainable agricultural practices, will put pressures on fragile soils, supplies of water, biodiversity, and other natural resources.

Agricultural production is affected by climate change through increased frequency and intensity of droughts and floods and through long-term temperature changes. These climate-change impacts are projected to affect the poorest countries most. At the same time agriculture, together with deforestation and associated land conversion, accounts for about 24 percent of annual GHG emissions. For agriculture to both adapt to and contribute to mitigation of global climate change, the concept of 'Climate-smart Agriculture' has been developed. 'Climate-smart Agriculture' seeks to increase productivity in an

environmentally and socially sustainable way, strengthening farmers' resilience to climate change and reducing agriculture's contribution to climate change by reducing GHG emissions and increasing carbon storage on farmland.

Promoting inclusive green growth in agriculture and agriculture-related value chains, which delivers both a high level of growth and a high degree of resource efficiency, is central to achieving the resilience and welfare gains needed. This requires a focus on sustainable intensification of production as well as efficient use of resources and energy at all levels of the value chains. Although technology and knowledge on ecosystem-friendly agricultural production systems – as well as on cleaner production methods, including energy efficiency – already exist, further research and development is required. It is particularly important to give more recognition to farmer-led and private-sector innovations that are consistent with green growth, and to invest in establishing the enabling conditions to scale up such improved and more sustainable agricultural practices. Technology dissemination and access to financial services to smallholder farmers and small businesses remains a key challenge. Providing incentives that promote sustainable production and establishing good framework conditions for agriculture and business development

are other key elements to advance the green growth agenda.

The poverty-reducing capacity of the agricultural and food-producing sector must be better utilized through establishing improved linkages among access to land and other natural resources, financial services, and markets for smallholder farmers from a rights-based approach, in particular the rights of women.

Achieving food and nutrition security for poor and vulnerable people is not only about global sufficiency of food supplies, but also their physical and economic access to that food. In many regions with fragile states (e.g. the Horn of Africa, Sahel) food security is being challenged by political and social instability, poor framework conditions, and climate change and natural disasters. In these regions, there is a need for increased coordination and the joint application of humanitarian assistance and development support for improved and more sustainable land and water management to build long-term resilience.

TOOLS AND APPROACH

To address these challenges, Denmark will **strengthen national frameworks to promote sustainable agriculture**, including creating better framework conditions for small-scale agriculture as a key provider of local economic growth among others in the areas of markets, technology, and financial services. In relation to this priority area, Danish-supported interventions will be formulated and implemented applying also the priorities and instruments of the *Strategic Framework for Growth and Employment*.

Denmark will support the **development of indicators for doing business in agriculture**, which will help facilitate policy dialogue on how to improve the agriculture investment climate, taking environmental sustainability into account.

Denmark will promote **climate-resilient farming practices based on an ecosystems approach** involving low carbon usage and increased water and nutrient efficiency and support the development and provision of new plant varieties that are drought- and temperature-tolerant. Sustainable intensification of agricultural production will be central to this and will primarily take place as part of support for scaling up re-greening and climate-smart agriculture practices and strengthening green value chains in agriculture. The bilateral support for farmer field schools in Bangladesh serves as an example.

As part of Danish support for agriculture value chains and to promote resource-efficient and climate-resilient farming techniques, priority will be given to strengthening farmers' capacity through **farmer-led advisory services, skill training, financial services, and technology access**. Activities will be carried out through cooperation with local authorities, the private sector, local agricultural organizations, and other CSOs. In addition, efficient resource use through **promotion of cleaner technology and energy efficiency** at all levels of the value chains will be promoted, including support for efficient processing and marketing structures that **reduce post-harvest losses**.

The case of cleaner technologies and training supported for developing the quinoa value chain in Bolivia serves as an example.

Across all agricultural interventions, particular focus will be placed on **gender equality and on strengthening the role of women as critical agents of change** through targeted involvement in decision making, training, and access to information and by ensuring women's access to finance, land, and other natural resources.

Food insecurity in fragile states and ecosystems will be addressed through resilience-building programmes to include better coordination of humanitarian assistance and development instruments.

Denmark will continue strengthening **international and national research** efforts to increase resource efficiency, sustainable land management, and development of diversified and climate-resilient production systems. In the area of agricultural research, support will be provided through the International Agricultural Research Fund (CGIAR) as well as through the Danish Consultative Research Committee for Development Research.

Implementation of activities will primarily take place through **bilateral country programme support** as part of green growth interventions, including agriculture, growth and employment, and natural resources management. Partners in these programmes include the public and the private sector as well as civil society. **Danida Business Instruments** will also contribute to the implementation of activities related to private-sector led green growth.

In addition, **multilateral partners**, including IFAD, the World Bank, regional development banks, and the UN system, will be involved in implementation. In some areas international CSOs will be partners to provide field evidence and analytical work for policy development.

THE U-GROWTH PROGRAMME IN UGANDA

Through the U-Growth programme in Uganda, Denmark supports strengthening the competitiveness of Uganda's agricultural and agro-processing sector, as a primary driver for inclusive growth and employment.

It applies a value chain approach with focus on coffee, maize, oil seeds, pulses and export horticultural products. The U-Growth programme responds to Government's priorities for private sector driven growth that creates employment and reduces poverty. The programme combines support for public sector capacity building, infrastructure and agribusiness, in support of the value chains.

Denmark supports the current phase of the programme with a total of 224 mio. DKK ending in 2013. A new multi-annual phase is planned .

PARTNERS AND IMPLEMENTATION

The implementation of the NEC strategic framework will build upon dedicated and flexible partnerships between Denmark and development partners, matching the development challenges and the location-specific context at hand.

Denmark will cooperate with partners who most effectively advance the objectives of the NEC Strategy including the public and private sectors, multilateral actors, civil society including the social partners, local communities, research communities, think tanks, global funds, and foundations. Efforts will be made to engage the Danish resource base in areas where relevant know-how and competencies can support the development and implementation of NEC-related interventions.

To strengthen aid effectiveness, Denmark will apply the principles of ownership, alignment, harmonization, results, and mutual accountability. These principles will be applied to all of the current Danish aid instruments – bilateral, multilateral, Danida Business Instruments, civil society support, and development research.

Innovative approaches and partnerships (e.g., private-public-partnerships) will be incorporated more systematically into all existing instruments. Innovative financing models, in which ODA funds serve to attract and leverage private

finance, will be advanced further. Partners will be selected on their ability to showcase and promote the catalytic role of aid. All this will happen in an intensified dialogue with the private sector in Denmark, in Denmark's priority countries, and internationally.

Many issues on management of natural resources, climate change adaptation and other environmental issues call for action at the lowest appropriate level, often in local governments, communities, and villages. Local CBOs, NGOs, and the social partners often play an important facilitating role in this respect, providing technical assistance, capacity development, and proven technology. Denmark will continue to acknowledge and support the role of these organizations as important partners for sustainable development and also support the role of Danish and international CSOs in building national and local capacities in developing countries.

There will be a focus on priority countries for Denmark's development cooperation and, in this respect, a strong emphasis on support for sustainable development and green growth in African countries. These country efforts will be complemented by cooperation with global partners (multilateral organizations and other international institutions) that promote sustainable development

in developing and middle-income countries. The green growth agenda will be considered as a strategic element when assessing Denmark's collaboration with organizations on policy dialogue as well as funding support. Denmark will continue to support global solutions to global problems (e.g. climate change) through multilateral instruments but will also engage with multilateral organizations and other international institutions as implementing partners at the country level. Denmark will work closely with EU partners, institutions, and programmes in advancing Danish policy objectives.

By nature, sustainable development is a global concern; and there will be, in addition to bilateral aid, support for south-south and trilateral cooperation on issues of green growth and climate change, involving partnerships and dialogue with new development actors, such as new emerging donors. Numerous environmental issues and resource uses are cross-boundary and call for management solutions based on regional and international collaboration and strengthening of related institutions.

The country policy papers will constitute a key entry point for addressing the green growth and sustainability agenda in a comprehensive manner. These papers will guide the country programming process across intervention areas and sectors

with reference to all Danida-supported interventions (bilateral aid and multilateral aid at the country level and private-sector and civil society support).

Environmental sustainability, inclusive green growth, and climate change are cross-cutting issues, all interlinked and contributing to the foundation for sustainable economic growth. All Danish interventions will be screened with respect to their environmental, green growth and climate change adverse impacts and opportunities. Environmental impact assessments will be conducted, where relevant. As far as possible, these assessments will be based on the use of national systems and regulations. Specific opportunities for assisting countries in mainstreaming environmental concerns (e.g., through the conduct of Strategic Environmental Assessments (SEAs) and multidisciplinary safeguards) will be pursued.

THE INTERSECTION BETWEEN DEVELOPMENT ASSISTANCE AND GREEN BUSINESS

The Danida Business Instruments support private sector-led growth and decent job creation primarily in Danish priority countries through facilitation of partnerships and investments that can transfer knowledge and expand the use of green technology locally (see GE Strategy for further details regarding the DB instruments).

The Danida Business Instruments have proven useful in supporting the agenda of meeting increasing demand from developing countries for trade and investments and, at the same time, supporting Danish companies' interest in gaining access to new markets.

Engaging the Danish business community through development assistance will increasingly take place in parallel with services offered on commercial terms by the Danish Trade Council. Thus, Denmark is determined to facilitate win-wins, benefitting businesses and the green transition in developing countries, by bringing into play Danish core competencies within energy, natural resources, and sustainable food production.

MONITORING AND REPORTING

Measuring, monitoring, and reporting are critical in the transition towards a greener, more inclusive and socially resilient development agenda. Denmark will seek an operational approach and deliver visible results in prioritized fields where Denmark can add value to global and national efforts.

The results matrix must be concrete and verifiable and must take into account the need for building awareness of sustainable development on evidence and being able to communicate these results to all stakeholders, from the national political system to the local community. Denmark will partner with the research community and think tanks on the challenge of communicating scientific evidence to a broader audience and support the positive trends of developing measuring, verification, and reporting (MRV) systems under the climate change agenda.

Denmark will put particular emphasis on strengthening existing national and global monitoring systems. Although there is no single green monitoring system, it is evident that all countries and partners have opportunities to make their monitoring and reporting systems greener and more inclusive (linked with the post-2015 development agenda). This could be done by:

- Developing and measuring new green growth indicators (e.g., on agriculture, on food loss and waste, on energy, on water) and relating these to the process for formulating sustainable development goals.
- Improving public access to information about the sustainability of development, complementing existing safeguard instruments.
- Creating opportunities to involve the public in monitoring such as citizen feedback on state of the environment and service delivery. Such feedback could be expedited through new information and communication technologies (e.g., mobile phones, the Internet, social media).

Depending on the outcome of the multilateral negotiations regarding new sustainable development goals as part of the post-2015 development agenda, it may be decided to carry out a review of the NEC Strategy with a view to adjusting its focus accordingly.

ABBREVIATION	DEFINITION
<i>3GF</i>	Global Green Growth Forum
<i>CBO</i>	Community-based organisation
<i>CDM</i>	Clean Development Mechanism
<i>CER</i>	Certified Emission Reductions
<i>CGIAR</i>	Consultative Group on International Agricultural Research (International Agricultural Research Fund)
<i>CIF</i>	Climate Investment Fund
<i>CSO</i>	Civil society organisations
<i>CTCN</i>	Climate Technology Centre and Network
<i>EITI</i>	Extractive Industries Transparency Initiative
<i>ESMAP</i>	Energy Sector Management Assistance Program (World Bank)
<i>GEF</i>	Global Environment Facility
<i>GE Strategy</i>	Strategic Framework for Growth and Employment
<i>GGGI</i>	Global Green Growth Institute
<i>GHG</i>	Greenhouse gas
<i>GWP</i>	Global Water Partnership
<i>HRBA</i>	Human rights-based approach
<i>IFAD</i>	International Fund for Agricultural Development
<i>IIED</i>	International Institute for Environment and Development
<i>IISD</i>	International Institute for Sustainable Development
<i>IPCC</i>	Intergovernmental Panel on Climate Change
<i>IUCN</i>	International Union for the Conservation of Nature
<i>MRV</i>	Measuring, verification, and reporting
<i>NAMA</i>	Nationally appropriate mitigation actions
<i>NAPA</i>	National Adaptation Programmes of Action
<i>NEC Strategy</i>	Strategic Framework for Natural Resource, Energy and Climate
<i>NGO</i>	Non-governmental organisation
<i>ODA</i>	Overseas development assistance
<i>PPP</i>	Private-public partnerships
<i>REDD</i>	Reducing emissions from deforestation and degradation
<i>SCREP</i>	Scaling up Renewable Energy Programme
<i>SDG</i>	Sustainable development goal
<i>SE4All</i>	Sustainable Energy for All
<i>SEA</i>	Strategic environmental assessment
<i>SEFA</i>	Sustainable Energy Fund for Africa (African Development Bank)
<i>UNEP</i>	United Nations Environment Programme
<i>UNFCCC</i>	United Nations Framework Convention on Climate Change
<i>WAVES</i>	Wealth Accounting and Valuation of Ecosystem Services
<i>WRI</i>	World Resources Institute

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