



MINISTRY OF FOREIGN AFFAIRS
OF DENMARK
Danida

MARCH 2018

STRATEGIC SECTOR COOPERATION

– More Denmark in the world
for the benefit of the world
and Denmark



STRATEGIC SECTOR COOPERATION PROMOTES DANISH SOLUTIONS ABROAD

"We need more Denmark in the world. Danish solutions on sustainable energy, energy-efficiency, environment and clean tech as well as food production is in high demand in many countries. This type of partnership can simultaneously contribute to sustainable development abroad, strengthen bilateral relations and promote Danish solutions."

Minister for Development Cooperation, **Ulla Tørnæs**

Strategic Sector Cooperation aims at mobilizing the competencies of Danish public authorities directly in long-term strategic cooperation with counterpart authorities in developing and growth economies. Through this cooperation the Danish authorities promote Danish societal solutions that have been developed through partnerships between the public and private sector – for example know-how on green economy, urbanisation, agriculture and food as well as health.



Female Bangladeshi workers at a textile factory in Dhaka. A SSC project between the Danish Ministry of Employment and the Bangladeshi authorities is working on improving local labour inspections.

The experiences and competencies of the Danish public sector institutions can provide useful inspiration for other countries in their efforts to improve framework conditions for sustainable development, green growth and social welfare. Strategic Sector Cooperation focuses on concrete development challenges and responds to current needs of the partner country.

By increasing the depth of the bilateral relations, the Strategic Sector Cooperation can also promote general bilateral dialogue and cooperation on broader political issues of joint interest. It also brings Danish experiences and state-of-the-art solutions to the table. These experiences can contribute to solving development challenges in partner countries while at the same time creating a platform for increased engagement of the Danish private sector in the partner countries.

THE STRATEGIC SECTOR COOPERATION HAS THREE OBJECTIVES:

- 1** To contribute to inclusive, sustainable growth and development in partner countries by supporting conducive framework conditions for the fulfilment of the Sustainable Development Goals (SDGs).
- 2** To strengthen and expand relations between Denmark and partner countries.
- 3** To engage the Danish private sector in delivering solutions to the SDG challenges in partner countries. Private sector engagement is motivated through improved framework conditions, local network, knowledge and exposure to resource efficient, high-quality solutions.

Strategic Sector Cooperation operates within the framework of the Danish strategy for development aid and humanitarian assistance, “The World 2030”, and within the Danish Government’s new Strategy for Economic Diplomacy. In both strategies, Strategic Sector Cooperation is prioritized as an initiative that promotes sustainable growth and development by improving framework conditions in growth economies while simultaneously creating a platform for an increased commercial presence of Danish business.

A DANISH MODEL FOR DISTRICT HEATING AND CLEAN ENERGY IN TURKEY

Turkey imports the majority of the country's energy resources, which primarily consists of fossil fuels. The Turkish government is currently focused on strengthening the local and green energy production. One of the areas with the highest energy consumption is heating and cooling of buildings. The lack of a law regulating the heating sector or the market for heating is a challenge.

A Strategic Sector Cooperation (SSC) project between the Danish Energy Agency, the Turkish Ministry for Energy and the Danish Embassy in Ankara is focused on preparing a new piece of legislation on heating – if passed it would be the first legislation on heating in Turkey. The law focuses on energy efficiency and the promotion of district heating and district cooling. Technical experts from the Danish and Turkish public authorities are working closely and the private sector is involved as well. The law is expected to be finalized in the middle of 2018.

- **Danish partners:** The Danish Energy Agency, Danish Ministry of Energy, Utilities and Climate.
- **Local partners:** General Directorate of Renewable Energy, Turkish Ministry of Energy and Natural Resources.
- **Project duration:** April 2017 – December 2019 (full SSC project)
- **Budget:** DKK 4,3 million – Euro 570,000



A Turkish delegation visiting Billund BioRefinery to learn more about waste-to-energy with a particular focus on district heating. May 2017.

STRATEGIC SECTOR COOPERATION AND THE SUSTAINABLE DEVELOPMENT GOALS

Strategic Sector Cooperation operates within the framework of the SDGs and has direct as well as indirect effects on a number of the SDGs. Improving labour inspections and work environment helps increase the number of people with decent work and promotes economic growth while cooperating on food security and agricultural practices can help reduce hunger.

The SDGs' ambitious focus on global development and sustainable growth constitutes a window of opportunity to position Danish public and private solutions on for example clean energy, water efficiency and recycling. Through Strategic Sector Cooperation Denmark contributes to the implementation of the SDGs.

Strategic Sector Cooperation prioritises projects in growth economies. These countries play an increasingly larger role for global prosperity and progress towards the SDGs. However, sustainable solutions are needed to ensure long-term progress. Strategic Sector Cooperation embodies a Danish development approach with an enhanced focus on catalysing knowledge and solutions through partnerships.

SDG-OVERVIEW



Through SSC projects in Columbia, Mexico, Kenya, Vietnam and China, the Danish Ministry of Environment and Food co-operates with local authorities to improve food security and resilient agricultural practices.



Several SSC projects with the Danish Ministry of Health assist authorities in Mexico, Brazil, Vietnam and China in creating access to health-care services, to safe, effective and affordable medicine and vaccines for all.



A SSC project in Vietnam with the Danish Ministry for Education assists local authorities with improving the technical and vocational education and training in the country.



Several SSC projects have an indirect effect on gender equality, such as improving access to health-care for both men and women, education, health-care, access to medicine and individual growth.



Through SSC projects in South Africa and India, the Danish Ministry of Environment and Food and the City of Aarhus are contributing to improve local water efficiency and reduce water wastage.



Several SSC projects with the Danish Ministry of Energy, Utilities and Climate in South Africa, Turkey, India and Indonesia cooperate with local authorities to ensure affordable, clean and modern energy.



SSC projects in Bangladesh and Myanmar assist local authorities in improving local labour inspections and thereby the work environment, particularly in the garment and textile sector.



Several SSC projects, e.g. on maritime affairs, digitalisation and energy contribute to building resilient infrastructure, promote technological development and innovation as well as enhance scientific research.



By securing e.g. health-care for all or individual economic growth for workers in the textile industry, some SSC projects also contribute to reduce inequalities in partner countries.



Three new SSC projects in South Africa, India and China focus on sustainable urban planning. The City of Copenhagen and the City of Aarhus are sharing their experience on sustainable cities with local authorities.



Through SSC projects in Kenya, Vietnam and Turkey, the Danish Ministry of Environment and Food is sharing Danish knowledge on circular economy, waste reduction and recycling.



Through a SSC project in China, the Danish Ministry of Environment and Food is working together with local authorities to conserve and ensure a sustainable use of freshwater ecosystems.



Through a SSC project in Brazil and a newly established project in Iran, the Danish Ministry of Industry, Business and Financial Affairs is helping to digitise the public sector and create more transparent institutions.



Strategic Sector Cooperation is facilitating partnerships between Danish public institutions and partner authorities but also laying the foundation for public-private partnerships in partner countries for the fulfilment of the SDGs.

ANIMAL WASTE TO VALUE

Chinese agriculture is booming with rapid modernisation. At the same time, challenges like food safety, exploitative methods of production, and polluted waterways are on the agenda of the Chinese consumers and authorities.

The Danish Veterinary and Food Administration, the Danish Environmental Protection Agency, SEGES and University of Aarhus are cooperating with the Chinese Academy of Agricultural Sciences in Beijing and Harbin Municipality on a SSC project on regulation of the use of animal manure as fertiliser on arable land. The project is introducing the Danish approach to regulation of animal husbandry from both an administrative and a technical point.

In the beginning of 2018, the Chinese State Council published new guidelines for regulating the agricultural sector. These guidelines follow the same ideas as the Danish regulation. This shift towards a Danish regulatory system is expected to increase Chinese interest in Danish agro-technology, farm systems and know-how.

- **Project duration:** November 2016 – June 2018 (full SSC projects)
- **Budget:** DKK 2,5 million – Euro 335,000

The Danish Ambassador to the People's Republic of China, Carsten Damsgaard and the Vice Mayor of the City of Harbin signs a Letter of Intent on the SSC project in Harbin.



STRATEGIC SECTOR COOPERATION AND THE DANISH PRIVATE SECTOR

“Strategic Sector Cooperation on water management in South Africa has given us a better understanding of the South African water sector. That understanding is crucial in order to secure that our solutions contribute added value for our South African clients.”

Petrus Van Heerden, Country Manager, Kamstrup Africa

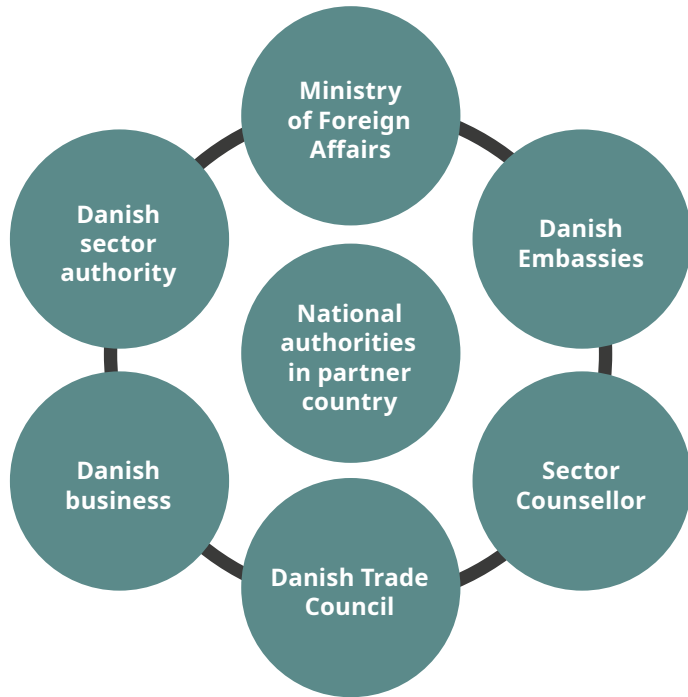
“The Strategic Sector Cooperation between Denmark and Mexico is a great example of how governments and companies can work together on shared agendas and hereby create value for citizens, societies, and companies. This initiative has raised awareness of the economic and social burden of mental health in Mexico and showcased Danish best practice in treating mental illnesses. The cooperation has furthermore paved the way for building new valuable relationships between Lundbeck and key Mexican decision-makers in order to help patients with psychiatric disorders in Mexico.”

Vice President, Corporate Communication & Public Affairs, Lundbeck,
Anders Schroll

Strategic Sector Cooperation creates opportunities for Danish companies. Whenever relevant, SSC projects are used as a platform for displaying Danish technical solutions and administrative and organisational models, and mobilizing additional Danish actors and resources, such as research institutions, investment funds and private companies.

Denmark has stationed 25 sector counsellors with sector expertise at Danish embassies. The sector counsellors play an important role to coordinate the projects and to facilitate a broader strategic sector dialogue.

Figure 1. The actors in Strategic Sector Cooperation



The sector counsellors work closely with the Danish Trade Council. Whilst the Trade Council offers assistance to specific companies, the sector counsellor works more broadly to address framework conditions. The Strategic Sector Cooperation modality supports sustainable and inclusive growth through partnerships with the public and private sector. Solutions to SDG challenges in partner countries can become business opportunities for Danish companies.

A DANISH FINGERPRINT ON MARITIME LEGISLATION IN GHANA

A maritime sector cooperation between Ghana and Denmark was signed in March 2017. It aims at improving maritime safety and the implementation of international maritime standards.

In autumn 2017, Ghana moved to propose new market restricting regulation in the maritime sector. Through Denmark's network and trusted relationships with maritime authorities, Denmark was able to facilitate a dialogue between the major international shipping nations, the shipping industry and Ghanaian regulators. The result was a revision removing the market restricting aspects in the regulation, which both the Government of Ghana and the industry favoured.

Executive Director Jacob K. Clasen, Danish Shipping, states: *"In a recent situation where Danish ship-owners were faced with regulatory challenges and market restrictions in Ghana, Danish Shipping found the assistance of the maritime sector counsellor at the Danish Embassy in Accra extremely valuable. No doubt that the extended bilateral relations between Danish and Ghanaian authorities helped pave the way for an amicable solution to the challenges".*

- **Project duration:** August 2016 – August 2018 (full SSC project)
- **Budget:** DKK 4,6 million – Euro 620,000



Port of Tema in Ghana.

STRATEGIC SECTOR COOPERATION IN DEMAND

FACTS

- 29 Strategic Sector Cooperation projects worldwide.
- Strategic Sector Cooperation with 14 countries.
- 25 sector counselors stationed at Danish embassies around the world.
- 9 Danish public sector institutions engaged in SSC projects.
- DKK 68 million – Euro 9 million assigned to SSC projects annually.

Partner countries have highlighted the great flexibility of the Strategic Sector Cooperation initiative. The Danish authorities' ability to draw on Danish experience relevant to a local challenge and their ability to understand barriers and challenges that affect development of for example regulative or policy issues in a sector is greatly appreciated amongst partner countries. Partners have expressed that this flexibility and attitude is unique and a key motivational factor for their willingness to engage, initiate, and invest their resources in SSC projects with Denmark.

The Danish knowledge and solutions gained through SSC projects are in high demand. When the Strategic Sector Cooperation was initiated in 2015, Denmark launched 20 projects in 12 countries. Only two years later, nine new projects were launched.

Danish officials from the Ministry of Environment and Food visiting their Indonesian colleagues in relation to a SSC project on waste and circular economy.



In China, the City of Beijing reached out to the Danish capital Copenhagen for a long-term collaboration to help tackle sustainability challenges. Due to Copenhagen's visionary and innovative city management – and close cooperation with innovative Danish companies – the city is leading in urban management of traffic congestion, air pollution, water scarcity, heavy rain and flooding, which are focus areas for Beijing and the Chinese government. A SSC project between the two cities was initiated in September 2017.

Since the Indian Government ratified the Paris Climate Agreement, India has sought cooperation with external partners to further its ambitions to move towards a higher share of renewable energy. This was expressed during a meeting between the Danish Minister for Energy, Utilities and Climate, Lars Christian Lilleholt, and the Indian Minister of Power, Coal, New and Renewable Energy, Piyush Goyal, in January 2017. Denmark's experience with renewable energy, energy efficiency and holistic energy planning was considered valuable for India's transition to renewable energy. Therefore, a SSC project between India and Denmark was initiated in November 2017.



Strategic Sector Cooperation on veterinary and food safety within the Colombian pig meat sector

COMPLEMENTARY TOOLS – SCHOLARSHIP PROGRAMME AND RESEARCH COOPERATION

In order to strengthen the value and depth of Strategic Sector Cooperation, a scholarship programme and research cooperation facility have been added as complementary elements. These are managed by the Danida Fellowship Centre (DFC). The scholarship programme offers opportunities for continued education and learning in Denmark for partners. A window for research cooperation between Danish and local universities has been earmarked for the countries and sectors included in the Strategic Sector Cooperation.

DANISH AUTHORITY PARTNERS



**Ministry of Environment
and Food of Denmark**



Ministry of Employment



**Danish Ministry
of Energy, Utilities
and Climate**



**Ministry of Higher Education
and Science – Denmark**



**DANISH MINISTRY
OF EDUCATION**



**MINISTRY OF INDUSTRY, BUSINESS
AND FINANCIAL AFFAIRS**



**MINISTRY
OF HEALTH**



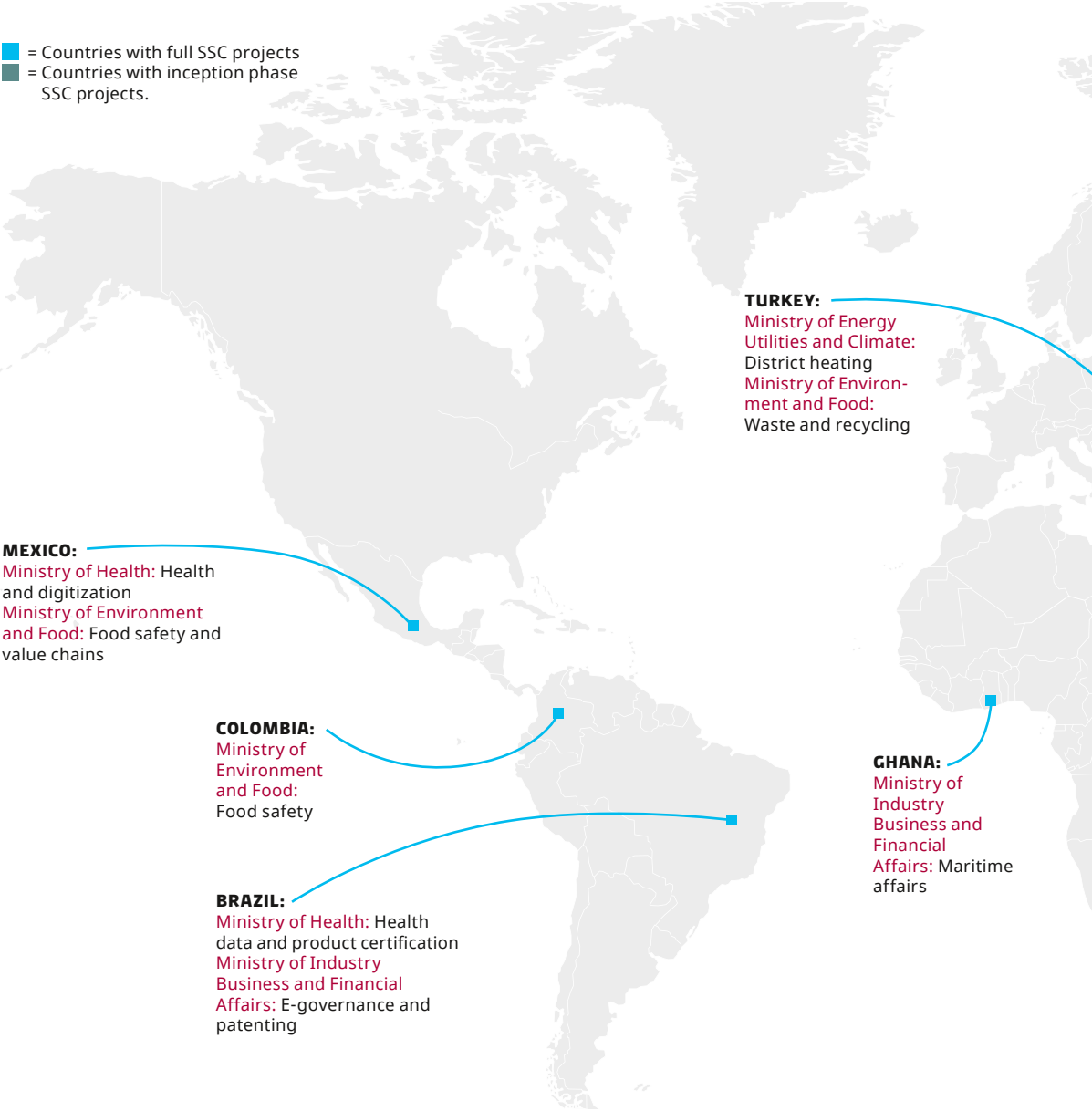
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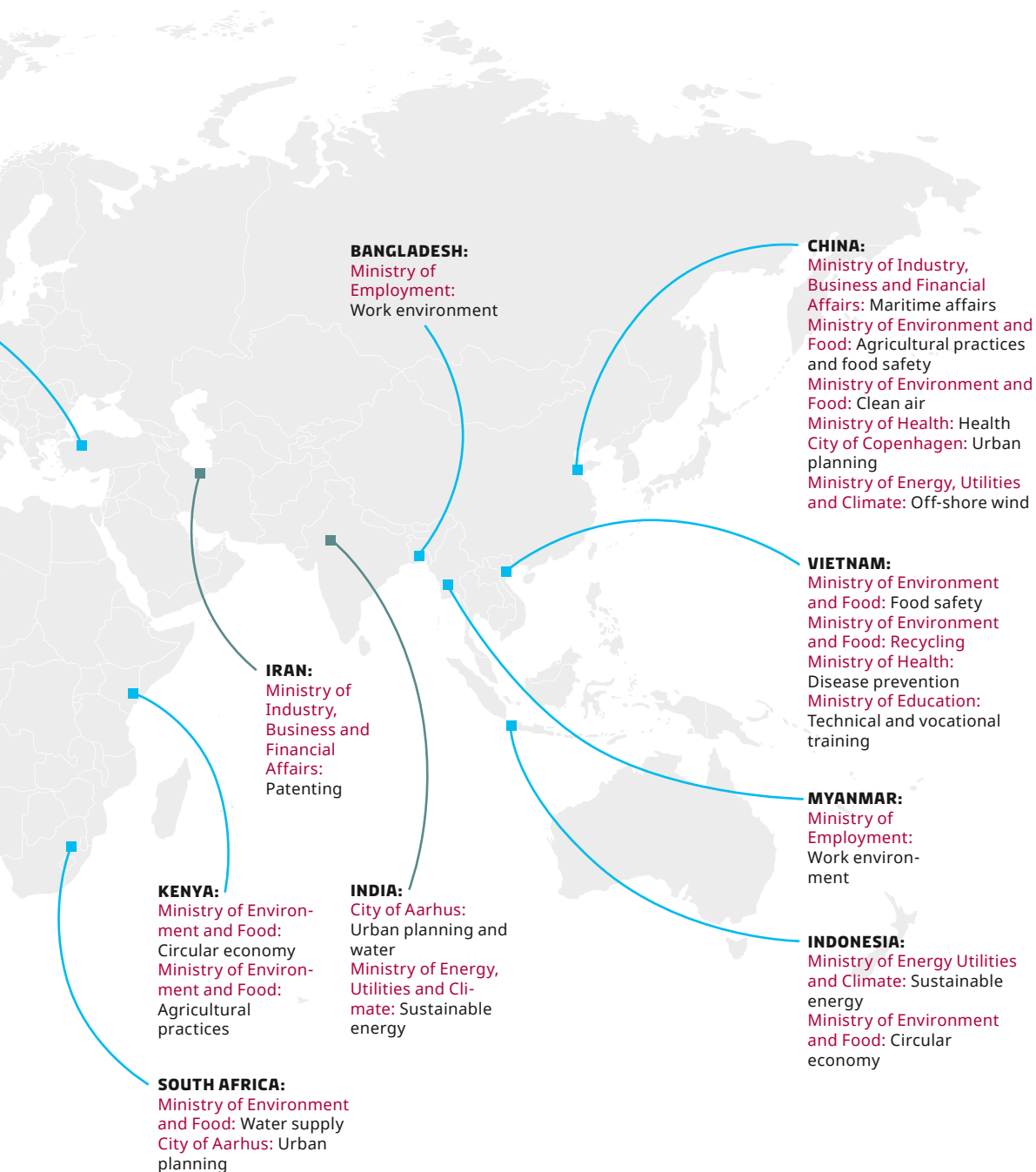
**CITY OF
AARHUS**



STRATEGIC SECTOR COOPERATION

- = Countries with full SSC projects
- = Countries with inception phase SSC projects.





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ISBN: 978-87-93616-45-5

