Minutes from meeting in the Council for Development Policy
on 30 June 2021

Members:	Professor Anne Mette Kjær, University of Aarhus (Chair) International Director Jarl Krausing, CONCITO (Vice Chair) Senior Researcher Lars Engberg-Pedersen, Danish Institute for International Studies Head of International Department Jens Kvorning, SMEdenmark Head of Department Kenneth Lindhardt Madsen, The Danish Agriculture & Food Council International Director Marie Engberg Helmstedt, The Danish Youth Council Private Advisor Morten Lisborg, Migration Management Advice Vice President Bente Sorgenfrey, Danish Trade Union Confederation Director for Global Development and Sustainability Marie Gad, Confederation of Danish Industries *General Secretary Birgitte Qvist-Sørensen, DanChurchAid, was not present but had submitted written comments prior to the meeting.*
MFA:	Under-Secretary for Development Policy Stephan Schønemann Head of Department Nanna Hvidt, Department for Evaluation, Learning and Quality, ELK Special Advisor Anne Marie Sloth Carlsen, Department for Evaluation, Learning and Quality, ELK Advisor Britt Balschmidt Tramm, Department for Evaluation, Learning and Quality, ELK
Agenda item 1:	Under-Secretary for Development Policy Stephan Schønemann Deputy Head of Department Katrine From Høyer, Department for Humanitarian Action, Civil Society and Engagement, HCE Deputy Head of Department Søren Davidsen, Department for Evaluation, Learning and Quality, ELK
Agenda item 2:	Head of Department Rasmus Abildgaard Kristensen, Department for Green Diplomacy and Climate, GDK Chief Advisor Morten Houmann Blomqvist, Department for Green Diplomacy and Climate, GDK
Agenda item 3:	Deputy Head of Department Adam Sparre Spliid, Department for Green Diplomacy and Climate, GDK Chief Advisor Tobias von Platen-Hallermund, Department for Green Diplomacy and Climate, GDK
Agenda item 4:	Deputy Head of Department Adam Sparre Spliid, Department for Green Diplomacy and Climate, GDK Head of Section Maike Hebogård Schäfer, Department for Green Diplomacy and Climate, GDK Ambassador Ole Egberg Mikkelsen, Kiev Investment Director Annemette Ditlevsen, Investment Fund for Developing Countries, IFU (Danida Sustainable Infrastructure Finance)

	Vice President Tina Kollerup Hansen, Investment Fund for Developing Countries, IFU (Danida Sustainable Infrastructure Finance)
Agenda item 5:	Head of Department Rasmus Abildgaard Kristensen, Department for Green Diplomacy and Climate, GDK
	Chief Advisor Charlotte Just, Department for Green Diplomacy and Climate, GDK
Agenda item 6:	Head of Department Louise Auken Wagner, Department for the Middle East and Northern Africa, MENA
	Chief Advisor Kurt Mørck Jensen, Department for the Middle East and Northern Africa, MENA
Agenda item 7:	Head of Department Henriette Ellermann-Kingombe, Department for Multilateral Cooperation and Policy, MUS
	Head of Section Frida Dyred, Department for Multilateral Cooperation and Policy, MUS
Agenda item 8:	Head of Department Nanna Hvidt, Department for Evaluation, Learning and Quality, ELK
	Head of Department Rasmus Abildgaard Kristensen, Department for Green Diplomacy and Climate, GDK
	Deputy Head of Department Henning Nøhr, Department for Evaluation, Learning and Quality, ELK

Agenda Item No. 1: Announcements

The Under-Secretary for Development Policy welcomed the Council for Development Policy and commended the Council for having fulfilled their role virtually during the last year. The Ministry would slowly be returning to a more normal work situation including with regard to travelling. He noted the Council's wish to be briefed about the new approach to engagement and information and suggested that the item be scheduled for the Council's meeting in September, by which time it would be possible to present a more coherent picture.

The Deputy Heads of Department of the Department for Humanitarian Action, Civil Society and Engagement (HCE) and the Department for Evaluation, Learning and Quality (ELK) briefly presented the new development strategy "Fælles om verden" (slides attached), which had been published the week before. The Council welcomed the strategy which was very well construed and also praised the process leading to its adoption. Given its broad parliamentarian support, some Council members had wished for a larger event announcing the strategy's adoption. The Council looked forward to engaging in translating the strategy into action including through discussions about some of the forthcoming How-to notes.

Agenda Item No. 2: Beyond the Grid Fund for Africa - Uganda window

For discussion and recommendation to the Minister
DKK 80 million
Department for Green Diplomacy and Climate, GDK

Summary:
The Beyond the Grid Fund for Africa (BGFA) aims to create access to basic and affordable renewable energy services for energy poor people living outside the national electricity grid and to accelerate private sector growth in energy generation. The Fund does so by providing results-based financing to accelerate the private off-grid renewable energy sector to provide affordable clean energy services in rural and peri-urban areas of Sub-Saharan Africa without access to energy services today. The Danish contribution of DKK 80.0 million will be targeted the Uganda window only. The multi-donor trust fund is managed by the Nordic Environment Finance Corporation (NEFCO) and is expected to contribute to providing three million people with basic energy services by 2026.

The Council for Development Policy recommended the support to the Beyond the Grid Fund for Africa – Uganda window - for approval by the Minister for Development Cooperation.

The Council welcomed the support to the Beyond the Grid Fund for Africa (BGFA) including its integrated focus on gender and green job creation and noted that the project was based on solid experiences from a first phase in Zambia supported by SIDA. However, the Council also noted that besides the project's focus on private providers, there would be a need for providing capacity development to and ensuring a proper dialogue with public authorities on the framework conditions regulating the sector. In this connection, the Council emphasised the importance of avoiding a politicization of the support when public authorities are involved.

Members of the Council welcomed that the Fund was expected to coordinate and disseminate knowledge both at the national and international levels with other donor agencies and national authorities. The need for the MFA and the Embassy in Kampala to secure adequate human resource to follow up was stressed.

Members of the Council asked for further details regarding the targeted end-beneficiaries and the type of Energy Services Providers (ESP) to be contracted, and about how the Fund would reach the poorest and hardest to reach populations in Uganda. Members observed that the engagement of youth was less visible and that youth were unfortunately not included in the results framework, and more generally, it was questioned how it would be possible to ensure inclusion through a market based model. It was also observed, that the Fund would apparently be able to connect a fairly large number of people with limited resources and at lesser cost than in Zambia. Finally, Members of the Council asked for the reason for only supporting the Uganda window.

The Head of the Department for Green Diplomacy and Climate (GDK) thanked the Council for the support and very relevant questions. He explained that Uganda had been selected because of the possibility to build synergies to the Danish bilateral engagement, and because Uganda was among the 20 countries in the world with the largest share of the population without access to energy but with a dynamic private sector. It was stressed that end-beneficiaries would be poor households (mainly rural) without access to electricity today but not necessarily the poorest of the poor due to the market approach. However, two of the funding windows could also be targeted more hard-to-reach and poorer regions by increasing the subsidy element. Regarding the type of expected Energy Service Providers, he explained that the Call for Proposals to the three different windows would attract proposals from a pool of both small and larger service providers or consortiums with both national and international background. He also explained that the results-based financing model or 'social procurement model' with subsidies financing only the 'affordability gap' was the reason that BGFA was able to contribute to connecting so many households with a limited overall budget. Finally, he emphasized that close coordination with relevant Government institutions would take place, particularly in relation to the micro-grid funding window where Uganda had a new mini-grid regulation in place and to strengthening the national regulation for quality control of imported solar energy products. Discussions with the authorities on the framework conditions were already taking place in other fora, such as ESMAP and CEPs. Further, a coordination platform with donors, private sector, civil society and the Government would be set up once the project was fully operational.

Summing up, the Chair concluded that the Council could recommend support to the Danish contribution to BGFA window in Uganda for the Minister's approval.

Agenda Item No. 3: Danish Support to the African Water Facility

For discussion and recommendation to the Minister

DKK 149.5 million

Department for Green Diplomacy and Climate, GDK

Summary:

The programme document presents a four-year programme to support the African Water Facility (AWF) with DKK 149.5 million in improving climate resilient water and sanitation services. The programme is part of the AWF work plan for 2021 and its objective is to improve access to domestic water supply and sanitation services, support COVID-19 prevention and recovery efforts, and enhance climate resilience through the Water, Sanitation and Hygiene sector. Through a combination of longer term and immediate measures, the programme will be implemented in both rural and urban communities in five countries in the Sahel and the Horn of Africa: Mali, Niger, Burkina Faso, Ethiopia and Somalia. Activities will specifically target poor and vulnerable communities *with no or very limited access to safe and reliable water and the programme will thereby contribute to reduce poverty levels and improve health conditions.*

The Council for Development Policy, keeping in mind the noted concerns, recommended the Danish Support to the African Water Facility for approval by the Minister for Development Cooperation.

The Council recognized the relevance and importance of the objective of providing improved access to water for more households in the five countries covered by the proposal and to meet that end, the need for preparing more sound projects in the water sector.

However, Members of the Council also questioned the instrument chosen for working towards this objective. Pointing to existing bilateral water engagements in some of the five countries, Members of the Council questioned the choice of working through a multilateral institution instead of engaging bilaterally through sector-wide approaches aiming to also improve the framework conditions. Members asked whether the AWF had the necessary capacity to carry out the programmes in countries with difficult conditions, not least considering that an evaluation of the AWF had emphasised the need to improve operational efficiency for delivery on its mandates. That being said, Members of the Council also found it important to support an existing institution owned by the African countries; this was considered to have an important signalling value.

While Members of the Council found it important for the programme to consider the potential role of the private sector in the overall implementation as well as in the design of the specific projects, they also found it questionable whether it would be possible to develop bankable water projects, not least in fragile countries as the ones in question and asked whether the African Water Facility had the experience to develop such projects. Members of the Council also asked about the rationale behind the selection of the five countries in the Sahel and the Horn of Africa and expressed concern regarding the risks associated with the programme and its regional focus in a very diverse set of countries.

Finally, Members of the Council asked about the potential role of the Danish private water sector and also underlined the need of considering the use of nature-based solutions as part of the programme design.

The Deputy Head of the Department for Green Diplomacy and Climate (GDK) thanked the Council for the support and relevant questions and comments. The Deputy Head of GDK emphasized that the programme was very much aligned with the objective of the new Strategy for Development Cooperation and would contribute significantly to the objective of improving access to water for the most vulnerable in Africa. Further, the selection of countries was based on the Danish bilateral presence in the water sector, which enabled opportunities for synergies and collaboration. The core mandate of the AWF - which was co-founded by Denmark in 2005 - was to prepare projects and they had a strong track record and expertise to do so across Africa where primarily the African Development Bank but also development partners and private sector companies have financed projects prepared by the AWF. Regarding bankability, there was a need to adjust the language. This was not about the classic investors but about blended finance. There could be opportunities for IFU and other Danish water actors could also come into play.

The Deputy Head of GDK further explained that based on the contribution, Denmark would become the lead donor to the AWF, which would leave significant opportunities to improve the performance of the Facility including on e.g. project implementation efficiency and gender mainstreaming. Lastly, GDK would actively monitor programme progress through a newly established donor dialogue and participation in the AWF Governing Council.

The Under-Secretary for Development Policy emphasized the need for proper risk management and for finding the right balance between sector support and programme results on improved access to water. Some formulations in the project document would be adjusted to reflect this. The new Doing Development Differently (DDD) approach to strategic planning and country programming would be highly relevant in the context of this new initiative.

The Chair of the Council thanked the members for good and relevant comments and questions and GDK for thorough answers. The Chair of the Council emphasized the importance of linking the programme with Danish bilateral activities within the water sector and keeping a steady eye on the issue of bankability and concluded that the Council recommended the Danish Support to the African Water Facility for approval by the Minister for Development Cooperation.

Agenda Item No. 4: DSIF/Ukraine: Lviv Waste Water Treatment Plant Rehabilitation Project
DKK 78.8 million
For discussion and recommendation to the Minister
Department for Green Diplomacy and Climate, GDK

Summary:
The project will reduce adverse environmental impacts of wastewater treatment of Lviv City by bringing the quality of the wastewater discharged into the Poltva River, which runs into the Baltic Sea, in compliance with EU standards and for reducing the final amount of sludge for other disposal. The project will rehabilitate the treatment facilities, install new centrifuges for the sludge and build operational capacity of the city's water company. The project will have significant environmental impact and health impact, both in its own right, as well as through contributing sludge to a biogas plant under construction. Together the two projects have a total projected CO_2 emission equivalent of 155,000 t/year.

Danida Sustainable Infrastructure Finance (DSIF) finances critical public infrastructure that cannot be financed on commercial terms. The project is one out of three projects prepared together with Nordic Environment Finance Corporation (NEFCO). Ukraine is a lower middle-income country and the project will be financed by a 35 percent concessional loan.

The Council for Development Policy recommended the Lviv Wastewater Treatment Emergency Rehabilitation Project for approval by the Minister for Development Cooperation.

While recognizing the importance of improving wastewater treatment, the Council expressed concerns about a number of issues relating to the long-term economic, social and environmental sustainability of the project.

Members of the Council asked about the users of the wastewater treatment services, finding the poverty focus was lacking and the consideration of gender narrow. Considering that one of the key results was reduction of emissions, they recommended a calculation of reduced emission equivalents. They also requested clarification concerning the final sludge disposal and the cleaning-up of old sludge deposits.

Members of the Council raised concerns regarding the economic sustainability of the project, especially concerning financial resources for operation and maintenance. It was asked whether there was a dialogue with Lviv City on the matter. Furthermore, there were concerns regarding the lack of skilled workforce due to low wages, as well as the complementarity with the technical assistance provided by German utility companies.

Regarding the DSIF-NEFCO model, Members of the Council asked how much influence DSIF had in determining the content of the project. On the topic of project budget, concerns were raised that the City's contribution to the project was very small, and whether this was a reflection of low priority. It was also pointed out that the Danish contribution is in the form of a grant while NEFCOs is a loan and was this desirable given the small contribution from the city.

Members of the Council furthermore highlighted the importance of engaging Danish companies early in the process. If DSIF was meant to be a private sector instrument, it should make a stronger contribution in this area. It was asked whether open tenders would be the standard going forward. Finally, members of the Council asked for an update on the status of the Memorandum of Understanding between Ukraine and DSIF.

The Deputy Head of the Department for Green Diplomacy and Climate (GDK) thanked for the comments and questions. He underlined that the project primarily was an environmental project, with a clear climate relevant element. He informed that together with the biogas project, a reduction of CO_2 emission equivalent of 155,000 t/year was projected. The project would have an indirect impact on poverty reduction, as it would improve health and livelihoods for people living in the city and downstream along the river. The Representative of DSIF explained that the project was not about enabling further access to sanitation services for particular groups, but about improving the quality of existing services.

The Deputy Head of GDK explained that the technical assistance component of the project was planned to support long-term sustainability of operation and maintenance of the plant. Wastewater tariffs for users were not expected to be influenced by the project and the plant would continue to receive subsidies from the city government. The Representative of DSIF explained that the German Twinning focused on water supply, while the DSIF Twinning would focus on waste water treatment, identifying the most crucial focus areas prior to commencement. Attracting and retaining qualified workers was a systemic issue in Ukraine. The project would address this by focusing on upskilling youth, but would not be able to influence the wage levels.

Regarding the DSIF-NEFCO model, the Deputy Head of GDK explained that after the first three pilot projects there would be a discussion on the proper grant component percentage for untied projects like these (in contrast to the general DSIF model, where tenders are restricted to Danish companies), keeping in mind that the lower the grant contribution, the smaller the influence on project design and that DSIF should only finance non-commercially viable projects, which was generally the case in the wastewater sector. The Representative of DSIF added that while NEFCO had identified the project and invited DSIF to participate, DSIF had substantial leverage, for example by ensuring that certain preconditions were met before the grant was disbursed, including a satisfactory agreement regarding the final disposal of sludge, the quantity of which would be significantly reduced through the project.

Regarding Lviv City's contribution to the budget, the Deputy Head of GDK reminded that the funds from the European Bank for Reconstruction and Development (EBRD) and NEFCO were loans, which the city government would be paying back over time (in addition to their direct budget contribution). The Representative of DSIF added that the project was a top priority in the City's "Green Action Plan", and that the City's combined contributions to the rehabilitation and biogas projects were substantial.

The Ambassador stressed Denmark's geopolitical interest in supporting the reform process in Ukraine. Denmark was the sixth/seventh largest donor through the Neighbourhood Programme and was, among other things, leading a national anticorruption programme and partaking in EU's support to decentralisation. This project was contributing to the latter agenda by supporting Lviv City in effectively managing their wastewater.

The Ambassador acknowledged that Ukraine was a difficult market for Danish companies, but stressed that the Embassy was in a good position to support interested companies, many of which were based in Lviv. The Embassy would reach out to Danish companies, informing about the opportunities on DSIF projects. Furthermore, the Ambassador planned a visit to Lviv, as soon as COVID-19 travel restrictions would allow, to strengthen the dialogue with local authorities and raise any potential concerns regarding the project implementation. Regarding the MOU, the Ambassador explained that while it was signed by both parties, Ukrainian authorities had not yet resolved on administrative matters. It was expected that this would soon be sorted out, making the MOU operational.

Summing up, the Chair found that the project was well described and the environmental focus was very relevant, especially considering the effluent flow into the Baltic Sea. The Chair concluded that the Council had received sufficient answers to the concerns raised, and that the Council could recommend approval of the project to the Minister, expecting the implementation to take into due consideration the concerns expressed by the Council.

Agenda Item No. 5: Midterm review of the P4G-initiative
For information and discussion

Summary:
The midterm review (MTR) follows up on the 2019 inception review and notes that the programme has performed well against its results frameworks and targets, and that the Hub has managed the funds well. The long-term prospects for the programme's sustainability are positive. P4G is recognised for the important role it plays, and has demonstrated the technical capacity to fulfil this role in a professional and competent manner. More attention should be given to the reporting of results, national platforms and decentralisation of technical and advisory resources. The impact of COVID-19 on the programme's rate of expenditure may suggest the need for a no-cost extension. The programme has the potential to attract both different, further, and additional donor support beyond the present donors (Denmark and the Netherlands). P4G should develop and pursue a strategy for engagement with additional donor agencies especially in terms of a possible second phase.

The Council welcomed the discussion of the MTR of the P4G-initiative and raised points in regard to centralisation/decentralisation, the role of the hub, the planned fund, start-up/scale-up, the donor base and the need for a donor strategy, the balance between the Ps, processes and results.

Members of the Council commented on the possible tension between a centralized approach with a hub and investment fund in Washington and a decentralized approach relying on national platforms. Members of the Council generally encouraged a further decentralized approach and national platforms' involvement in partnerships. At the same time, the cost-effectiveness of building new structures everywhere was questioned.

Members of the Council questioned the added value of the hub and expressed concern regarding lack of information from hub to platforms. It was noted that support for the national platforms had mostly been provided by the Danish platform and that there was very little information available on the hub's website. In relation to the planned investment fund, the fast change in context was noted with the remark that focus today was more on value chains and the need to de-risk investment than to fund of projects. Members of the Council recommended a continuous focus on both start-up and scale-up partnerships, and not to favour the latter over the first. Furthermore, while recognizing the value of a PPP platform and that there were not many initiatives with the same focus as P4G, Members of the Council noted that P4G currently appeared more like a platform for NGOs and private actors than for public actors.

Members of the Council also emphasized the importance of expanding the donor-base to include in particular the Nordic countries and the need for a donor strategy in that regard. It was questioned whether the Hub had sufficient incentives to attract new funders. The partnership application process was seen as relatively long and more flexibility was requested by some Members of the Council whereas others requested a return to a fixed application date.

In regard to results and value for money, Members of the Council recognized that the initiative was still young and had shown value. However only the contours of something were visible, when would some results show? This was underscored given that the Review recommended to start up preparation of a new phase of support to P4G.

Finally, Members of the Council commented that when the Council had last debated the P4G-initiative in October 2019, the debate had been much the same. It would be important to act.

The Deputy Head of the Department for Green Diplomacy and Climate (GDK) briefly introduced developments since finalizing the MTR in January. The P4G Summit in Seoul had proven the global outreach of the P4G with 67 heads of states and leaders of international organisations participating and elevated the initiative and partnerships beyond the launch in Copenhagen in 2018.

Implementation of the recommendations were ongoing or would be announced soon including a technical field review, a study on investments and financial instruments, a donor engagement strategy, a decentralization strategy and a plan for strengthening of national platforms. Both the Republic of Korea and the Netherlands had pledged funding for the current phase of P4G and were ready to continue in a possible second phase. The Deputy Head of GDK, however, fully acknowledged the need for engaging more donors which was one of the top priorities going ahead. As part of the decentralization efforts, the Hub was recruiting two new country managers for Kenya and Colombia respectively, and were looking into providing funds for local staff in a cost-sharing manner where relevant. Regarding the type of partnerships being prioritized, he assured that P4G would continue to fund start-ups but it would be start-ups with a scaling and transformative potential. There was also full agreement for the need to be more agile in the partnership application process and various models were tested including a fixed opening date for applications and a more flexible deadline.

Agenda Item No. 6: Danish-Arab Partnership Programme (2022-27)
For discussion and recommendation to the Minister
DKK 1 billion
Department for the Middle East and Northern Africa, MENA

Summary:
The objective of the development engagement with the Danish-Arab Partnership Programme (2022-2027) is to support a new phase of the partnership programme between primarily civil society organisations in Denmark and in the MENA region with a specific focus on human rights, job creation and youth in line with Danish foreign policy interests.

The Council for Development Policy recommended the proposed new phase of the Danish-Arab Partnership Programme to the Minister for Foreign Affairs for approval following adjustments to the programme document that accommodate the concerns raised by the Council in regard to intercultural exchange and cooperation, the drivers of migration, the dialogue between rights holders and duty bearers, "green jobs", an apparent reduction of funds for gender equality and distinguishing between different forms of violence.

Three Members of the Council, Marie Engberg Helmstedt, Bente Sorgenfrey and Marie Gad, left the meeting during this agenda item with reference to the Rules of Procedure for the Council for Development Policy regarding conflict of interest.

The Head of the Department for the Middle East and Northern Africa, (MENA) commenced by informing about a reallocation of the planned budget to the new phase of the Danish-Arab Partnership Programme (DAPP) 2022-27 to strengthen the budget for the Human Rights Programme. Based on inputs from Danish civil society on the budgetary distribution between the programmes on Human Rights and Youth Employment, MENA would consider allocating additionally DKK 50 million to the Human Rights Programme from the Innovation Fund. Hence, the Human Rights Programme would have a total budget of DKK 460 million.

The Council commended the plans for the new phase of the DAPP, the well-written programme documents and the context analysis.

Members of the Council acknowledged that the decision to reduce the number of partners was likely substantiated, but expressed interest in the reasoning behind the decision and whether it would result in a loss of the 'people-to-people' exchange between organisations in Denmark and the DAPP countries which had originally been centrepiece of the DAPP-initiative. Is the reasoning that there is less need for these types of interchange or is it more based on a change of political priority?

Members of the Council expressed the need to look at the broader context, not human rights or job creation in isolation. Furthermore, Members of the Council questioned the assumptions of the proposal that job creation would reduce migration and that jobs could be created through development assistance. Members pointed out that in the case of migration, the links to human rights and protection modalities were of greater importance, and that in the case of jobs, development assistance could help establish the pre-conditions for job creation. Also in relation to jobs, Members of the Council stressed the importance for the programme to clarify the meaning of "green" which was not a well-understood concept. Jobs in agriculture were, for instance, not green by definition.

Members of the Council also noted that the Youth Employment Programme focused more on the individual level than on altering framework conditions in the DAPP countries. Comments on the interlinkages between the two programmes were also made along with the suggestion that rights issues, including women's rights, should be further integrated into the Youth Employment Programme. Members of the Council suggested that the Youth Employment Programme would benefit from a stronger focus on green energy, technical training and further information about the link between migration and job creation as well as a more clear definition of 'green jobs' (as mentioned above).

Regarding the Human Rights Programme, Members of the Council questioned the feasibility of the new DAPP's focus on a systemic approach to human rights and the enhanced dialogue between duty bearers and rights holders when considering the various degrees of authoritarianism prevailing in most of the DAPP countries. Members also encouraged that some thought be given to the use of the terms 'duty bearers' and 'rights holders' as both were in fact holders of duties and rights. Furthermore, Members of the Council questioned the apparent budget reduction for gender equality, whether gender equality was considered in the youth component; and whether the relatively specific descriptions would force youth organizations into specific human rights activities, in the worst case promoting conflicts with duty bearers rather than constructive dialogue.

Members of the Council also questioned that Gender-Based Violence (GBV), torture and violence against minorities were included under the same outcome of the project document pointing out that GBV often occurred in family settings and that women's organisations were important partners, while the two latter were examples of more institutional forms of violence but still of different nature.

The Chief Advisor of the Department for the Middle East and Northern Africa (MENA) thanked the Council for the constructive comments. He explained that DAPP had been adapted to a changing context and to lessons learned from previous years working in the region. Intercultural exchange and cooperation remained highly relevant. Based on lessons learned and the mid-term review, the exchange between Danish and Arab civil society would be achieved through various approaches with fewer partner organisations.

The Chief Advisor also stressed that the debate around migration included a complex array of issues and that multiple factors could serve to prevent or reduce youth migration. The new DAPP was designed to address issues related to the employability and human rights of youth, two key issues cited in relevant opinion surveys as main drivers of youth migration. Regarding the request for a definition of 'green jobs', criteria would be included in the relevant tender material.

Regarding cooperation between duty bearers and rights holders, the Chief Advisor acknowledged that the dichotomy between the two groupings might not always be conducive to mutual understanding. A more diverse and organic stakeholder approach to the human rights system might have advantages for facilitating dialogue. Inclusion of duty bearers in the Human Rights Programme, had been a key aspect also of previous DAPP phases. While the level of ambition would be increased in the new DAPP, activities would build on years of engagement with public and state actors, such as ministries of justice and public prosecutors. He also noted that human rights would be a central element under the Youth Employment Programme in terms of e.g. labour market rights and gender equality, an example of the interlinkages between the two programmes. The Chief Advisor confirmed that the inclusion under the same outcome of different forms of violence would be reconsidered.

The Under-Secretary for Development Policy noted that it was the duty of the Ministry to listen if a document was read/understood in a different manner than intended. That being said, with a programme of 1 billion DKK, much of the programming was outstanding and thus open for further detailing and tailoring.

The Council for Development Policy recommended the proposed new phase of the Danish-Arab Partnership Programme to the Minister for Foreign Affairs for approval following adjustments to the programme document that accommodate the concerns raised by the Council in regard to intercultural exchange and cooperation, the drivers of migration, the dialogue between rights holders and duty bearers, "green jobs", an apparent reduction of funds for gender equality and distinguishing between different forms of violence.

<u>Agenda Item No. 7: Debt Relief for Sudan under the Heavily Indebted Poor Countries (HIPC) Initiative</u>

For information and discussion

Department for Multilateral Cooperation and Policy, MUS

Summary:

Over the past years, Sudan has taken important steps to normalise relations with the international community and has also made strong progress on the implementation of economic reforms. Consequently, Sudan now qualifies for debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative, including bilateral debt relief from Denmark, which will enable access to new development financing from multilateral development organizations.

The Head of Department for Multilateral Cooperation and Policy (MUS) informed the Council that on 28 June 2021, the International Monetary Fund and the World Bank announced that Sudan qualified for debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative. Sudan would be the last of 15 cases of HIPC debt relief for Denmark and she wanted to take the opportunity to inform the Council about this last case. She explained the HIPC Initiative including the results achieved in the 37 countries, which have previously received debt relief under the initiative. The Head of MUS briefly outlined the progress made in Sudan in the past years and how debt relief for Sudan would enable access to new development financing from the multilateral development organizations.

The Under-Secretary for Development Policy supplemented the presentation by noting that the engagement in Sudan was important although the risks were high. With reference to the HIPC process for Somalia, which was initiated last year, the Under-Secretary noted that while it was risky to provide debt relief for countries in unstable situations, it had to be done to make progress.

The Chair of the Council for Development Policy thanked the Head of Department and invited for comments and questions from the Council.

Members of the Council expressed concern about the consequences of higher fuel prices when fuel subsidies were phased out as part of the reform agenda. Members of the Council asked how creditors outside of the Paris Club would contribute to debt relief for Sudan, what the export credits had been used for, and how the internal mechanism of provision of debt relief worked. Members of the Council further asked whether there had been a new dynamic in the relationship with Sudan in the past years since debt relief was now on the table.

The Head of MUS thanked for the questions and explained that important creditor countries such as China and Saudi Arabia had been working more closely with the Paris Club on debt issues in recent years and would also be expected to provide debt relief for Sudan. She noted that there was broad international support for debt relief to Sudan and further explained that the World Bank provided cash transfers for the most vulnerable to counter the negative impacts of difficult economic reforms. She informed that the export credits to Sudan were originally issued by the Export Council with a guarantee from the Ministry of Trade/Ministry of Industry to purchase different industrial goods from Danish exporters. The Danish Export Credit Agency EKF was now the administrator of the debt which was held by Danmarks Erhvervsfond (DE) and that the practice was for the Ministry of Foreign Affairs to compensate DE for providing debt relief.

The Chair of the Council thanked for the information.

Agenda Item No. 8: Evaluation of Danish funding for climate change mitigation in developing countries

For information and discussion
Department for Evaluation, Learning and Quality, ELK
Department for Green Diplomacy and Climate (GDK)

Summary:
Focusing on Danish funding for climate change mitigation in developing countries in the period from 2013 to 2019, the evaluation examines the strategic effectiveness of efforts to reduce greenhouse gas emissions. The findings rest on evidence from studies of bilateral projects and programmes in four countries as well as on assessments of mitigation initiatives undertaken through selected multilateral partners. The evaluation concludes that the successful energy sector initiatives can be complemented with additional funds for reducing emissions through nature-based solutions. The independent evaluation team comprised consultants from Particip and ODI.

The Chair welcomed that the recently published evaluation of Danish funding for climate change mitigation in developing countries was presented to the Council for information to continue the thematic discussion the Council had initiated on the complex issue of how best to simultaneously support mitigation, adaptation and poverty reduction. This thematic discussion was launched at the September 2020 Council retreat, had continued with the presentation of the Climate Ambassador, and the discussion of the adaptation evaluation.

The Head of the Department for Evaluation, Learning and Quality (ELK) outlined the major focus, findings and recommendations of the evaluation which covered the period 2013-19 where funding levels had varied from going up, to going down and up again. The evaluation should be seen in perspective with the recent evaluation of Danish support for climate change adaptation in developing countries. The evaluation examined the strategic effectiveness of efforts to reduce greenhouse gas emissions. The findings rested on evidence from studies of bilateral programmes in four countries, namely Ethiopia, Indonesia, South Africa and Vietnam, as well as on assessments of mitigation initiatives undertaken through selected multilateral partners, including the Green Climate Fund (GCF) and development banks.

The evaluation put forward four major recommendations: 1) requirement for further dialogue with national authorities on the necessity for climate change mitigation (CCM) and how this can be aligned with national strategies and plans; 2) further development of goals and indicators for CCM, include improving the capacity of implementing partners to measure expected emission reductions; 3) increased focus on building national institutions, capacities and knowledge (research) in connection with provision of technical solutions for CCM and; 4) increased focus on nature-based solution as part of the tool box for CCM, with a strong focus on related co-benefits, e.g. with respect to livelihood, nature, biodiversity and climate change adaptation.

The Head of the Department for Green Diplomacy and Climate (GDK) informed that the management response was generally in agreement with the findings and recommendations of the evaluation. It was noted that the evaluation process had provided important and useful inputs for strategic thinking on climate change mitigation within MFA, but it was also carried out under difficult circumstances due to the impacts of COVID-19, especially with restrictions on country visits. The evaluation looked into a period 2013-19, where the Danish development assistance support for CCM despite variation was relatively low, and some of the recommendations were already addressed in recent years on the back of an increased CCM portfolio. The strong focus on energy in the period 2013-19 should to some extent be seen as a consequence of the need to prioritize the scarce resources for CCM. Today, there was room to address broader perspectives of the CCM agenda with more focus on systemic transformation and enabling environment, and also to a higher degree non-energy emission reduction efforts, e.g. with nature-based solutions. In the future, the approach would be much more balanced, and the Ministry of Climate would also have to broaden the scope to support other solutions than energy. The dialogue with partner countries was now enhanced through climate advisors and synergies built with the Strategic Sector Cooperation (SSC) Programme. Often this dialogue had been initiated on what Denmark could offer on energy solutions here and now, but to a larger extent it was now driven by the desire to embed these technical solutions within national systems and institutions to support long-term engagements.

Members of the Council commented on the two presentations. The importance of the SSC programme was acknowledged as a vehicle to exchange knowledge with partners and to assist with generating national solutions for emission reductions. The narrow focus on energy as a driver for the green transition was also noted, as was the need for a broader approach in the future, with e.g. land-use, agriculture and nature restoration as part of the CCM efforts. Even though the evaluation paid relatively little attention to the role of the private sector and institutional investors (as this was not a major part of the assignment), Members of the Council noted that it would still be important to remember them as key stakeholders within CCM actions. Members of the Council also noted that the evaluation could have looked into other co-benefits (e.g. on poverty) as the CCM was provided through development assistance funding. Another issue to be considered in future evaluation work could be of how/whether behavioural change had incurred as a consequence of the development efforts, inspired by the adaptability in behaviour observed during the COVID-19 pandemic. Members remarked on the political economic contects of some of the specific partners in collaboration, eg the South African coal based interests, which made mitigation efforts more difficult.

Finally, Members of the Council asked what Denmark should do more of. The Head of GDK replied: Maintain a strong focus on renewable energy and energy efficiency, promote nature-based solutions as part of CCM, increase focus on the political economy for a green and just transition, and convene change through climate diplomacy, scalable solutions – and climate change adaptation.

Agenda Item No. 9: AOB

This meeting being the last one for both Head of Department Nanna Hvidt and Advisor Britt Balschmidt Tramm, the Chair took this opportunity to thank them for their assistance to the Council.