Ministry of Foreign Affairs – (Department of Green Diplomacy and Climate)

Meeting in the Council for Development Policy on 10 June 2025
Agenda Item No. 9

1. Overall purpose:	*For discussion and recommendation to the Minister*
2. Title:	Danish contribution to the International Energy Agency's (IEA) Clean Energy Transition Programme (CETP)
3. Amount:	DKK 75 million (2026-2030)
4. Presentation for Programme Committee:	11 March 2025
5. Previous Danish support presented to UPR:	n.a.

Danish Voluntary Contribution to the International Energy Agency's Clean Energy Transitions Programme (CETP) 2026-2030

Key results:

- Knowledge transfer and capacity building on energy efficiency has contributed to promote energy efficiency as one of most cost-efficient ways to meet future energy demands and comply with the Paris Agreement in targeted countries.
- Better information and enhanced capacity have guided policy making in targeted emerging economies to accelerate a clean energy transition and mobilise private investments.
- Support of energy sector reforms has helped targeted emerging economies and developing countries to overcome market, regulatory and governance barriers hindering clean energy transitions and has contributed to raising global ambitions on energy transition goals and increased energy efficiency.
- International dialogue and thought leaderships have enhanced the social and people-centred dimension of the energy transitions.

Justification for support:

- The VC is well-aligned with priorities in the Danish strategy for development cooperation, the Danish Climate Act and the Danish Strategy for Foreign and Security Policy Strategy.
- The VC is an enabler for achieving SDG7, the Paris Agreement on Climate Change and expediting Danish climate diplomacy, addressing global climate ambitions.
- CETP is integrating the social dimension of the energy transition such as affordability and leave no one behind as energy is a key driver for sustainable development, growth and poverty eradication.

Major risks and challenges:

- Deterioration of the geopolitical situation or the international understanding on the need for climate action or clean energy transition will be monitored on an ongoing basis.
- Lack of political will or competing political priorities in one or more priority countries will be mitigated though an adaptive management approach.
- Lack of human and financial capital to accelerate policy formulation and implementation will be assessed and priority areas for analytical work and capacity building agreed with senior-level decision-makers.

File No.	24/42593						
Country	Interregional						
Responsible Unit	KLIMA (& KEFM)						
Sector	Climate						
Partner	International Energy Agency (IEA)						
DKK million	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**Total**
Commitment	75						75
Project disburs.	0	15	15	15.5	14.5	15	75
Duration	5 years						
Previous grants	2020 (DKK 50,0 mill.), 2022/3 (DKK 9,9 mill.)						
Finance Act code	06.34.01.70						
Head of unit	Anne Hougaard Jensen						
Desk officer	Morten Houmann Blomqvist						
Reviewed by	Rie Høygaard Jensen						

Relevant SDGs

Objectives

The overall objective of the CETP is "to accelerate progress towards the goal of realising global net zero emissions from energy through secure and people-centred clean energy transitions particularly in major emerging and developing economies."

Environment and climate targeting - Principal objective (100%); Significant objective (50%)

	Climate adaptation	Climate mitigation	Biodiversity	Other green/environment
Indicate 0, 50% or 100%		100%		100%
Total green budget (DKK)		**75 million**		**75 million**

Justification for choice of partner:

The IEA has deep engagement with governments, private sector actors, and multilateral institutions across the world. CETP supports more than 40 countries and is a global thought leader to guide people-centered clean energy transitions. Partnering with the IEA allows Denmark to scale its impact by leveraging the IEA's global relationships and policy influence and to amplify the impacts of its bilateral contributions in the energy sector through synergy with CETP. The CETP aligns with Denmark's development assistance priorities in promoting sustainable energy solutions in emerging and developing economies.

Summary:

CETP will be contributing to energy sector reforms to overcome market, regulatory and governance barriers to the transition to clean energy and energy efficiency, to enact policy reforms and see increased investment for clean energy transitions. The programme is designed to convert evidence and experience of energy transition into action through cooperation on data, analysis, policy design and implementation, as well as capacity development.

Budget:

	DKK million
Direct support to CETP (incl. E4)	55.5
Unallocated and adaptive management funds	10.25
IEA overhead; Secondment; Mid-term review and learning	9.25
Total	**75.0**

Danish Voluntary Contribution to the International Energy Agency's Clean Energy Transitions Programme (CETP) 2026-2030

May, 2025

Ministry of Foreign Affairs, Denmark

File No.: 24/42593

Abbreviations

ASEAN	Association of Southeast Asian Nations
CETP	Clean Energy Transitions Programme
CO_2	Carbon dioxide
COP	Conference of the Parties (of the UNFCC)
Danida	Brand name for Danish international development cooperation
DEA	Danish Energy Agency
DEPP	Danish Energy Partnership Programmes
E4	Energy Efficiency in Emerging Economies Programme
EE	Energy Efficiency
EEIT	The Office of Energy Efficiency and Inclusive Transitions
ESMAP	World Bank Energy Sector Management Assistance Program
G20	Group of Twenty (intergovernmental forum of major economies)
GCF	Green Climate Fund
GDP	Gross domestic product
GHG	Greenhouse gases
GW	Gigawatt
IEA	International Energy Agency
IRENA	International Renewable Energy Agency
LEARNING	Department for Evaluation, Learning and Quality, MFA
MCEU	Danish Ministry of Climate, Energy and Utilities
MEAL	Monitoring, Evaluation, Accountability, and Learning
MFA	Ministry of Foreign Affairs of Denmark
Mt CO2-eq	Million tons CO_2 equivalent
NDC	Nationally determined contributions
ODA	Official development assistance
OECD	Organization for Economic Cooperation and Development
OECD-DAC	OECD Development Assistance Committee
PAL 6	Professional and Administrative Level 6
PAP	Process action plan
PD	Project document
PWB	Programme of Work and Budget
RE	Renewable Energy
SDG	Sustainable Development Goal
SIO	Strategic Initiatives Office
SMART	Specific, Measurable, Achievable, Relevant, Time-bound
UNFCC	United Nations Framework Convention on Climate Change
VC	Voluntary Contribution

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1 Introduction

The present Project Document (PD) outlines the background, rationale and justification, objectives and management arrangements for development cooperation concerning *Danish Voluntary Contribution to the International Energy Agency's (IEA) Clean Energy Transitions Programme (CETP) 2026-2030* as agreed between the parties: The International Energy Agency (IEA) and the Ministry of Climate, Energy and Utilities (MCEU), in cooperation with the Ministry of Foreign Affairs (MFA), of Denmark. The PD is expected to be an annex to the bilateral agreement with the implementing partner and constitutes an integral part hereof together with the documentation specified below.

Members of IEA make an annual "assessed contribution" its core budget and may make additional "voluntary contributions" (VC) to support specific activities or outputs in the IEA's Programme of Work and Budget. The Government of Denmark's made its first voluntary contribution to IEA in 2014 and latest Denmark made a VC to CETP (2020-2025) that aimed to: continue support to the successful Energy Efficiency in Emerging Economies (E4) Programme, a major component of the CETP; broaden Danish support to the CETP to strengthen its work within Danish priority areas and countries; and increase synergies and collaboration between the CETP work and Danish bilateral energy partnerships and, where relevant, multilateral programmes supported by Denmark. The currently proposed VC will continue and extend this valuable support. The Danish VC is provided as official development assistance (ODA) and is therefore only available to ODA eligible countries. Furthermore, Denmark also provided two smaller grants in 2023 and 2024 targeted concrete technical support on energy efficiency to Kenya and regional training in Africa work amounting approximately DKK 9,9 million.

The planned Danish support to CETP will amount DKK 75,0 mill between 2026-2030, whereof DKK 32,0 mill. will be earmarked for the E4 sub-programme which today is fully integrated of the CETP. The IEA is one of the leading global agencies working with governments and other stakeholders to shape a secure and sustainable energy future. It is facilitating global energy transition towards clean energy through global dialogue. It is providing data, evidence, analytical work and capacity building to targeted emerging economies and developing countries to accelerate a people-centred clean energy transition and to prioritise energy efficiency (EE) as one of quickest and most cost-effective CO_2 mitigation options while lowering energy bills for households and strengthening long-term energy security.

Denmark co-founded the E4 in 2013. The programme was conceived to help overcome structural barriers to EE in emerging economies. The CETP was launched in 2017, with Denmark as a main instigator, as an expansion of the E4, aiming to fully leverage IEA's all energy systems approach and all-of-technologies expertise to address clean energy transitions[1] on a broader scale in E4 partner countries, opening the EE

[1] *"Transitions" in this instance and throughout the document refers to the transition consistent with the IEA's Net Zero Emissions (NZE) Scenario, which portrays a pathway for the global energy sector to achieve net zero carbon dioxide (CO_2) emissions by 2050 while maintaining energy security. This scenario is consistent with keeping long-term global*

issues to overall areas of energy transitions, including renewable energy (RE). As an umbrella programme, the CETP brings together nine work streams of which the E4 is the largest. Although E4 has until now been separately managed as a sub-programme of CETP, IEA is gradually integrating the workstreams into one programme with a common results framework and planning structure as presented for the first time in this document.

The Danish VC will have the overall objective to ""Accelerate progress towards global net zero emissions from energy through secure and people-centred clean energy transitions, particularly in major emerging and developing economies." This will be achieved through continuing support for CETP including E4, although direct causality with GHG-reductions will not be possible to assess but rather through new policies, regulations, and data management. The precise areas of work to be supported will be determined by the demand from the partner countries and regions, while also taking into consideration specific Danish areas of interest, thus contributing to synergies with the Danish bilateral efforts in the priority countries and the work of other multilateral agencies.

Concretely, the Danish support will enable the CETP and E4 to contribute to energy sector reforms to overcome market, regulatory and governance barriers to the transition to clean energy and EE, to enact policy reforms and see increased investment for clean energy transition and support of people-centred green energy transition. This will be done through technical assistance, data and evidence programme designed to convert evidence and experience of energy transitions into action through cooperation on data, analysis, policy support and capacity development in targeted regions and countries, while also contributing to strengthening international coordination, knowledge and political will to accelerate a global green energy transition.

2 Context, strategic considerations, rationale and justification

2.1 Context

To fulfil the 1,5 °C limit of temperature rise target as set out in the Paris Agreement, global greenhouse gas emissions (GHG) need to be reduced by 45% by 2030 and reach net zero by 2050. As of June 2024, 107 countries, responsible for approximately 82% of GHG emissions, had adopted net-zero pledges, but the actual commitments that have so far been made to limit emissions would lead to only 2.6% emissions decrease by 2030.

Energy is the source of around three-quarters of GHG emissions. Achieving net-zero requires global energy demand to decrease by about 8% by 2050 (according to the IEA report net-zero-by-2050). Advanced economies must reach net zero before emerging markets and developing economies and assist others in getting there. The pathways taken by emerging economies to increase their energy supplies to meet rising

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warming to 1.5 °C with limited overshoot. It also aims to meet key energy-related UN Sustainable Development Goals, particularly achieving universal access to modern energy services by 2030. See more at:

ttps://urldefense.com/v3/__https:/www.iea.org/topics/net-zero-emissions__;!!Prj2KelAwpywYnARIQsmmHCn!PV4LIqGxqvaGnD7DJEYpIy4huP-IeqLJ7g7K9XL7Wg4YvrFaLXmBHpEtZUVrcDWLXO3CNYGiTJQ$

https://www.iea.org/topics/net-zero-emissions

demand and boost economic development will be fundamental to achieving a global energy transition. This requires a massive increase in RE, EE measures, and grid infrastructure, while ensuring that consumers, particularly those with low incomes, can access reliable and clean energy at affordable prices.

Despite record clean energy deployment, two-thirds of the increase in global energy demand in 2023 was met by fossil fuels, pushing energy-related CO_2 emissions to another record high (IEA World Energy Outlook 2024). Meanwhile, the share of clean energy investment in emerging market and developing economies outside of China remains stuck at 15% of the total, even though these economies account for two-thirds of the global population and one-third of global GDP. While this is a major challenge for fulfilling the Paris Agreement, it is also preventing the consumers access to reliable and affordable energy in these countries.

This demonstrates the need to accelerate a transition to clean power generation while allowing emerging economies and developing countries to continued growth and positive socio-economic development. While RE sources often are the cheapest form of power today, transitioning to a clean energy system poses significant challenges, particularly for developing and emerging economies. This includes lack of regulatory policies, difficulties in attracting investments, high upfront costs, low security of supply, inefficient power markets and lack of technical expertise needed for implementing and managing renewable and integrated energy systems.

Energy is the cornerstone of any modern economy to enable growth, social development and eradicate extreme poverty. Therefore, a people-centred and just energy transition has been a prominent topic for discussion in both climate negotiations and most recently at the G20 in Brazil and South Africa. A clean energy transition will allow emerging economies and developing countries to access more affordable and reliable energy as demand is growing but also consider trade-off for specific affected groups such as workers in the fossil fuel industries or communities affected by new RE infrastructure. In addition, for many countries wind and solar power will also present an opportunity to strengthen national energy security and energy independence.

EE is by IEA referred to as the "first fuel" because it is the most cost-effective CO_2 mitigation option while also lowering energy bills and strengthening energy security, helping cushion the effects of unexpected price spikes. EE is the single largest measure to avoid energy demand in the IEA's Net Zero Emissions by 2050 Scenario. Yet, EE is often overlooked as both a mitigation tool and a gateway to achieve SDG7 which is the main reason for earmarking the Danish contribution to the E4. In an international context, the IEA has been one of the leading global agencies to ensure global focus on EE and concrete technical support to emerging economies and developing countries.

2.2 Justification and rationale for Danish support

IEA's expertise, data-driven approach, and global influence on clean energy transition makes it a highly relevant partner for Denmark's climate and energy-focused development cooperation. The IEA has deep engagement with governments, private sector actors, and multilateral institutions across the world. Through CETP, the IEA works with more than 40 countries to support clean energy transition. Partnering with the IEA allows Denmark to scale its impact by leveraging the IEA's global relationships and policy influence in coordination with other Danish supported activities such as the Danish Energy Agency's Global Cooperation Programmes. This has been visible at the Energy Efficiency Summit in Kenya last year, at the work related to JETP in Indonesia or at South Africa's G20 presidency in 2025.

The CETP's purpose is to accelerate progress toward a global net-zero energy system through secure and people-centred clean energy transitions, with particular focus on emerging markets and developing economies. The Danish support to IEA's CETP is therefore well aligned with Danish Strategy for Development Cooperation, - The World We Share – which clearly emphasises that "Denmark must assume

international leadership within reductions, green transition, and access to clean energy". The support is also aligned with the How-to-Note on Energy Transition and Emission Reductions in Developing-Countries which puts significant emphasis on EE. Furthermore, the support is aligned with the Danish Foreign and Security Policy Strategy, which emphasises the importance of building energy security and expanding Danish positions and support of a global green energy transition and climate diplomacy.

The CETP programme is also contributing to achieving SDG7 on clean, affordable and reliable energy. The CETP has in the recent years expanded its focus towards a more people-centred green energy transition and increased its support to Africa. One example was the Summit on Clean Cooking in Africa in 2024 which brought together 4 heads of states, 24 ministers and many heads of multilateral agencies. This resulted in strong political commitments to ensure access to clean cooking, as almost 80% of the households in Sub-Saharan Africa still depend on cooking their meals over basic stoves or open fire. IEA is together with IRENA also host of international data for monitoring progress on SDG7.

Denmark's long-term support for E4 since 2014 and contribution to the establishment of CETP in 2017 has been a driver to attracting a broader donor base and designing the new CETP results framework. CETP has been key in transforming the IEA towards a more global scope of work covering emerging economies and developing countries but also towards great emphasis on clean energy transition. The CETP has essentially enabled the IEA to open up to the world and particularly large emitters as part of the "opening the doors policy" since 2015 but the last two years also towards regional and country-specific work in Africa as well as a focus on "people-centred approach to a clean energy transition" by establishing a Global Commission on People-Centred Clean Energy Transitions.

CETP priority countries are growth economies with large populations, many of whom do not have sufficient access to power and whose emissions are rapidly increasing as energy demand rises. These include the six major emerging economies: Brazil, China, India, Indonesia, Mexico and South Africa; plus, Kenya, Senegal and Ukraine. These countries and regions have been selected based on their willingness to engage with IEA, their likely rapid growth in energy demand and their significant potential for demonstrate new pathways for reduction in emissions. China will be excluded from the Danish funding to the CETP and E4 as China is expected to graduate to a high-income country during implementation period and will therefore no longer be eligible to receive ODA.

CETP's work also compliments the Danish Energy Agency's (DEA) government-to-government support such as the Danish Energy Partnership Programmes (DEPP) in India, Brazil, South Africa, Indonesia, Vietnam, Ukraine, Kenya and Mexico, as well as their Strategic Sector Cooperation (SSC) in Ethiopia, Colombia, Egypt, Morocco among others). CETP's bilateral programs as well as collaboration with regional organisations in Africa (such as the African Union Commission), Latin America and Southeast Asia is therefore highly relevant. As for Ukraine, the Danish support to the CETP will be used to support their rebuilding of the energy system based on more RE.

Finally, the CETP is becoming better aligned with cross-cutting Danish development policies, partly as a response to Danish technical support (including a secondment) and pressure exerted through oversight and dialogue during previous VCs. For example, CETP has instituted a dedicated workstream as well as convening a new Global Commission on People-Centred Clean Energy Transitions: Designing for Fairness to develop actionable policy recommendations on how to fully integrate the principle of fairness into the design of all clean energy policies. Focus areas for the commission will include (i) Leaving No One Behind:, (ii) Job Creation and Economic Diversification, (iii) Environmental Integrity and Energy Security, (iv) Transparency, Accountability, and International Cooperation, (v) Fair distribution, affordability and access, (vi) Stakeholder Engagement and Social Dialogue.

There are other agencies that address clean energy transition, most notably the International Renewable Energy Agency (IRENA) and Sustainable Energy for All (SE4All), and some with other focus areas with a

component supporting transition (e.g. World Bank ESMAP, UNEP, the Copenhagen Centre on Energy Efficiency, and United Nations Framework Convention on Climate Change (UNFCCC)). None of these, however, match IEA's established profile as a leading provider of global energy policy expertise and data management. Although Denmark supports many of the agencies mentioned, none has the record to successful collaboration with Denmark in supplying EE and clean energy transition technical support and policy support to emerging economies. These agencies do not compete with IEA and most collaborate actively, sharing data and research findings and hosting joint events as appropriate. Collaboration with the Danish Energy Agency's DEPP programmes is also important and the bilateral and multilateral support provides different policy perspectives enabling both new technical capabilities and high-level policy buy-in which is often needed to support transformations in large economies.

2.3 Lessons learned, results and coordination

The first phase of the CETP (2017-2021) has built strong, on-the-ground relationships with governments and policymakers. The approach at country and regional level has been gradual and driven by demand from partners, with initial activities typically focused on immediate short-term priorities to demonstrate the value of using IEA capabilities. The flexibility of CETP funding has enabled the programme to respond quickly to evolving priorities. These have included a net-zero roadmap for Indonesia that has helped shape its multi-billion dollar Just Energy Transition Partnership, recommendations on renewables that fed into China's Five-year Plan, EE policy and implementation advice for India, helping revise Brazil's law on energy research and development, and many more (see also selected results in Annex 1).

Denmark's long-term and earmarked support for E4 has allowed the programme – which is now an integrated part of CETP – to make longer term commitments with partner countries. CETP has contributed to keep EE high on the global agenda for emerging economies and developing countries. Focus has also shifted towards poorer developing countries and in 2024 the global EE conference was held in Kenya. Through its strong relationships with governments and policy makers, E4 has endeavoured to enhance their understanding and expertise on EE and provided targeted analysis and advice. The proposed VC will continue to emphasise support to EE with earmarked funds to ensure that IEA can continue its valuable work it this area.

During the second phase (2021-2026), CETP and E4 benefited from an Independent Review of the IEA and a mid-term review (MTR) of the Danish VC. Both reviews acknowledged the success of the programme so far and the value of its approach, providing much-demanded policy advice and capacity development, and making high-quality data and authoritative analytical work widely available. It was noted that the revised CETP Strategic Framework (largely following the Danish model) had significantly improved reporting to funders of CETP activities. Recommendations were made to improve reporting and communications, and these have either already been implemented or will be addressed in the present VC project document. While IEA has a high-level policy reach, it also observed that IEA's does not have country presence which in some cases limits its ability to have more ongoing dialogue with partner institutions but where the agency has partnered with other multilateral agencies and DEA (e.g., in Indonesia and Mexico).

During the 11 years of its operations the E4 Programme has been a major contributor to the development of EE policies in priority countries. China, India, Indonesia and South Africa now consume energy in the order of 7% to 25% more efficiently per unit of GDP as of 2022 than in 2014 when the programme started. From 2015-2023, the final energy intensity of E4 countries improved at a rate of around 1.3% per annum on average, with some countries such as China and India showing a relatively high annual rate of 3.3% and 1.9% respectively. Final energy intensity for China and India has also improved from 2019-2023 and South Africa's progress on final energy intensity has improved over recent years moving from a 1.1% annual improvement rate from 2010-2019 to 1.6% from 2019-2023. Indonesia has electrified at a rate of around

7% from 2019 to 2022, a clear improvement from its historical baseline of 4% electrification rate from 2010-2019.

Throughout Latin America and Asia, the E4 programme has built national capacity to related to Net Zero building and development of Roadmaps for Buildings and Construction. For example, in India, the work on buildings led to a Roadmap for Mainstreaming Energy Efficiency in Residential Buildings, to facilitate the adoption of the Indian building code, providing recommendations that cover action areas such including new and existing buildings, building materials, systems and operations, sustainable energy, urban planning and resilience. More recently, the E4 Programme has provided support to Ukraine where is has been leading important initiatives to support energy-efficient reconstruction and renovation of buildings aligned with idea of building back better and greener.

Another thematic priority of the CETP and E4 Programmes has been the support to develop a low-carbon transport sector transport. For example, E4 has supported Brazil's 10-year EE action plan by informing policies on transport and electromobility. The E4 Programme has also supported Indonesia to implement fuel economy standards for heavy-duty vehicles, which account for almost 40% of total energy consumption in the country and are responsible for around half of all CO2 emissions from transport in Indonesia. Support to Indonesia has been facilitated in coordination with the Danish Energy Agency and other donor agencies. Another ongoing work is the development of a regional African study on electrical and energy efficient two and three wheelers.

Overall, this progress on EE is in large part the result of an important increase in the number of policies, standards, strategies, and internal guidance documents informed by the IEA. The E4 programme has particularly contributed with improving data production and analysis, capacity building of relevant government agencies and peer-to-peer learning across the countries where government official can share experiences on advancing key policy issues by also can share experiences on how to overcome bureaucratic barriers. CETP and E4 has also been instrumental in IEA's role as global convener of high-level policy dialogue with ministers and high-level government staff which the recent years has included significant contribution to the G20 Energy Transition Working Group, the COP28 target of doubling energy efficiency or supporting the global climate summits in Africa.

Key lessons learned from the previous phases of Danish support include:

- The importance of continuing to build and maintain high-level contacts at national level to deepen trust, ensure up-take of supported work and open up and maintain downstream contacts and engagement with stakeholders at an operational level.
- The need for continued support for EE expertise at the country level, as this area is not attracting the support of other funders at a level relative to its importance.
- The value of a demand-driven approach and rapid response to emerging priorities of partner countries. Including making recommendations context specific and easy applicable.
- The added value of transparency and disseminating information and data to as wide a range of stakeholders as possible.
- The need to foster inclusive and community-level partnerships that ensure no one is left behind in the transition.
- The need for a systematic approach to risk identification management and reporting.
- A need to consider how specific IEA trainings and reports will lead to institutional up-take and implementation by including a wide range of stakeholders as
- The importance of donor coordination to enhance impact from synergies, avoid duplication, limit work of limited staff capacities in the countries and it allows larger possibilities of the up-take of recommendation and trainings.

- CETPs focus until recent years has been primarily technical but it is important to connect both high-level decision and operational staff as well as strengthen the scope of work to have more socio-economic design to support a people centred approach.

Denmark has been one of the first donors providing VC to the IEA through the E4 and has contributed substantially to the CETP (between 8 to 9% of all VC to the programme). It is estimated that Denmark in 2025 will contribute 10% of the CETP budget, which makes Denmark the 3rd largest donor after Germany (29%) and the UK (22%). Other major contributions are expected from the EU (8%), Canada (7%) and Italy (5%). Expenditure on CETP has grown from 4.6 million Euro (2018) to 23.0 million Euro (2025 budget). Denmark is coordinating closely with other donors through the CETP Strategic Coordination Group and the donor group.

Denmark has also a clear ambition of amplifying the impacts of these contributions by seeking maximum synergy between bilateral and multilateral programmes, and a clear interest in a joint commitment with the IEA to support approaches to synergies in this proposed VC. Denmark is therefore proactively seeking a close collaboration between the Danish Energy Agency's global cooperation and CETP country activities be established. DEA's DEPP programmes operate in many of the same countries as CETP where the programmes complement each other through different approaches and access to decision-makers. Many topics are overlapping such as EE, integration of variable renewables, coal phase out, power market reform and long-term energy planning. Though many good examples exist on country-specific collaboration on EE or JETP, collaboration is often restricted to specific topic/initiatives and is driven by inter-personal contacts. Denmark will take initiative to strengthen collaboration with IEA at country level in a more systemic way. This will be achieved through a specific requirement in the job description of a seconded staff member in the CETP management team who will coordinate with the MCEU focal point Finally, the programme will include a formalised coordination mechanism at country level to enhance synergies with the Danish bilateral efforts. The Danish energy attaché from the MCEU is charged with arranging a virtual meeting once a year between relevant desk-officers from the DEA and CETP to discuss synergies and overlap. These people will also coordinate in between these meetings to keep up to date with any significant development.

Denmark is also proactively seeking to improve collaboration between CETP and other multilateral agencies, programs and initiatives such as the World Bank and African Development which can provide funding for concrete investments, up-take of policies and concrete investment to operationalise policies. Three is also an opportunity to enhance coordination between IEA and the OECD's CEFIM (in the context of EE in overlapping countries), the NDC Partnership and UNEP Copenhagen Climate Centre. Denmark also has a strong private sector resource base in sustainable energy and climate change mitigation, which will also be interested in supporting the green transition in the partner countries. The private sector will be key to continue to provide the most cost-efficient technology and investment to turn planning and ambitions into concrete investment and implementation.

2.4 Justification of support according to DAC criteria

The six quality criteria defined by the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) serve as the reference frame for evaluating international cooperation projects and programmes. The proposed VC was assessed against these criteria and was found to be fully justified. Details are provided in Annex 1.

2.5 Alignment with Danish cross-cutting priorities

The CETP has been designed in collaboration with international funders, including Denmark, to ensure that the cross-cutting issues essential to effective development programmes will always be properly addressed. The latest CETP Strategic Framework (2025-2026) outlines how CETP will ensure that ”clean energy transitions are inclusive and truly fair". Factors to consider include:

Human Rights and Poverty Reduction: Support through CETP and E4 on improved data for more well-informed decision make indirect contributions to economic growth, and therefore poverty alleviation as well as the general human rights principles of participation, accountability, non-discrimination and transparency. The science-based data is critical for long-term energy modelling and planning that considers fair and inclusive access to affordable and reliable energy. The IEA report Strategies for Affordable and Fair Clean Energy Transitions provides some strategic consideration which is now taken further into the strategic advisory of the IEA. It is evident that new green energy policies should safeguard affordability and fairness as transition advances into scale and full integration in the national energy systems. CETP activities also support opportunities for affordable training and education to support green jobs and youth employment. They also promote an inclusive reskilling of affected people and communities affected by transition.

Gender Equality: The energy sector is one of the least gender diverse sector with only 20% of women employed while being highly affected by lack of access to affordable and reliable energy. The IEA gender-diversity initiative is one way to raise awareness on the importance of gender mainstreaming in energy policy making; improve the collection of disaggregated gender and energy data; organise events to discuss improved gender-diversity and possible reduction of barriers to under-represented groups. CETP is also monitoring the participation of women in training events and workshops and actively promoting gender perspectives in analytical work, e.g. in the transport sector in Brazil has explored how public transportation is designed to lesser extend to meet the needs of women.

Health and environment: An increased share of renewable energy would reduce environmental impact of burning dirty fuels and health risks from e.g. access to clean cooking options will reduce the exposure of poor people, especially women and children, to in-door air pollution. Or the health impacts of fossil fuel where the poorest communities often live in the most air polluted neighborhoods.

The IEA was founded as a technical organisation focussed on energy security and management of supply. Attention to social issues is a relatively recent development and its approaches and systems are still under development. It convened the Global Commission on People-Centred Clean Energy Transitions in 2021 to produce actionable recommendations to ensure that clean energy transitions are fair and inclusive. The Commission focus areas include:

- *Leaving No One Behind*
- *Job Creation and Economic Diversification*
- *Environmental Integrity and Energy Security*
- *Transparency, Accountability, and International Cooperation*
- *Fair distribution, affordability and access.*
- *Stakeholder Engagement and Social Dialogue.*

Results of this commission and other ongoing research activities are being used to strengthen and reinforce CETP's integration of cross-cutting activities on an ongoing basis. For example, at the G20 Energy Ministers' meeting in Brazil, in 2024, IEA emphasized the importance of integrating human rights and social equity into global clean energy transitions by ensuring that low-income and marginalized communities can access clean energy technologies, creating decent jobs as transitions accelerate, and facilitating meaningful participation of all stakeholders in the transition process. The G20 presidency of Brazil also led to first broader principle of Just and Inclusive Energy Transition. The VC will support the continued efforts to integrate these considerations into the CETP work planning process through its monitoring and oversight contributions (i.e. comments to reports, the MTR and contributions through the Strategic Coordination Group).

3 Objective

The overall objective of the CETP as proposed by IEA for this VC is to: "Accelerate progress towards global net zero emissions from energy through secure and a people-centred clean energy transitions, in major emerging and developing economies." The objective of the proposed VC is to continue support for CETP (and within that the E4), reflecting lessons learned to date while also focusing on Danish development priorities and ensuring that opportunities to take advantage of other Danish bilateral and multilateral activities in the energy sector are fully realised.

This overall CETP objective will contribute towards meeting the objectives of the Paris Agreement and delivering on the SDGs 7 (affordable and clean energy), 13 (climate action) and 17 (global partnerships for the goals). In coordination with key partners, CETP aims to contribute to energy sector reforms and support change at the policy level including through helping to overcome market, regulatory and governance barriers hindering clean energy transition and supporting inclusive and people-centred energy transitions. The long-term effect is intended to be that priority countries and regions will increasingly be meeting the energy-related GHG emissions targets through the uptake and use of improved data, models and best-practice clean energy policy knowledge delivered by the IEA.

4 Theory of change, key assumptions and associated risks

4.1 Theory of Change

Emerging economies are experiencing rapid energy demand growth, driven by economic expansion and population increase. However, this demand is often met with inefficient energy access and consumption patterns, resulting in higher emissions, energy security risks, and missed economic opportunities. While IEA estimates that more than 95% of newly installed utility-scale solar PV and onshore wind has low cost than new coal and natural gas plants, many technical barriers hinder progress and contribute to policy gaps, including weak or absent regulatory frameworks for EE, RE, and other key energy sectors and technologies. Furthermore, several vested interests in the fossil fuel economy might also work against a clean energy transition.

The CETP's purpose is to accelerate progress toward a global net zero energy system through secure and people-centred clean energy transitions, with particular focus on emerging markets and developing economies. CETP priority countries are, therefore, characterised as growing economies with large populations, many of whom do not have sufficient access to power and whose emissions are increasing as energy demand rises. It is also countries with high levels of poverty and where the poorest household spend a significant portion of their income on energy.

The Danish VC will ensure that CETP has sufficient funding to continue to promote EE as an integral part of clean energy transition and that the programme maintains its commitment to people-centred transitions and the G20 Just and Inclusive Energy Transition principles. It will also support CETP's to turn NDC targets into action and working to accelerate progress towards the goal of global net zero emissions

These actions will hasten the implementation of EE improvements and increased installed capacity of RE contributing to the UAE Consensus targets of tripling RE and doubling EE by 2030.

CETP targets key countries and areas that are highly motivated to address these problems and provides support, on a demand driven basis in the form of:

- Expertise, data, modelling and analysis on EE and its multiple benefits and other areas that can contribute to accelerating clean energy transitions.
- Capacity building, technical assistance and knowledge sharing.
- Partnerships with governments at national and sub-national levels, international organisations, industry, civil society and other experts.
- Development of tailored tools, methodologies and best practice guidelines.
- Communication and outreach materials for diverse stakeholders.

The Theory of Change (ToC) is based on CETP's theory of change as outlined in the Strategic Framework for Clean Energy Transitions Programme 2025-2026, and is as follows:

If:

- Denmark contributes to the IEA's Clean Energy Transitions Programme to provide high-quality data, analysis, policy advice and capacity building on EE and other actions that accelerate clean energy transitions.

And:

- The IEA implements an approach to promoting the use of EE that effectively communicates the multiple benefits of EE (cost savings for countries, businesses and individuals, improved services and energy savings for poorer household) and other clean energy technologies to key stakeholders.
- The IEA supports the development and implementation of evidence-based policies and legal frameworks on EE and other actions that accelerate clean energy transitions that contributes to a green energy transition, climate actions and access to affordable and reliable energy.
- The IEA facilitates partnerships and knowledge sharing between countries and within regions.
- The IEA provides technical assistance and capacity building for data use and policy implementation.
- The IEA supplies evidence to support the mobilisation of domestic and international resources for EE and other key actions for a clean energy transition.
- Key stakeholders from within countries and regions engage with the IEA at strategic and technical levels.
- The IEA provides policy advice, data, analysis and works to build political will to ensure that EE and other key solutions for a clean and people-centred energy transition are prioritised on the agendas of key global fora (G20, COP, etc.).
- The IEA tailors its support to country-specific needs and priorities, ensuring that policy advice and capacity-building efforts are demand-driven and contextually relevant.
- Global outcome documents and pledges highlight the importance of EE and other key solutions for a clean energy transition.

- The IEA convenes and supports countries in formulating effective policies to achieve national energy policy objectives and the global climate goals while fostering inclusive economic growth.

Then:

- Countries develop, implement and monitor stronger, evidence-based policies that drive a clean energy transition, enhanced energy security and access to affordable and reliable energy to households and industrial development.
- The legal frameworks that enable these policies are in place. EE and other key clean energy solutions gain greater political support and are integrated into national and global policy agendas.
- Decision-makers have access to high-quality data, analysis, and tools, allowing them to make better informed policies and targeted interventions.
- Knowledge sharing is increased and collaboration is accelerated for progress towards a clean energy transition at national, regional, and global levels.
- Investment risks are reduced, and incentives are demonstrated to unlock more financing for clean energy projects in emerging and developing economies.
- Technical capacity within governments and with key stakeholders is enhanced to design, implement and monitor clean energy transition policies.
- Clean energy transitions support inclusive economic growth while improving energy security and resilience.
- Global climate pledges and strategies reflect a stronger commitment to EE and other key solutions, reinforcing progress toward net-zero goals.

4.2 Key Assumptions and Drivers of Change

The following assumptions correspond to key risks identified for the CETP, including the EE workstream:

- The geopolitical context in CETP partner countries remains stable enough to allow for effective programme implementation and stakeholder engagement.
- Partner countries maintain sufficient economic stability to support clean energy investments and policy implementation and adequate staffing of relevant government authorities.
- EE measure and RE remains cost-competitive compared to fossil fuels and thermal power plants in a long-term energy perspective. However, a clean energy transition will require new investment, knowledge, data and policy decisions.
- No major global or regional health crisis significantly disrupts programme activities, travel, or stakeholder engagement.
- Financial resources are available through promised international funding arrangements and financial institutions active in partner countries.
- The programme will establish strong foundations for long-term emissions reductions, with sufficient follow-up mechanisms to ensure sustained impact.

As part of the Theory of Change, impact drivers have been identified and will be used proactively during CETP implementation. Impact drivers are defined as “the critical factors or conditions that must be in place

for desired long-term outcomes to be achieved. They act as enablers that support the transition from activities and outputs to broader systemic change." Impact drivers for CETP may include the following[2]:

- **Political and institutional drivers** – High-level political commitment that supports accelerating climate and sustainable development actions to realise net-zero emissions.
- **Economic and financial** – Domestic resources are mobilised to support EE and policymakers recognise economic and social development incentives that efficiency brings.
- **Capacity development** – Stakeholders support the continuous development of knowledge and skills for EE professionals.
- **International collaboration** – Activities place EE at the heart of pathways towards clean energy transitions.
- **Evidence-informed policy making**-- Timely and accurate data to measure EE is available in countries and regions to identify priorities and measure the impact of EE policies.

4.3 Brief Description of the Support

The CETP is currently organised under nine work streams which operates under three key pillars"[3]. The three pillars are described below whereof pillar one by is by far the largest:

- **Accelerating national transitions** – supporting emerging and developing economies to develop and implement timely strategies for achieving national clean energy transition goals in line with the Paris Agreement temperature goals and sustainable development objectives.

- **Strengthening multilateral coordination** – facilitating international collaboration to scale up innovation and deployment of clean energy sources and technologies, EE and transition demand sectors as well as tracking progress towards global clean energy objectives, including in partnership with other relevant initiatives and platforms.

- **Informing global energy dialogue** – developing greater international understanding of barriers and environmentally sustainable solutions for the development and deployment of clean energy technologies, unlocking related investment as part of a secure and people centred transition.

CETP's country support targets the governments in the six major emerging economies: Brazil, China, India, Indonesia, Mexico and South Africa; plus Ukraine, Kenya, Senegal, Uganda (these ten countries collectively accounted for about 48.2% of the world's population according to United Nations population estimates for 2023 and around 43% of energy related CO_2 emissions, according to IEA Key World Energy Statistics). The list of priority countries has expanded since the ongoing VC was formulated to include Kenya and Senegal, which became IEA Association countries in 2023, and Uganda which, although not yet an association country, directly requested technical assistance and worked closely with the IEA to develop its official

[2] The identification and use of impact drivers is in the process of being further developed in consultation with IEA.

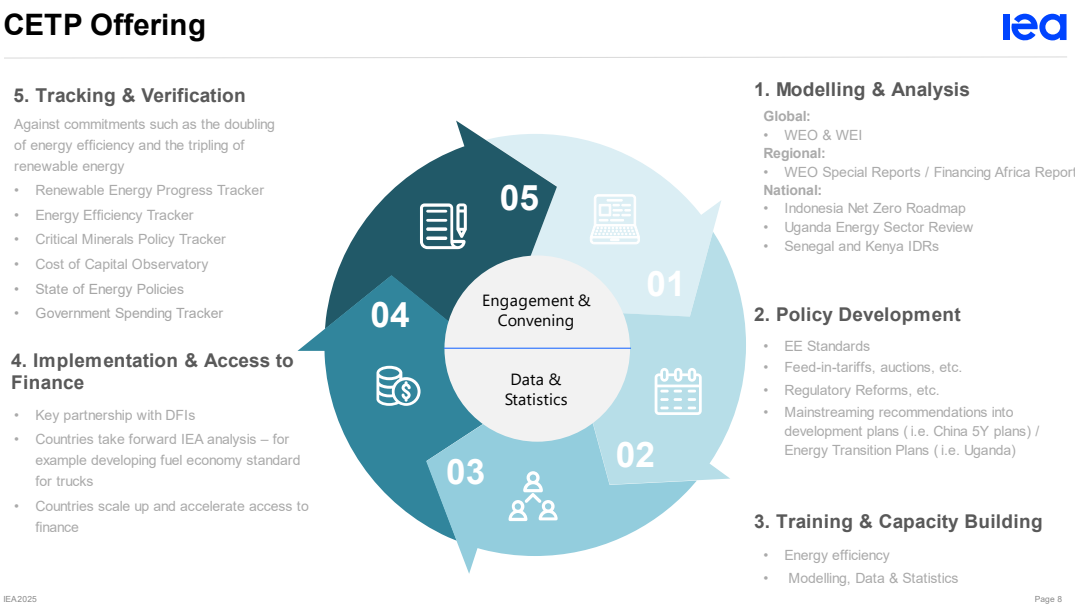
[3] The workstreams include the following: Critical Minerals, Data and Statistics, Digitalisation, Energy and Employment Modelling, Energy Technologies and Innovation, Energy Efficiency Global, Low Emission Gases, People-Centred Clean Energy Transitions, Private and Public Sector Investment, Reducing Methane Emissions, Secure Power System Transformation.

Energy Transition Plan. These countries have small but rapidly growing energy emissions and all have an urgent need to increase access to modern cooking fuels (see Annex 1).

Priority regions include Latin America, South-East Asia, Africa and Middle East.

The IEA holds biannual Ministerial Meetings when members countries set strategic priorities and issue mandates to guide the agency's work. In the 2024 meeting there was a request to expand analysis and investment mechanisms in Africa **"***to scale up investments needed to meet universal energy access, including clean cooking, and clean energy transition goals, in an affordable, sustainable and secure way".* CETP therefore includes the critical urgency of achieving universal access to clean cooking by 2030 as a guiding tool in its yearly process for allocation of funding.

The areas of work supported by CETP for Pillar 1 (Accelerating national transitions), summarised in the figure below, are selected primarily on the demand from the partner countries, and based on the Service Offering (see diagram below) for each country to see which parts of the cycle the IEA has already delivered and where further activities should be prioritised.



The VC support allows the adoption of an adaptive management approach whereby CETP management will be enabled more easily to adjust funding allocations when the context changes or new knowledge or opportunities emerge, that are consistent with the overall strategic focus of the programme and the results framework.

5 Summary of the Results Framework

The VC will be structured to yield three outcomes, each mapping on to one of the Pillars' intermediate objectives. Each outcome will be produced through several clearly defined activities with SMART indicators. For results-based management, learning and reporting purposes, progress attained in the implementation of the programme will be closely monitored through the CETP's monitoring framework. IEA has established

a dedicated team to monitor progress and results which is still improving data collections and instituting a Monitoring, Evaluation, Accountability, and Learning (MEAL) methodology to systematically track progress, assess impact, ensure transparency, and incorporate lessons learned. IEA is also co-host of the international data on SDG7 progress.

The full results framework with indicators and targets is presented at Annex 3.

<table>
<tr><td>Project/Programme</td><td>Danish support to IEA's Clean Energy Transition Programme</td></tr>
<tr><td>Project/Programme Objective</td><td>Accelerate progress towards global net zero emissions from energy through secure and a people-centred clean energy transitions, particularly in major emerging and developing economies.</td></tr>
<tr><td>Impact Indicator</td><td>Progress towards meeting the United Nations Sustainable Development Goal 7 (Ensure access to affordable, reliable, sustainable and modern energy for all) in targeted emerging economies.
Means of verification: SDG7 indicators as reported by CETP

Indicative impact indicator: Energy-related sectors in targeted countries have enhanced capabilities to meet their energy related GHG emissions targets through the uptake and use of improved data, models and best-practice clean energy policy knowledge for advancing people-centred clean energy transitions
Means for verification: Evidence, through interviews with key officials and stakeholders, direct communication (e.g., correspondence) and analysis of relevant published statements or official records.</td></tr>
<tr><td>Baseline SDG7</td><td>• CO_2 emissions from energy of CETP priority countries (in ktCO2)

<table><tr><th></th><th>Total CO2 emissions - Fuel Combustion (kt CO2)</th></tr><tr><th>Country</th><th>Reported in 2024 (data for year 2022)</th></tr><tr><td>China</td><td>10613171</td></tr><tr><td>Brazil</td><td>413935</td></tr><tr><td>India</td><td>2516967</td></tr><tr><td>Indonesia</td><td>651671</td></tr><tr><td>South Africa</td><td>394069</td></tr><tr><td>Ukraine</td><td>101289</td></tr></table>
The table presents the latest available figures for the total CO_2 emissions from fuel combustion for CETP priority countries. For more information see the IEA's http://www.iea.org/data-and-statistics/data-tools/greenhouse-gas-emissions-from-energy-data-explorer

• SDG7 indicators (reported in 2024)
<table><tr><th></th><th>7.1.1 (data for 2023)</th><th>7.1.2 (data for 2023)</th><th>7.2.1 (data for 2022)</th><th>7.3.1 (data for 2022)</th></tr><tr><td>China</td><td>100%</td><td>90%</td><td>15.2%</td><td>5.4 (MJ per USD 2021 PPP)</td></tr></table></td></tr>
</table>

Brazil	99.80%	97%	48.4%	3.2 (MJ per USD 2021 PPP)	
India	100%	75%	34.1%	3.5 (MJ per USD 2021 PPP)	
Indonesia	100%	90%	15.6%	2.9 (MJ per USD 2021 PPP)	
South Africa	94%	90%	7.7%	6.0 (MJ per USD 2021 PPP)	
Ukraine	100%	95%	11.7%	4.8 (MJ per USD 2021 PPP)	

The table presents the latest available figures: 2023 for SDG7.1.1 and SDG7.1.2, and 2022 for SDG7.2.1 and SDG7.3.1. For more information see IEA's SDG7: Data and Projections

Baseline	Gaps in data, models, frameworks and capacity to advance and implement clean energy improvements that will meet energy related targets still exist in CETP focus countries

Outcome 1 (Pillar 1)		Enabling environment (policy, planning, capacity and finance) for removing barriers and securing framework conditions for doubling the global average annual rate of EE improvements, tripling the renewable energy capacity by 2030 and other climate goals in an increasing number of priority countries and regions.	
Outcome indicator		Number of countries progressing through the stages of the policy making process to enhance and accelerate a clean energy transition. Means of Verification: Number of adopted policy documents in areas supported by the CETP.	
Baseline	Year	2024	4 improved policies adopted to support a clean energy transition
	Year	2025	8 improved policies adopted to support a clean energy transition (cumulative)
Aspirational target	Year	2030	14 improved policies adopted to support a clean energy transition (cumulative)

Outcome 2 (Pillar 2)	Complements pillar 1 and 3 to ensure that the potential mobilising force and knowledge transfer of international forums are harnessed to build the momentum for doubling the global average annual rate of EE improvements by 2030. Forum participants use high quality and up-to-date data and IEA technical expertise on solutions, policies and best practices for advancing EE and other key climate actions in decision-making, action planning and information released to the public. International stakeholders, sectoral experts and civil society can use this information to drive forward the aspiration for clean energy transition in regional, national and local contexts.
Outcome indicator	EE has been raised as a key topic for actions at high policy levels.

		Means of Verification: Content of official communiques, declarations or press releases reflect key targets and approaches advocated by IEA, and latest findings and analyses of CETP[4].	
Baseline	Year	2024	Statements or references in official communiques, declaration or press releases: 49
	Year	2025	Statements or references in official communiques, declaration or press releases: 99 (cumulative)
Aspirational target	Year	2030	Statements or references in official communiques, declaration or press releases: 149 (cumulative)

Outcome 3 (Pillar 3)		The international understanding of the barriers and solutions for accelerating the development and deployment of EE measures and other clean energy solutions is enhanced and the global dialogue is supported to raise ambition on energy transition goals and support the implementation of long-term strategies to achieve Net Zero objectives targeted primarily emerging economies and developing countries.	
Outcome indicator		Reference to key CETP outputs in publications of major global actors and stakeholders. *Means of Verification: Press coverage of analytical and data products supported by the CETP, based on Dow Jones Factiva statistics.* Number of users (individual readers) of the relevant CETP supported content of the IEA. *Means of Verification: Number of individual users of CETP content on the IEA.org*	
Baseline	Year	2024	Press mentions, global: 5,966 (cumulative) Number of users of the CETP content: 2,069,000
	Year	2025	Press mentions, global: 11,966 (cumulative) Number of users of the CETP content: 4,158,000 (cumulative)
Aspirational target	Year	2030	Press mentions, global: 18,266 (cumulative) Number of users of the CETP content:14,924,000 (cumulative)

Each outcome is secured through outputs specifically designed to ensure that the potential of contribution of EE to clean energy transition is properly considered. The results framework for the Danish VC is separate from the CETP results framework for 2025-2026, which only covers one year of the VC timeframe and the Danish project places greater emphasis on EE, to which more than 40% of the Danish funds are earmarked.

The CETP management plans to strengthen the CETP Results Framework, particularly to develop a MEAL system, and to improve indicators, to more fully reflect the recently introduced three pillars division of work effort of CETP and better measure outcomes. The VC will support these efforts through the strategic secondee and oversight mechanisms. The intention is that the VC and CETP Results Frameworks will be

[4] 2024 was a very successful year due to G20 Presidency of Brazil, so a high baseline.

aligned and planning and reporting processes will be strengthened. Progress on establishing a MEAL system and improved indicators will be priority in the Mid-Term Review of the Danish support.

6 Inputs/budget

The Danish support contribution to CETP's nine work streams across all three pillars of CETP with a particular focus on Pillar I - national energy transitions, aligning with the strategic priorities of Denmark and the Programme's overarching structure. The total contribution to the project is DKK 75 million over 5 years. The amounts available under each cost heading for the total programme period are as shown below. The Danish VC of DKK 74.5 million can only be targeted ODA-eligible countries (except for China) across all 9 workstreams. Furthermore, the CETP will, when feasible, use this VC to target countries and regions in alignment with Danish priorities. This approach ensures that Danish priorities are met directly through the fund allocations under this VC.

The annual work plans and budget will be presented to donors through the CETP Strategic Coordination Group. However, most donors only provide annual contributions and the programme is demand-driven by nature whereby budgets and activities will vary from year to year, and can only be indicative.

Denmark's contribution to the Project Budget (DKK)

	Total DKK million	%	2026	2027	2028	2029	2030
E4	32.00	42.67	6.40	6.40	6.40	6.40	6.40
CETP	23.50	31.33	4.70	4.70	4.70	4.70	4.70
CETP Strategic Support and Coordination (Danish secondment to IEA - PAL6, 3 years)	4.11	5.48	0.66	1.36	1.39	0.70	-
Unallocated/Adaptive Management	10.25	13.67	2.05	2.05	2.05	2.05	2.05
Sub-total	69.86	93.15	13.81	14.51	14.54	13.85	13.15
VC Administration Charge	4.64	6.23	4.64	-	-	-	-
TOTAL VOLUNTARY CONTRIBUTION TO THE IEA	**74.50**	**99.33**	**32.26**	**29.02**	**29.08**	**27.70**	**26.30**
Mid-term review	0.50	0.67			0.50		
TOTAL PROJECT BUDGET	**75.00**	**100.00**	**32.26**	**29.02**	**29.58**	**27.70**	**26.30**

Indicative funding allocation by thematic area (DKK million)

	E4	CETP	CETP Strategic Support and Coordination	Unallocated/Adaptive Management	TOTAL
Pillar I - accelerating nation transitions	26.67	13.03	3.29	4.10	**47.09**
Pillar II - multilateral co-ordination	-	-	-	4.10	**4.10**
Pillar III - enabling global energy dialogue	5.33	10.47	0.82	2.05	**18.67**
Sub-total	**32.00**	**23.50**	**4.11**	**10.25**	**69.86**
VC Administration Charge	2.13	1.56	0.27	0.68	**4.64**
TOTAL VOLUNTARY CONTRIBUTION TO THE	**34.13**	**25.06**	**4.38**	**10.93**	**74.50**

- The contribution to CETP (DKK 23.5 million excluding VC administration charge) will support the outputs and activities agreed through the annual work planning process, managed by the IEA Strategic Initiatives Office (SIO). All CETP funders, through the Strategic Coordination Group, would be able to advice on the allocation of funding, including Danish priority areas such as

decentralisation of Ukraine's energy sector, clean cooking and people-centred activities. The contribution from Denmark will not be used to support CETP's work with China.

- The contribution to E4 (DKK 32.0 million excluding VC administration charge), although earmarked for E4, will support all outcomes but will be focussed on the EE contribution to clean energy transition and managed by IEA's Office of Energy Efficiency and Inclusive Transitions (EEIT). The amount assigned has been calculated to provide the same annual amount as in the previous VC. However, since this VC covers one more year, the annual contribution will be slightly lower. Contribution also excludes China.
- The strategic Danish secondment to the IEA (DKK 4.11 million excluding VC administration charge) is based on the estimated cost of IEA staff grade PAL6, step 1 (OECD Staff Classification corresponding to experienced professionals) over 3 years. The IEA will be responsible for recruiting the secondee and drafting TOR for this. The secondee must be able to speak Danish to conduct liaison activities.
- A relatively high portion of the budget (DKK 10.5 million) is unallocated. This is because the donor expects ad-hoc needs and opportunities in the collaboration between Denmark and IEA which can lead to requests for funding from CETP during the period, in support of activities across all three CETP pillars. The operations and budget are designed to be flexible and responsive to country requirements, meaning unallocated funds are available to accommodate for an Adaptive Management approach. The use of funds under "Unallocated/Adaptive Management" shall be agreed between the IEA and the donor and formalised in a written email exchange which needs to formally approved by the MFA of Denmark.
- The budget for the mandatory MFA mid-term review (DKK 0.5 million) is to allow for a review of the programme and especially for assembling evidence that builds on the results framework to provide an assessment on the extent to which there has been a contribution to the higher-level objectives.
- The Voluntary Contribution to the IEA includes budget for the OECD/IEA overheads ("VC Administration Charge" of DKK 4.64 million or 6.23% of the VC total) which is set according to the standard rules and regulations for IEA VCs. It follows OECD Financial Instructions and full VC Admin amount is budgeted for and paid for in year 1. However, the IEA should repay the VC Administrative Charge of any unspent fund (6,23% of the unspent funds).
-

A tentative budget with approximate allocation per country and regions has been developed and included in Annex 5.

7 Institutional and Management arrangement

7.1 Management

A central CETP coordination team within SIO is responsible for quality control, strategic management, fundraising, disseminating key messages, information exchange, coordination and reporting. The strategic secondee funded through this programme will be placed in SIO and participate in both the CETP steering group and coordination team.

The E4 is today a fully integrated component of the CETP comprising CETP's EE activities. The E4 is implemented by the E4 team, which is anchored within the IEA's Office of Energy Efficiency and Inclusive Transitions (EEIT). The E4 team operates in close coordination with the CETP coordination team and is also supported as needed by other divisions.

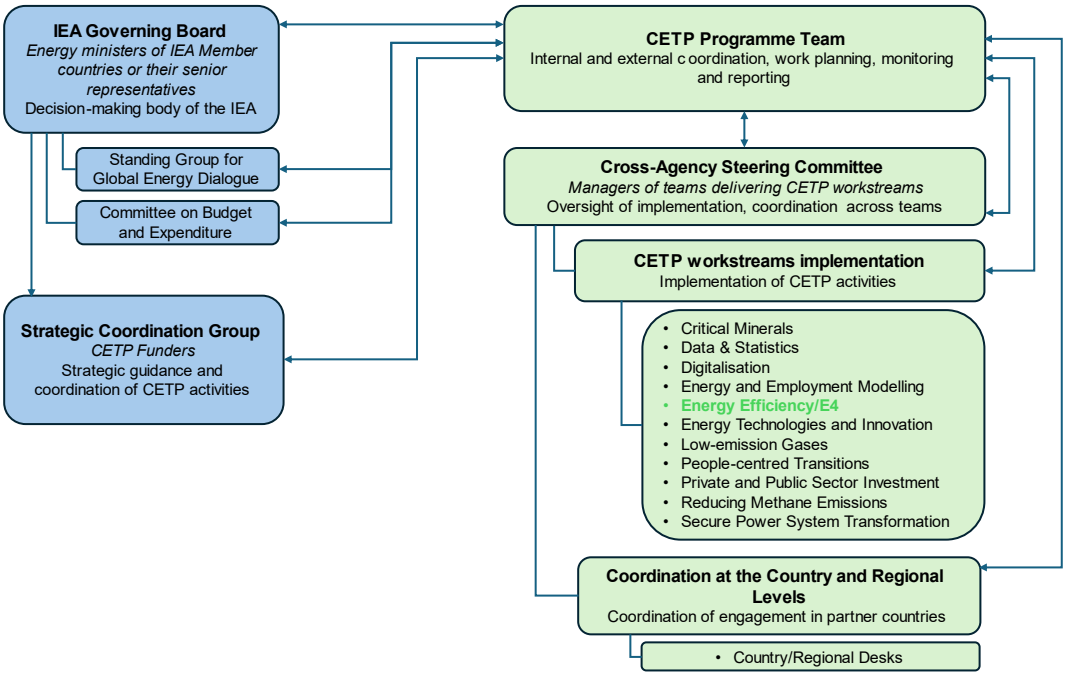
In line with the recommendations of the Independent Review of the IEA, written reports such as CETP Annual Reports, brochures/one-pagers and newsletters are made available to funders and all IEA members. This enables the Agency to promote CETP achievements, identify potential collaborations and new funders, while ensuring that programme planning and budget allocation remain in line with IEA Ministerial mandates and the IEA Programme of Work and Budget (PWB) - the strategic and financial planning document of the IEA, outlining the agency's priorities, objectives, and budget allocations over a specific period (typically two years).

Like the ongoing VC programme, the management of this programme will be based on the existing governance structure of the CETP, which has recently been slightly modified to include more frequent consultation with, and dissemination of internal planning documents to the Governing Board, the Strategic Coordination Group and other members in response to funder suggestions. This was done so that further awareness and knowledge of the possibilities within the CETP framework could result in a wider group of CETP funders as called for in the 2024 ministerial communique.

In addition, an annual bilateral donor meeting will be organised with E4 to follow the work on EE and ensure relevant coordination. The E4 will also deliver a specific and brief financial and results reporting on the earmarked contribution.

7.2 Governance

The governance and management structure of the CETP is as shown in the diagram below.



All CETP activities are guided by the strategic priorities defined by the Governing Board and are embedded within the framework of the IEA's Programme of Work and Budget, which are approved every two years by the Governing Board.

The IEA Secretariat reports on the CETP once a year to the IEA Governing Board. Following the standard procedures, in advance of the meeting, the IEA Members receive an official note detailing the content of

the CETP presentation and are invited to provide strategic guidance and recommendations both on the content and on the management of the programme.

The Governing Board is the decision-making body of the IEA, composed of energy ministers or their senior representatives from each IEA Member country. The Governing Board meets at ministerial level, every two years, and sets the broad directions for the Agency's work. In addition, the Governing Board holds at least four meetings each year to discuss global energy developments and take decisions necessary for the proper functioning of the Agency. The decisions of the Governing Board are legally binding on IEA Member countries

Denmark has held the position of the IEA's Governing Board Chair since 16 June 2022.

Several Standing Groups and Committees assist the Governing Board with matters that are more technical in nature. They are made up of Member country government officials and meet several times a year. Two of them are particularly relevant to the governance of the CETP:

- The Standing Group for Global Energy Dialogue (SGD) contributes to providing guidance for IEA engagement and cooperation beyond its membership, enabling joint policy action and emergency response with key partner countries and ensuring the global reach required for fulfilling the IEA's Shared Goals and Ministerial mandates.
- All VCs are subject to acceptance by the relevant IEA body (the Committee on Budget and Expenditure (CBE) and/or the Governing Board). VCs are managed in accordance with the OECD Financial Regulations and other relevant rules, policies and procedures and IEA guidance on VC management.

In addition to reporting on an annual basis to the Governing Board, the IEA Secretariat reports on the CETP at least once a year to the SGD and once a year to the Committee on Budget and Expenditure as part of the annual reporting on VC income, expenditure and trends.

As an IEA Member, Denmark is represented on all IEA official committees where it can contribute by raising questions and offering guidance to the IEA overall and to the governance and management of the CETP, in particular.

The CETP Strategic Coordination Group, of which Denmark is a member, consists of the funders of the CETP and acts as an advisory group on all aspects of programme management and implementation. It provides strategic guidance on the programme's governance through biannual reviews of the CETP Strategic Framework. It also discusses and informs the annual CETP workplan process, including budget distribution of the three pillars. It provides input and feedback to the IEA Secretariat on completed and planned CETP activities and on proposals for new activities as required in view of global developments and evolving priorities of the funders. This forum is also important for funders to have frank discussions with the IEA Secretariat about proposed adjustments or improvements. The Strategic Coordination Group meets at least four times a year back-to-back with the Governing Board meetings. Denmark will work for ways where the Strategic Coordination Group's inputs and discussion is better reflected and recorded than today, though formal minutes can be a challenge due to its advisory role compared to the Governing Board.

The Strategic Coordination Group enables Denmark and other donors to present priorities, inputs and proposals of adjustments which can guide the final CETP annual workplans.

A CETP Steering Committee, consisting of senior management and division heads from across the IEA Secretariat, involved in the implementation of the CETP, meets regularly to exchange information and coordinate activities under the CETP. The Steering Committee, under the guidance of the IEA Executive Director, advises the CETP Programme Team on the allocation of resources to the different workstreams of

the CETP in the annual workplan process. Coordination at the Country and Regional Levels of activities under Pillar I, where relevant, is implemented in coordination with the Office of Global Energy Relations of the IEA Secretariat with in-country energy specialists working as contractors in CETP partner countries. The overall objective is to ensure streamlined and coherent country and regional strategies and partner country buy-in.

The CETP Programme Team, housed in the SIO, is responsible for both internal and external coordination of the CETP. It ensures coherent implementation of the programme and alignment with the strategic guidance provided by IEA Members, delivered through the Governing Board and committee meetings, as well as with the direction set by CETP funders through the Strategic Coordination Group. The Programme Team also oversees annual work planning and the allocation of funds, ensuring consistency with the IEA's Programme of Work and Budget. In addition, it leads all monitoring, evaluation and reporting activities to meet CETP funders' requirements.

The Programme Team is also responsible for internal coordination with the IEA divisions implementing the CETP and with the IEA's Office of Global Energy Relations responsible for coordination at the country and regional levels with partner countries.

The Danish secondee to the IEA Secretariat will become a member of the Programme Team and will be directly involved in internal coordination processes. Their responsibilities will include contributing to the design of the CETP Steering Committee meeting agenda, supporting the preparation of annual workplans, and participating in reporting activities to both Denmark and other CETP donors. In addition, the secondee will play an active role in organising meetings of the CETP Strategic Coordination Group, contributing to agenda design, participating in discussions, and ensuring alignment between Danish priorities and those of other CETP funders.

7.3 Monitoring and reporting

The CETP is in the process of integrating the MEAL methodology into its monitoring and reporting systems, where each component is defined as follows:

- Monitoring (M): Continuous tracking of activities, outputs, and outcomes to ensure that energy transition projects align with goals and planned timelines.
- Evaluation (E): Assessing the effectiveness, efficiency, and impact of CETP initiatives, identifying successes and areas for improvement.
- Accountability (A): Ensuring that all stakeholders (governments, agencies, private sector, and civil society) are responsible for their commitments and actions in clean energy transitions.
- Learning (L): Using insights from monitoring and evaluation to refine strategies, improve future projects, and support evidence-based policymaking.

Tracking

The IEA tracks the delivery of Programme outcomes and outputs against the Results Framework. The detailed CETP Results Framework is provided in Annex 3.

Workstreams are tracked by the relevant workstream lead. Oversight for the CETP delivery is provided by the IEA Secretariat's Cross-Agency Steering Committee. Further, monthly meetings are held to update all relevant teams on activities within each country, region or workstream, and provide an internal platform for knowledge exchange and adaptive programme management.

The CETP Programme Team conducts a mid-year review of the annual workplan and presents the results to the IEA Secretariat's Steering Group to inform any necessary adjustments to funding for the second half of the year. Any significant modification of priorities will be discussed in the Funders' Strategic Coordination Group.

Narrative Reporting
The IEA produces an annual narrative report on the CETP activities by the end of the first quarter of the following year. The CETP Annual Report includes detailed, descriptive information on activities delivered in each region and country and under each pillar and workstream of the Programme. Together with the Annual Report the IEA delivers to the funders an annual update on the Results Framework indicators, based on the project-level data reported by teams to show the overall results of the Programme. Detailed financial information is provided as part of the financial reporting process. In addition to the CETP Annual Report, the Programme regularly reports to the Governing Board, the Standing Group on Global Energy Dialogue and other relevant IEA Committees and Working Groups as appropriate, as also described above and as suggested in the Independent Review. The Danish reporting is based on overall CETP indicators and reporting formats to avoid duplication of work.

Mid-term review from Denmark and secondment
Since the VC exceeds DKK 43 million, it is mandatory under Denmark's AMG to undertake MTR of the entire programme led by LEARNING (Department for Evaluation, Learning and Quality). The objective of the MTR is to provide independent quality assurance that will assess and take stock of Denmark's engagement with CETP and review progress against key indicators, identify possible needs for adjustments, and provide recommendations toward a continued Danish engagement with CETP.
The process of contracting the Danish secondment will follow Danish procedures for secondments to multilateral organisation which was also followed during previous secondment. The contract is planned to be managed by IEA but only Danish speaking candidates likely to be eligible.

7.4 Knowledge Management and Learning
Knowledge management and learning is at the core of IEA's mission.

Recent changes to the data management of CETP, made in response to recommendations from the reviews of the funders (including the MTR undertaken by Denmark), include making CETP Annual Reports, briefing notes and newsletters available to all IEA members and beyond to allow a greater range of stakeholders to have timely access to the outputs of the programme.

7.5 Communication plan
The IEA systematically disseminates results of CETP activities to increase visibility of the programme, enhance the availability of evidence for policy making and implementation, to mobilise political will for clean energy transitions, to enhance capacity to formulate and implement policies for clean energy transitions in targeted countries and regions and to improve coordination among national, regional and international stakeholders. All CETP communication efforts are integral part of the overall IEA communication strategy and delivered based on the CETP Communications Plan developed in March 2023. All outputs will be made freely available on the IEA's website, both on the CETP programme and highlighted on the homepage and relevant topic, country and fuel and technology pages. They will also receive wider distribution and promotion through IEA social media channels, newsletters and media engagement with direct support of the IEA's Communications and Digital Office.

7.6 Special conditions

Details regarding meeting Danish anti-corruption policies and other special conditions (Governing law clause, Dispute resolution clause and Intellectual property) are treated in agreement between IEA and the MFA of Denmark.

8 Financial Management, planning and reporting

While workstreams and collaborations can have a multi-year horizon, specific projects under the CETP are planned on an annual cycle through the funding allocation process. The process is managed by the CETP Programme Team and starts every second quarter of the year, for the budget Year+1. Based on guidance from the Executive Office, teams across the IEA submit detailed project proposals for work to be carried out (for both staff and non-staff requirements) under the CETP Strategic Framework to the appropriate Workstream Leads/Coordinators. The coordinators consolidate, review and prioritise these submissions, focusing on matching requests from Partner Countries and maximising the IEA's impact and engagement with Member and Partner Countries in the most efficient and productive way. Proposals are then forwarded to the CETP Programme Team, where initial proposal of funding allocation is presented to the CETP Steering Committee for further discussion and guidance. By the end of the second quarter, the allocation process results in a draft workplan, which is submitted to the Strategic Coordination Group for further guidance.

Based on this guidance the workplan is adjusted and it is ensured that the funding of each workstream is in line with the CETP VC requirements, the Strategic Framework and the overall mandates and priorities of the CETP and the IEA, as decided by the funders and the Member Countries respectively. The final annual CETP workplan is shared with the Strategic Coordination Group upon its finalisation. Further changes are possible during the implementation of the workplan ensuring that it remains fit for purpose.

The CETP Programme Team with direct involvement and support of the Danish secondee, manage the process to ensure coherent implementation of the programme and alignment with the strategic guidance provided by IEA Members, delivered through the Governing Board and committee meetings, as well as with the direction set by CETP funders through the Strategic Coordination Group.

The VCs provided under the CETP are managed in accordance with OECD Financial Regulations and other relevant OECD rules, policies and procedures. In the Annual Narrative Report, produced by the end of the first quarter of the following year, the IEA presents the total CETP expenditure for the previous financial year, broken down by CETP pillars and countries. Where a VC financial report is required, it is provided in the OECD/IEA standard reporting format with expenditures broken down by the OECD, i.e. by the nature of expenditure, e.g. staff and staff related costs, intellectual services, missions, etc.

The transfer of funds (invoicing schedule) will be defined in the VC Agreement. The VC is expected to be paid annually in instalments upon receipt of corresponding invoices that reflect estimated annual costs, as well as any unspent balance from previous periods. The IEA will be responsible for submitting disbursement requests and once funds have registered on the account of the IEA, the IEA should confirm this within 14 days.

The reporting schedule will be defined in the VC Agreement. It is expected that there will be annual financial reporting for each calendar year which must be submitted at latest 6 moth after the end of the financial year. Financial reporting will be in accordance with the budget by geographic area in Annex 5. The financial reports will be based on information included in the Organisation's accounts, which are subject to independent audit in accordance with OECD Financial Regulations. IEA is responsible for submitting annual financial report (following the OECD Council' Audit Architecture) and narrative reporting and annual progress up against the results framework to the focal point at the MFA after approval of the Strategic Coordination Group. The submission should be made in a separate email and form part as the broader package to the advisory board meetings.

Within six months after the date of completion or termination of the Agreement, a final narrative report summarizing activities and impact of activities as well as data final financial report (following the OECD Council' Audit Architecture) will be delivered. Upon completion of the grant any unspent funds must be returned to MFA. Interest accrued on the Danish grant will not be calculated separately and thus not returned to the MFA, rather IEA will strive to ensure that disbursement requests to the MFA match liquidity needs for activities in the best possible manner.

The responsible MFA unit holds the right to carry out any technical or financial missions that is considered necessary to monitor the implementation of the programme. After termination of the programme support, the Green Diplomacy and Climate within the Ministry of Foreign Affairs of Denmark reserves the right to carry out evaluation in accordance with this article. All associated costs will be borne by the donor. It is understood that any such missions or evaluations will not constitute a financial, compliance or other audit of the IEA or the project activities funded under this agreement.

In addition, on the first quarter each year, the IEA Secretariat compiles a VC Annual Report with extensive information on trends and details of all VC activities of the previous year. This report is presented to the IEA Committee on Budget and Expenditure (CBE) which advises the Governing Board on resource management and administration. The report provides information on all IEA VC income and expenditure in the accounts, trends in VCs offered and approved, which also encompasses VCs from Denmark and any existing and new programmatic activities, including the CETP, as well as key issues in the management and administration of VCs. Denmark is represented at the CBE and recently held the position of CBE Vice-Chair.

The CETP Programme Team strives to ensure transparency and manages the programme in the spirit of continuous improvement. In 2023-2024, the IEA has undergone an Independent Review by an external auditor designated by the IEA Governing Board. In the final report of the Independent Review, presented to the Governing Board in October 2024, the Independent Review of the IEA noted that the CETP Strategic Framework has significantly improved reporting to funders on CETP activities, impacts and outcomes in recent years, and that the Strategic Framework has in many ways fulfilled its purpose to the satisfaction of funders. Other programmes implemented by the IEA were encouraged to follow the CETP programmatic approach to VC funding.

Audit procedures

The OECD Council requires an Audit Architecture and procedures which comprise an independent external audit, internal audit and an Audit Committee. The audit of voluntary contribution (VC) financed expenditures is covered in this framework. Funding will be managed in accordance with OECD Financial Rules and Regulations and other relevant IEA policies and procedures. All expenditures related to this contribution will be recorded in the accounts of the OECD which follow generally accepted accounting principles. The OECD/IEA cannot authorise any audits other than those carried out by its duly appointed auditors under the aforementioned Audit Architecture. Denmark has the possibilities to raise concerns or observations through official channels of the OECD and IEA governance structures.

9 Risk Management

The CETP has revised its approach to risk management and now applies a comprehensive, multi-level approach to managing risks that may impact the successful delivery of its workplan. The CETP Risk Register systematically identifies, assesses and documents risks to the delivery of the CETP workplan, enabling proactive mitigation and informed decision-making through a structured, regularly updated framework. It has been developed in line with the OECD Risk Management Policy and focuses specifically on external risks to CETP activities, with clear roles and responsibilities for project level teams, the Steering Committee and the CETP Programme Team. The Risk Register aims to assess each identified risk based on its likelihood and potential impact on CETP activities. For each risk, the impact after applying mitigation measures is assessed to present a residual risk score, which reflects the remaining risk.

This approach is compatible with the system recommended in Denmark's AMG. As recommended in the MTR of the ongoing VC programme, monitoring of risks and assumptions will in future be included in progress reporting. Risk management is important, which has been evident during the past five year with COVID19, Russia's invasion of Ukraine and the global energy crisis.

Potentially major risks identified in the CETP Strategic Framework include:

- Deterioration of the geopolitical situation in one or more priority countries and/or surrounding regions
- Economic downturns, fluctuations in energy prices, or unforeseen economic shocks
- Global health crises
- Weak governance or political instability in CETP partner countries
- Changes in local institutions
- Lack of political will or competing political priorities in one or more priority countries
- Lack of human and financial capital
- Resistance from industry stakeholders
- CO_2 emissions reduction will mainly accrue after the programme has ended
- Changes in the international context deprioritise clean energy transition or affect the economics of decarbonisation

The CETP strategic approach to risk management ensures that contingencies are built into the timeline, budget and resource allocation, thereby increasing programme resilience and adaptability. CETP's

programmatic approach also allows resources to be reallocated to prioritise efforts with a higher potential for impact as operations progress.

Risk Analysis from the Perspective of Denmark

Denmark's concerns around risk go further in some areas because objectives may be broader, priorities and commitments in its development assistance political framework need to be considered and concerns of Danish stakeholders need to be reflected.

A summary of these concerns (fully set out in a risk management matrix at Annex 6) is as follows

Contextual Risks: The international consensus on climate change and multilateralism is under pressure. The change in focus in these areas is not only limited to a few concerned actors but the new attitudes may influence other governments and contributors, including some of the CETP focus countries. These changes may increase the likelihood of policy changes affecting the priority given to clean energy transitions, weaken multilateral initiatives and organisations, and reduce the political will and resource allocation supporting implementation of the CETP. Moreover, difficulties reaching consensus in international forums may negatively affect the programme's efforts to promote good practices.

Risk response: This is mitigated by monitoring impacts at national, regional and internal levels. It is also relevant to broaden argument of applying clean energy from energy security, energy independence and cost-efficiency perspectives.

Programmatic Risks: The main programmatic risks arise if the assumptions underlying the objective of the CETP will not be realized. Successful implementation of the programme is built on the assumption that programme outputs contribute to an enabling environment that is a basis a clean energy transition. Country conditions and capacity, political and social instability, and political economy considerations may prevent or delay adoption of optimal solutions. The practical challenges and the scale of reform needed may exceed the technical and financial resources available. An additional concern is that the transitions adopted do not deal equitably with some groups (e.g. women, minorities or marginalized people).

Risk response: Some of these risks are mitigated by CETP increasing its focus on a people-centred clean energy transition approach but also supporting more implementation near data monitoring and technical assistances.

Institutional risks: The program could fail to deliver its outcomes, which will reflect negatively on Denmark or partners could engage in fraud, corruption or human rights violations under activities funded or facilitated by the program.

Risk Response: Although it is likely that there will be disruptions due to unexpected events at some locations, or for some period of time, during program implementation, the program has a flexible structure and the ability to adjust the focus and size of interventions in response to circumstances. The program takes place across a diverse range of countries and is likely to be successful in at least some of these. The likely availability and the potential sources of funding need to be closely monitored, and a flexible approach to location and timing of interventions will be required considering several key donors reducing their aid budgets.

In conclusion, risks are well managed and monitored including provision for new risks that might arise as the project progresses.

10 Closure

The Danish support to IEA is limited to 5 years. A decision for Denmark to provide new support for any future phase of the CETP will be guided by the mid-term review and will be conditioned on the programme's performance and achieving the current set of result targets. As part of project finalisation, a narrative and financial completion report will be submitted by CETP/IEA to the Ministry of Foreign Affairs in Denmark three months after closure.

Denmark will also monitor the up-take and implementation of CETP supported work by partner institutions in the benefitting countries. By this, national authorities and other stakeholders will during the programme period have institutionalised several of the support received from the CETP. By this, technical assistances and capacity building will operationalised and ensure sustainability and concrete outcomes of the work.

Annexes

Annex 1: Context Analysis

A1.1: Poverty and inequality analysis

According to IEA, the starting point for the analysis is an energy system characterised by multiple inequities, in which affordable energy is often out of reach. The most fundamental inequity is the 750 million people today who lack access to electricity and more than 2 billion people who do not have access to clean cooking technologies and fuels. There are also wide disparities in energy use and ability to pay across different income groups within societies. In advanced economies, the poorest 10% of households spend close to a quarter of their disposable income on residential energy and transport fuels, even though they consume about half as much of these fuels as the richest 10% (who spend 5% of their income on energy). There are even larger disparities across developing economies, with the poorest grouping consuming one-fourth that of the richest and often going without reliable, modern energy services. A key question for successful transitions is how policies can be designed in a way that ensures access to the clean energy economy for lower-income countries, communities and households.

Affordability is always a concern for consumers and policy makers, but this has been heightened in recent years by price spikes for fossil fuels during the global energy crisis and resulting pressures on the cost of living. Consumers around the world spent nearly USD 10 trillion on energy in 2022 – an average of more than USD 1 200 per person – even after considering the subsidies and emergency support mobilised by governments. This is nearly 20% more than the average over the previous five years. Some countries and communities experienced a much greater shock, and high prices hit the poor and vulnerable hardest, in both developing and advanced economies. Almost one in ten people within the European Union – more than 40 million people – were unable to keep their homes adequately warm.

In developing countries, the inequality is even harsher. It is not only affecting living costs of households. In South Africa, the World Bank estimates that the poorest households spend 27% of their income on energy, compared to a national average of 14%. Public discussion about cross-subsidisation and tariffs are therefore key concerns to balance with the urgent need for grid investment and new clean energy projects. However, new opportunities for cleaner air, new jobs and improved energy reliability for socio-economic development could be co-benefits if designed well with a pro-poor perspective.

In other words, a green energy transition will include risks and opportunities for securing affordable and reliable energy to the poorer households. How transitions will be paid for, and how the costs and benefits of transitions will be shared. This special report provides, for the first time, an evidence base for the discussion and a pragmatic look at strategies and policy approaches that can safeguard affordability and fairness as transitions proceed.

High up-front financing costs for clean energy projects are a major additional hurdle, especially in emerging and developing economies that face a much higher cost of capital**.** Financiers and investors demand higher returns in these countries because investments tend to be – or are perceived to be – riskier than those in advanced economies. This issue has been exacerbated for relatively capital-intensive clean energy projects by the recent worldwide rise in borrowing costs. If financing costs remain high in developing economies, these countries risk being locked into polluting technologies that might initially be less expensive but end up incurring long-term fuel and environmental costs. Enhanced international efforts to increase the availability and lower the cost of capital for developing economies are a vital dimension of affordable transitions.

Vulnerable groups and how they are targeted (Leaving No One Behind):

Cleaner air and health benefits. The poorest groups are also most exposed to air pollution from traffic and lack of access to clean cooking. IEA has been a global leader of addressing clean cooking in Africa where almost 80% of the populations still lack access to clean cooking fuels and technologies. Furthermore, informal settlements and informal jobs are often more vulnerable to air pollution.

IEA is co-producer of the annual SDG7 progress report which has annual updates on energy poverty and lack of access to clean cooking. It is also a focus on how clean and energy efficient appliance to benefit the poorest households, but also the barriers for the poorest households to access quality energy consuming assets.

Coal workers is another case to achieve a for example in South Africa, Indonesia and Chain where poverty and just transition of workers in coal-dependent regions needs to be factored in the energy planning to avoid local resistance and leaving some groups worse of. The Commission of People-Centred Clean Energy Transition consist of several representatives from global and national unions.

With trillions of dollars being invested in clean energy, these mega investments need to mitigate potential adverse impacts for local communities affected by new infrastructure. Indigenous peoples and rural communities are often affected by some of this infrastructure such wind power, solar parks or hydro power. However, some of this new infrastructure can also replace polluting coal power plants, create new local jobs and enable communities to access to cheaper energy-

Any risks that the project may cause harm to poor and vulnerable groups:
Some CETP supported activities, trainings and data production have limited focus on the socio-economic dimension of the clean energy transition but a core mandate of the CETP is to promote a People-Centred Approach.
IEA is mainly contributing with knowledge exchange and technical recommendations – not directly in policy decisions or investments. However, technical trainings and recommendations can also have high indirect positive or negative impacts. Therefore, IEA has the last few years increased a significant focus on both economic and social dimension. Country experience have demonstrated that placing people at the centre of clean energy policies – is essential for transitions to succeed. It is a matter of having a "social license" to operate and turn the green transition into practise which has become evident for IEA. Most governments today are therefore looking to further understand how to ensure clean energy transitions as a tool for positive social change and equity. It has become an integrated part of IEA aims to support governments by providing key analytical tools and by using its convening power to share learnings and best practices towards ensuring that people are at the centre of clean energy transitions.

Key documentation and sources used for the analysis:

- Danida Approach Note on Fighting Poverty and Inequality (link)
- Danida How to Note on Energy Transition and Emission Reductions in Developing Countries (link)
- IEA: Strategies for Affordable and Fair Clean Energy Transitions (link)
- IEA: A vision for clean cooking for all (link**)**
- IEA: Global Summit on People-Centred Clean Energy Transitions (link)
- IEA (+ others): SDG7 Progress Report (link)

A1.2: Stakeholder analysis

CETP Partners and stakeholders:
The IEA now works with more than 40 countries to support clean energy transition. Support is primarily directed to key countries and regions based on a mix criteria including:

- potential emissions reduction (based on current energy intensity, population, energy mix and other relevant statistics),
- existing close collaboration (e.g. Kenya and Senegal became IEA Association countries in 2023);
- multilateral agenda (presidency of COP, G20 or ASEAN for example): and,
- direct requests for technical assistance (e.g. Uganda worked closely with the IEA to develop its official Energy Transition Plan published in Dec 2023).

CETP's country support the governments in the six major emerging economies: Brazil, China, India, Indonesia, Mexico and South Africa; plus Ukraine, Kenya, Senegal, Uganda (these ten countries collectively accounted for about 48.2% of the world's population according to United Nations population estimates for 2023 and around 43% of energy related CO_2 emissions, according to IEA Key World Energy Statistics). Priority regions include

Latin America, South-East Asia, Africa and Middle East. The areas of work supported by this programme, summarised in the figure below, are selected primarily on the demand from the partner countries.

Box: CETP priority country profiles

CETP Priority Country (population in millions)	Context	Global Share of energy-related Emissions	Emissions growth 2000-2022	Energy Intensity Change (2000-2023)	Power Generation from Renewables
		%			
Brazil (211)	Largest country in South America and the largest single energy consumer, accounting for about 36% of total final energy consumption in Latin America.	1.2	+40	0	88
China (1,422)	China is the largest country in Asia by population and the largest single energy consumer, accounting for approximately 26% of global energy consumption and over 50% of total energy consumption in Asia. It generates over 30% of the world's electricity, mainly from coal (55%), hydropower, and renewables.	31	+245	-43	24
India (1,438)	Energy demand growth is projected to outpace all other countries by 2050 due to higher economic growth, increasing population and rising urbanisation.	7.4	+182	-35	22
Indonesia (281)	4th most populous country in the world, the largest energy producer and consumer in Southeast Asia. Expected to become the 4th largest economy by 2050.	1.9	+156	-28	18
Mexico (129)	Accounts for 20% of total final energy consumption in Latin America. CO2 emissions increase driven largely by increases in consumption of natural gas and oil.	1.1	+6	-14	24
South Africa (59)	It accounts for 12% of economic activity in all of Africa and 30% of electricity demand. The current energy mix is dominated by coal and oil	1.2	+40	-28	8
Ukraine (38)	Must fundamentally reshape its past dependence on energy imports from Russia. Working to recover power and heating for civilians.	0.3	+57	-66	12
Kenya (56)	Access to electricity has increased dramatically over the past 20 years, reaching almost 3/4 of the population. Note the high	0.1	+116	-21	88

	renewables total is mainly geothermal (54%) hydro 24% and wind (18%). Traditional uses of biomass, which has serious negative consequences on health and the environment, dominate " final exergy consumption".				
Senegal (18)	In 2022, 75% of the population had access to electricity, mostly generated from heavy fuel oil. The energy strategy focuses on more reliable, sustainable and lower cost electricity,and access to modern cooking fuels. Due to strong demographic growth, the number of people relying on traditional biomass for cooking is increasing.	0.03	+221	-4	14
Uganda (50)	In 2019, Uganda's energy mix was dominated by fuel wood and charcoal followed by a small share of oil products. Electricity comes mainly from hydroelectric plants. In 2020, less than 5% of the population had access to clean cooking.	0.02	+405	-34	97

Priority Countries Summary

China

China is the world's largest consumer and producer of energy, with coal still dominating its power generation. Despite its leadership in renewable energy investments, coal accounts for over half of total power production. To support China's clean energy transition, the International Energy Agency (IEA) has engaged with the government and key institutions, contributing to policy development and reforms. With funding from the Clean Energy Transitions Programme (CETP), the IEA developed an Energy Sector Roadmap to Carbon Neutrality to help China peak CO2 emissions before 2030 and reach carbon neutrality by 2060. Additionally, the IEA has advised on China's mid-term energy and climate plans, particularly the 14th Five-Year Plan, collaborating with ministries to design reforms in emissions trading, power sector efficiency, and energy policy. Through these engagements, the IEA continues to play a crucial role in assisting China's energy transition.

India

India's energy demand is soaring due to its growing population and rapid urbanization. It is the world's third-largest energy consumer, with 80% of its demand met by coal, oil, and biomass. Solar energy holds significant potential but currently accounts for less than 6% of India's electricity generation. By 2050, India's energy demand growth is projected to outpace all other countries, necessitating strong efficiency policies.

The IEA has established a long-term partnership with India, resulting in key reports and policy collaborations, including the India Energy Outlook and Air Quality and Climate Policy Integration. The CETP has supported India's EE agenda, assisting in developing a national EE plan and strategies for small and medium-sized enterprises. Additionally, the IEA has provided technical assistance to improve energy data collection and policy tracking. The collaboration aligns with India's commitment to industrialize without increasing carbon emissions and supports efforts in renewable energy, alternative fuels, and clean energy investment.

Brazil

Brazil is Latin America's largest energy consumer, with its energy sector relying on renewable sources like hydropower for nearly 45% of primary energy demand. However, CO2 emissions have more than doubled since

1990 due to increased electricity and transport fuel consumption. The IEA has supported Brazil's clean energy goals, including its target of reducing emissions by up to 67% by 2035 and achieving net zero by 2050.
The IEA works with Brazil on EE strategies in key industries and has helped develop regulations for the electricity market. The agency has provided investment trend analysis and policy guidance on energy innovation. Notably, the IEA is the only international organization assisting Brazil in preparing its National Energy Transition Plan (PLANTE). The agency has also supported Brazil's G20 Presidency, contributing expertise in sustainable fuels and clean energy investments. Future collaboration will focus on doubling EE for electrical appliances and ensuring EE remains central to international discussions at COP30.

South Africa
South Africa, an IEA Association country since 2018, accounts for 12% of Africa's economic activity and 30% of its electricity demand. The nation's energy mix is heavily dependent on coal, which provides around 70% of its power generation capacity. However, the 2019 Integrated Resource Plan outlines a strategy to diversify the power mix and transition towards cleaner energy by 2030.
With South Africa set to assume the G20 Presidency in 2025, it has prioritized energy access, social transitions, and innovation. The IEA has been actively engaged with South Africa on EE, power sector reforms, carbon markets, and just transition strategies. South African policymakers have participated in IEA training programs, including the 2024 Global Conference on Energy Efficiency. Future IEA contributions under CETP will focus on policy recommendations for the National Energy Efficiency Strategy (NEES), tracking G20 progress, and supporting South Africa's leadership in global energy dialogues.

Indonesia
Indonesia is a major energy player, being the world's third-largest coal producer and a leader in nickel and copper production, which are essential for the energy transition. It is also the largest energy producer and consumer in Southeast Asia, with its economy expected to rank fourth globally by 2050. Despite increasing investments in renewable energy, Indonesia remains vulnerable to price fluctuations due to rising oil and gas imports.
The IEA has maintained strong relations with Indonesia since 2015, supporting its energy transition through strategic policy advice and partnerships. Key milestones include the 2023 Energy Sector Roadmap to Net Zero and Indonesia's Just Energy Transition Partnership (JETP), where the IEA leads multiple working groups. Future support will focus on implementing the JETP, enhancing EE policies, and strengthening Indonesia's investment environment for clean energy. The IEA's Regional Cooperation Centre in Singapore will coordinate these activities to accelerate Indonesia's transition towards a more sustainable energy future.

In addition partners include.

- Sub-Saharan Africa: Despite abundant resources, 600 million people lack energy access, affecting economic growth, health, and education. The IEA is supporting EE policies, investment, and clean energy transitions in Kenya, Senegal, and other countries through programs and partnerships.
- Kenya: Nearly 90% of electricity comes from renewables, with a goal of 100% by 2030. Challenges include grid losses, affordability, and clean cooking access. The IEA is working on energy policy, financing, and infrastructure improvements.
- Senegal: Heavy fuel oil dominates the power mix, but the country is expanding renewables, targeting 40% capacity. A Just Energy Transition Partnership (JETP) mobilizes €2.5 billion for clean energy and universal access.
- Latin America: The region faces EE challenges in transport, buildings, and appliances. The IEA collaborates with Argentina, Chile, Colombia, Costa Rica, and Mexico to advance clean energy and policy reforms.
- MENA: Fossil fuel dependence remains strong, but climate change and energy security concerns drive renewable energy expansion. Egypt and Morocco are leading efforts, with IEA support on grid resilience and efficiency.
- Southeast Asia: Energy demand is rising, heavily reliant on coal and oil. The IEA partners with ASEAN countries to support clean energy policies, regional integration, and net-zero goals.

- Ukraine: The war has severely impacted the energy sector. Ukraine is shifting towards decarbonization, European integration, and system decentralization, with IEA assistance in reconstruction and energy security.

Box Notable CETP Achievements in Key Partner Countries and Regions

India
At central level CETP worked with the Government of India on a clean and just energy transition, selecting topics and sectors with the most direct impact on decarbonisation and people's lives. India announced ambitious energy transition plans at COP26, including reaching net zero emissions by 2070. A strategic plan was also prepared for advancing EE across demand sectors and this served as a critical input for the EE discussions of India's G20 Energy Transitions Working Group.
In addition, CETP has worked closely with state governments and industry partners to simplify RE regulations and create attractive incentive structures. One notable example is its role in scaling up solar and wind projects by streamlining permitting processes and facilitating public–private partnerships. This integrated approach has contributed to a marked increase in RE installations, helping India reduce its reliance on fossil fuels and cutting overall greenhouse gas emissions.
Indonesia
CETP introduced micro-grid systems in remote areas that have enabled communities to access reliable and clean solar or biomass energy, replacing expensive and polluting diesel generators. Training and stakeholder engagement has built local expertise to maintain and expand these RE projects, ensuring long-term sustainability.
In addition, the "Net Zero Roadmap", developed with the Ministry of Energy and Mineral Resources (MEMR), directly led to commitments to reach peak emissions in the electricity sector at 290 Mt and to achieve a 34% share of renewables in electricity generation by 2030; and support to an Energy Efficiency and Electrification Working Group included a roadmap for off-grid power, EE and electrification.
Africa
In sub-Saharan Africa, the CETP supports capacity building and policy reform to boost clean energy investments and improve energy access, with an increased analytical focus on financing clean transitions including building modelling capacity for Ministries of Energy in Benin, Ethiopia, Ghana, Kenya, Nigeria, the Democratic Republic of Congo, Mozambique, Rwanda, Senegal, Uganda, and Zambia. Close collaboration with Uganda's government stakeholders led to the development of the country's Energy Transition Plan. This work has assisted African stakeholders actively participate in the Global Commission on People-Centred Clean Energy Transitions and the IEA Clean Energy Labour Council. The IEA report, A Vision for Clean Cooking Access for All (July 2023), paved the way for the first-ever high-level Summit on Clean Cooking in Africa which mobilised $2.2 billion in financial pledges from governments and the private sector.
Latin America
The IEA contributed analysis to consultations that led to adoption of minimum energy performance standards for air conditioning. This binding policy has been adopted by six out of eight member countries so far. The policy will help lower consumer bills, cut CO2 emissions and lead to more affordable energy through avoided electricity costs. The IEA is also driving an initiative to support harmonisation of efficiency standards for a range of products in a group of leading countries in Latin America.
Mexico
In Mexico, CETP's policy advice has helped streamline regulatory frameworks to attract private investment in renewables. By helping to modernize energy policies and create an enabling environment for clean energy projects, CETP's support has contributed to an increased share of RE in Mexico's national grid (growth in renewable electricity generation from wind and solar almost tripled from 2015 to 2022)— renewables now account for around 24% of power generation fostering both environmental benefits (such as reduced emissions) and improved well-being through better air quality and energy security.

The CETP has also been a driver of support to the first Summit on Clean Cooking Summit in Africain 2024. Furthermore, the CETP has contributed to the G20's focus on just and inclusive energy transition, adopting a people centred approach, which resulted in the G20 Just and Inclusive Energy Transition principles in 2024, during the Brazilian presidency.

The IEA's independent energy analysis and policy recommendations also helped shape the targets and technical underpinnings of the UAE Consensus at COP28 in 2023. In the run-up, the IEA provided critical data on global energy trends, renewable capacity growth, and EE improvements—information that helped negotiators agree on ambitious goals such as tripling renewable capacity and doubling EE gains by 2030 as essential steps for a just, orderly transition away from fossil fuels.
In 2023, E4 engagement responded to the needs and priorities expressed by partner countries, such as fuel economy standards for heavy duty vehicles in Indonesia, air transport in India, heat pumps in China and standards for efficient appliances or improving the EE of buildings in Latin America. In 2023, the E4 team supported five strategic national policy plans, eight sectoral policy plans and six policy formulation processes and supported the development Kenya's report on 'energy efficiency for affordability".

The CETP's work has enabled real and measurable change by providing technical, practical and political input to partner countries' clean energy transition policies. With its focus on emerging markets and developing economies (EMDEs), it has both transformed the IEA's bilateral relationship with EMDEs and strengthened multilateral cooperation on clean energy.
The IEA continued its long history of in-depth and strategic support to the Group of 20 (G20). With India holding the G20 Presidency in 2023, the close partnership between the country and the IEA was demonstrated by the very successful delivery of a large number of outputs produced in support of this work, which became the largest work stream under Pillar II – Multilateral Coordination. Important collaboration between the IEA and UN agencies followed closely and included working with the COP28 Presidency to raise ambition and advance the global climate agenda at the UNFCCC Conference of the Parties (COP) through a series of high-level dialogues, as well as strategic engagement and advice. In addition, under the CETP the IEA has also partnered with the UN Environment Programme (UNEP) to advance work on electric mobility, and carried out substantive activities on Sustainable Development Goal 7 (SDG7). The CETP component of the G7 was more modest in 2023, with the expectation that it would increase in 2024, with a focus on Africa and critical minerals.

Under Pillar III – Enabling the Global Energy Dialogue, Digitalisation of energy systems was the largest workstream. It supported various analytical outputs and direct exchanges with Pillar I countries to help them drive improvements in EE and facilitate the improvements to clean electricity grids. One key 2023 milestone was the publication of the 3DEN guidance report Unlocking Smart Grid Opportunities in Emerging Markets and Developing Economies

A1.3: Justification of support according to OECD-DAC criteria

Justification of support according to DAC criteria
The six quality criteria defined by the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) serve as the reference frame for evaluating international cooperation projects and programmes. The proposed VC was assessed against these criteria and was found to be fully justified, as follows.
Relevance

- The VC directly addresses Denmark's policies and strategies regarding climate, energy and development assistance. The CETP focuses on the global sustainable development agenda, including SDG7 and SDG13 as well as the Paris Agreement on Climate Change.
- The VC comes as an additional support to an existing programme, the relevance of which has already been tested through years of implementation.
- CETP promotes clean energy transition including EE, in support of GHG emission reduction and a contribution of the global goal of doubling EE and tripling RE by 2030.

Internal and external coherence

- At global level, the IEA addresses interlinkages of the CETP with interventions of other member countries and association countries through the IEA's governing board and high-level visits provide a forum of exchanges on each partner's activities/programmes/policies.
- Intervention planning considers other development partner programmes and aims for collaboration with the World Bank, DEA's Global Cooperation, etc.
- Implementation planning and oversight mechanisms through e.g. the CETP Strategic Coordination Group ensure that the synergies with Danish bilateral energy partnership programmes and with other multilateral programmes are identified and adressed by the MCEU.

Effectiveness

- The programme gives priority to interventions where transformational change can lead to building-up an enabling environment for the clean energy transition.
- The partnership modality of exchanges of good practice also helps facilitate effectiveness through sharing experience of successful innovations.

Efficiency

- The management of this VC is based on the existing governance structure of the CETP and E4, avoiding a multiplication of steering groups and monitoring and reporting mechanisms.
- Management arrangements (embedded in the ToR for the seconded staff attached to the SIO) will ensure coordination and synergies with the Danish bilateral programmes at country level, magnifying impacts and value for money.
- IEA's strong convening power enables political commitment and facilitates climate diplomacy, which in turn overcomes barriers to productive investments.

Sustainability

- Strong emphasis on country partner ownership at a sufficiently high level to CETP activities, as reflected in the IEA demand-driven support, will further sustainability.
- The CETP focus on institution as well as capacity building at scale for planning and policy formulation is an important element of sustainability.
- A substantial earmark to E4 ensures that the advances in EE developed by E4, with extensive support from Denmark, will be sustained, at a moment where EE still does not receive attention and funding relative to its importance.

A1.4: Fragility, conflict, resilience, migration

IEA does not have dedicated focus on fragile and conflict-affected areas related to energy. The MFA and KEFM consider that other multilateral agencies such as UNDP, WBG, AFDB, etc. covers this space. It is not completely left out of analytical work but not the core of IEA's and CETP's work.

A1.5: Human Rights, Gender, Youth and applying a Human Rights Based Approach

Human Rights Based Approach (HRBA)/Human Rights Principles of participation, accountability, non-discrimination, and transparency (PANT):

While access to affordable, reliable, sustainable, and modern energy for all is a Sustainable Development Goal (SDG7), access to renewable energy and clean cooking is not a human right as such. And while a human rights-based approach is not directly explicit in IEA's work, the human rights PANT principles are in many ways reflected in IEA's approach of energy planning and People-Centred Clean Energy Transition.

Gender equality:

Youth and jobs:
CETP has implemented a programme of analytical work from 2020 to 2023, entitled "Estimating the Job Creation Potential of the Clean Energy Transition". It assessed the job creation potential of the clean energy transition in low- and middle-income countries. A new publication was launched in early 2024.

Key documentation and sources used for the analysis:

- Jobs for a Livable Planet, Job Creation Potential of the Clean Energy Transition, January 2024 (link)

Are additional studies/analytic work needed? How and when will it be done?
No further studies or assessments required as part of project formulation.

A1.6: Inclusive sustainable growth, climate change and environment

To fulfil the 1,5 °C limit of temperature rise target as set out in the Paris Agreement, global greenhouse gas emissions (GHG) need to be reduced by 45% by 2030 and reach net zero by 2050. As of June 2024, 107 countries, responsible for approximately 82% of GHG emissions, had adopted net-zero pledges, but the actual commitments that have so far been made to limit emissions would lead to only 2.6% emissions decrease by 2030.
Energy is the source of around three-quarters of GHG emissions. Achieving net-zero requires global energy demand to decrease by about 8% by 2050 (according to the IEA report net-zero-by-2050). Advanced economies must reach net zero before emerging markets and developing economies and assist others in getting there. The pathways taken by emerging economies to increase their energy supplies to meet rising demand and boost economic development will be fundamental to achieving a global energy transition. This requires a massive increase in RE, EE measures, and grid infrastructure, while ensuring that consumers, particularly those with low incomes, can access reliable and clean energy at affordable prices. Despite record clean energy deployment, two-thirds of the increase in global energy demand in 2023 was met by fossil fuels, pushing energy-related CO2 emissions to another record high (IEA World Energy Outlook 2024). Meanwhile, the share of clean energy investment in emerging market and developing economies outside of China remains stuck at 15% of the total, even though these economies account for two-thirds of the global population and one-third of global GDP. While this is a major challenge for fulfilling the Paris Agreement, it is also preventing the consumers access to reliable and affordable energy in these countries. This demonstrates the need to accelerate a transition to clean power generation while allowing emerging economies and developing countries to continued growth and positive socio-economic development. While RE sources often are the cheapest form of power today, transitioning to a clean energy system poses significant challenges, particularly for developing and emerging economies. This includes lack of regulatory policies, difficulties in attracting investments, high upfront costs, low security of supply, inefficient power markets and lack of technical expertise needed for implementing and managing renewable and integrated energy systems. Energy is the cornerstone of any modern economy to enable growth, social development and eradicate extreme poverty. Therefore, a people-centred and just energy transition has been a prominent topic for discussion in both climate negotiations and most recently at the G20 in Brazil and South Africa. A clean energy transition will allow emerging economies and developing countries to access more affordable and reliable energy as demand is growing but also consider trade-off for specific affected groups. In addition, for many countries wind and solar power will also present an opportunity to strengthen national energy security and energy independence.
EE is by IEA referred to as the "first fuel" because it is the most cost-effective CO2 mitigation option while also lowering energy bills and strengthening energy security, helping cushion the effects of unexpected price spikes. EE is the single largest measure to avoid energy demand in the IEA's Net Zero Emissions by 2050 Scenario. Yet, EE is often overlooked as both a mitigation tool and a gateway to achieve SDG7. The IEA has been one of the leading global agencies to ensure focus on EE.

A1.7: Matching with Danish strengths and interests, engaging Danish actors and seeking synergies

Danish priorities, policies, and strategies are articulated in Denmark's Strategy for Development Cooperation "The World We Share", which among other things states that *"Danish authorities have decades of experience in creating the framework for successful green transition, and Danish companies, knowledge institutions and other stakeholders are at the very front in developing and implementing green solutions within renewable energy, district heating, energy efficiency…" "Denmark should be the little green cogwheel that sets the larger ones in motion. This happens when we inspire major CO2 emitters to take ambitious climate*

action, through international cooperation on renewable energy and energy efficiency, or through government-to-government strategic sector cooperation with other countries"; "Denmark must assume international leadership within reductions, green transition, and access to clean energy"; "Denmark will promote ambitious national climate action plans that enable developing countries and growth economies to transition from fossil fuels to clean energy sources…". "Denmark will strengthen the Danish SDG7 leadership and energy cooperation on green transition in developing countries, including promoting renewable energy and energy efficiency. This applies particularly to growth economies with high emission levels. The international cooperation on energy under the strategic sector cooperation will lie at the heart of the efforts to promote green transition and underpin Danish climate diplomacy. The World We Share" also stated that *"Denmark, together with the World Bank, has taken the lead to facilitate transition to clean energy and access to improved cookstoves. This will both improve women and children's health and often contribute to easing the workload of women and children as well as reducing emissions of greenhouse gases and toxic soot particles".* The support to CETP is clearly in line with these priorities, as further elaborated e.g. n the Danida How-to-Note on Energy Transition and Emission Reductions in Developing Countries, which explicitly mentions ESMAP five times.

The Danish Government's Foreign and Security Policy Strategy (May 2023), states that the climate crisis constitutes the 21st century's greatest challenge, requiring global cooperation and action and emphasizing that Denmark must continue to be at the forefront of the global climate action through its climate diplomacy efforts, continuing to assume a leading role in pushing for increased ambitions with regard to emission reduction efforts and other climate action.

Where Denmark can play a role through active partnerships and where there is a need for Denmark to take lead in pushing the agenda forward:

Denmark plays an active role in the IEA and CETP governance structure as described in project document. Denmark has currently several leading functions in these governance structures.

Danish comparative strengths:

The State of Green showcases expertise and experience in the Danish resource base, connecting to more than 500 solution providers in the green transition, including private companies, utilities, research institutions, financial institutions, and public sector stakeholders.

The Danish Energy Agency's Global Cooperation highlights Denmark's expertise and experience in the green energy transition and how this is reflected in the currently 25 bilateral country partnerships.

Assessment of the development partner landscape and coordination, including opportunities for synergy with Denmark's bilateral and multilateral energy/climate cooperation:

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Annex 2: Partner Assessment

The International Energy Agency (IEA) was founded in November 1974 in response to the 1973 oil crisis. under the framework of the Organisation for Economic Co-operation and Development (OECD). Denmark was one of the founding members. Denmark has been a consistent financial contributor to the IEA, supporting its core functions, research, and special initiatives.

Initially focused on oil security, the IEA has expanded its mission to include:

- RE & sustainability
- EE
- Carbon reduction & climate change policies
- Advanced energy technologies

Recognising the need to significantly expand EE policies in emerging economies in order to curb climate change, Denmark co-founded the Energy Efficiency in Emerging Economies (E4) Programme in 2013. The programme was conceived to help overcome structural barriers to EE in emerging economies. The first phase of the E4 (2014-2017) was critical in building strong, on the ground relationships with governments and policy makers. E4 also enhanced IEA's energy modelling capabilities to provide country-level data and analysis for E4 countries. These activities helped to broaden the E4 network and grow its influence in each country. E4 was successful in creating greater acceptance of the importance of EE and its multiple benefits amongst policy and decision makers. The E4 second phase (2018-2020), also supported by Denmark built on and expanded this work, with a particular focus towards a capacity building model, training over 1,500 practitioners across the world.

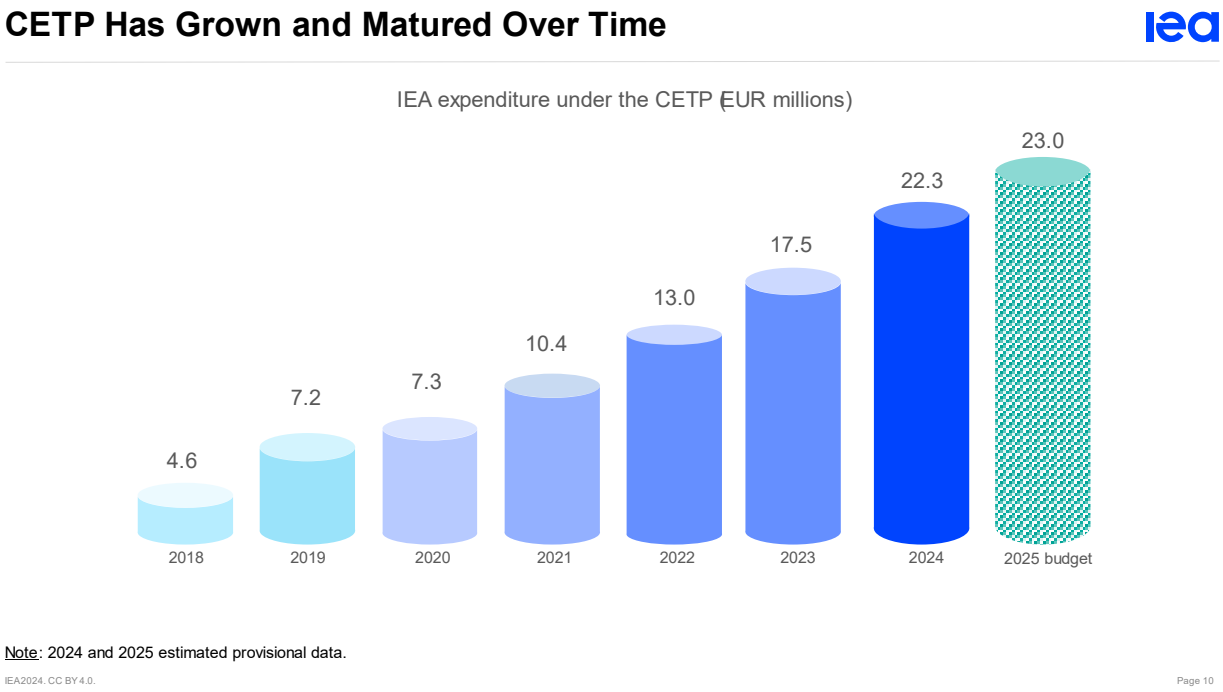
Denmark has over the years made several contributions to E4 and also managed larger EU delegated partnerships. The programme has contributed to keep EE high on the global agenda for emerging economies and developing countries. Focus has also shifted towards poorer developing countries and in 2024 the global EE conference was held in Kenya. Through its strong relationships with governments and policy makers, E4 has endeavoured to fill this gap with their understanding and expertise on EE and provided targeted analysis and advice. In 2023, E4 engagement responded to the needs and priorities expressed by partner countries, such as fuel economy standards for heavy duty vehicles in Indonesia, air transport in India, heat pumps in China, standards for efficient appliances or improving the EE of buildings in Latin America. In 2023, the E4 team supported five strategic national policy plans, eight sectoral policy plans and six policy formulation processes.
The proposed VC will continue to emphasise support to EE with earmarked funds to ensure that IEA can continue its valuable work it this area.

The CETP was launched in 2017, with Denmark as a main instigator, as an expansion of the E4, aiming to fully leverage IEA's all energy systems approach and all of technologies expertise to address clean energy transitions on a broader scale. CETP has enabled the IEA to massively increase its engagement with partner and donor countries, delivering value to them and enhancing the IEA's reputation as a reliable, authoritative source for understanding the transitions to clean energy.

The first phase of the CETP (2017-2021) has built strong, on-the-ground relationships with governments and policymakers. The approach at country and regional level has been gradual and driven by demand from partners, with initial activities typically focused on immediate short-term priorities to demonstrate the value of using IEA capabilities. The flexibility of CETP funding has enabled the programme to respond quickly to evolving priorities. These have included a net zero roadmap for Indonesia that has helped shape its multi-billion dollar Just Energy Transition Partnership,

recommendations on renewables that fed into China's Five-year Plan, EE policy and implementation advice for India, helping revise Brazil's law on energy research and development, and many more (see also selected results in annex 1).

Thus, Denmark's funding of the IEA has been a strategic investment in global influence, cutting-edge research, and a more sustainable energy future. The collaboration has strengthened Denmark's green leadership, shaped global policies, and enhanced its energy security and economic opportunities.



During the second phase (2021-2026), CETP and E4 benefited from an Independent Review of the IEA and a mid-term review (MTR) of the Danish VC. Both reviews acknowledged the success of the programme so far and the value of its approach, providing much-demanded policy advice and capacity development, and making high-quality data and authoritative analytical work widely available. It was noted that the revised CETP Strategic Framework (largely following the Danish model) had significantly improved reporting to funders of CETP activities. Recommendations were made to improve reporting and communications, and these have either already been implemented or will be addressed in the present programme document.

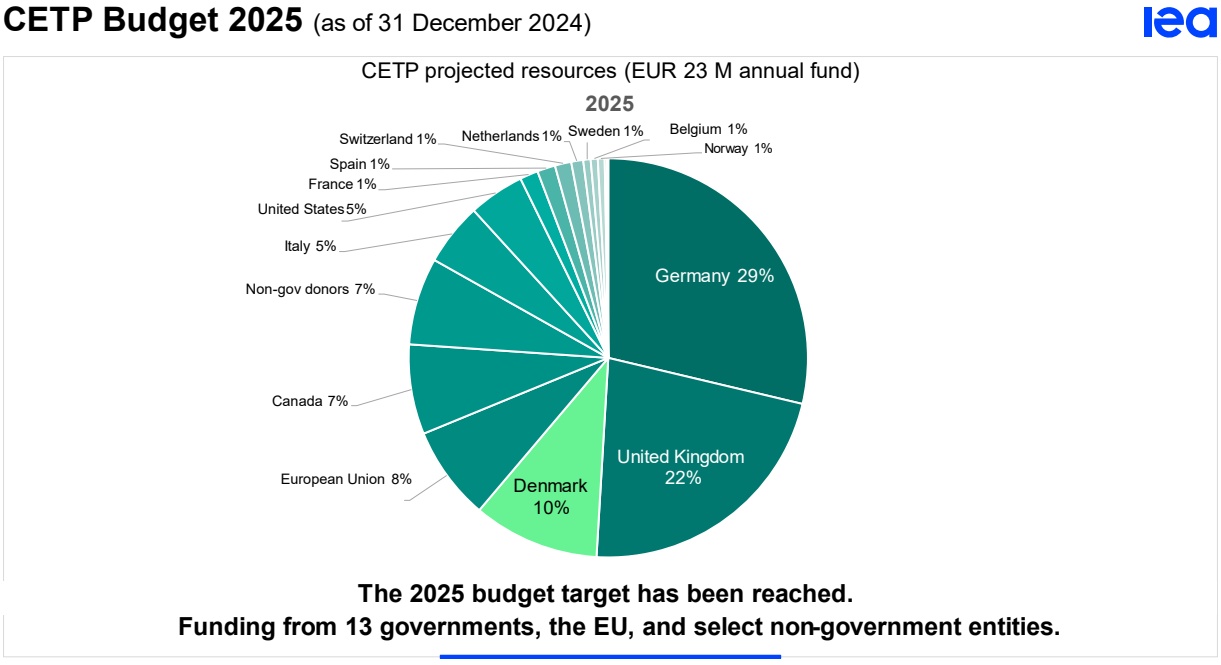
CETP has also expanded its focus on Africa and Just Transition. Denmark has in addition to the five-year support also provided to specific grants targeted Kenya and regional African work related to EE. The CETP has also been a driver to support the first Summit on Clean Cooking Summit in Africa. Furthermore, IEA has contributed to the G20 focus on just and inclusive energy transition (people centred approach), which resulted in the G20 Just and Inclusive Energy Transition principles.
The IEA's independent energy analysis and policy recommendations also helped shape the targets and technical underpinnings of the UAE Consensus. In the run-up to COP28, the IEA provided critical data on global energy trends, renewable capacity growth, and EE improvements—information that helped negotiators agree on ambitious goals (such as tripling renewable capacity and doubling EE gains by 2030) as essential steps for a just, orderly transition away from fossil fuels. Additionally, the IEA's

work with policymakers in countries such as Brazil, China, India, Indonesia, Mexico and South Africa to build capacity and craft policies likely influenced the language and ambition embedded in the consensus.

Key lessons learned from the previous phases of Danish support include:

- The importance of continuing to build and maintain high-level contacts at national level to deepen trust, ensure up-take of supported work and open up and maintain downstream contacts and engagement with stakeholders at an operational level.
- The need for continued support for EE expertise at the country level, as this area is not attracting the support of other funders at a level relative to its importance.
- The value of a demand driven approach and rapid response to emerging priorities of partner countries.
- The added value of transparency and disseminating information and data to as wide a range of stakeholders as possible.
- The need to foster inclusive and community-level partnerships that ensure no one is left behind in the transition.
- The need for a systematic approach to risk identification management and reporting.

Denmark has been one of the first donors providing VC to the IEA through the E4 and has contributed substantially to the CETP (between 8 to 9% of all VC to the programme). It is estimated that Denmark in 2025 will contribute 10% of the CETP budget, the 3rd highest proportion after Germany (29%) and the UK (22%). Other major contributions are expected from the EU (8%), Canada (7%), and Italy (5%). Expenditure on CETP has grown from 4.6 million Euro (2018) to 23.0 million Euro (2025 budget). Denmark is coordinating closely with other donors through the CETP Strategic Coordination Group and the donor group.



Denmark has also established a close collaboration between the Danish Energy Agency's (DEA) Center Global Cooperation and CETP country activities. The DEA Government-to-Government (GtG) cooperation in the energy sector are operating in the same countries and complement each other through different approaches and access to decision-makers. Many topics are overlapping such as EE integration of variable renewables, coal phase out, power market reform and long-term energy planning. Collaboration has also been established when it comes to support several countries in ambitious Just Energy Transition Partnerships (so-called JETPs). In several of CETP focus countries, the Embassies of Denmark are also Danish Green Front-Line missions with a strengthened mandate on climate diplomacy. Both CETP and Danish ongoing bilateral energy cooperation will benefit from synergies between the programmes and the sharing of experiences and data.

IEA is the global energy agency, playing a leading role in the ecosystem of international organisations addressing clean energy transitions in emerging economies, and the governments that form the IEA "family", represent about 85% of global emissions, which enables a broad sharing of global experience on successful actions to drive clean energy transitions. IEA plays a pivotal role in this ecosystem using its knowledge base.

IEA data and analysis are used to track and report against SDG 7 and IEA is lead custodian of SDG 7.3 on EE. IEA collaborates with UNFCCC and others to ensure that IEA energy reporting requirements are in line with those required for national emissions inventories and that IEA training can help countries build their annual energy balances contributing to the public good of more accurate emissions reporting. IEA also collaborates with UNEP and the GlobalABC to provide the data and analysis to track trends in buildings energy use and greenhouse gas emissions; and IEA works closely with SEforALL to pool convening power to drive more ambitious EE action under the Three Percent Club. IEA is also host to the newly formed Energy Efficiency Hub16 that serves as a forum for governments to work together on EE topics of their choice.

A particular challenge - and priority – identified by IEA in Clean Energy Transition is to promote a more diverse workforce across the energy sector, especially by increasing job opportunities for women and ensuring that the benefits of sustainable energy solutions are shared by all. The IEA notes that the energy sector remains one of the least gender diverse sectors: despite making up 48% of the global labour force, women account for only 22% of jobs in the energy sector. The share of women in the management levels of the energy sector is even lower. Hence, improving gender equality in the energy sector is an important goal.

Gender issues in the energy sector are becoming an increasing area of focus for the IEA, which, through its mandate from the 2024 Ministerial communiqué and the recommendations of the IEA Gender Advisory Council that were adopted by the Governing Board in December 2023, is working in multiple areas to raise awareness about the importance of gender mainstreaming within the IEA, in member country energy ministries and across the energy sector. The IEA has developed the Energy and Gender Data Explorer (on the IEA website) and continues to work to improve the collection of disaggregated gender and energy data to inform energy policy makers, collaborating with the Equality in Energy Transitions Initiative and its Equal by 30 Campaign, the OECD and other international organisations. In recent years, the IEA has organised events to discuss the importance of improved diversity in the energy sector, discuss the role of women in clean energy transitions and identify actions to take to reduce the barriers for underrepresented groups. The IEA is also calling attention to gender-related aspects in its analyses of energy access, clean cooking, People-Centred Clean Energy Transitions, investment and employment.

Specific actions on Social and Cross-Cutting Issues in the CETP strategic Framework

Human Rights and Poverty Reduction: Programme objectives will lead to more climate resilient societies with increased access to clean, secure and affordable energy. This in turn facilitates economic growth with resultant social benefits including for the poor and disadvantaged populations and contributes indirectly to securing basic rights such as the right to life, food, health, shelter, education, etc. IEA's work and the support through CETP and E4 on improved data for more well-informed decision make indirect contributions to the general human rights principles of participation, accountability, non-discrimination and transparency.

Jobs: Job creation is an important aspect of clean energy transition. The IEA's analysis on employment, skills and jobs, and labour market issues, assists in the development of national labour transition programmes. Programme activities will continue to support opportunities for affordable training and education to support green jobs and youth employment as part of clean energy transitions. Promote an inclusive training of reskilling of employees in the fossil fuel sector or communities affected by RE infrastructure, e.g. fishermen near offshore wind parks.

Gender Equality: A particular challenge - and opportunity - is improving gender equality, job opportunities for women and more generally the lives of women through sustainable energy solutions. The programme will benefit from an IEA gender-diversity initiative which is working on the following areas:

- Raising awareness on the importance of gender mainstreaming in energy policy making.
- Working with governments, to improve the collection of disaggregated gender and energy data to inform energy policymakers.
- Raising awareness on the challenges to collect data and the need for improved capacity and internal coordination in governments as well as developing new methodologies.
- Organizing events to discuss the importance of improved gender-diversity in the energy sector and possible actions to take to reduce the barriers for underrepresented groups.

Under CETP, the IEA monitors the number of women participants in training events and workshops and as such gender disaggregated data are produced. Within IEA gender initiatives, the CETP may further undertake a dialogue with partners and identify remedial factors as relevant if there is an imbalance and promote equal participation on training by women and men. There will be a focus on lowering the barriers to female participation, and the CETP will also align to partner country national or local strategies on gender.

Health and environment: The programme may also have indirect benefits in relation to health and environment as an improved enabling environment for an increased share of RE is expected to reduce the reliance on conventional energy technologies and their associated environmental impact and health risks from e.g. air pollution. Reduced health risks will benefit most parts of the population that are not able to protect themselves from exposure of pollutants, cannot afford health care and are without – or have poor social security, for example increased energy access will enable poor and disadvantaged groups to increase share of clean cooking options.

IEA is also working on adaptation and resilience in the framework of the CETP, in particular to help enhance the resilience of energy systems to climate change by developing analytical and policy support outputs targeted at decision makers in developing and emerging economies that are particularly vulnerable to climate hazards. Key activities developed so far include an analysis of climate impacts on hydropower generation in Africa and Latin America – which assesses climate risks and impacts with policy recommendations – as well as the development of climate resilience indicators. Future work will seek to test and apply such indicators and expand the geographical coverage of analysis to Asia and the technical scope of the study to transmission and distribution.

The VCs provided under the CETP are managed in accordance with OECD Financial Regulations and other relevant OECD rules, policies and procedures. In the Annual Narrative Report, produced by the end of the first quarter of the following year, the IEA presents the total CETP expenditure for the previous financial year, broken down by CETP pillars and countries. Where a VC financial report is required, it is provided in the OECD/IEA standard reporting format with expenditures broken down by the OECD, i.e. by the nature of expenditure, e.g. staff and staff related costs, intellectual services, missions, etc.

The IEA's expertise, data-driven approach, and global influence make it an ideal partner for Denmark's climate and energy-focused development cooperation. The IEA's Clean Energy Transitions Programme (CETP) aligns with Denmark's development assistance priorities in promoting sustainable energy solutions in emerging and developing economies. The IEA has deep engagement with governments, private sector actors, and multilateral institutions across the world. Through its CETP, the IEA works with more than 40 countries to support clean energy transitions. Partnering with the IEA allows Denmark to scale its impact by leveraging the IEA's global relationships and policy influence.

In addition, the IEA is well positioned to support emerging economies in achieving their clean energy transitions because:

- IEA is the global energy agency, and the governments that form the IEA family represent about 85% of energy related global emissions, which enables a broad sharing of global experience on successful actions to drive clean energy transitions and thus also contribute to addressing climate change both as regards reduced emissions and increasing adaptation and resilience
- IEA plays a pivotal role in the ecosystem of international organisations addressing clean energy transitions in emerging economies using its knowledge base and its convening power.
- IEA's independence, impartiality as an inter-governmental organisation within the framework of the OECD, deep policy experience and holistic approach, and the quality of work make it a trusted voice in policy development circles, complementing bilateral activities and the work of the multilateral agencies and development banks.
- IEA is the lead custodian of SDG target 7.3 on EE.
- IEA's approach of providing actionable, practical solutions – and steering away from "one-size-fits-all" remedies – is a reason for countries to request support.
- IEA's convening power facilitates communications with energy Ministers and senior officials in countries responsible for the majority of global energy demand.

Name of Partner	Core business	Importance	Influence	Contribution	Capacity	Exit strategy
The International Energy Agency	The core business of IEA is to ensure global energy security, sustainability, and affordability. Originally focused on oil security, it has expanded its role to include natural gas, electricity, renewables, and climate policies, making it a key player in global energy governance.	Medium -High Medium because Denmark's VC amounts to only 10% of the anticipated budget for CETP during the 5-year period of the VC. High because the remainder of the financing is uncertain (2 of the largest current Vos expire in 2025 and renewal is not yet assured. High because a significant proportion of Denmark's VC is earmark to EE, and only one other funder specifically supports this area.	High. High because the funding goes into the CETP which is fully implemented and financed by IEA in accordance with its Strategic Framework, using the VCs of many funders..	IEA will implement the CETP and by responsible for all monitoring, financial management, reporting, communication, and liaison with funding partners including Denmark. As part of implementation it will provide high level guidance to decision makers, technical support, data and statistics, modelling and analysis, research, training and capacity building. It will also use its convening power and extensive networks to facilitate information exchange, building of networks and to facilitate international collaboration	Strength: The IEA's deep engagement with governments, private sector actors, and multilateral institutions across the world together with its independence and track record make it a trusted source of information and advice and give it great convening power. Weakness: Its focus until recent years has been primarily technical – social aspects have not been a priority and it capacity in these areas is still under development Opportunities: Partnering with the IEA allows Denmark to scale its impact by leveraging the IEA's global relationships and policy influence. Danish Energy Agency's (DEA) bilateral cooperation in the energy sector cooperation will benefit from synergies between with CETP. Threat: The changes that CETP seeks to accelerate require concerted effort many years. CETP is dependant on funding from donors and the	The Danish support to IEA is limited to 5 years. A decision for Denmark to enter into new support with IEA will be guided by the mid-term review and will be conditioned on the programme's performance and achieving the current set of result targets.

					attractiveness of Clean Energy Transition is strongly influenced by market prices for fossil fuels and renewable technologies. Both are uncertain in the current global climate.	

Annex 3: Theory of Change and Result Framework

Annex 3: Theory of Change, Scenario and Result Framework

Input from the IEA to the project proposal for funding towards the IEA's work on EE and other areas of work under the Clean Energy Transitions Programme

Project objective: Accelerate progress towards global net zero emissions from energy through secure and a people-centred clean energy transitions, particularly in major emerging and developing economies.

Problem Statement: Emerging economies are experiencing rapid energy demand growth, driven by economic expansion and population increase. However, this demand is often met with inefficient energy access and consumption patterns, resulting in higher emissions, energy security risks, and missed economic opportunities. Various barriers hinder progress and contribute to policy gaps, including weak or absent regulatory frameworks for EE, renewable energy, and other key energy sectors and technologies.

Key barriers include:

- Competing policy and development objectives: Many emerging economies face competing development objectives and limited resources, making it difficult to mobilise political will and gain support from constituencies for reforms necessary to accelerate clean energy transitions and implement long-term Net Zero strategies.
- Information gaps: In many emerging economies, the lack of robust and accessible energy data and analysis hampers effective policymaking and delays the acceleration of clean energy transitions. Without comprehensive evidence to inform decisions, governments can struggle to design targeted policies and strategies that can effectively reduce emissions and promote sustainable energy systems. This information gap impedes progress toward implementation of EE measures and other actions that can lead to reduction of GHG emissions.
- Lack of investment and high cost of capital: Clean energy investment in EMDEs (excluding China) must increase more than sixfold by the early 2030s to align with the 1.5°C target. However, a high cost of capital, driven by real and perceived risks—including currency fluctuations, regulatory uncertainty, and grid access—hinders investment. These challenges are especially critical for clean energy projects, which require upfront capital. Lowering investment risks is key to reducing capital costs and unlocking the necessary financing for clean energy transitions.
- Capacity constraints: Design and implementation of effective energy transition policy requires appropriate technical expertise and capacity within the public service, yet in most emerging economies, only a small group of people are involved day-to-day in specialised topics such as EE, energy statistics or modelling relevant to national energy transition plans. These people are in high demand and succession strategies are uncommon.
- Limited coordination and knowledge exchange: In many developing countries, fragmented coordination among stakeholders hinders effective clean energy transitions. The lack of collaboration weakens the exchange of knowledge, limits political will, and slows down the delivery of impactful change.

- **Vision**: A future where emerging and developing economies can harness the benefits of EE and other clean energy technologies to ensure they reach their climate and energy policy objectives while fostering inclusive economic growth.

Inputs:

- IEA expertise, data, modelling and analysis on EE and its multiple benefits and other areas that can contribute to accelerating clean energy transitions.
- Capacity building, technical assistance and knowledge sharing.
- Partnerships with governments at national and regional levels, international organisations, industry and other experts.
- Development of tailored tools, methodologies and best practice guidelines.
- Communication and outreach materials for diverse stakeholders.

Activities:

Policy support

- Providing expert advice and technical assistance to develop and implement national EE strategies and action plans.
- Facilitating peer-to-peer learning and knowledge exchange on best practice.
- Conducting policy reviews and gap analysis to drive better EE policies.
- Supporting the design and implementation of policies that harness the multiple benefits of EE and other actions to accelerate the implementation of climate goals.

Capacity building

- Delivering training programmes and workshops for government officials, industry experts and other stakeholders at national, regional and global levels.
- Developing online learning and resources.

Data and analysis

- Collecting and analysing EE data and indicators
- Developing tools to track EE in countries
- Conducting sector-specific studies
- Disseminating data and analysis

High-level convening and support for global energy dialogue

- High-level bilateral engagement to build political will and enhance understanding of the urgency and benefits of clean energy transitions.
- Strategic dialogues leveraging the IEA's convening power to build consensus, drive collaboration and accelerate policy action on national and global level, as well as through multilateral fora such as G20 or UNFCCC COP.

Funding provided by Denmark to the Clean Energy Transitions Programme would help to support the acceleration of sustainable energy solutions through the following theory of change:

If:

Denmark funds the IEA's Clean Energy Transitions Programme to provide high-quality data, analysis, policy advice and capacity building on EE and other actions that accelerate clean energy transitions.

The IEA implements an approach to promoting the use of EE that effectively communicates the multiple benefits of EE (cost savings for countries, businesses and individuals, improved services) and other clean energy technologies to key stakeholders.

The IEA supports the development and implementation of evidence-based policies and legal frameworks on EE and other actions that accelerate clean energy transitions.

The IEA facilitates partnerships and knowledge sharing between countries and within regions.

The IEA provides technical assistance and capacity building for data use and policy implementation.

The IEA supplies evidence to support the mobilisation of domestic and international resources for EE and other key actions for a clean energy transition.

Key stakeholders from within countries and regions engage with the IEA at strategic and technical levels.

The IEA provides policy advice, data, analysis and works to build political will to ensure that EE and other key solutions for a clean energy transition are prioritised on the agendas of key global fora (G20, COP, etc.).

The IEA tailors its support to country-specific needs and priorities, ensuring that policy advice and capacity-building efforts are demand-driven and contextually relevant.

Global outcome documents and pledges highlight the importance of EE and other key solutions for a clean energy transition.

The IEA convenes and supports countries in formulating effective policies to achieve national energy policy objectives and the global climate goals while fostering inclusive economic growth.

Then:

Countries develop, implement and monitor stronger, evidence-based policies that drive a clean energy transition.

The legal frameworks that enable these policies are in place. EE and other key clean energy solutions gain greater political support and are integrated into national and global policy agendas.

Decision-makers have access to high-quality data, analysis, and tools, allowing them to make better informed policies and targeted interventions.

Knowledge sharing is increased and collaboration is accelerated for progress towards a clean energy transition at national, regional, and global levels.

Investment risks are reduced, and incentives are demonstrated to unlock more financing for clean energy projects in emerging and developing economies.

Technical capacity within governments and with key stakeholders is enhanced to design, implement and monitor clean energy transition policies.

Clean energy transitions support inclusive economic growth while improving energy security and resilience.

Global climate pledges and strategies reflect a stronger commitment to EE and other key solutions, reinforcing progress toward net-zero goals.

Key Assumptions of which the Theory of Change Relies

The following assumptions correspond to key risks identified for the CETP, including the EE workstream:

- The geopolitical context in CETP partner countries remains stable enough to allow for effective programme implementation and stakeholder engagement.
- Partner countries maintain sufficient economic stability to support clean energy investments and policy implementation.
- EE measure and RE remains cost-competitive compared to fossil fuels and thermal power plants in a long-term energy perspective. However, a clean energy transition will require new investment, knowledge, data and policy decisions.
- No major global or regional health crisis significantly disrupts programme activities, travel, or stakeholder engagement.
- Financial resources are available through promised international funding arrangements and financial institutions active in partner countries.
- The programme will establish strong foundations for long-term emissions reductions, with sufficient follow-up mechanisms to ensure sustained impact.

Impact Drivers

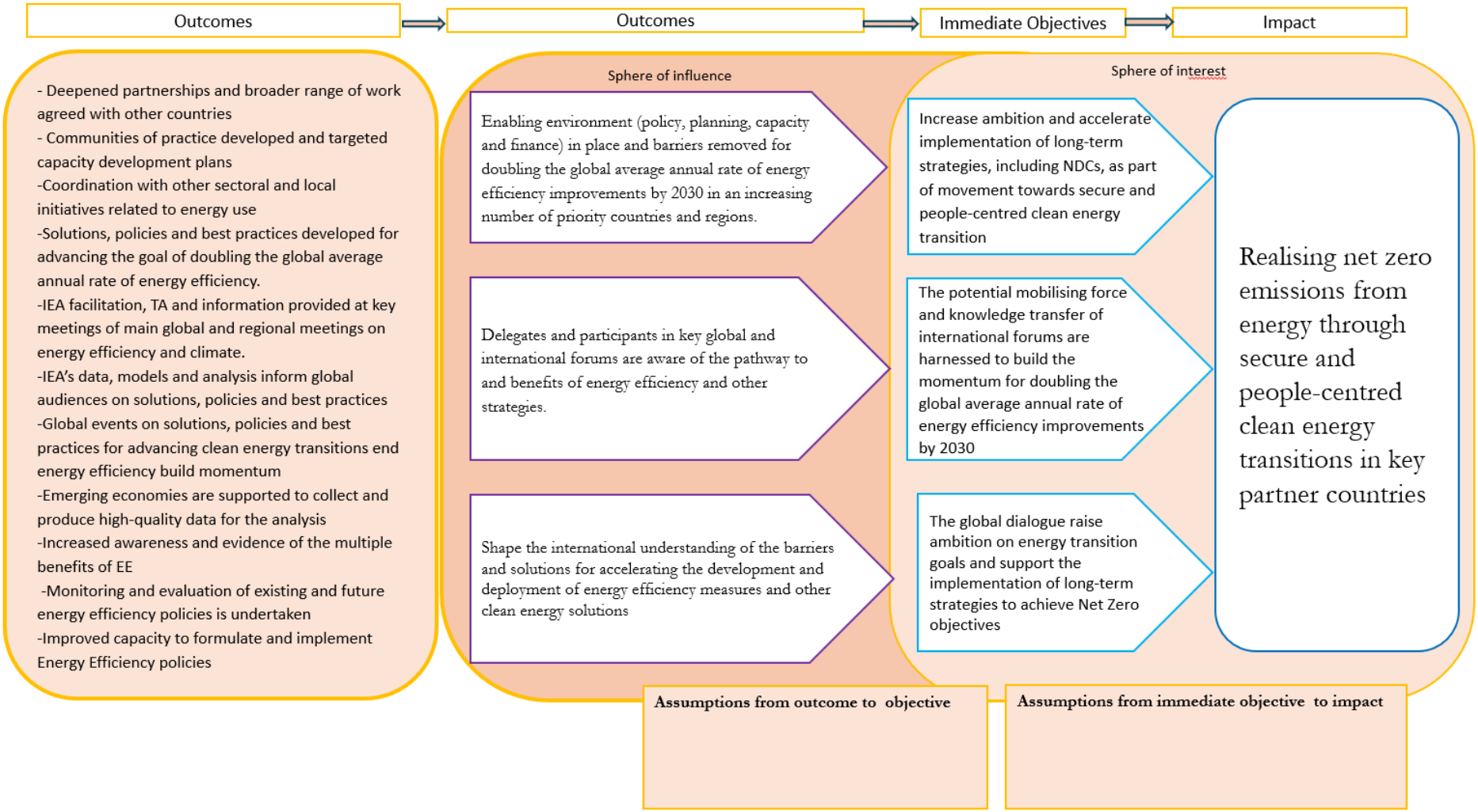
As part of the Theory of Change, impact drivers have been identified and will be used proactively during CETP implementation. Impact drivers are defined as “the critical factors or conditions that must be in place

for desired long-term outcomes to be achieved. They act as enablers that support the transition from activities and outputs to broader systemic change." Impact drivers for CETP may include the following[5]:

- **Political and institutional drivers** – High-level political commitment that supports accelerating climate and sustainable development actions to realise net-zero emissions.
- **Economic and financial** – Domestic resources are mobilised to support EE and policymakers recognise economic and social development incentives that efficiency brings.
- **Capacity development** – Stakeholders support the continuous development of knowledge and skills for EE professionals.
- **International collaboration** – Activities place EE at the heart of pathways towards clean energy transitions.
- **Evidence-informed policy making**-- Timely and accurate data to measure EE is available in countries and regions to identify priorities and measure the impact of EE policies.

[5] the identification and use of impact drivers is in the process of being further developed in consultation with IEA.

Draft Danish interpretation of the CETP theory of change.



Result Framework

<table>
<tr><td>Project/Programme</td><td>Danish support to IEA's Clean Energy Transition Programme</td></tr>
<tr><td>Project/Programme Objective</td><td>Accelerate progress towards global net zero emissions from energy through secure and a people-centred clean energy transitions, particularly in major emerging and developing economies.</td></tr>
<tr><td>Impact Indicator</td><td>Progress towards meeting the United Nations Sustainable Development Goal 7 (Ensure access to affordable, reliable, sustainable and modern energy for all) in targeted emerging economies.
Means of verification: SDG7 indicators as reported by CETP

Indicative impact indicator: Energy-related sectors in targeted countries have enhanced capabilities to meet their energy related GHG emissions targets through the uptake and use of improved data, models and best-practice clean energy policy knowledge for advancing people-centred clean energy transitions
Means for verification: Evidence, through interviews with key officials and stakeholders, direct communication (e.g., correspondence) and analysis of relevant published statements or official records.</td></tr>
<tr><td>Baseline SDG7</td><td>• CO_2 emissions from energy of CETP priority countries (in ktCO2)

<table>
<tr><th></th><th>Total CO2 emissions - Fuel Combustion (kt CO2)</th></tr>
<tr><th>Country</th><th>Reported in 2024 (data for year 2022)</th></tr>
<tr><td>China</td><td>10613171</td></tr>
<tr><td>Brazil</td><td>413935</td></tr>
<tr><td>India</td><td>2516967</td></tr>
<tr><td>Indonesia</td><td>651671</td></tr>
<tr><td>South Africa</td><td>394069</td></tr>
<tr><td>Ukraine</td><td>101289</td></tr>
</table>

The table presents the latest available figures for the total CO_2 emissions from fuel combustion for CETP priority countries. For more information see the IEA's Greenhouse Gas Emissions from Energy Data Explorer.

• SDG7 indicators (reported in 2024)
<table>
<tr><th></th><th>7.1.1 (data for 2023)</th><th>7.1.2 (data for 2023)</th><th>7.2.1 (data for 2022)</th><th>7.3.1 (data for 2022)</th></tr>
<tr><td>China</td><td>100%</td><td>90%</td><td>15.2%</td><td>5.4 (MJ per USD 2021 PPP)</td></tr>
<tr><td>Brazil</td><td>99.80%</td><td>97%</td><td>48.4%</td><td>3.2 (MJ per USD 2021 PPP)</td></tr>
<tr><td>India</td><td>100%</td><td>75%</td><td>34.1%</td><td>3.5 (MJ per USD 2021 PPP)</td></tr>
</table>
</td></tr>
</table>

Indonesia	100%	90%	15.6%	2.9 (MJ per USD 2021 PPP)	
South Africa	94%	90%	7.7%	6.0 (MJ per USD 2021 PPP)	
Ukraine	100%	95%	11.7%	4.8 (MJ per USD 2021 PPP)	

The table presents the latest available figures: 2023 for SDG7.1.1 and SDG7.1.2, and 2022 for SDG7.2.1 and SDG7.3.1. For more information see IEA's SDG7: Data and Projections

Baseline	Gaps in data, models, frameworks and capacity to advance and implement clean energy improvements that will meet energy related targets still exist in CETP focus countries

Outcome 1 (Pillar 1)		Enabling environment (policy, planning, capacity and finance) for removing barriers and securing framework conditions for doubling the global average annual rate of EE improvements, tripling the renewable energy capacity by 2030 and other climate goals in an increasing number of priority countries and regions.	
Outcome indicator		Number of countries progressing through the stages of the policy making process to enhance and accelerate a clean energy transition. Means of Verification: Number of adopted policy documents in areas supported by the CETP.	
Baseline	Year	2024	**4 improved policies adopted to support a clean energy transition**
	Year	2025	**8 improved policies adopted to support a clean energy transition (cumulative)**
Aspirational target	Year	2030	**14 improved policies adopted to support a clean energy transition (cumulative)**

Output 1.1	**Deepened partnerships and broader range of work agreed with existing key partners, (countries and regional organisations) on policy development, and transition targets and planning.**
Output indicator	• Number of significant engagements[6] with CETP partner countries • Number of relevant partner organisations, including international institutions, NGOs and industry • Number of human resource exchanges (secondees, interns, person-on-loan) from targeted emerging economies through the CETP, including female participants of the exchanges

[6] Significant engagement included Memoranda of Understanding or Joint Programmes with CETP partner countries.

Baseline	Year 2024		Significant engagements: **22** Partner organisations: **289** Human resource exchanges: **31**
	Year 2025		Significant engagements: **22** Partner organisations: **291** Human resource exchanges: **31**
Aspirational target	Year 2028		Significant engagements: **23** Partner organisations: **300** Human resource exchanges: **32**
Aspirational target	Year 2030		Significant engagements: **23** Partner organisations: **306** Human resource exchanges: **32**

Output 1.2		**CETP supported evidence for energy-related policy-making has contributed to accelerate a clean energy transition in key partner countries based on customised solutions, policies and guidance in supported sectors and areas.**	
Output indicator		Number of countries progressing through the stages of the policy making processes of improving clean energy transition policies. *Means of Verification: Press coverage of IEA supported analytical and data products in priority countries, based on Dow Jones Factiva statistics*	
Baseline	Year	2024	IEA work supported by the CETP referred to in press mentions in partner countries: **2,353**
	Year	2025	IEA work supported by the CETP referred to in press mentions in partner countries: **4,733 (cumulative)**
Aspirational target	Year	2028	IEA work supported by the CETP referred to in press mentions in partner countries: **7,183 (cumulative)**
Aspirational target	Year	2030	IEA work supported by the CETP referred to in press mentions in partner countries: **9,683 (cumulative)**

Output 1.3	Targeted countries have enhanced technical capabilities through implementation of systematic and targeted capacity development plans including awareness raising, knowledge transfer, training, technical analysis and technical exchanges.
Output indicator	Feedback on the usefulness of the capacity building activities expressed by participants; relevant change in capacity measured by pre-event and post-event surveys where appropriate. *Means of Verification: Event satisfactions surveys results including an average satisfaction rating of 7.5 or above.*

Baseline	Year	2024	Capacity building events satisfaction survey results including an average positive satisfaction rating: **92% good or excellent** 49% of women participating in CETP-supported capacity building events
	Year	2025	Capacity building events satisfaction survey results including an average positive satisfaction rating: **At least 92% good or excellent** 50% of women participating in CETP-supported capacity building events
Aspirational target	Year	2028	Capacity building events satisfaction survey results including an average positive satisfaction rating: **At least 92% good or excellent** 50% of women participating in CETP-supported capacity building events
Aspirational target	Year	2030	Capacity building events satisfaction survey results including an average positive satisfaction rating: **At least 92% good or excellent** 50% of women participating in CETP-supported capacity building events

Output 1.4		**Improved coordination with other sectoral and local initiatives related to energy use provides knowledge and awareness of benefits of transition, and increased synergy with bilateral programmes and civil society activities.**	
Output indicator		Number of workshops and technical exchange with more than one institution. Means of Verification: Relevant satisfaction surveys but also narrative observations of improved quality of partnerships and improved knowledge sharing, demonstrated through interviews with key stakeholders, direct communication (e.g. correspondence) and	
Baseline	Year	2024	Number of workshops and technical exchanges: **735** Number of participants of workshops and technical exchanges: **12,286** Workshop participants satisfaction survey results including an average positive satisfaction rating: **At least 92% good or excellent** 38% of women participating in CETP-supported workshops and technical exchanges
	Year	2025	Number of workshops and technical exchanges: **1,477 (cumulative)** Number of participants of workshops and technical exchanges: **24,686 (cumulative)** Workshop participants satisfaction survey results including an average positive satisfaction rating: **At least 92% good or excellent** 39% of women participating in CETP-supported workshops and technical exchanges
Aspirational target	Year	2028	Number of workshops and technical exchanges: **2,241 (cumulative)** Number of participants of workshops and technical exchanges: **37,486 (cumulative)** Workshop participants satisfaction survey results including an average positive satisfaction rating: **At least 92% good or excellent** 40% of women participating in CETP-supported workshops and technical exchanges
Aspirational target	Year	2030	Number of workshops and technical exchanges: **3,021 (cumulative)**

			Number of participants of workshops and technical exchanges: **50,486 (cumulative)** Workshop participants satisfaction survey results including an average positive satisfaction rating: **At least 92% good or excellent** 41% of women participating in CETP-supported workshops and technical exchanges

Outcome 2 (Pillar 2)		Complements pillar 1 and 3 to ensure that the potential mobilising force and knowledge transfer of international forums are harnessed to build the momentum for doubling the global average annual rate of EE improvements by 2030. Forum participants use high quality and up-to-date data and IEA technical expertise on solutions, policies and best practices for advancing EE and other key climate actions in decision-making, action planning and information released to the public. International stakeholders, sectoral experts and civil society can use this information to drive forward the aspiration for clean energy transition in regional, national and local contexts.	
Outcome indicator		EE has been raised as a key topic for actions at high policy levels. *Means of Verification: Content of official communiques, declarations or press releases reflect key targets and approaches advocated by IEA, and latest findings and analyses of CETP[7].*	
Baseline	Year	2024	Statements or references in official communiques, declaration or press releases: **49**
	Year	2025	Statements or references in official communiques, declaration or press releases: **99 (cumulative)**
Aspirational target	Year	2030	Statements or references in official communiques, declaration or press releases: **149 (cumulative)**

Output 2.1		**IEA's data, models, analysis and policy advice on solutions, policies and best practice for advancing climate goals, including doubling EE by 2030, form part of the information package given to stakeholders at key global forums.**	
Output indicator		High quality and up-to-date data and IEA technical expertise is used in decision-making, action planning and information released to the public by global fora targeted emerging economies and developing countries. *Means of Verification: Number of CETP supported significant outputs such as analytical work and data*	
Baseline	Year	2024	Number of relevant CETP data products, modelling, tailored policy products, and analytical outputs: **19**
	Year	2025	Number of relevant CETP data products, modelling, tailored policy products, and analytical outputs: **39 (cumulative)**

[7] 2024 was a very successful year due to G20 Presidency of Brazil, so a high baseline.

Aspirational target	Year	2028	Number of relevant CETP data products, modelling, tailored policy products, and analytical outputs: **59 (cumulative)**
Aspirational target	Year	2030	Number of relevant CETP data products, modelling, tailored policy products, and analytical outputs: **79 (cumulative)**

Output 2.2		**New and continued involvement of IEA as facilitator, technical advisor and information provider at key meetings of the main global and regional meetings on energy and climate raises the profile, influence and convening power of IEA toward targeted CETP countries.**	
Output indicator		Number of technical or working groups, advisory committees and other structures of multinational forums at which IEA is invited to facilitate	
Baseline	Year	2024	**9**
	Year	2025	**19 (cumulative)**
Aspirational target	Year	2028	**29 (cumulative)**
Aspirational target	Year	2030	**39 (cumulative)**

Outcome 3 (Pillar 3)		The international understanding of the barriers and solutions for accelerating the development and deployment of EE measures and other clean energy solutions is enhanced and the global dialogue is supported to raise ambition on energy transition goals and support the implementation of long-term strategies to achieve Net Zero objectives targeted primarily emerging economies and developing countries.	
Outcome indicator		Reference to key CETP outputs in publications of major global actors and stakeholders. *Means of Verification: Press coverage of analytical and data products supported by the CETP, based on Dow Jones Factiva statistics.* Number of users (individual readers) of the relevant CETP supported content of the IEA. *Means of Verification: Number of individual users of CETP content on the IEA.org*	
Baseline	Year	2024	Press mentions, global: **5,966** (cumulative) Number of users of the CETP content: 2,069,000
	Year	2025	Press mentions, global: **11,966** (cumulative) Number of users of the CETP content: 4,158,000 (cumulative)
Aspirational target	Year	2030	Press mentions, global: **18,266** (cumulative) Number of users of the CETP content:14,924,000 (cumulative)

Output 3.1	**IEA's data, models and analysis inform global audiences on solutions, policies and best practices to accelerate clean energy transitions and support the**

		implementation of the goal of doubling the global average annual rate of EE improvements by 2030	
Output indicator		Number of relevant CETP data products, modelling, tailored policy products, and analytical outputs enhanced/produced to inform stakeholders and the general public and guide national, regional and international policy dialogue and in support of major multilateral processes. Means of Verification: IEA data/communication channels.	
Baseline	Year	2024	Number of relevant CETP data products, modelling, tailored policy products, and analytical outputs (not reported in Output 2.1): **185**
	Year	2025	Number of relevant CETP data products, modelling, tailored policy products, and analytical outputs (not reported in Output 2.1): **371** (cumulative)
Aspirational target	Year	2028	Number of relevant CETP data products, modelling, tailored policy products, and analytical outputs (not reported in Output 2.1): **563** (cumulative)
Aspirational target	Year	2030	Number of relevant CETP data products, modelling, tailored policy products, and analytical outputs (not reported in Output 2.1): **759** (cumulative)

Output 3.2		**Global events on solutions, policies and best practices for advancing clean energy transitions build momentum for doubling the global average annual rate of EE improvements by 2030 and other key climate actions**	
Output indicator		Number of global events held by the IEA or with participation of IEA experts *Means of Verification: Events registered with official IEA participation*	
Baseline	Year	2024	Global dissemination events: **349**
	Year	2025	Global dissemination events: 747 (cumulative)
Aspirational target	Year	2028	Global dissemination events: 1,161 (cumulative)
Aspirational target	Year	2030	Global dissemination events: 1,585 (cumulative)

Annex 4: Risk Management

Approach to Risk Management

The MTR of the ongoing VC project found that "IEA's narrative reporting to Denmark on CETP/E4 is silent on risks and assumptions and that IEA does not appear to have a systematic approach to risk management." It further recommended that "Monitoring of risks and assumptions should be included in progress reporting." Since that review the CETP has revised its approach to risk management and now applies a comprehensive, multi-level approach to managing risks which is manifested in the CETP Risk Register.

The CETP Risk Register systematically identifies, assesses and documents risks to the delivery of the CETP workplan, enabling proactive mitigation and informed decision-making through a structured, regularly updated framework. It has been developed in line with the OECD Risk Management Policy and focuses specifically on external risks to CETP activities, with clear roles and responsibilities for project level teams, the Steering Committee and the CETP Programme Team. The Risk Register aims to assess each identified risk based on its likelihood and potential impact on CETP activities. For each risk, the impact after applying mitigation measures is assessed to present a residual risk score, which reflects the remaining risk.

This approach accords with the system recommended in Denmark's AMG. As also recommended in the MTR, monitoring of risks and assumptions will in future be included in progress reporting.

The table below converts into the standard recommended by the AMG the risk register presented in the CETP Strategic Framework 2025-2030. It has been extended to include additional risks identified during development of this document. The revised list of risks reflects amendments to some of the assumptions in the ToC, more emphasis of some of the issues of particular concern to Denmark; and, issues that have arisen in the period since the register was developed.

The extended register will be monitored throughout the life of the programme and any issues will be discussed in the annual report.

Risk Management Policy and Risk Register

The objective of the CETP Risk Register is to systematically identify and assess the potential risks that may affect the successful delivery of the CETP workplan in any given year, together with the mitigating actions taken by the teams delivering CETP projects. By documenting these risks, the CETP Risk Register provides a structured framework for assessing the likelihood and impact of each risk, facilitating informed decision making and enabling proactive mitigation strategies. It is also a dynamic tool that is regularly updated as risks associated with the CETP arise.

The CETP Risk Register has been developed with reference to the OECD Risk Management Policy, established and endorsed by the OECD Secretary-General in November 2018 to determine the principles, governance and overall approach to risk management across the Organisation. The OECD Risk Management Policy applies to the International Energy Agency, as an autonomous agency within the framework of the OECD. The CETP Risk Register is

aligned with the OECD Risk Register but specifically focuses on identifying external risks that could potentially impact the successful delivery of CETP activities.

Process, roles and responsibilities

The CETP Risk Register is used as an input to the planning process, which integrates a medium-term strategy for engagement with a country and region and includes an analysis of risks that may affect implementation. This strategic approach ensures that contingencies are built into the timeline, budget and resource allocation, thereby increasing project resilience and adaptability. CETP's programmatic approach also allows resources to be reallocated to prioritise efforts with a higher potential for impact as operations progress.

Responsibilities for risk management follow the roles defined by the IEA's management structure and Programme Governance.

- **1st Line of Defence: Project-Level Mitigation**: Supported by the country desk officers in the IEA's Office of Global Energy Relations and the in-country experts, implementation teams regularly monitor emerging risks that could affect project outcomes.
- **2nd Line of Defence: Steering Committee Oversight and Mitigation:** Solutions to mitigate emerging risks affecting operations are regularly addressed at the CETP Core Team meetings and at the CETP Steering Committee meetings, which include IEA senior management and Division Directors from across the Agency.
- **3rd Line of Defence: Executive-Level Mitigation and Funder Communication**: Where necessary, the CETP Core Team brings the issues to the attention of IEA executive management for appropriate decision making and communicates directly with funders about projects affected by the risks.

Where appropriate, the CETP Core Team provides a report on issues and mitigation measures related to specific projects as part of the CETP reporting cycle. In case risks unforeseen in this document materialise and affect the delivery of the programme, it is also reported within the CETP reporting cycle.

Risk assessment

The CETP Risk Register, extended as part of the formulation of the proposed Danish VC programme, is presented below. For each risk, the impact **after applying mitigation measures** is assessed and the residual risk score presented.

Likelihood		Definition
1	Unlikely	Less than 10% likelihood of occurring in time before achieving objective.
2	Possible	10-50% likelihood of occurring in time before achieving objective.
3	Likely	50-80% likelihood of occurring in time before achieving objective.
4	Probable	Greater than 80% likelihood of occurring in time before achieving objective.

Impact		Definition
1	Minor	Minor delays in the delivery of outputs. Less than 2% reduction of CETP workplan.
2	Moderate	Delays or cancellation of a publication or conference. 2-10% negative impact on the CETP workplan.
3	Major	Significant changes to the CETP workplan, such as a 10-15% output reduction or cancellation of a horizontal workstream affecting multiple projects.
4	Significant	Substantial reduction of the CETP workplan with more than a 15% output reduction, possible long-term setback in fulfilling strategic objectives.

Residual Risk Score					
Impact	4	4	8	12	16
	3	3	6	9	12
	2	2	4	6	8
	1	1	2	3	4
		1	2	3	4
		Likelihood			

Residual Risk Score	
1-4	Low
6-9	Medium
12-16	Critical

Risk Analysis from the CETP Strategic Framework

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Deterioration of the geopolitical situation in one or more priority countries and/or surrounding regions	Possible	Moderate	The IEA monitors the political situation in partner countries, ensures relevant authorities are kept informed about upcoming work in the programme, and takes all necessary steps if alternative approaches have to be considered due to a change in the political direction. For example, the geographic focus of certain efforts or the schedule of activities might change over the course of the implementation (within the timeframe of the workplan) if the geopolitical situation necessitates that. The IEA will keep the funders informed if changing the geopolitical situation in one or more partner countries will have or may have an impact on any activities. In addition, the OECD's External Security Unit of the Executive Directorate monitors the security of individual countries and decides whether OECD staff can safely engage on the ground with counterparts in these countries. The IEA will consult these assessments regularly and use this as input into selecting countries and take all necessary steps if alternative countries have to be considered should there be a change in the political or security context. The IEA also ensures that events are held in cities where the security context permits safe and effective organization.	Low	The geopolitical situation in one or more priority countries and/or surrounding regions could deteriorate, leading to increased instability, conflict, or adverse political developments. Such changes could negatively impact the implementation and success of project activities. This risk encompasses political upheavals, civil unrest, diplomatic tensions, military action particularly over disputed territories and other forms of geopolitical instability that may arise unexpectedly or escalate rapidly. As some of the partner countries of CETP have ongoing territorial disputes, military flare-ups and potential political instability may lead to a necessary pause in programme's activities. In addition, ongoing tension around the war in Ukraine and other world regions and deteriorating relationships between partner countries could mean that regional events become complicated to organize.
Economic instability	Possible	Moderate	IEA works with partner countries to conduct robust economic impact assessments, incorporate flexibility into policy frameworks to adapt to economic changes, and implement measures to enhance energy market resilience.	Low	Emerging and developing economies may be susceptible to economic instability, currency fluctuations, inflation, and fiscal challenges, which could impact the availability of funding and resources for clean energy policies. Economic downturns, fluctuations in energy prices, or unforeseen economic shocks could affect the feasibility or cost-effectiveness of proposed energy policies.

Global health crisis	Possible	Moderate	Travel restrictions related to the health pandemic are no longer preventing or limiting travel to partner countries and should not impact the programme. The IEA has implemented a range of technology and software system solutions to minimise disruption to the delivery of the IEA's work should the IEA face disruption of a similar nature in the future.	Low	Covid-19 pandemic or other global health crises resulting in restricted travel and may affect operational work with partner countries.
Weak governance or political instability in CETP partner countries	Possible	Minor	The IEA monitors the political situation in CETP priority countries, highlighting significant policy changes or signs of instability. It proactively builds and maintains strong relationships with key stakeholders, including government officials, local authorities and influential policy makers. It advocates policy continuity and long-term commitment to sustainable energy development at national and local levels.	Low	Weak governance structures and political shifts or instability in emerging and developing economies may increase the risk of policy reversal, regulatory uncertainty, and implementation delays for energy policy initiatives, affecting the program's delivery.
Changes in local institutions	Possible	Moderate	IEA proactively engages with new stakeholders to build trust and understanding of the program's goals and benefits. It invests in capacity-building initiatives to enhance the skills and knowledge of local institutional staff, fostering ownership and commitment to program success. The IEA aims to consistently communicate with the government official and bodies about the next steps in the process well in advance, taking advantage of country experts on the ground in order to make sure that any changes in staff or Ministries are passed on early and its impacts are managed. In all engagement with partners under the CETP programme, the IEA emphasises the important role of good knowledge management in building organisational capacity. In cases where changes in government leadership occur, it can take time for the IEA to familiarize the new appointee with ongoing CETP activities. While the IEA is committed to maintaining effective engagement, it cannot undertake the responsibility of providing direct training to newly appointed officials within ministries or government agencies. Instead, the IEA focuses on maintaining continuity by collaborating with existing structures and ensuring smooth transitions, while remaining open to providing strategic support when necessary.	Low	Changes in local government institutions, including turnover in staff or leadership, could disrupt established working relationships and require rebuilding connections from scratch. New personnel may lack familiarity with the program's objectives, leading to delays or misunderstandings in implementation. Weakened institutional memory through movement of staff, restructuring of Ministries and/or or scarce human resources.
Lack of political will or competing political priorities	Possible	Moderate	This risk is considered to be low, as countries do give overall energy issues priority and are constantly seeking ways to improve the energy sector and increase investment, which can be one of the main drivers of economic growth. The IEA mitigates this risk by	Low	Energy transition may not be a political priority in one or more priority countries, resulting in a lack of political will to develop appropriate regulatory and market frameworks and strengthen related institutions to reduce perceived investor risks and

			providing the necessary information and support to priority countries to assist them in making choices for their desired strategic goals. The IEA also works to build high-level political support to ensure successful implementation.		attract investment for clean energy financing. Governments may also protect assets that might otherwise be stranded and continue to prioritise incumbent energy supply.
Lack of human and financial capital	Possible	Minor	The IEA communicates with the authorities well in advance to ensure that the appropriate human resources are in place and have the time to work on the planned projects. In addition, regular check-ins are conducted throughout implementation to review priorities, local stakeholder buy-in and resource availability. The IEA provides capacity building and targeted technical assistance both as part of various engagements and as stand-alone projects.	Low	Lack of human resources and funds within partner country governments to carry out the relevant activities. As the CETP programme requires cooperation between the IEA and officials from ministries and agencies in partner countries, there is a risk that human resources within those entities will be scarce or insufficient.
Lack of English language skills	Possible	Minor	The IEA uses its best endeavours to translate into local languages, as deemed necessary depending on context and circumstance, meeting summaries and/or the executive summaries/briefs of key deliverables on ad hoc basis when requested by partner country stakeholders. Additionally, the IEA emphasises language skills in addition to technical skills during recruitment processes. IEA staff, especially in the IEA's Global Relations Office, speak local languages which allows for more efficient engagement with local partners.	Low	Lack of English language skills in some partner country governments could impact engagement, taking full ownership of the results and thus affect programme delivery and support provided by the IEA.
Inflexible energy supply contracts	Possible	Minor	The IEA provides governments with comprehensive data and analysis on global energy markets, helping them approach policy decisions from an informed position. It provides policy frameworks that encourage diversification of energy supplies and the adoption of renewables and EE solutions, reducing reliance on a single supplier.	Low	Governments may be unable to renegotiate preferential supply contracts.
Financial institutions perceive investment in clean energy solutions as high-risk	Possible	Minor	By actively engaging with financial institutions and providing them with data-driven insights into clean energy investment, the IEA can help reshape perceptions and reduce the likelihood and impact of such risk.	Low	The share of global clean energy investment in emerging and developing economies (EMDEs) outside China remains far below the amounts that are required to ensure full access to modern energy and to meet rising energy demand in a sustainable way. Certain kinds of investment are being held back by higher financing costs, as perception of investment risks and the cost of capital vary by country and is significantly higher for EMDEs. This can hinder progress towards clean energy transition goals in partner countries.
Risk of duplication with programs delivered by other international institutions	Possible	Moderate	The IEA makes best efforts to maintain up-to-date information on the work programmes and event schedules of other organisations involved in bilateral and regional programmes and, where possible, on	Low	Risk of duplication or overlap with other bilateral and regional programmes financed by CETP funders may result in wasted time and resources.

			similar activities of other donors operating in partner countries. The IEA seeks to participate in funder coordination activities to the extent possible (mainly at the level of local experts or mission officials) and reviews and assesses known activities of other donors in order to maximise synergies and avoid duplication. In addition, the IEA has a well-established formal and informal dialogue with other international institutions, NGOs and other stakeholders active in the energy field in the priority countries. It frequently presents the work delivered under the programme to the stakeholders and gathers information on their activities. The IEA seeks to incorporate relevant information gathered into the design of the CETP annual work programmes. Wherever possible, the IEA seeks to organise its national or regional events in conjunction with other major bilateral and regional events of which it has been made aware. The IEA presents the CETP workplan and overview of the activities to the programme's funders and other IEA Member Countries both at the quarterly CETP Strategic Coordination Meetings, as well as other official Committees.		
Competing donor projects	Possible	Moderate	To the extent reasonable and possible, IEA works to ensure effective coordination between related projects and monitors relevant international fora and country level activities. The CETP Funders Strategic Coordination Group enables the funders to engage in strategic conversations about the CETP's development and implementation, and to ensure that IEA efforts are complementary to and do not duplicate other bilateral and multilateral collaborations. In addition, the IEA uses best efforts and communication tools to ensure that other organisations supporting the clean energy transition are aware of its planned activities to maximize collaboration and avoid overlaps.	Low	Mixed messages from competing donor projects can cause confusion and slow progress in policy action.
Negative public perception	Possible	Moderate	The IEA has established clear and transparent communication strategy that ensures transparency about goals, benefits, and impacts of energy policies. The IEA will continue to use multiple platforms (social media, dissemination events, press releases) to share information, build trust, and mitigate disinformation. Resulting positive media coverage in partner countries can shape public perception and build support for the initiatives.	Low	Negative public perception or backlash against certain energy policies or initiatives could hinder program acceptance and implementation.

Resistance from industry stakeholders	Possible	Minor	IEA works to engage industry stakeholders early in the policy development process, addressing concerns through dialogue and negotiation, and fostering collaboration to align interests with programme objectives.	Low	Opposition or resistance from industry stakeholders, such as energy companies or trade associations, could hinder the adoption or enforcement of energy policies.
CO_2 emissions reduction will mainly accrue after the project has ended	Probable	Moderate	The IEA prioritises high-impact activities and use of intermediate indicators. The demand driven nature of the CETP projects and the understanding that it will help meet Paris and SDG commitments increase the likelihood that the government actions and policies are prioritised ensuring long-term impact.	Low	The inherent nature of the projects delivered under the CETP means that CO_2 emission reductions will only occur after the projects have been completed, even if government actions and policies are implemented efficiently.
Changes in the international context deprioritise clean energy transition or affect the economics of decarbonisation	Possible	Moderate	The basic economic, strategic and environmental case for transition remains sound so if any decline occurs it would most likely be short-term and partial. The programme will be able to respond by deploying most effort into countries that remain fully committed to transition and into areas (such as EE, grid security etc) that deliver uncontested benefits even in the short term.	Low	Recent policy statements from the US may lead to increased production of fossil fuels and cheaper fossil fuel energy as well as decreasing the political acceptability of clean energy transition in the US and worldwide. Availability of finance for transition may decline and political opposition to transition may be emboldened.
Political opposition in Denmark	Possible	Moderate	The communication strategy will assist in ensuring that stakeholders have access to essential information to assess any concerns that may arise and the ability of the programme to switch focus away from troubled areas to other partners will limit the overall impact on the programme	Low	Political developments and/or human rights concerns in one or more priority countries generate opposition to support for the programme from Denmark's political establishment or civil society. The programme key partners include countries that have some potential for civil unrest or for political transition that may not go smoothly. One, Ukraine, is still at war as the programme is being developed. Unrest may affect the ability of programme staff to operate effectively or safely and political shifts or incidents that affect vulnerable communities may affect the acceptability of giving support within Denmark.
Opposition from some members of international forums prevents IEA from playing a role promoting CETP	Possible	Moderate		Low	Opposition from some members of international forums prevents IEA from playing a role promoting CET.
The international political context causes funders to curtail investment in the programme	Possible	Moderate		Low	The international political context causes funders to curtail investment in the programme

Risk Analysis from the Perspective of Denmark

Denmark's concerns go further in some areas because objectives may be broader, priorities and commitments in its development assistance political framework need to be considered and concerns of Danish stakeholders need to be reflected. The risk analysis approach set out in the AMG considers three categories as follows.

Contextual Risks

Contextual risks are associated with global or national changes in the political or economic environment that may slow or restrict program implementation. The international consensus on climate change and multilateralism is under pressure. The change in focus in these areas is not only limited to a few concerned actors but the new attitudes may influence other governments and contributors, including some of the CETP focus countries. These changes may increase the likelihood of policy changes affecting the priority given to clean energy transitions, weaken multilateral initiatives and organisations, and reduce the political will and resource allocation supporting implementation of the CETP.

Some countries may reconsider their contribution to the assessed contribution. The availability of these funds must now be in doubt. In addition, the change in the international political context may cause other potential funders to reconsider investment in the CETP and in development projects in general. Moreover, difficulties reaching consensus in international forums may negatively affect the programme's efforts to promote good practices.

In response the likely availability and the potential sources of funding need to be closely monitored. CETP could tailor its activities and narrow the priorities to be addressed. This might delay achievement of programme objectives, but given the underlying validity of the development objective and the environmental, security and health concerns underlying the need for clean energy transition, the international consensus is likely to be reestablished in time and efforts to put in place a framework will not be wasted.

Although it is likely that there will be disruptions due to unexpected events at some locations, or for some period of time, during program implementation, the programme has a flexible structure and the ability to adjust the focus and size of interventions in response to circumstances mitigates these risks.

As with all development programs there are risks from natural disasters or socio-economic shocks, such as the COVID-19 pandemic and climate change. These are addressed by flexibility and the ability of CETP to shift focus to different partner countries or regions as necessary.

At country level there is a risk that misalignment between partner countries political imperatives and the CETP strategies could affect program support and an associated concern that lack of commitment and ownership by partners leads to a failure to implement policy advice or utilise knowledge products or developed capacity. This will be addressed by an emphasis on building institutional capacity among government counterparts to mitigate risks related to political leadership and political will for progress in taking forward the clean energy transition agenda as well as the IEA's long-standing engagement and credibility within the participating nations and globally to enable continued dialogue during periods of wavering commitment/leadership.

Programmatic Risks

The main programmatic risk is that the assumptions underlying the objective of the CETP will not be realized. Successful implementation of the programme is built on the assumption that programme outputs, contribute to an enabling environment that is a basis for planning future actions and securing needed funding.

Country conditions and capacity, political and social instability, and political economy considerations may prevent or delay adoption of optimal solutions for a clean energy transition. The practical challenges and the scale of reform needed may exceed the technical and financial resources available.

The transitions adopted do not deal equitably with some groups (e.g. women, minorities or marginalized people).

Institutional risks

The programme could fail to deliver its outcomes, which will reflect negatively on Denmark or partners could engage in fraud, corruption or human rights violations under activities funded or facilitated by the program. The programme takes place across a diverse range of countries and is likely to be successful in at least some of these.

There is no transfer of money outside of IEA, which is a reputable agency, operating under OECD and governed by OECD systems.

Risks are well managed and monitored, therefore, including provision for new risks that might arise as the programme progresses.

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Contextual Risks					
Political and regulatory framework conditions within one or several partner countries change during the implementation period or necessary regulatory changes are deprioritised reducing the potential scope and influence of the program.	Unlikely	Significant	Prioritisation and selection of support modules will take political stability and regulatory risks into account.	Minor	A criterion for the selection of key partners was their political readiness and motivation to seek support for clean energy transition.
Global or widespread external economic dislocations or internal financial disruption (inflation, foreign debt, currency crisis etc.), affects not only the key partner countries but the potential sources of funding	Likely	Major	A stepwise approach to implementation and a flexible management system plus the spread of operations across countries representing a diverse geographical and development context.	Minor	There may be disruptive external events, but the program is sufficiently diverse and flexible to respond appropriately.
Programmatic Risks					
The outcomes or outputs of the support do not adequately address the concerns of all potentially affected stakeholder, especially the most vulnerable. There are three distinct dangers under this heading: i) The partner countries give undue attention to the priorities of politically influential groups and communities.	Unlikely	Major	The program design allows for transparency and a wide range of stakeholders to be consulted at each stage. Risk monitoring also allows stakeholders to identify any overlooked risks and to participate in developing effective risk mitigation strategies.	Minor	The type and severity of risk is highly variable, depending on country context. Transparency and effective monitoring and oversight (e.g. a dedicated section in the Annual Report) are essential.

ii) The implementation modalities or the proposed policy and planning changes do not deal equitably with some groups (e.g. women, minorities or marginalized people). iii) Mechanisms for selecting targets for intervention allow funds to be corruptly diverted away from the intended purposes					
Insufficient funding becomes available from international sources to finance the plans and strategies drawn up by the partner countries with the assistance of this programme.	Likely	Major	The holistic analysis of the energy context in partner countries as part of a tailored strategy to transition and the demand-driven provision of support will allow for the development of plans that are adjusted to account for availability of funding.	Significant	The program itself is part of the effort to raise awareness of the need to allocate funding and the information it generates will strengthen the lobby for greater access to funds. Some partner countries have access to internal resources and much of the transition agenda is, in the medium-term, economically net positive.
Institutional risks					
The program could fail to deliver its outcomes, which will reflect negatively on Denmark.	Unlikely	Minor	Denmark will participate actively in program supervision especially risk management.	Minor	The program takes place across a diverse range of countries and is likely to be successful in at least some of these. The intentions are worthy and the transfer of money to victims of disaster has little potential for unintended negative effects.
Partners could place insufficient emphasis on or disregard the concerns of marginalized or traditional communities	Unlikely	Minor	CETP has put systems in place to avoid this possibility and program supervision will safeguard against it.	Minor	The program includes measures to mitigate these risks, however there remains at least some potential for

under activities funded or facilitated by the program.					corruption or for exclusion of some marginalized groups.

Annex 5: Budget Details

Denmark's contribution to the Project Budget (DKK)

	Total DKK million	%	2026	2027	2028	2029	2030
E4	32.00	42.67	6.40	6.40	6.40	6.40	6.40
CETP	23.50	31.33	4.70	4.70	4.70	4.70	4.70
CETP Strategic Support and Coordination (Danish secondment to IEA - PAL6, 3 years)	4.11	5.48	0.66	1.36	1.39	0.70	-
Unallocated/Adaptive Management	10.25	13.67	2.05	2.05	2.05	2.05	2.05
Sub-total	**69.86**	**93.15**	**13.81**	**14.51**	**14.54**	**13.85**	**13.15**
VC Administration Charge	4.64	6.23	4.64	-	-	-	-
TOTAL VOLUNTARY CONTRIBUTION TO THE IEA	**74.50**	**99.33**	**18.45**	**14.51**	**14.54**	**13.85**	**13.15**
Mid-term review	0.50	0.67			0.50		
TOTAL PROJECT BUDGET	**75.00**	**100.00**	**18.45**	**14.51**	**15.04**	**13.85**	**13.15**

NB This budget split by year is provided as background information. The invoicing schedule will be defined in the VC agreement and will differ from the above as the funding for the Danish secondment needs to be in hand before a staff contract can be offered.

Indicative funding allocation by geographic area (DKK)

	E4	CETP	CETP Strategic Support and Coordinatio	Unallocated/ Adaptive Managemen t	TOTAL
Brazil	2.67	1.78			
India	2.67	1.56			
Indonesia	2.67	0.78			
Kenya	1.33	-			
Mexico	1.33	-			
Senegal	1.33	-			
South Africa	2.67	-	4.11	10.25	69.86
Uganda	1.33	-			
Ukraine	2.67	0.78			
Regional Africa	2.67	3.12			
Regional SE-Asia	2.67	2.67			
Regional LAC	2.67	2.34			
Global	5.33	10.47			
SUB TOTAL	**32.00**	**23.50**	**4.11**	**10.25**	**69.86**
VC Administration Charge	2.13	1.56	0.27	0.68	4.64
TOTAL VOLUNTARY CONTRIBUTION TO THE IEA	**34.13**	**25.06**	**4.38**	**10.93**	**74.50**

NB Any overspend on a geographic area will be balanced by an underspend on another area.

Indicative funding allocation by geographic area (DKK)

	E4	CETP	CETP Strategic Support and Coordinatio	Unallocated/ Adaptive Managemen t	TOTAL
Brazil	2.67	1.78			
India	2.67	1.56			
Indonesia	2.67	0.78			
Kenya	1.33	-			
Mexico	1.33	-			
Senegal	1.33	-			
South Africa	2.67	-	4.11	10.25	69.86
Uganda	1.33	-			
Ukraine	2.67	0.78			
Regional Africa	2.67	3.12			
Regional SE-Asia	2.67	2.67			
Regional LAC	2.67	2.34			
Global	5.33	10.47			
SUB TOTAL	**32.00**	**23.50**	**4.11**	**10.25**	**69.86**
VC Administration Charge	2.13	1.56	0.27	0.68	4.64
TOTAL VOLUNTARY CONTRIBUTION TO THE IEA	**34.13**	**25.06**	**4.38**	**10.93**	**74.50**

NB Any overspend on a geographic area will be balanced by an underspend on another area.

Indicative funding allocation by thematic area (DKK million)

	E4	CETP	CETP Strategic Support and Coordination	Unallocated/A daptive Management	TOTAL
Pillar I - accelerating nation transitions	26.67	13.03	3.29	4.10	**47.09**
Pillar II - multilateral co-ordination	-	-	-	4.10	**4.10**
Pillar III - enabling global energy dialogue	5.33	10.47	0.82	2.05	**18.67**
Sub-total	**32.00**	**23.50**	**4.11**	**10.25**	**69.86**
VC Administration Charge	2.13	1.56	0.27	0.68	**4.64**
TOTAL VOLUNTARY CONTRIBUTION TO THE	**34.13**	**25.06**	**4.38**	**10.93**	**74.50**

NB This budget split is provided as background information. The IEA will not provide financial reporting against this budget. Financial reporting will be provided against the geographic allocations.

Annex 6: List of Supplementary Materials

#	Document/Material	Source
1	CETP Risk Register_final 2024	IEA
2	2025 CETP Workplan	IEA
3	CETP Strategic Framework - 2025-2026	IEA
4	From Taking Stock to Taking Action: World Energy Outlook Special Report	IEA
5	E4 Narrative Report_2023	IEA
6	CETP Annual report - Results Framework 2022 baseline	IEA
7	CETP Results Framework 2023	IEA
8	Denmark's MTR of VC to IEA CETP - Final Review Report - 12.12.2023	MFA
9	Guidance-note-Adaptive-Management-Nov-2020	MFA
10	Annex I Project Document DK VC IEA CETP PD final	MFA
11	https://www.iea.org/data-and-statistics	IEA
12	https://www.iea.org/countries	IEA
13	https://www.iea.org/reports/world-energy-outlook-2024	IEA
14	World Energy Outlook 2024	IEA
15	IEA's Clean Energy Transitions Programme Brochures	IEA
16	15 Years of the Clean Energy Ministerial	cleanenergyministerial.org
17	Sustainable Energy for All : Our Work	Seforall.org
18	United Nations Climate Action: Net Zero Coalition	UN.org
19	UN Climate Change Conference Baku - November 2024	https://unfccc.int/cop29
20	The International Renewable Energy Agency (IRENA) Vision and Mission	https://www.irena.org/Energy-Transition/Outlook

Annex 7: Plan for Communication of Results

The IEA systematically disseminates results of CETP activities in order to increase visibility of the programme, enhance the availability of evidence for policy making and implementation, to mobilise political will for clean energy transitions, to enhance capacity to formulate and implement policies for clean energy transitions in targeted countries and regions and to improve coordination among national, regional and international stakeholders. All CETP communication efforts are integral part of the overall IEA communication strategy and delivered based on the CETP Communications Plan developed in March 2023.

Objectives

The first objective of the CETP Communications Plan is to raise the public visibility of the analysis and impact of the implementation work funded under the Programme. Communications target the policy makers, journalists, advocates, analysts and members of the general public with an interest in clean-energy transitions. This entails:

- Highlighting the work we are doing with Members and partner countries to advance clean energy transitions and demonstrating the real-world impact of the programme, including socio-economic development, improved living standards and equitable access to energy
- Enhancing the availability of evidence for policy making to support and accelerate clean energy transitions in emerging and developing economies. Maximising the impact of CETP output by bringing relevant data, analysis and policy advice to broader audiences in focus countries and globally.

The second objective of the plan is to demonstrate the CETP's contribution to advancing the mission and strategic objectives of the IEA and the IEA Family, including member and association countries. Communications will target various stakeholders, including programme funders, beneficiaries, national governments and other international institutions, as well as the general public. This entails:

- Promoting the CETP as the main vehicle for the Agency's support for emerging economies in their secure, fair and people-centred clean energy transitions.
- Demonstrating the value of the leveraging effect of the programme whereby funders are able to pool resources to maximize the impact of associated projects.
- Establishing a clear link between the funding and the achievements of the programme, and providing funders and partner countries with tools to promote the CETP within their own administrations and on their respective communications channels and platforms.

Communications Roadmap

Objective: Bring higher visibility to clean-energy transitions implementation work CETP communications content and campaigns will be engaging and easily accessible in order to reach all relevant audiences and support stakeholders in CETP priority countries. All outputs will be made freely available on the IEA's website, both on the CETP programme and highlighted on the homepage and relevant topic, country and fuel and technology pages. They will also receive wider distribution and promotion through IEA social media channels, newsletters and media engagement with direct support of the IEA's Communications and Digital Office.

CETP content

- Reports – CETP supports production of a large number of reports related to all impact areas included in the Strategic Framework, such as national roadmapping and economy-wide measures, sectoral and technology planning, industry, transport, buildings, EE, RE and electricity, clean fuels, as well as a range of data and statistical products.
- Events – the programme supports delivery of a high number of public and closed-door workshops to inform the policy formulation in CETP priority countries, gather information relevant to analytical reports and reinforce the dialogue with stakeholders. CETP also supports important capacity building events in priority countries.

- Policy advice – A particular area of the CETP activities – policy guidance provided directly to focus countries – often produces documents for internal use or events where direct and open discussions with partners on policy design take place. This area of work very often results in the most direct impact on energy policies but does not produce communication output for public consumption.

Promotion strategy

- Case studies – The real-world impact of CETP's implementation work will be described in engaging, narrative case studies, which can take a variety of forms, including commentaries (short op-ed style articles designed for wide dissemination and sharing), videos and podcasts. These case studies will be used mainly to promote work that has received less visibility in the first years of the programme, such as the policy advice or capacity building. Case studies may be stand-alone outputs based on results of events or policy dialogue, or accompany reports, serving to promote those publications.
- Social media – Each CETP product will receive promotion on one or more of IEA's social media channels (Twitter, Facebook, LinkedIn, Instagram and YouTube). Social media content will be created in an engaging and easy-to-share way to encourage stakeholders to republish it on their relevant social channels.
- Newsletter – the CETP output will receive regular mentions in IEA's twice monthly newsletter, The Energy Mix.
- Media support - CETP activities publications will receive regular media support, including but not limited to publication of press releases for the CETP-content included in the flagship reports, organising interviews on topics related to clean energy transitions, distributing CETP-supported content to written and online press. Media engagement support will be either global or targeted regionally depending on the focus of the CETP output.

Objective: Demonstrate the CETP's contribution to the strategic goals of the IEA and the IEA Family, including member and association countries.

As one of the IEA's flagship programmes and its primary vehicle for promoting clean-energy transitions globally, the CETP is not just creating a more secure, sustainable and affordable energy system. It is improving people's well-being and quality of life by supporting socio-economic development and a cleaner,

healthier environment. A variety of communications tools will used to better showcase to funders and other stakeholders the real-world impacts and outcomes their invaluable support has enabled. These include:

- The CETP programme page on the IEA website is the central repository and one-stop shop for content and information about the programme, including its governance mechanisms and structure. In 2023, the page will be redesigned to serve as a more effective and engaging hub for the most upto- date information on CETP activities and promotional material, which can be used in stakeholders' communications.
- CETP Brief – a short briefing note to support a shared narrative among stakeholders and develop broader engagement. The note will explain why the programme matters, what is has achieved and how to get involved.

Promotional material -- the IEA will develop short promotional material on the programme and on activities in each priority country/region in order to briefly highlight the Agency´s engagement and achievements.

Annex 8: Process Action Plan for Implementation

Action/product	Deadlines	Responsible/ involved Person and unit	Comment/ status
Appraisal process and consultations (involving meetings with IEA, MFA, MCEA)	April	MFA	
Draft final appraisal report submitted	May 7	MFA	
Adjustment of Project Document based on appraisal recommendations	May 7 – 14	Consultant	
Final Draft Project Document ready for submission to the Council for Development Policy, incl. all annexes.	May 20	Consultant/ MCEU/MFA	
Approval by Minister of MFA and Parliament	September 2025	MFA	
Agreement signed	October 2025	MFA/IEA	
Start implementation	January 2026	IEA	
Recruitment of secondment	March 2026	MCEU/MFA/IEA	
Annual workplan process starts	March	CETP	Recurrent
Funders receive annual workplan w. budget	December	CETP	Recurrent
Mid-term review	Mid 2028	MCEU/MFA	
End of support	End 2030	IEA/MCEU	