

**Minutes from meeting in the Council for Development Policy**  
**on 7 April 2022**

- Members: Professor Anne Mette Kjær, University of Aarhus (Chair)  
International Director Jarl Krausing, CONCITO (Vice Chair)  
Senior Researcher Lars Engberg-Pedersen, Danish Institute for International Studies  
Executive Director Rasmus Stuhr Jakobsen, CARE Denmark  
Interim International Director Nina Christine Holm-Lundbye, The Danish Youth Council  
Vice President Bente Sorgenfrey, Danish Trade Union Confederation  
Director for Global Development and Sustainability Marie Gad, Confederation of Danish Industries  
Head of International Department Jens Kvorning, SMEdenmark  
Private Advisor Morten Lisborg, Migration Management Advice
- MFA: Head of Department Tove Degnbol, Department for Evaluation, Learning and Quality, ELK  
Special Advisor Anne Marie Sloth Carlsen, Department for Evaluation, Learning and Quality, ELK  
Head of Section Josephine Mittag, Department for Evaluation, Learning and Quality, ELK
- Agenda item 1: Under-Secretary for Development Policy Stephan Schönemann
- Agenda item 2: Under-Secretary for Development Policy Stephan Schönemann  
Head of Department Mette Thygesen, Department for Humanitarian Action, Civil Society and Engagement, HCE  
Chief Advisor Anne Kahl, Department for Humanitarian Action, Civil Society and Engagement, HCE  
Chief Advisor Marina Buch Kristensen, Department for Evaluation, Learning and Quality, ELK
- Agenda item 3: Under-Secretary for Development Policy Stephan Schönemann  
Deputy Head of Department Henrik Larsen, Department for Evaluation, Learning and Quality, ELK  
Chief Advisor Eva Jakobsen Broegaard, Department for Evaluation, Learning and Quality, ELK
- Agenda item 4: Under-Secretary for Development Policy Stephan Schönemann  
Deputy Head of Department Adam Sparre Spliid, Department for Green Diplomacy and Climate, GDK  
Chief Advisor Jakob Tvede, Department for Green Diplomacy and Climate, GDK  
Chief Advisor Lasse Møller, Department for Green Diplomacy and Climate, GDK

Chief Advisor Magnus Cedergren, Department for Green Diplomacy and Climate, GDK

Chief Advisor Maike Hebogård Schäfer, Department for Green Diplomacy and Climate, GDK

Chief Advisor Charlotte Just, Department for Green Diplomacy and Climate, GDK

Agenda item 5: Under-Secretary for Development Policy Stephan Schönemann  
Chief Advisor, Mike Speirs, Department for Evaluation, Learning and Quality, ELK

Agenda item 6: Secretary for Development Policy Lotte Machon  
Ambassador Mette Nørgaard Dissing-Spandet, Embassy in Dar es Salaam  
Deputy Head of Mission Mette Bech Pilgaard, Embassy in Dar es Salaam  
Head of Department Signe Skovbakke Winding Albjerg, Department for Africa, Policy and Development, APD  
Chief Advisor Dorte Chortsen, Department for Africa, Policy and Development, APD

Agenda item 7: Minister for Development Cooperation Flemming Møller Mortensen  
Secretary for Development Policy Lotte Machon  
Under-Secretary for Development Policy Stephan Schönemann

### **Agenda Item No. 1: Announcements**

The Under-Secretary for Development Policy updated the Council on the humanitarian support to Ukraine following the Russian invasion. He informed the Council that the Minister for Development Cooperation had approved an allocation of DKK 150 million to the World Bank's new facility Financing of Recovery from Economic Emergency in Ukraine (FREE Ukraine) which had been set up to ensure payment of social services and salaries to public employees, such as teachers and nurses. The Danish contribution had been made possible by deferring the planned instalment in 2022 of DKK 150 million to the World Bank's International Development Association (IDA).

Members of the Council expressed concern about the possible precedence of reallocating development funds from the poorest countries. The Under-Secretary stressed that the deferral would not have any consequences for the concrete engagements of the IDA in the poorest countries. IDA had sufficient liquidity to handle the situation and despite the slight deferral of one instalment, Denmark would deliver fully on its total commitment to IDA.

Members of the Council expressed concern about the spike in food and commodity prices that would also affect the developing countries, and which reinforced the need for development assistance directed towards the poorest countries, many of which depend on food imports. The Under-Secretary shared the concern and acknowledged that the implications of the situation in Ukraine as well as the future rebuilding of the country would require substantial resources.

The Under-Secretary also briefed the Council about the Afghanistan Conference 2022 held on 31 March 2022, where Denmark had pledged DKK 350 million in response to the situation in

the country. The contribution would consist of DKK 200 million in development funds and DKK 150 million in humanitarian aid. He noted that the “whole package” would be presented to the Council for Development Policy in June 2022, although only partly consisting of development funds. It was important to give the Council a full overview of the Danish contribution as well as a more accurate picture of the complexity of the situation and the response which was still based on a number of shorter term interventions in the absence of a long-term strategy.

The Chair of the Council thanked the Under-Secretary for the information and the briefings, which were regarded as timely and important for the work of the Council.

## **Agenda Item No. 2: How-to-Note: Human Rights and Democracy**

*For information and discussion*

Department for Humanitarian Action, Civil Society and Engagement, HCE

The Council discussed and commented on the internal How-to-Note on Human Rights and Democracy intended to guide the implementation of the new strategy “The World We Share” as part of a set of ‘how-to-notes’ and ‘approach-notes’.

The Council applauded the note in general, especially for providing a good overview of the five related thematic areas in the strategy, its integration of “Doing Development Differently” (DDD) principles, the description of the role of various modalities and partners, and the linkages to the other notes.

Members of the Council found that the note would be a good tool for the Ministry when implementing the strategy and for guiding partners on the use of development funding. At the same time, the Council suggested an even stronger emphasis on the following issues: (i) how to address dilemmas and trade-offs as integral parts of working on human rights and democracy in fragile and authoritarian states, as facing dilemmas was the first steps to be more concrete about ‘how-to’ do this kind of development cooperation, (ii) how to address democracy as a way of life as suggested by the theologian Hal Koch, including the important role of civil society in this regard. More specifically in the note, definitions of democracy and good governance could be more exact, and the essential long-term perspective on development in this field could be further strengthened. (iii) how to address human rights and democracy in relation to youth and gender equality, (iv) the role of the private sector, the social partners, and the connection between governance and trade in developing countries, including a reference to the upcoming European Union (EU) ‘due diligence’ requirements for companies, (v) the role of regional bodies e.g. the African Union (AU) and the Economic Community of West African States (ECOWAS) and the linkages between the national, regional, and global levels, (vi) the importance of ownership and political dialogue, (vii) the usefulness of building on experience of what worked, and (viii) the potential of innovation in addition to institutionalization of the learning agenda – also as part of the implementation of the “Doing Development Differently”-approach. More specifically, were there adequate mechanisms for uptake of learning within MFA?

Finally, it was discussed whether gender equality could have been addressed in a separate note and not as an integrated part of other notes, including the note on Human Rights and Democracy. The Under-Secretary for Development Policy encouraged the Council in their review of all how-

to-notes to keep an eye on whether gender equality was sufficiently covered through the cross-cutting approach.

### **Agenda Item No. 3: Evaluation Programme 2022-2023**

*For information and discussion*

Department for Evaluation, Learning and Quality, ELK

#### *Summary:*

*The evaluation programme 2022-2023 presents a two-year overview of recently concluded, on-going and planned evaluations and studies. Evaluations are undertaken by contracting independent evaluators through an EU-tender process. The criteria guiding the evaluation programme is stipulated in the Policy for Evaluation of Development Cooperation and includes a mix of modalities, large development programmes, countries, trends and themes as well as a focus on Denmark's strategy for development cooperation, "The World We Share". A number of evaluations are on-going, including of the Peace and Stabilisation Fund, Multi-Bilateral interventions, Framework Conditions for Private Sector Development, and Gender Equality. It is expected to initiate an evaluation on the bilateral development cooperation between Denmark and Tanzania as well as an evaluation on the decentralization of Denmark's bilateral aid management.*

The Council welcomed the annual briefing on the evaluation programme and appreciated the overview that it gave of the numerous on-going and planned evaluations and studies. Future notes could benefit from being clearer on definitions of evaluations and studies and explanations of the difference between these and monitoring tools such as reviews.

The Council generally supported the planned evaluations and studies, including the criteria guiding the evaluation programme. Furthermore, the Members of the Council expressed an interest in learning more about the considerations to ensure the mix of themes, programmes and trends. A strategic approach to doing some evaluations or studies jointly with other partners was also emphasized.

Referring to the need for ensuring independent evaluations, Members of the Council asked to what extent contracts were awarded to the same companies. Members of the Council further emphasized the importance of building on the learning from the COVID-19 period with increased use of local consultants for data collection. Methods to increase the real-time use of learning was also underlined.

With regard to specific evaluations, Members of the Council asked about the timing of the evaluation of the decentralization of aid management, why now? Furthermore, it was suggested that the possible study on resilience across different dimensions of fragility could also include the issue of migration. It was underlined that this cross-section between climate, fragility and migration was an area that needed to be supported with more evidence.

The Council highlighted the importance of communication of conclusions and recommendations from evaluations. In this regard, Members of the Council pointed out that it was important to also consider actors who were not normally involved in evaluations, such as the private sector. This could contribute to ensuring coherence between analysis and recommendations, which had been an issue in the recent evaluation of the Danida Sustainable Infrastructure Fund (DSIF).

The Council expressed an interest in taking up some evaluations of particular interest for thematic discussions at Council meetings.

Finally, the Council gave a number of suggestions for the pipeline for studies and evaluations, including:

- Danish support to resilience with a particular focus on food security and job creation in rural areas;
- Nature-based resilience, including support to the Global Environment Facility (GEF);
- Whether climate financing reaches its actual target groups;
- Clean energy, the political economy surrounding this and linking it to poverty reduction;
- Danish support to trust funds, if possible to be included in the evaluation of multi/bi support;
- Danish support to regions of origin, including support to address root causes of migration;
- Innovation and risk willingness in practice – do we follow the visions in 'The World We Share'?
- Support to Ukraine at a point in time when it would be possible to evaluate the Danish engagement.

The Head and the Deputy Head of the Department for Evaluation, Learning and Quality (ELK) thanked the Council for the very relevant comments and recommendations. The many excellent suggestions for thematic studies and evaluations would be included when considering the future pipeline. The mix of themes, trends, modalities and programmes was a balance to be considered. Currently there was a trend towards broader thematic evaluations. Since these were also more complex and generally demanded more time and resources, e.g. for in-depth country studies, it was being considered to do fewer, but bigger evaluations.

Regarding selection of the evaluators, the Head of ELK agreed that the greatest possible variety was to be preferred. However, since EU tender procedures were strictly followed in the selection process, there was no way to influence the actual selection of companies. On the planned evaluation of decentralization of aid management, it was stressed that the decentralization exercise had been the single most important change in the structure of Danish aid management in the past 20 years. It was thus considered crucial to extract needed learning from this exercise, also in light of the more incremental changes of the composition of Danish aid in recent years.

Communication of conclusions and recommendations from evaluations continued to be a priority. Journalists were contracted to do Danish summaries of the evaluations which were published on the website. The Secretariat would follow up on suggestions for thematic discussions based on evaluations of particular interest to the Council.

#### **Agenda Item No. 4: Thematic Discussion about Financing Instruments**

*For information and discussion*

Department for Green Diplomacy and Climate, GDK

The Chair of the Council introduced the item as one in a series of thematic discussions about financing instruments. In this connection, a meeting had also been planned with the Danish

Investment Fund for Developing Countries (IFU), scheduled to take place at the Council's meeting on 5 May.

The Deputy Head and the Chief Advisors of the Department for Green Diplomacy and Climate (GDK) briefed the Council on financing instruments for development cooperation. The Chief Advisors presented an overview of the funding needs and challenges to reach the Sustainable Development Goals (SDGs) and the Paris Agreement, noting that a total of USD 4.2 trillion had to be mobilized each year. This had led to a large financing gap as the global Official Development Assistance (ODA) only amounted to USD 160 billion a year. Hence, there was a need to mobilise financing for sustainable development from other actors, in particular the private sector. One of the main challenges in mobilising private capital was the increased risk to investments in developing countries compared to developed countries. Denmark had instituted three approaches to facilitate investments in high risk countries by minimizing the risk or increasing the profit: (i) IFU's High Risk High Impact Initiative (HRHI), which aimed to increase investments in projects with a challenging risk-return balance in lower income countries in Africa using blended concessional finance, (ii) the development guarantee instrument, whereby the IFU would issue guarantees to e.g. encourage banks and other investors to invest in microloans used by for example refugees to establish their own business in host communities, and (iii) the SDG-fund, which mobilized funding from Danish pension funds to lower-risk investments in developing markets.

The Council welcomed the presentation. During the discussion, Members of the Council highlighted a number of key concerns, including the dilemmas associated with the funding instruments. Who covered major losses to the investments, especially under the new development guarantee instrument? Given that the guarantees and the other financing instruments are financed from development assistance funding, there was a need to clearly address and identify the beneficiaries of the investments (i.e. impact at the local v. national level)? E.g. whether the investments helped create jobs for the poorest segments of the population? This was particularly important given that financing for the SDGs covered a very large number of potential funding opportunities. How were results documented and followed up by the MFA and IFU? How could the instruments be used to scale up projects? Did the initiatives include technology transfer? Did they contribute to tax mobilisation in poor countries? Members of the Council also asked for further clarity on the compliance mechanisms and expressed concerns about human rights due diligence. The question of who got preferred return was raised. Another key concern was the ensuing competition between and amongst private actors, donors, and the Development Financial Institutions (DFIs).

Members of the Council further stressed the need for technical assistance and capacity building, and asked whether it was included in the aforementioned financing instruments. Finally, while stressing the need for documented results, Members of the Council enquired about the development effects of the financing instruments. Which were the results and how were they documented, and was there enough emphasis on measuring and monitoring development effects?

The Deputy Head and the Chief Advisors of GDK highlighted that losses to the development guarantees were covered by the national reserve, whereas losses to IFU's investments were covered by IFU's own equity. Neither would be covered by the development budget. Projects

could be scaled up through various instruments, including by issuing development guarantees or through the P4G – Partnering for Green Growth and the Global Goals 2030. Technical assistance and capacity building were not part of the financing instruments as such, but some complementary initiatives had been funded by Danida in the Sahel-region.

Due to the limited time available, it was agreed that IFU would be invited to elaborate on their compliance mechanisms, due diligence and results framework in a thematic discussion at the next meeting of the Council.

The Chair of the Council thanked GDK for the thematic discussion and welcomed the upcoming meeting with IFU as a way to facilitate the Council’s insights into the various financing instruments and IFU’s reform process.

### **Agenda Item No. 5: Briefing about Danish Support to Development Research**

*For information and discussion*

Department for Evaluation, Learning and Quality, ELK

The Chair of the Council thanked the Department for Evaluation, Learning and Quality (ELK) for the orientation paper on Danish support to development research. She noted that it had been a while since the Council had been updated on this subject, as the annual information had been stopped after 2014.

The Head of ELK noted that approximately DKK 220 million had been allocated annually for development research over the past five years. Research funding was provided for: (i) research collaboration projects (researchers based in Denmark and in partner countries) through a competitive mechanism. Applications were assessed by the Consultative Committee for Development Research (the FFU), (ii) capacity development through the “Building Stronger Universities” (BSU) programme, which was currently in its third phase (2017-2022), and (iii) support to international food and agricultural research through the CGIAR partnership (formerly the Consultative Group for International Agricultural Research). The previous “south-driven” modality was no longer applied as development cooperation with Ghana had been phased out and the expanded cooperation with Tanzania would soon end. From 2022, there were no longer separate funding “windows” for the low income (Danida) developing countries and the “growth and transition” (Strategic Sector Cooperation - SSC) countries. From the current application round, projects to be undertaken in both “expanded cooperation” countries and selected “targeted” countries were included within a single five-year, maximum DKK 10 million, competitive funding modality.

Members of the Council found that the research funding was valuable but regretted that the south-driven modality was no longer applied. They encouraged ELK to look for alternatives, where south-based researchers could play a driving role in the research collaboration and also asked for further clarification on: (i) the follow-up to the 2019-2020 evaluation of development research, (ii) the gender imbalance in terms of the numbers of applicants and granted projects, (iii) capacity development of weaker universities, and (iv) the choice of themes in the annual call for proposals. The shift of focus away from West Africa and the difficulties of undertaking research in fragile states were also noted with concern.

The Head of ELK thanked the Council for the very relevant comments and explained that the limited number of countries in West Africa included in research collaboration was related to the difficult security situation in the region. Since the autumn of 2021, security considerations and contingency planning for researchers had been high on the agenda. Various initiatives had been taken to address the issues, including plans to request Danish research institutions to take their ‘duty of care’ more seriously and a decision to fund advice to researchers by professional security companies. Also reflections on data collection and methodological approaches to research in fragile or insecure contexts were part of the strategy. There were no immediate plans to re-launch south-driven funding arrangements, as the transaction costs of establishing national screening mechanisms (‘mini FFUs’) in selected countries were found to be too high to justify the efforts. However, the new research capacity development programme in East Africa would be south-driven, and other ways of strengthening south-driven research may be considered. She further pointed out that tackling gender imbalances had also been a high priority for the FFU, in the light of the critical observations in the 2019-2020 evaluation. Finally, the Head of ELK noted that thematic priorities were largely determined by the development cooperation strategy, and thus the green agenda and climate change had been emphasized, although an effort had been made to design the call for proposals to ensure the widest possible coverage of topics within the overall theme.

The Chair of the Council closed the session by expressing the wish that annual information to the Council about support to development research could be reintroduced.

### **Agenda Item No. 6: Phasing Out Plan – Tanzania**

*For discussion and recommendation to the Minister*

DKK 200 million

Embassy in Dar es Salaam

#### *Summary:*

*The phasing out plan for the Tanzania Country Programme (TCP) describes the rationale behind the design of the phasing out process and the considerations behind the allocation of additional funds. To facilitate a well-managed phasing out of the Danish bilateral development cooperation in Tanzania, DKK 200 million will be allocated as exit funding. The objective is to ensure a responsible phasing out of the TCP and consolidation of the results achieved. The phasing out plan is based on a number of principles and parameters that have guided the allocation of funds. The DKK 200 million will be used to further support and transform eight selected partnerships under the current TCP in 2022-23. In total, the Embassy is suggesting to provide additional funding to 11 partnerships, as an additional three are receiving funds by reallocations within the programme. The remaining 20 partnerships will be phased out without additional funding. In addition to the established principles, Danish policy priorities with an emphasis on human rights, gender and access to services are prioritised, rather than Government reform programmes within public financial management and domestic resource mobilisation.*

<p><i>The Council for Development Policy recommended the Phasing Out Plan - Tanzania for approval by the Minister for Development Cooperation while expressing concern about the small budget for phasing out and about the closure of the Embassy.</i></p>
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The State Secretary for Development Policy gave a brief introduction, reminding the Council of the background for the phasing out of bilateral development cooperation in Tanzania. The decision had been taken based on new priorities with more emphasis on addressing fragility,

countries in conflict or crisis, displacement and irregular migration as defined in the new strategy for development cooperation “The World We Share” and the Foreign Policy and Security Strategy. Further, by phasing out bilateral development cooperation and closing the Embassy in Tanzania, it would be possible to focus resources in prioritised geographical areas where Denmark could make a difference.

The State Secretary informed that in her recent meeting with the Tanzanian Minister for Foreign Affairs, she had stressed that it was not an opt-out of Tanzania, but an opt-in to strengthen other representations and the implementation of Danish priorities. Time had come to redefine the bilateral collaboration, building on 60 years of partnership that had left important footprints in Tanzania. The State Secretary also informed that there had been limited demand among Danish stakeholders outside the Ministry of Foreign Affairs for an embassy in Dar es Salaam.

The Council commended a very well-written and well-considered phase out plan. The Council acknowledged that it was not an easy document to write, as some difficult choices had to be made. However, the Council noted that the Embassy had argued well for the choices made, based on defined criteria as regards to which partners that would receive additional funding in the exit phase.

The Council emphasised that it was an ambitious plan and acknowledged that it was a political decision to phase out the development cooperation and close the Embassy in 2024. At the same time, however, the Council was concerned about the framework given for the phasing out and expressed a wish for more funding and a longer timeframe for the phasing out. The given time span of two years for phasing out was not based on a development focused assessment of how best to ensure viable and sustainable results considering that the Tanzania programme was one of the largest and most complex country programmes of the Danish development cooperation.

Members of the Council also questioned the argument that funds could be used better elsewhere as the main reason for phasing out development cooperation with Tanzania. It was found to be a risky assumption, since the engagements in Tanzania had performed well.

The Council regretted the decision to phase out bilateral development cooperation, in such a short time span and with such a small budget. The Council also regretted the decision to close the Embassy. The recent political changes in Tanzania had underlined that “no conditions are permanent” which entailed that today’s Tanzania differed from the one under former president Magufuli, who had been in power when the Danish decision of closing was taken a year ago. Some other Western donors were now scaling up in Tanzania under the new presidency. Had the changed conditions in Tanzania given rise to reconsiderations?

Members of the Council made reference to an earlier agenda item (i.e. the Thematic Discussion about Financing Instruments), where it was mentioned that East Africa was one of the places with potential for private sector investments. Why not use the model and lessons learned from Ghana, where the embassy had stayed open but transitioned from focusing on development cooperation to trade? Members of the Council acknowledged that this was out of their hands, but wanted to raise it as a concern.

Members of the Council asked for further clarity on the future targeted partnership with Tanzania.

Despite the recent positive changes in the political landscape in Tanzania, Members of the Council emphasised that civil society would still need support to address important governance and human rights issues and advised exploring if future support could be provided through Danish civil society organisations. Furthermore, Members of the Council requested more information about the prioritisation of support to the health sector, the future funding situation for the independent think tank REPOA, and the realism in finding other donors who could cover some of the funding gaps that Denmark's phasing out would result in. Finally, Members of the Council indicated that they found the considerations around supporting partners' sustainability efforts interesting and relevant to follow, including the possibility for some partners to generate their own financing.

The Ambassador to Tanzania thanked for the valuable comments. Concerning the option of other donors taking over Danish support, it was unfortunately likely to be a zero-sum game. If donors took over funding Danish partners, other partners would then not get funding. As the identification of potential donors was on-going, the Embassy would not at this stage disclose who had shown interest as no firm commitments were made yet. In this respect, there was currently no plan B but the Embassy would continuously review progress (or lack thereof) and adjust efforts accordingly.

The Ambassador explained that the continuation of support to three partners in the health sector during the exit phase was based on Danish value-based priorities of sexual and reproductive health and rights. Through the Health Basket Fund (HBF), Denmark had a good partnership with the Government on shared priorities. The new Government had increased focus on the social sectors, which hopefully would be reflected in the budget for the financial year 2022/23. The Head of Cooperation at the Embassy in Tanzania added that the prioritisation of the health sector was closely linked to the strong focus on poverty reduction and reaching the most vulnerable. The HBF channelled funds directly to more than 6,600 primary health facilities improving access to health services for all and thereby strengthened the health system. It was assessed fruitful to maintain a balance of partnerships across important actors including civil society, the private sector and the Government during the phase out process.

On the targeted partnership, the Ambassador clarified that it would be further defined at a later stage in cooperation with the MFA in Copenhagen. Tanzania had shown a keen interest in a strong future partnership, and many priorities of the current Government matched Danish priorities well.

The Head of Cooperation at the Embassy in Tanzania agreed that there was a lot to do in the governance and human rights sector and that Tanzania still needed support to build strong civil society organisations to hold the Government accountable. To address the needs, the Embassy had chosen to reallocate funds to two additional partners under the TCP besides the three partners that would be funded under the exit grant. On REPOA, she informed that Sweden, Norway and Ireland were current funders and therefore REPOA's current funding situation was assessed as stable.

The Head of Cooperation at the Embassy in Tanzania explained that in order to increase sustainability, the Embassy had engaged in a dialogue with one of the partners - Comprehensive Community Based Rehabilitation Tanzania (CCBRT) - on increased own financing, since they had a private clinic where profit went back into the subsidised clinic. If this could be increased, CCBRT would be less dependent on donor funding.

The State Secretary for Development Policy commended the Council's constructive approach to the phasing out plan. Concerning the question of closing the Embassy, she reiterated that currently there seemed not to be a strong demand among Danish stakeholders for an Embassy in Dar es Salaam.

In regard to the future targeted partnership, the State Secretary stressed that it had not yet been defined but that it could entail foreign policy and security interests, elements of development cooperation including the green agenda, civil society and democracy support, and that multilateral support could be used more actively in the future partnership. How the partnership more specifically would be handled without the Embassy had not yet been decided. Different models were available for continued Danish visibility in Tanzania. If the Council was interested, the targeted partnership with Tanzania could be discussed at a later stage when it had been further developed.

The State Secretary assured that the phasing out process would be closely monitored. If it did not proceed as expected, adjustment would be made as everyone had a keen interest in ensuring a proper exit. If the Council was interested, they could be briefed after a stocktaking mission tentatively planned to take place at the end of 2022.

The Chair of the Council welcomed the suggestion for a later discussion on the stock-taking and the targeted partnership with Tanzania and concluded that the Council could recommend the Phasing Out Plan for Tanzania for approval by the Minister for Development Cooperation, while noting the said concerns.

### **Agenda Item No. 7: Discussion about the Situation in Ukraine and the Implications for Danish Development Cooperation with the Minister for Development Cooperation**

*For information and discussion*

The Minister for Development Cooperation opened the discussion by using the term “a nightmare” to describe the developments on the ground in recent years - in Myanmar, Ethiopia, Afghanistan, Mali, Burkina Faso, and most lately Ukraine. A global food crisis was now mounting and the global number of refugees and internally displaced people had passed 100 million, including 10-12 million Ukrainians. The world was witnessing an accumulation of crises on top of the protracted crises going on already, which must not be forgotten either. And overall, this unfortunately meant that less could be done with the funding available in the development budget.

Against this background, the Minister, however, expressed satisfaction that the new Danish Development Strategy was in place with broad support behind it. Among other things, the Strategy underlined the important need for supporting media, civil society, etc. Regarding the latter, he also noted that the new Strategic Partner Agreements (SPAs) with the Danish civil

society had luckily been concluded just before Christmas allowing additional flexibility in relation to the situation in Ukraine, with grants to CSOs being allocated within a few days.

The Danish development assistance was steadfast at 0.7% of GNI. In relation to refugees, it had been agreed that the first year expenses for hosting 20,000 refugees from Ukraine would be covered by the development budget, e.g. §6.3 in the financial bill. The budget had been carefully scrutinized to make sure that international obligations and partner agreements would be respected as far as possible and to identify funding which could be deferred to 2023. The climate change assistance had been left unaffected by the shift of funds as opposed to fragile states and countries neighbouring conflict areas.

The Council thanked the minister for the introduction while at the same time expressing concerns about the shifting of funds for the reception of Ukrainian refugees, which always and inevitably had consequences for engagements elsewhere, be it much needed support for peace, stabilisation and migration in other regions or – as just discussed by the Council – a too quick phase out in Tanzania and closure of the Danish Embassy. The rebuilding of Ukraine risked to make the impact of budget shifts on development assistance very clear.

Members of the Council expressed concern about the longer-term consequences for Danida and the very concept of development assistance. The 0.7% for the world's poorest was supported by a majority in Parliament and by 63% of the Danish population. There was a balance to strike. The reduction of 2 billion DKK of the development budget for the Ukrainian crisis had showed that there were aid funds, which were difficult to spend in the Sahel due to military coups in Mali and Burkina Faso. This raised the important question of whether Denmark was prioritizing fragile areas to an extent where it affected development cooperation in places where aid had better chances of succeeding, such as more stable but poor countries, where it was possible to really do development cooperation on the ground.

Pointing to the radical change in the political approach to defence and energy offset by the Russian invasion of Ukraine, Members of the Council also raised the question if development policy could also be rethought to be about security, soft power and risk mitigation in the long haul as future tensions in the world are very likely to be embedded in the relationship between the South and the West.

Finally, given that Ukraine was a large and relatively developed country compared to many other countries affected by conflict, Members of the Council suggested approaches to assisting Ukraine making use of existing institutional structures. One example mentioned was Ukraine's labour unions which hosted internally displaced people. Another was the Ukrainian private sector which was well organized, and had asked for emergency aid to be procured locally in fear of being undercut by items procured abroad by international humanitarian organizations. And yet another example was to provide support for municipalities to strengthen the capacity of decentralized authorities.

In response to the points made, the Minister for Development Cooperation emphasized that the Development Strategy was very broad covering issues such as climate change, democracy and poverty. Development assistance was not only for the poorest or the poorest countries elsewhere in the world but also intended for when things went wrong in the European neighbourhood.

The Minister underlined that the shift of funds would be temporary in accordance with the rules of the Organisation for Economic Co-operation and Development's Development Assistance Committee (OECD DAC) which allowed pre-asylum costs to be funded by development assistance for a period of 12 months. Furthermore, a large share of the funds allocated came from the reserve of the Neighbour and Migration Fund which had turned out to be an excellent mechanism or buffer. Regarding Tanzania, the Minister agreed that it was important to make sure that the phasing out was done in the right way.

Finally, the minister confirmed that development policy was also to be regarded as security policy. The co-thinking was very clear in the Danish Foreign Policy Strategy.

The Chair of the Council thanked the Minister and the Members of the Council for the discussion which was to be continued and was very important for the Council to help fulfil their role of providing advice to the Minister for Development Cooperation.

#### **Agenda Item No. 8: Any Other Business**

The Council discussed the appointment of two members of the Board of the Danish Institute for International Studies (DIIS). One Member of the Council, Lars Engberg-Pedersen, left the meeting during this discussion with reference to the Rules of Procedure for the Council for Development Policy regarding conflict of interest. Lars Engberg-Pedersen is a Senior Researcher at the Danish Institute for International Studies (DIIS).

The Council decided to reappoint professor Christian Lund from the University of Copenhagen and International Director Jonas V. Nøddekær from DanChurchAid as members of DIIS' Board for another four-year term, from 1 July 2022 to 30 June 2026.

The Secretariat briefed the Council about the possibility of arranging an extraordinary Council meeting on 24 June to discuss four draft organisation strategies with the Permanent Mission of Denmark to the United Nations in New York. Given the time difference and the various other agenda items at the meeting on 30 June, the Council agreed that the extraordinary meeting should be arranged.

The Secretariat also briefed the Council about the logistics and the updated draft programme for its planned visit to Lebanon and Jordan in May 2022. It was noted that some aspects of the programme remained indicative as the Embassy in Beirut was yet to confirm the details with partners and interlocutors. The Council welcomed the timely update and expressed its univocal appreciation for the draft programme. Members of the Council once again stressed their wish to meet with experts on employment of Syrian refugees and other types of support to income-generating activities, including the International Labour Organization (ILO) or the Jordanian Chamber of Commerce. The Secretariat would follow up.