

Evaluation of the Danish Strategic Sector Cooperation - June 2020

Management response

This note summarises the main findings and lessons learned from an evaluation of the Danish Strategic Sector Cooperation. The note includes the management response drafted by the Department of Green Diplomacy. The Department of Evaluation, Learning and Quality of the Ministry of Foreign Affairs commissioned and managed the evaluation, which was carried out by PEM Consult.

Findings of the evaluation

The findings of the evaluation are presented in three categories: i) Partnerships and results achievements, ii) Factors that underpinned results and the lessons learned and iii) Areas in need for more attention. The findings are followed by a set of concrete recommendations.

i) Partnerships and results achievements.

The evaluation finds the Initiative relevant and effective stating that it is “punching above its weight” and that the unique modality is able to mobilise Danish authorities in ways that other measures could not. The involved Danish authorities provide the partners in country with context sensitive contributions and facilitate shared ownership of the projects in collaboration with the Sector Counsellors based on strong Danish expertise and international reputation. Although the evaluation concludes that it is too early to see concrete results of the projects, local partners report on useful contributions from the projects to local strategic planning. The evaluation concludes that the SSC collaborations empower local partners and enhance their capacity for change management and coordination with a wide range of actors in their policy planning and implementation.

Actively engaged local partners feel well-informed and express appreciation for the projects. The frequent and mutually respectful collaborations of the SSC is instrumental in enhancing bilateral relations both at governmental level and between peer authorities, and contributions from the Danish Authorities provides access for Danish embassies in partner countries.

Although a mutual understanding of the engagement of the private sector has emerged, obtaining results under the third objective of the Initiative may still be a challenge for some SSC projects. Some sectors and partners found it relevant to engage the Danish private sector more actively as dialogue partners in framework improvements and to demonstrate Danish Private-Public partnership solutions in the projects.

ii) Factors that underpinned results and the lessons learned

The evaluation finds that a key factor for success is the pre-selection of sectors with strong Danish expertise and international reputation. This enhances the relevance of the SSC contributions and underpins the credibility of Danish authorities and Denmark. Additionally, the Danish Authorities ability to adjust efforts to local context is an important contribution to relevant programming and successful partnerships. The flexibility of the SSC framework allows for an adaptive programming that underpin the responsiveness of the Danish authorities making them valued and equal partners to their counterparts. Moreover, the evaluation concludes that local settings matter and the selection of countries and sectors needs individual assessments. A prerequisite for successful collaborations is sufficient capacity in the partner authorities to absorb knowledge.

iii) Areas in need of more attention

The evaluation points to the need to consolidate programme results and the management framework after the first years of testing and expansion of the programme modality. Additionally, one of the key findings is the need for more policy dialogue and exchange of experience to proceed with the SSC Initiative and ensure programme coherence. Partners and actors in Denmark found that it is time to discuss the direction of the programme and to consolidate the guidance and the international work of Danish authorities through more regular meetings between partners and stakeholders. Finally, the evaluation underlines that the shared management responsibilities are somewhat ambiguous and at times create challenges for programme management and oversight.

These more general findings are followed by a set of 8 specific recommendations. A detailed list of recommendations and response to them is found in Annex 1.

General comments

The Ministry of Foreign Affairs of Denmark (MFA) welcomes this evaluation of the SSC Initiative. The evaluation provides a number of relevant findings about the results of the SSC Initiative and adequacy of the management arrangements for the administration of the current programme portfolio as well as suggestions for improvements of the Initiative.

The MFA launched the Strategic Sector Cooperation (SSC) Initiative in January 2015. The MFA has since provided Danish development funding to form partnerships between Danish authorities and their counterparts abroad, with the aim to improve framework conditions for furthering sustainable development as well as to strengthen bilateral relations, and open doors for the Danish private sector. Since 2017 when the SDGs were incorporated in to the Danish Act on International Development Cooperation, the SDGs have formally provided the overall frame for the SSC Initiative. The Initiative has doubled the portfolio of projects since its onset five years ago and now supports 14 Danish authorities involved in a total of 40 SSC projects in 18 different countries. The management arrangements for the Initiative has evolved organically alongside the development of the portfolio. The guidelines for the Initiative was first published in 2015, since revised in 2017 and is currently being updated.

In the past years, The Strategic Sector Cooperation has received increased attention as a successful collaborative tool. Moreover, since the launch of the Initiative, Denmark has seen a shift in government and in strategic priorities. Ambitions for strengthened and increased use of the modality are highlighted in several new strategic initiatives such as the Danish climate law “klimaloven” that calls for strengthened strategic sector cooperation in general to strengthen the global green transition. Another example is the global climate strategy. Additionally, there is a call for strengthened Danish engagement in SSC projects from the Danish climate partnerships set by the Government to suggest possible contributions from the private sector to the green transition.

As stated in the current SSC guidelines, the SSC Initiative has three mutually supportive objectives: 1) To contribute to inclusive, sustainable growth and development in the partner countries by supporting conducive framework conditions for the fulfilment of prioritised Sustainable Development Goals (SDGs); 2) To strengthen and expand general bilateral relations and cooperation between Denmark and partner countries; and 3) To improve the opportunities for the Danish private sector to expand its commercial engagement and investments in the partner country through increased networks, knowledge, and cooperation, and hence facilitate the contribution by the private sector to development. Objective 1 is the main objective of the Initiative, while Objectives 2 and 3 are secondary and partly reached through the first objective.

Follow up

The MFA is encouraged by the positive results of the programme; notes the important success factors described and take note of areas that need more attention. While the evaluation does not suggest significant structural changes to the Initiative the MFA sees potential in using the findings of the evaluation as basis for rethinking the Initiative. Along with the updated political expectations for the program and the change in strategic direction of the MFA these overall findings and recommendations of the evaluation provide a good basis for updating and rethinking the SSC Initiative. The concrete recommendations of the evaluation are primarily suggesting more specific and correctional issues and is dealt with in Annex 1. The MFA will therefore commence discussions with relevant partners about the strategic direction of the Initiative with a view to develop a new strategic framework for the SSC Initiative with respect for the new political direction, results already created, factors for success and areas in need of attention.

To guide this work the MFA has identified four major areas of focus: 1) Coherence and strategic focus; 2) Strengthening the SSC Initiative as a Policy Instrument; 3) Strengthening the commercial value of the Initiative and 4) Consolidation of the Management Framework.

1. Coherence and strategic focus

In line with the current political directions, efforts will be made to strengthen coherence between the Initiative and the overall political priorities such as the global climate strategy. In line with recommendations #1 and # 5 the MFA will work on synergies between projects supported by the Ministry where relevant and possible such as bilateral country programmes and

the Climate Envelope. Thus, part of the strategic work will focus on creating coherence among the SSC Initiative, overall Danish priorities and other Danish engagements relevant for the Initiative.

Additionally, the MFA notes that further efforts should be made to strengthen programme coherence and coordination and to consolidate programme results. In this regard, the MFA acknowledges that the weight of the three objectives of the Initiative could be made clearer, and that this in line with recommendation #2 could be developed through development of a programme-wide Theory of Change, clarity of expected programme results with key indicators and a comprehensive program-wide reporting format. The MFA agrees to promote in-house recruitments of Sector Counsellors from the Danish Authorities to facilitate a larger resource base for the SSC initiative and to retain in-house international expertise as mentioned in recommendation #8. Additionally, the MFA agrees with the need to ensure even better coherence between SSC projects and research under window 2, as well as more strategic use of the DFC courses in line with recommendation #6 and #7 and will ensure that this is considered during the strategy process.

2) Strengthening the SSC Initiative as a Policy Instrument

Although the evaluation found that the SSC contributes to improved bilateral relations, the call for more policy dialogue from Danish partners, indicate that the strategic use of the Initiative as a Policy Instrument could be strengthened. The MFA wishes to strengthen the use of the SSC Initiative in the partner authorities in countries as well as a dialogue instrument to ensure that the SSC Initiative contributes to the bigger picture of Danish Foreign and Development policy. This aim will also be facilitated through a clearer strategic focus of the Initiative to help guide Danish Authorities, Embassies and the MFA in harvesting synergies and taking better advantage of the Initiative in development, foreign policy, climate and economic diplomacy.

Moreover, clearer focus and better coherence will also facilitate a strengthened work on program-wide information and knowledge sharing among projects, partner authorities, Danish authorities and other stakeholders in line with recommendation #1. A stronger program-wide knowledge and information sharing will moreover also support a more comprehensive use of the Initiative in policy dialogues.

3) Strengthening the commercial value of the instrument

The MFA notes the need to ensure clarity on engagement with private sector as underlined in recommendation #4 and would be interested in exploring opportunities of strengthening the commercial value of the Initiative with continued respect for the Initiative as a key instrument in Development Cooperation. This could be done in dialogue with IFU, TC and business associations with a view of specifying that the framework conditions which the programme is working on should be closer to market opportunities and concrete investment opportunities. The need for dissemination of best practice and lessons learned especially in relation to engagement with private sector will be an important part of the strategic work going forward. Moreover, the strategic work will seek to provide a more clear definition of private sector engagement to enhance opportunities for collaboration.

4) Consolidation of the Management Framework

The current management framework has been conducive for adaptive approaches, building partnerships and delivering preliminary results with a good potential for longer-term development impact. However, as mentioned in the evaluation findings, after the first years of testing and expansion of the programme modality, there is a need to consolidate the management framework. The Initiative is high maintenance with many small projects, detailed guidelines and much hand-held administration. While maintaining the factors that underline success and keeping in mind the areas in need of attention, the MFA will seek to ensure a more comprehensive administration of the SSC Initiative in order to release human resources to strengthen coherence and strategic focus; policy dialogue and commercial value. This will also make room for improved dissemination of knowledge in line with recommendation #3.

The relation between the strategic process and the concrete recommendations of the evaluation is illustrated in Annex 1.

Annex 1: Recommendations relation to focus areas of the SSC Initiative strategic process

No	Recommendation	Management Response
1	MYNSEK should strengthen programme coherence and coordination by more exchange of programme and project information, knowledge, experiences, and lessons learned between partner authorities. This should also include more interactions with private sector organisations	Will be part of re-thinking of the SSC Initiative in particular in relation to focus area 1, 2, 3 and 4
2	MYNSEK should formulate a programme-wide ToC for the SSC Initiative that describes how the programme and its partnerships contribute to the programme objectives and the broader development outcomes associated with achievement of the SDGs	Will be part of re-thinking of the SSC Initiative in particular in relation to focus area 1 and 4
3	Improve programme guidance through dissemination of good practices and a checklist for study tours	Will be part of the re-thinking of the SSC Initiative in particular focus area 4
4	Develop a toolbox on SSC engagement with the Trade Council	Will be part of the re-thinking of the SSC Initiative in particular focus area 3
5	Danida priority countries should assess the relevance of the SSC modality as part of the country programming	Will be part of the re-thinking of the SSC Initiative in particular focus area 1 and 2.
6	Improve the execution and follow up on DFC training courses by more adaptive approaches	Will be part of the re-thinking of the SSC Initiative in particular focus area 2 and 4
7	Enhance the coherence between SSC projects and W2 call for proposals and improve monitoring and dissemination of results	Will be part of the re-thinking of the SSC Initiative in particular focus area 2 and 4
8	MFA and Danish authorities should promote more in-house recruitments of Sector Counsellors from the Danish authorities	Will be part of the re-thinking of the SSC Initiative in particular focus area 2 and 4