

Annex V: Evaluation matrix

Evaluation questions	Relevant findings from country portfolios	Relevant findings from institutional relationship reviews
<p>EQ1: What are the main results of Danish funding for climate change mitigation since 2013?</p>	<p>Three key approaches to strategic mitigation are technological, ecological and capacity building, based respectively on promoting clean energy, nature-based solutions, and institutional abilities to perform modelling, planning, policy development and regulatory tasks. Key conclusions relate to the primary importance of: (a) alignment with strong, stable and rational government policies; (b) adaptive agility in the face of changing circumstances and institutional priorities; (c) trusting those who have reliable knowledge and skills; and (d) the political economy/ecology analyses needed to identify policies worth aligning with, changes that must be adapted to, and groups worth relying upon.</p> <p>A total of 13 interventions (projects, phases, components) were particularly noteworthy from the viewpoint of strategic mitigation effectiveness. Some were small breakthrough projects that depended on local circumstances and opportunities, but have useful lessons for design, impact and replicability. The strongest evidence of mitigation effects at a strategic level was associated with programme activity: the ESP phase 1-3 and SSC series in Indonesia, the VNEEP-LCEE series in Vietnam, and perhaps the GATE-CRFL series in Ethiopia. This is probably because knowledge of local conditions, contacts and close relationships with decision makers lead to better targeting and stronger influence, amplified by the growth of skills and choice awareness among partners.</p> <p>The Climate Envelope represents a small volume of all mitigation-relevant public investment in developing countries, which is determined by drivers other than climate change. No evidence was found that projects funded through this channel differed consistently from those funded in other ways. The Climate Envelope did have a strong effect,</p>	<p>GCF requires GHG emission reduction estimates as part of its approval process for investment projects. The Fund responds to the aspirations of many countries and has significant influence as a result. Denmark has been a constant supporter since the Fund's creation, and opportunities for continuing influence come from Denmark's shared seat on the GCF Board and through collaboration with like-minded countries.</p> <p>ESMAP effectiveness has been confirmed by past evaluations, and as a key donor Denmark can claim a significant share of its impact. Denmark has also been influential in shaping ESMAP deliberations and decisions. Thus, Denmark has made important technical and financial contributions to ESMAP's ability to advance the clean energy transition towards an emerging commitment to global 'net zero emissions by mid-century'. Cost-effective ways exist for Denmark to encourage this further.</p> <p>IEA has expanded its work from petroleum to RE/EE, due in part to Danish influence and in line with Denmark's strategic priorities. IEA is now responding to policy support among its members for measures to reach net zero emission targets, including the clean energy transition. There is potential for IEA to coordinate among countries on providing assurance that transition policies will actually deliver net zero outcomes by mid-century. There is ample scope for Denmark to work with IEA and its members to induce further rapid change.</p> <p>IFU is now designing investments based on estimated GHG emission reductions and co-benefits, with approval processes requiring GHG emission baselines and monitoring of impact and outcomes. This will make IFU a valuable partner as Denmark raises its mitigation ambitions.</p> <p>SEFA is a case of Danish leadership leading to something that exceeds</p>

however, both in enabling the Danish Energy Agency (DEA) to emerge as an important agency providing support to developing countries, and in encouraging such support to take a programmatic approach rather than be limited to particular technical issues.

The Strategic Sector Cooperation (SSC) Initiative is an important attempt to rationalise support for coherent and systemic change. Funded outside the Climate Envelope under its own provisions in the finance acts, it was represented in the evaluation sample by one SSC intervention on city twinning in Argentina, one on the energy sector in Ethiopia, three on energy, circular economy and waste management in Indonesia, and one on offshore wind that was just beginning in Vietnam. Of the five that could be assessed (in Argentina, Ethiopia and Indonesia), mean design scores were good and high performance was anticipated but could not be fully assessed except in Indonesia where it was also good. These are positive signs, and it seems likely that in seeking holistic responses to systemic challenges the SSC modality has been breaking ground in an area that will prove productive for mitigation efforts in future.

the reach of any one donor. It is thus an important model for Danish engagement, where shared commitments create opportunities to build a strong and sustained coalition of development actors.

Verdens Skove sees mitigation as a co-benefit of protecting indigenous land rights, biodiversity and livelihoods, and has shown that avoiding deforestation can be a very cost-effective way to prevent the release of GHGs at scale, often with immediate effect and abundant co-benefits. VS and its allied indigenous associations and academic and NGO communities have much to offer the climate response.

NDCP membership offers ways for Denmark to build coherence among programmes and with other initiatives and partnerships. Demonstrating what can be achieved through clean energy transitions is important to Denmark, and there is scope for Denmark in other areas to encourage NDCs to match rising ambitions globally and among partner countries.

DEA has built agreements with 16 countries that together account for more than 60% of global GHG emissions. By enabling policy dialogue, these partnerships are a hugely important resource, putting Denmark in a strong position to support countries in decarbonising their economies. The partnerships have tended to extend beyond specific technical issues to sector-wide engagements, where there is effective delivery of technical solutions and skills. Energy transitions, however, require engagement with complex political and systemic issues, and this may demand a more integrated approach led by the Danish representation each country.

EQ2: How has climate change mitigation funding responded to the aims and needs defined by developing countries in their NDCs?

The NDCs are markers in an experimentalist process of learning and peer competition, so they state a general goal of reducing the rate of increase of GHG emissions, or capping them in absolute terms, to which Denmark subscribes, and list a variety of sectoral measures designed to achieve that goal, among which Denmark chooses to support some and almost ignore others. The result is that there is strong alignment between Danish activities and some but not all of each country's NDC priorities. There are cases where Danish interventions have synergised strongly with NGO (e.g. Verdens Skove) and multilateral (e.g. AfDB through SEFA) efforts to add significant value or to leverage investment at scale in line with NDC priorities in particular countries. Among the focal countries, NDC goals depend on intricate networks of change in several sectors at once (Ethiopia and Vietnam), or complex and contingent changes in dominant sectors (South Africa and Indonesia). There is potential to raise the ambition level of

the NDCs in line with emerging global net zero ambitions, but many countries will need reassurance that their contributions are realistic and achievable without damaging their own interests. Denmark can help by validating the expectation of higher ambition in policy dialogue, and offering TA and support for the research, modelling and consensus building necessary to raising ambitions as high, as quickly, and as practicably as possible.

EQ3: How has climate change mitigation funding contributed to transformational change and the SDGs?

Transformation implies multiple connected changes that result in more sustainable relationships among people and between people and nature. It requires concentration of informed insight and design effort, appropriate technical input, trust and influence, adequate resources, and sustained consistent purpose. Danish interventions are often under-resourced relative to this ambition, so they seldom achieve it except where they coincide with a deeper direction of travel. In these cases, small investments can induce significant change, putting a premium on understanding underlying trends and their causes during the processes of intervention identification and design. Several cases were found where Danish interventions were helping to build potentially transformative mitigation-relevant outcomes, often with the support of other partners. Three involved community-based forest management (two in Indonesia, one in Bolivia, and a fourth possible in Myanmar), two involved wind power integration (in South Africa and Vietnam), one involved complementary and cumulative interventions in a small island (Lombok in Indonesia), and one was possible through a city twinning project. In addition, there was a cluster of partnerships where Danish engagement has been responsible, alone or in collaboration with like-minded stakeholders, for lifting or shifting a major international institution onto a new and more mitigation-relevant path, including ESMAP, IEA and SEFA. Together they show that progress can be dramatic if empowered communities wish to manage ecosystems sustainably, if a government seeks to overcome specific technical challenges for the clear benefit of those to whom it is accountable, or if institutions recognise and value what each can contribute, always providing that the new ideas on offer make good ecological and economic sense.

EQ4: What are the main lessons learned from climate change mitigation funding?

Lessons learned from the projects and programmes are highlighted under EQ1. More strategic findings include:

- **On capacity building**, that two effective ways to do this are: (a) by embedding within the target institution long-term advisers who can transfer knowledge, insights and skills to many colleagues over time, while also acting as portals for engagement with external stakeholders; and (b) by concentrating multiple sources of new knowledge in a small social system energised by a local priority, including demonstration projects, participatory studies, and knowledge exchange with other places and peoples. Strong partnerships provide a supportive context for either. Weaknesses in capacity building were sometimes seen to arise from a failure to engage fully by the higher leadership in each country's institution, since new ideas and skills obtained by lower-level staff cannot then lead to supportive changes at the institutional level.
- **On institutional targeting**, that making effective choices depends on prior definition of Danish aims and preferred means. Once this is done, institutions can be targeted where Denmark has most influence, leverage and control, allowing it to guide resources to where they should be going according to its own analysis and settled policy. Among the institutions reviewed, the distribution of support reflects a strong orientation towards the energy sector, where recent Danish efforts have been focused; the GCF is the only multilateral institution and Verdens Skove the only civil society partner strongly promoting ecological mitigation, where past Danish efforts have shown emission savings at large scale; and none support south-south-north linkage activities, which have particular strengths in terms of knowledge sharing.
- **On ecological and whole-society mitigation**, that there are hundreds of millions of hectares of high carbon-density ecosystems needing

protection and restoration through community-based projects and local government partnerships, hundreds of sub-national territories needing low-carbon development plans and help with their implementation, and scores of national governments needing to decarbonise their energy systems quickly. Considered in terms of the global climate agenda, most of these needs must be met promptly if there is to be a chance of reaching over-arching temperature, adaptation and biodiversity goals. Denmark alone can only contribute to meeting some of them, however, whether globally or within each partner country. They feature in the NDCs where priority is usually given to one or more of them, depending *inter alia* on how the major GHG sources and sinks are distributed in the economies and territories of the individual country. A balanced Danish mitigation strategy should therefore allow for informed choices on which NDC priorities to address in each partner country, and for an effective response to each chosen element. This response would sometimes be done bilaterally, but more often and more importantly in collaboration with other actors. The real leverage and impact of Danish mitigation efforts will come from demonstrating practical and innovative solutions that can be understood, adapted, replicated and scaled up, from thought-leadership and influence among like-minded actors, and from cooperative investment through multilateral institutions.