

Summary of conclusions from the Programme Committee meeting on 29 May 2019

Agenda:

1. Danida Business Finance: Power Transmission Lines Project in Kayes region, Mali
(Presented by VBE)

2. World Bank Global Financing Facility
(Presented by UPF)

Participants:

Stephan Schönemann (Center for Global Development and Cooperation) (Chair); Ole Thonke, Lone Bøge Jensen and Ole Dahl Rasmussen (Department for Growth and Employment - VBE); Mette Thygesen (Department for Humanitarian Action, Migration and Civil Society – HMC); Lotte Machon, Anne Louise Grinsted Klinkby and Johanne Brønden (Department for Development Policy and Financing - UPF); Asser Rasmussen Berling (Department for Multilateral Cooperation and Climate Change – MKL); Henning Nøhr (Department for Evaluation of Development Assistance - EVAL); Niels Bossen (Danish Embassy in Bamako); Morten Elkjær and Lene Møllerup (Danida Business Finance - IFU) and Mikael Hemniti Winther, Jens Fugl, Esther Lønstrup, Susanne Wendt and Peter Jul Larsen (Department for Technical Quality Support - KFU).

Prior to the Programme Committee meeting, the Danida Business Finance paper and the World Bank Global Financing Facility concept paper were subject to a public consultation on [the Danida transparency website](#). Comments were received from Mellempfolkeligt Samvirke (MS) and Oxfam/Ibis.

1. Danida Business Finance: Power Transmission Lines Project in Kayes region, Mali

The Programme Committee (PC) noted that the presentation differed from the standard concept notes as the proposal was presented to the PC before a feasibility study had been carried out. However, given the magnitude of the proposed allocation, the PC welcomed the possibility to have an overall discussion of the proposal and the possible direction forward at this early stage.

The PC agreed that provision of sufficient and stable energy is important both for the social and economic development of a country. The access to stable energy could make it possible for the mining industry (gold) to expand and for new industries to be established in the affected area. In addition to possible support to create new jobs in an area with many migrants, it would also provide the population in the area access to more stable energy. Further, it would reduce the CO₂ emission as the need for the present (diesel) power plants would be reduced and hopefully also reduce the magnitude of the informal gold mining sector, which in an addition of providing a very bad occupational health also involves child labours to a great extent. However, the PC noted also that the power sector is a commercial sector where investments are based on loans from the private sector or International finance Institutions (IFIs). The PC found that all

the above questions in addition to further investigation into the functioning and sustainability of the company Electricité de Mali would require that a detailed feasibility study be carried out. The study would also be able to help clarify to what extent a Danish subsidy in the form of a mixed credit to finance the proposed investment could be justified. The PC also raised the question about the other actors investing in the sector, not least the IFIs engagements and e.g. if it would be more feasible to use the Danish support to finance solar power plants.

Based on the discussion about the way forward, the PC decided that a comprehensive and critical feasibility study would be needed as a first step. The PC found that it would be important to engage relevant stakeholders in the preparation of the Terms of Reference for the feasibility study. The PC underlined that the result of the study should be discussed with all stakeholders including the Danish NGO-sector when it is available. It was also stressed by the PC that it would be of great importance that the right consultants were chosen for the study, which most likely would require tendering internationally.

If the result of the feasibility study turns out to be positive, it will be possible to ask for a new discussion in the PC before a concept note is prepared or if preferred after a concept note is developed.

Written comments from KFU were forwarded to VBE after the meeting.

2. World Bank Global Financing Facility

The PC found the proposed support to Global Financing Facility (GFF) 2019-2021 very relevant and within Denmark's strategy for development and Humanitarian action "The World 2030" as well as the framework of the SDGs. Further, the PC supported the focus (soft earmarking) of the Danish contribution towards SRHR efforts in West Africa and the Sahel Region. The PC supported that over time the Danish focus could be expanded towards East Africa, as it would create an opportunity achieving synergies and complementarities with other Danish supported health programmes in this region.

The PC discussed the need for the interventions to engage with the private sector in the selected countries. The PC further welcomed the fact that UNFPA was involved as a partner where it made sense.

The PC stressed the need to have more elaborated reflections concerning lessons learned from the first phase support to GFF, not least from its interventions in fragile states. As there has not been any Danish review of the first contribution to GFF, the PC suggested that a review of the second phase could be considered and preferably jointly with other donors. Finally, the PC suggested strengthening the results framework with development of output indicators, which are not only the ones established by UNFPA.

Written comments from KFU were forwarded to UPF after the meeting.