



# MEMORANDUM

## OECD-DAC PEER REVIEW OF DENMARK 2016

This memorandum provides an introduction to Danish development policy and cooperation with a focus on presenting the overall framework, as well as highlighting current directions in structures and policies.

Ministry of Foreign Affairs of Denmark  
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## PREFACE

This Memorandum has been prepared by the Danish Ministry of Foreign Affairs (MFA) in advance of the upcoming OECD Development Assistance Committee's (DAC) Peer Review of Denmark's development assistance and cooperation. The latest Peer Review of Denmark took place in 2011.

The Danish MFA is overall responsible for providing the political and strategic guidance, management and implementation of the Danish development cooperation. Danish development cooperation is an integrated foreign policy tool within Denmark's international engagements. In a whole of government approach other ministries, including the Defence and Climate have a stake in ensuring close coordination of policies and activities where relevant.

This memorandum provides an outline of Denmark's development cooperation in accordance with the DAC Peer Review Reference Guide 2015-2016.

As part of this Peer Review exercise, and in light of present and upcoming global challenges and opportunities we would welcome a discussion on options available to Danish development cooperation over the coming years, including on:

- 1. Ensuring that the SDGs serve as the new conceptual framework for sustainable development and delivering on global challenges and help serve as a means of prioritisation for a focused Danish approach.**
- 2. Partnership as key to delivering of the SDGs – how to better use partnerships for leveraging financial and technical resources and innovation, promoting more sustainable economic development from private investment and delivering results.**
- 3. Further strengthening coherence between long-term development efforts and humanitarian assistance.**
- 4. Tackling increasing migration flows by addressing root causes of migration – and do the existing approaches reflect current challenges.**
- 5. Ensuring a continued emphasis on results based approach with external partners, and a continued application of a lean approach in the management and administration of the Danish development cooperation.**

### **Brief overview of major developments since the last Peer Review (2011-2015)**

#### Legal context

**At the political level**, the period is marked by two changes of government with important implications on Denmark's development cooperation:

- In late 2011, a centre-left coalition government under Prime Minister Helle Thorning Smith (Social Democrat) took over from the former centre-right coalition government under Lars Løkke Rasmussen (Liberal).
- The elections of June 2015 brought back Lars Løkke Rasmussen as Prime Minister of a minority one-party Liberal government supported by three other centre-right parties.

While under the 2011-15 government the Ministry of Foreign Affairs (MFA) was headed by a Minister for Foreign Affairs as well as a Minister for Development Cooperation (up to 2014)/a Minister for Trade and

Development (from 2014), **the new government has placed the ministry under one minister**, the Minister for Foreign Affairs Mr. Kristian Jensen.

**At the policy level** a new [International Development Cooperation Act](#) was adopted by Parliament in 2012 and came into force January 1 2013, replacing the previous act from 1971. The new act replaced the previous objective of poverty reduction with the objective of Denmark's development cooperation being to combat poverty and promote human rights, democracy, sustainable development and peace and stability. It also placed **Danish development policy as a central element of Danish foreign policy** and recognised Policy Coherence for Development (PCD).

#### Strategic context

**The strategy for Danish development cooperation**, "[Freedom from Poverty](#)" from 2010, which was in place at the time of the last Peer Review, was replaced by a new strategy named "[The Right to a Better Life](#)" and endorsed unanimously by Parliament in May 2012. The four priority areas of this strategy are: Democracy and Human Rights; Green Growth; Social Progress; and Stability and Protection. The strategy also introduced the Human Rights-Based Approach (HRBA) to programming and implementation of Danish development cooperation.

At the time of writing this report, a process of elaborating a successor strategy to "The Right to a Better Life" has been initiated. This strategy is expected to have the new Sustainable Development Goals (SDGs) as its reference point and will reflect new global challenges and opportunities, and how Denmark's approach to development and humanitarian cooperation should respond to these. It is expected that this work will be finalised in 2016 following a consultative process with Danish stakeholders and including inputs from a foreign policy review that is currently being conducted.

Since the last Peer Review and mid-term review, a number of new [sub-strategies and policies](#) have been issued, including an [action plan for PCD](#), which was adopted in 2014. In addition, the previous sector approach to programming has been replaced by a country approach leading to the preparation and approval of entire Country Programmes for the Danish priority countries, i.a. the countries where Denmark is present with a long-term engagement and a certain political and financial weight. New [guidelines for country programming](#) were introduced in 2013, along with new [guidelines for risk management](#) and other more specific technical [guidelines](#).

**At the financial level**, Danish ODA amounted to between 0.8 and 0.9% of the Gross National Income (GNI) up to 2014, while from 2015 the level will be approx. 0.7% in line with the stated intentions of the new government. **Denmark thus maintains its international commitment to remain at 0.7 % of GNI to Official Development Assistance (ODA)**, a commitment that was reconfirmed at the 70th United Nations (UN) General Assembly and summit of the newly adopted SDGs.

Over the period since the introduction of the Millennium Development Goals (MDGs) which were very much directed towards the social sectors, there has been a **growing realisation that economic growth and employment are main drivers of poverty reduction** and need to be tackled directly as well as through social-sector interventions. Danish ODA has seen a **gradual reduction in social- sector support and an increase in growth-related support**, value-chain approaches, etc. The remaining social-sector support has increasingly been provided through joint/international channels, such as the Global Partnership for Education (GPE) and the Global Fund for AIDS, Tuberculosis and Malaria (GFATM), where Denmark takes an active part in the governing bodies.

There has also been a growing realisation of framing conditions such as a focus on peace and stability inclusivity, democratic governance, human rights and rule of law, which are crucial to establish an enabling environment for development and economic growth and to curb inequalities. Hence these areas continue to be important in Danish development cooperation and programming and constituted some of the Danish priorities in the preparations of the SDG. The recent COP 21 agreement in Paris sets a clear and tangible

framework towards reducing the effects of climate change. Danish development cooperation also plays a key role in this regard.

**The world stands before historically large refugee and migration flows** resulting in an increased need to help those who flee from war and persecution, including in countries and regions hosting refugees and internally displaced people. Furthermore, it has highlighted the need to address root causes and helps build societies where not least young people see a future for themselves, and where to migrants can return home.

These **pressing needs and challenges have called for strong prioritization and greater coherence in Danish development cooperation and a strengthened humanitarian effort**, including support to communities hosting refugees and internally displaced people. Danish humanitarian action has a special focus on creating durable solutions in protracted displacement crises, including through enabling refugees and internally displaced people to have a dignified life and being less reliant on humanitarian assistance. An example is the Danish-led European Regional Development and Protection Programme aiming at enhancing protection and livelihoods for Syrian refugees and host communities in Iraq, Lebanon and Jordan.

At the same time, **Denmark strives to address migration flows by addressing root causes of migration through long-term support to, among others, access to education, healthcare systems and income possibilities**. Furthermore, Denmark supports joint European efforts to address the crisis e.g. through the recently established European Union Emergency Trust Fund for Migration in Africa which aims to foster stability and address root causes of destabilization, forced displacement and irregular migration in the regions of the Sahel and Lake Chad, the Horn of Africa and the North of Africa. Moreover, the increased costs for receiving asylum seekers in Denmark has affected the budget for Danish development cooperation as pre-asylum costs are financed by the ODA budget in accordance with the Development Assistance Committee (DAC) criteria.

# **1. TOWARDS A COMPREHENSIVE DEVELOPMENT EFFORT**

## **1.1 Global development issues**

Denmark is in absolute terms a small actor on the development scene and follows closely a number of major global developments and trends that are of key importance to our continuing effort to remain relevant to our partners in the developing world and among the international actors. Part of the response to these trends is an increasing integration of Danish development cooperation with other elements of the foreign policy, such as economic diplomacy promoting trade and investment, and Denmark's security policy and priorities.

One major trend over the past several years is the reduction in global poverty, mainly due to high economic growth in a number of big Asian countries. In Africa, the high growth rates attained since the millennium have not had the same effects on reducing the high poverty levels. However, the trends seem to point at a situation with the majority of poor people living in middle-income countries. In Denmark as among other international partners this has led to a discussion about the future of the poverty orientation of international assistance and its geographical distribution. Denmark has traditionally focused on low-income countries, mainly in Africa, and the new government intends to continue this stance. In countries moving up the GDP per capita scale, development cooperation is phased out and the emphasis moved to a focus on private-sector partnerships, trade, and investment involving Danish companies. This is for instance the case in Vietnam and Ghana. Hence, Denmark will continue to support countries with the least possibility to reduce poverty without external support, while assisting the Danish private sector to engage in countries with market potentials.

The pattern of resource flows to developing countries is changing quickly. Private flows are increasingly dominant in many countries, and new providers of ODA as well as of investment capital are emerging. In general terms, all such resources are needed, and the Finance for Development (FfD) conference in Addis Ababa in 2015 provided a welcome overview and useful dialogue on how to harness the various sources of finance for development purposes, not least in the perspective of the SDGs. Denmark seeks to diversify the financing instruments it uses, increasingly adding new and partly innovative funding mechanisms such as investment funds, guarantee funds, public-private partnerships, etc. to traditional ODA. In a context where the fundamental principles of good governance and respect for human rights that traditionally govern Danish ODA are under pressure from new providers of resources, it is a Danish priority to continue to insist on, and advocate for, these very principles.

Over recent years it has grown more and more obvious that within the overall global picture of improved growth and decreasing levels of poverty, countries affected by conflict and fragility constitute a particularly vulnerable group of countries that is increasingly lagging behind in terms of the living conditions of their populations. At the same time, the situation in these countries also affects their neighbouring countries and regions. Denmark has been responding to this challenge by including a number of countries affected by conflict and fragility as priority countries and by increasing the funding levels, leading to approx. 40% of Danish bilateral assistance going to such countries in 2014. Denmark has also been in the forefront in promoting the New Deal and the 5 Peace and State building Goals that came out of the High Level Forum on aid and development effectiveness in Busan 2011. Denmark and other international development partners have joined forces with the group of fragile countries, the so-called g7+ and established the International Dialogue on the New Deal that operated at the country and global level.

International climate finance is crucial in order to support the global transition to a low-carbon and climate resilient sustainable development. Public finance plays a key role, especially to support vulnerable countries with limited financial and institutional capacity but governments cannot achieve this transition alone. The private sector is integral to developing innovative climate finance solutions in the fight against climate

change. Public finance can help develop an enabling environment and different instruments that can cover risk which cannot be covered sufficiently by the market.

Denmark is committed to apply public finance and other possible interventions that help mobilize financial resources especially from the private sector targeted at commercially viable climate investments in sustainable and resilient infrastructure and technology in developing countries. This would include further developing and deploying financial instruments and financing structures that can scale up such investments. The focus of these will be on using public climate finance to promote market-based solutions to the challenges of climate change as well as building the knowledge and confidence of private investors in order to leverage private sector investments in climate projects thereby increasing the impact of the public interventions.

One of the major international initiatives in the period under review is the replacement of the MDGs by the SDGs, which sets a new transformative framework for Denmark's development cooperation. The 2030 Agenda for Sustainable Development defines a shared global responsibility for ensuring a world in prosperity in 2030, demanding action by all countries at home and abroad and across a broad number of areas from poverty eradication and gender equality to growth and peace and security as well as sustainable development in its three dimensions - economic, social and environmental. The ambition and challenges set out in the 2030 Agenda demands a broad approach to financing for development, in which official development cooperation constitutes one of several instruments to promote development and has a catalytic role in mobilising additional resources. The realisation of the SDGs will also require a strengthened coherence in policies and continuous innovation in partnership models which drive poverty eradication and sustainable development.

Denmark participated actively in the UN negotiations of the SDGs as well as the Addis Ababa Action Agenda (AAAA) for financing for development in 2014-2015. Furthermore, Denmark co-hosted together with Uganda the UN Summit on the 2030 Agenda for Sustainable Development in September 2015 as incoming Presidency of the UN General Assembly. Denmark is committed to an ambitious follow up of the 2030 Agenda and is presently considering the approach and format of such follow up. Obviously, the SDGs will be integrated in the new strategy for development policy.

Finally, it is appropriate to mention that Denmark for a long time has been among the most committed donor countries in terms of the aid and development effectiveness agenda. In the recent past this agenda has shown significant signs of weakening, many donors reverting to less harmonised approaches, less alignment to national systems, and less effort to coordinate among each other. Denmark still sees the aid effectiveness principles as important and seeks to uphold them in its development cooperation.

## **1.2 Policy Coherence for Development**

In June 2014 the Danish government published an action plan for [Policy Coherence for Development \(PCD\)](#) with broad political support in the Parliament.

PCD is recognised by Denmark as a shared responsibility not to impede global development, but instead pursue mutually supportive policies and interests shared with the developing world. PCD is about making efforts in relevant key policy areas more coherent and effective. PCD is inscribed in the Lisbon Treaty and is thus part of Denmark's obligations to the European Union (EU), and the EU is the most important vehicle for Denmark to ensure the practical implementation of policy coherence.

The Danish Government is committed to fighting poverty and promoting human rights, democracy, sustainable growth, peace and stability. However, development cooperation alone cannot achieve this objective, as policy choices in non-development policy areas also have great impact on global development. In addition, some policies do not only (unintendedly) impede developing countries' ability to achieve progress and prosperity, but they also undermine the effectiveness of development cooperation and aid. .

Fulfilling the potential of developing countries can also contribute to global economic growth and not least safeguard Europe's long-term prosperity.

Denmark's PCD priorities are a reflection of the [EU priorities](#), i.e. trade & finance, food security & climate change and peace & security. All of these are areas in which Denmark has special strengths. However, in view of recent events, it could be considered to also include migration as a Danish priority. Further, it will have to be carefully considered how PCD can contribute to the implementation of the newly formulated SDGs and the Addis Ababa Action Agenda (AAAA).

As mentioned above, the EU plays a crucial role in implementing the Danish PCD action plan, and the annual EU screening will form the basis of the work to implement PCD. Denmark will play an active role in ensuring an ambitious EU approach to PCD, i.e. by working for the implementation of the [council conclusions of December 12, 2013](#). The EU can play an important role in promoting PCD in the SDGs, with a view to mainstreaming PCD in policy formulation and development processes beyond 2015.

While Denmark will primarily focus its PCD efforts on policies and procedures in the EU, this will not exclude support to endeavours in other fora, such as the Organisation for Economic Cooperation and Development (OECD), which plays a leading role in developing global approaches to PCD.

Denmark's set-up for handling PCD is based on the comprehensive and comprehensive and well-founded system for Denmark's EU Policy Coordination, which has the advantage of ensuring efficiency and ownership across ministries. The PCD coordination is embedded in the Special Committee for Development Policy Issues, which is one of the thematic Special Committees in the Danish EU decision-making process. The Special Committee is the platform for inter-ministerial dialogue and coordination of PCD-related issues and comprises all relevant ministries. The Special Committee has the task of identifying policy tracks to be pursued within the strategic priorities and will be the forum for discussing PCD aspects in relevant EU proposals. If necessary, other EU special committees, academia or civil society organisations can be engaged in specific issues.

#### **Box i: Implementing PCD – Examples from Trade and Development**

Denmark's coherent approach to trade and development is based on the idea that trade openness is a necessary condition to lasting economic development: 1) In WTO, Denmark works for an active EU policy of support to LDCs in the ongoing WTO-negotiations. To facilitate this, Denmark has made Danish ambassador Steffen Smidt available as LDC-facilitator in the WTO. 2) Denmark works actively in EU working groups and other formations for the conclusion of more and deeper development friendly European Economic Agreements between the EU and ACP-countries 3) To support LDCs in the ongoing negotiations of the Environmental Goods Agreement (EGA), a study on the topic was released in December 2015. 4. Denmark co-signed a letter to the European Commission about the need to show flexibility towards LDCs in the negotiation of EPAs. 5. Denmark has worked for an ambitious EU regulation about responsible trade with minerals. 6. In an effort to strengthen coherence between trade and development policies the EU has for years been combatting child labour at cacao plantations in West Africa and has recently through preventive measures enabled Ethiopia through environmental protection and workers' rights to become an attractive production site for international garment manufactures.

### **1.3 Financing for development**

The Addis Ababa Action Agenda on Financing for Development reflects the ongoing paradigm shift in development thinking, whereby the financing of development is broadened from conventional ODA only to a wide range of financial sources - including innovative financing through public /private partnerships, public and private investments, increased South-South cooperation, and domestic resource mobilization via ex. taxation. The subsequent adoption of the post-2015 SDGs established a set of broad common goals towards which this financing can contribute, and emphasizes the collaborative approach that will be needed.

The FfD and SDG summits in 2015 thereby contributed to the ongoing widening of the field of development to include a large variety of stakeholders with a broad range of interests in development financing. Denmark played a key role in the negotiations up to Addis Ababa to ensure a strong outcome from the conference, leading to creating the necessary enabling environment with a specific focus on three key areas:

- Mobilization of domestic public finance, including increased tax revenues and fighting illicit financial flows.
- Strong involvement and mobilisation of the private sector. It is not possible to meet the financing needs for poverty without a strong engagement of the private sector.
- Ensuring strong focus on allocating ODA to LDCs and countries affected by conflict and fragility. The poorest and most vulnerable countries have huge difficulties in attracting private investments and still depend on aid. There is a need for continued strong commitment to maintain ODA at 0.7% of GNI. ODA must however be seen as catalytic for other investments and cannot stand alone.

Concerning specific financing instruments, Denmark was a pioneer among development partners when Danida Business instruments such as the Private Sector Programme and the Mixed Credit Scheme were introduced at the beginning of the 1990s. Although the modalities have been modernized over the years, private investment, and transfer of knowledge and technology remain the immediate objectives of Danida Business instruments. With the establishment of the Danish Climate Investment Fund and the Danish Agribusiness Fund, Denmark is pioneering in catalyzing responsible private finance and investments from Danish pension funds.

The Danish Government will look into the possibilities of making greater use of financing mechanisms, such as guarantees and loan schemes, to support the preparation of investment projects and thereby mobilizing private investments in developing countries. This will enable the Government to tap new funding sources, including institutional investors, philanthropic funds and companies.

#### **Box ii: The Danish Climate Investment Fund**

Denmark, the Investment Fund for Developing Countries and a number of institutional investors have established the Danish Climate Investment Fund with a dual purpose. Firstly, it will contribute to reducing climate impacts and global warming through climate investments or climate-related projects on commercial terms in developing countries and emerging markets. Secondly, the fund will invest in projects that will promote the transfer of Danish technology; thereby supporting Denmark's leading position in this expanding market in developing countries and emerging markets.

Denmark has taken an important step to raise public and private climate financing through the Danish Climate Investment Fund with a total commitment of DKK 1.3bn. The Danish state and IFU are contributing with DKK 275 mio. and 250 mio. respectively. The private funds totalling DKK 775m are provided by Danish Pension and Capital Funds (PensionDanmark, PKA, Pædagogernes Pensionskasse and Dansk Vækstkapital). The Danish Climate Investment Fund only contributes part of the total project financing in the individual projects. To implement the projects, further financing is required from other public and private investors such as Danish partner, local banks, funds, etc. Experience from similar investments shows that for every DKK 100 that the fund invests, total investments will be just above DKK 600. Therefore, total investments are expected to be in the range of DKK 8-9 bn.

## 2. POLICY VISION AND STRATEGIC ORIENTATIONS

### 2.1 Policies, strategies and commitments

As previously stated a new [International Development Cooperation Act](#) was adopted in Parliament in 2012 and came into force in January 2013 replacing the former act from 1971. The changes were made to reflect the dynamic and changing international context in which Danish development cooperation takes place today.

The Act states that the objective of Denmark's development cooperation is to fight poverty and promote human rights, democracy, sustainable development, peace and stability in accordance with the United Nations Charter, the Universal Declaration of Human Rights and the United Nations' human rights conventions. Furthermore, it specifies that Danish development cooperation shall contribute to promoting Denmark's interests in a more peaceful, stable and equal world. Consequently, development policy is a central and integral element of Danish foreign policy, which recognises that developing countries are not only affected by development policies but also by other policy areas. The objective stated will be pursued through partnerships with developing countries and within the framework of internationally recognised principles and objectives for development cooperation and principles of humanitarian aid.

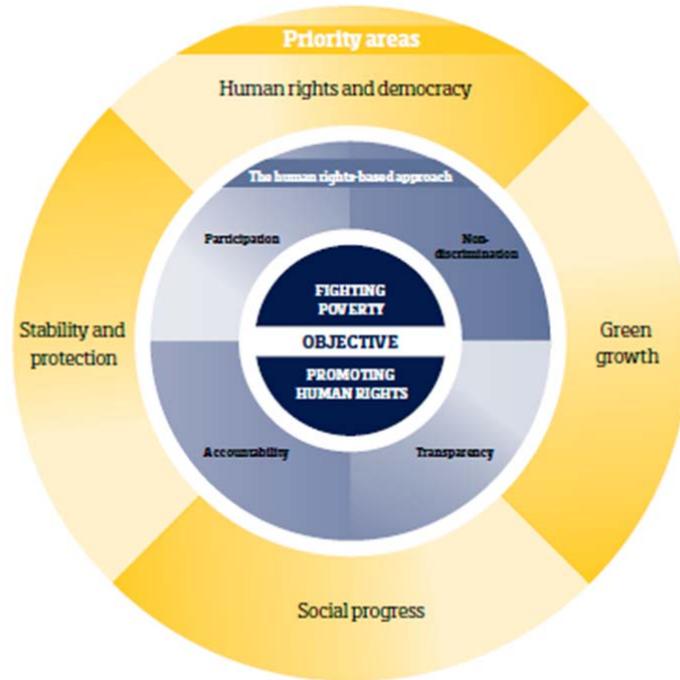
Following the adoption of the Act, the Parliament endorsed a new overall development strategy, "The Right to a Better Life", which further specified the intentions of the Act. According to the strategy, poverty is to be fought through human rights and economic growth, and the document highlights the four priority areas of human rights and democracy; green growth; social progress; and stability and protection. A number of explicit commitments are mentioned under each of these. The most notable change compared to earlier strategies, however, is the transition in Danish development cooperation to a human rights-based approach cutting across all programming and implementation activities. The HRBA, according to the strategy, implies i.a. making systematic use of UN human rights conventions, standards, norms and instruments in our development cooperation; focusing on the underlying power relations and fundamental causes of discrimination and poverty, giving priority to actions aimed at benefiting the poorest; supporting the development of a strong and independent civil society which fights for the most vulnerable and marginalised people and gives them a voice in the struggle for their rights; featuring prominently women's rights; and consistently applying the principles of non-discrimination, participation and inclusion, transparency and accountability from initial analysis to final evaluation.

The strategy further emphasises the importance of the aid effectiveness principles as the framework for the operational development cooperation work, and it prescribes a strengthened focus on results and on the documentation of results, as well as on the identification and management of risks<sup>1</sup>.

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<sup>1</sup> See Annex E for an overview of sub-strategies and policies related to "The Right to a Better Life"

**Figure 1: Graphic Overview of “The Right to a Better Life”**



It is the intention of the government to have a new development cooperation and humanitarian strategy approved by Parliament in 2016 which among other things will strengthen the links between development and humanitarian assistance to ensure coherence between responses to acute needs and long term development interventions, with a particular focus on ensuring that all available instruments are used towards common objectives. It is also expected that the new strategy will clearly recognise and reflect the SDGs and the importance of long-term development efforts in addressing the fundamental causes of refugees and migration flows. Moreover, there will be a focus on reducing poverty through the promotion of sustainable economic growth, social and democratic development and job creation. Danish development cooperation will be required to enhance sustainable growth and employment by increased focus on advancing trade and motivating and mobilizing private investments in the developing countries. The preparation of the new strategy will start in early 2016.

**2.2 Decision-making: approach to allocating bilateral and multilateral aid**

The overall basis for allocation of Danish aid is laid out in the government’s priorities for development cooperation. This includes priority countries, humanitarian aid and other main categories of bilateral and multilateral aid. There is no particular formula for the distribution of resources between bilateral and multilateral aid, nor among any of the other categories referred to above. As far as the bilateral/multilateral allocation is concerned, the trend over the past 5 to 10 years has been towards less core multilateral and more bilateral aid including some combined multilateral contributions. The bilateral/multilateral ratio corresponds at approximately 70/30.

The initial broad prioritisation of development funds during the annual allocation process is undertaken by the Ministry of Foreign Affairs during the elaboration of the proposal for the forthcoming year’s State

Budget. A major share of the budget administered by the Ministry of Foreign Affairs can in principle be prioritised relatively freely. In practice, however, a very large part of the resources available in a given year will already have been planned for in the form of the programming of coming country programmes, programme extensions, continued support to existing partners, etc. It is true that such plans may be changed as long as the corresponding formal commitments have not yet been signed and booked, but they do impose limits on the ability to allocate freely.

Certain contributions are subject to legal obligations (e.g. debt alleviation, contributions to the World Bank (WB) and regional development banks) and predefined purposes (i.e. contributions to the joint EU development cooperation, to peace-keeping operations and to the expenses of receiving refugees in Denmark and are not subject to annual allocation.

The in-country allocation of resources in the partner countries is based on priorities agreed with the respective governments and laid down in country policy papers and subsequently in country programme documents<sup>2</sup>. Country Programmes comprise support in maximum three thematic areas or sectors (in addition to general budget support, the use of which has however decreased significantly over recent years). There are no formal criteria for the selection of these, but the partner country's preferences, relevance in relation to the political and situational context in the country, Danish policy priorities, previous Danish involvement and experience, Danish comparative advantage, the presence and activities of other international development partners, the possibility to make a difference considering the available resources, etc. all count as important considerations when making the choice. Some sectors are however no more eligible as a result of Denmark pulling out of them altogether, such as main roads and other large-scale infrastructure as well as the education sector. Within the education sector Denmark has prioritised support through GPE.

In the other areas of bilateral ODA (the Arab Initiative, the Neighbourhood Programme, climate financing, etc.) there is no similar decision-making mechanism concerning resource allocation at the level of partners. Decisions are largely made by the Ministry of Foreign Affairs in dialogue with partners based on considerations of relevance in the context, partners' track records, project feasibility, etc.

On the multilateral side, too, the resource allocation among multilateral/international organisations is decided by the Ministry and is reflected in Organisation Strategies outlining the content of the partnership with each organisation, based on the organisation's own strategic framework. There are no formal allocation criteria. To some degree, assessments of performance may influence the allocation decisions, such as when an assessment by the Multilateral Organisation Performance Assessment Network (MOPAN) influences the extent to which the organisation will receive future Danish funding.

Although decentralisation to relevant Embassies is a key feature in the management of multilateral cooperation, a number of general responsibilities remain in Copenhagen. These include undertaking the overall strategic planning of Danish development cooperation, including multi-year budget allocations; providing the Ministry's input to the Finance Act; coordinating the meetings of the various committees being part of the appropriation process; ensuring consistency of the multilateral cooperation policy with other relevant Danish policies; ensuring coherence and synergy across the various forms of Danish development cooperation, and promoting knowledge sharing. Annual strategic dialogues between the representations with responsibility for multilateral cooperation and the Ministry's senior management, which are part of the Strategic Priorities and Resource Management (SPR) system of the Danish Foreign Service, further strengthen the common understanding across the Ministry of the goals and success criteria of cooperation with multilateral organisations.

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<sup>2</sup> For specifics on country programming, see section 4.1.

### 2.3. Policy focus

The annual finance act sets the financial framework for Denmark's existing and new interventions. With the finance act for 2016, development cooperation will be increasingly focused based on political priorities, where the prevalence of poverty as well as Denmark's strategic interests and ability to make a difference are important criteria. The number of priority countries will be reduced from 21 to 14 over the next years, phasing out from Bolivia, Indonesia, Nepal, Pakistan, Vietnam, Mozambique and Zimbabwe. 11 of remaining priority countries belong to the group of least developed countries (LDCs), and the primary focus will be on Africa. In some countries, phasing out of Danish development programmes will be accompanied by a stronger emphasis on new forms of cooperation in the areas of trade and investment (e.g., Pakistan, Indonesia). In the countries where Danish development cooperation is phased out, this will take place in a responsible manner. Mutual respect has been key for the long-standing partnerships with the countries in question and will also be reflected in the way that programmes are phased out.

The exit of Danish development cooperation from existing partner countries will build on earlier phasing-out experiences as, among others, documented in an existing guidance note on "[A Guidance Note on Country Exit from Bilateral Development Cooperation](#)". The exit scenarios have been moulded on successful exit processes (e.g. Benin), but adapted to the current context where exit decisions are determined by budgetary parameters. Specific closing dates are defined depending on the nature of the engagement in each country. An Exit Strategy and Plan will be developed for each country programme, where communication with partners, consolidation and sustainability are important considerations. In order to support the embassies and partners to manage a responsible phasing out process within the given time perspective a number of principles are being observed: i) honouring agreements entered into, ii) ensuring focus on sustainability and ensuring agreed results are secured, iii) assisting partners with transitions such as identifying new partners and refocussing the support, iv) ensure, that while the Danish representation (embassy) is closed, continued technical presence in support of partners is maintained, v) where necessary, additional funding will be made available to ensure a gradual and sustainable phase out.

Humanitarian efforts including support to areas hosting refugees and internally displaced people will be strengthened with increased funding allocations. As part of a new strategy to be developed in 2016, there is a clear expectation that long term development and humanitarian efforts will be seen in a holistic strategic approach.

Further, contributing to the prevention of conflicts by investing in peace and state building in fragile states will be an essential element and the programmatic efforts under the Peace and Statebuilding Fund will continue. Here, the Ministry of Foreign Affairs works together with the Ministry of Defence, Ministry of Justice including the Police and the Office of the Prime Minister under a whole of government approach<sup>3</sup>. This includes continuation of the regional programmes in the Afghanistan Pakistan region, the Horn of Africa, the Sahel and the upcoming Syria and Iraq Programme. In addition special initiatives for peace and stability in the Sahel region and the Horn of Africa will be prioritised as key thematic areas of intervention.

As far as cross cutting issues are concerned, an assessment of relevant crosscutting issues takes place during the country programming phase, including on gender, democracy, human rights and good governance, and environment and climate related challenges. These are all key issues and elements to be covered in an integral manner with a different degree of depth depending on the respective and relative importance of these in a given context as part of a Danish comprehensive engagement.

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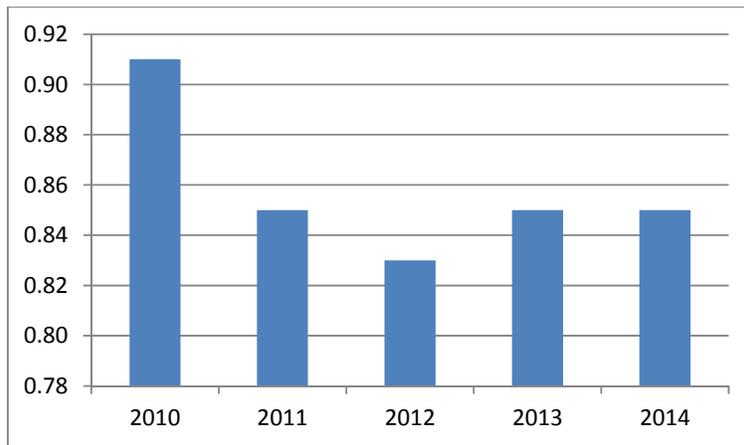
<sup>3</sup> See Annex D

### 3. ODA ALLOCATIONS

#### 3.1 Overall ODA

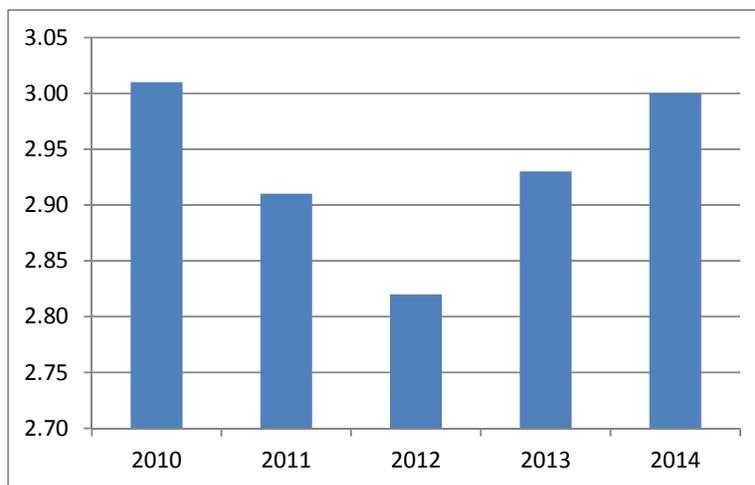
Denmark has been at or above the UN ODA/GNI target of 0.7% since 1978. Between 2010 and 2014, Denmark disbursed on average more than 0.85% of its gross national income to development cooperation. In 2014, Danish ODA constituted USD 3 bn. corresponding to 0.85% of GNI. The new government that took office in June 2015 recommitted Denmark's international commitment to the ODA/GNI target of 0.7 % at the Addis Abba conference in July and the SDG summit in New York in September.

**Table 1: ODA as percent of GNI**



Source: OECD Data – Aid Statistics

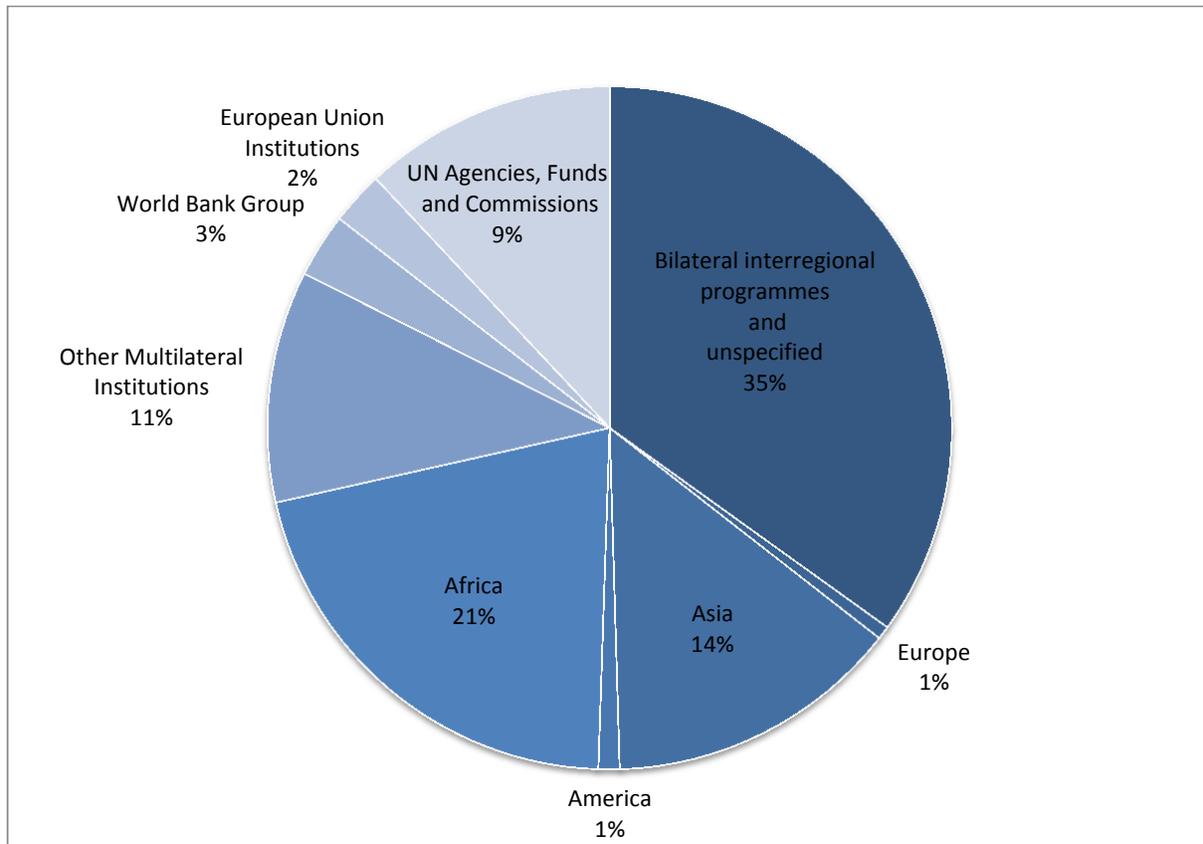
**Table 2: ODA - USD billion**



Source: OECD Data – Aid Statistics

In 2014, bilateral assistance constituted 72% of total ODA and multilateral assistance 28%. The overall objective for Danish ODA in accordance with political priorities is poverty reduction; 62.4% of the country allocable bilateral ODA in 2013 was directed to LDCs). In 2013, 21% of country allocable bilateral assistance was given to African countries, compared to 14% to Asia and 1% to Europe. This share is expected to increase in the coming years, as the focus on Africa will be strengthened. In the draft Finance Act 2016, which was made public in December 2015, budgetary allocations reflect that 10 out of 14 priority countries will be in Africa in 2016. EU and UN agencies, funds and commissions are the largest recipients of multilateral ODA as stated in the 2016 Finance Act, including a projected indicative budget for 2017-2019.

**Figure 2: Danish Development Cooperation breakdown for 2014<sup>4</sup>**



Source: [Danida OpenAid](#)

The Danish Finance Act determines the overall allocation of resources to bilateral and multilateral development cooperation. The finance act process allocates funds for all Danish development cooperation instruments as well as gives the overall financial frames for Country Programmes in priority countries. These are summarized for the next four year period in the publication “Priorities of the Danish Government for Development Cooperation”.

<sup>4</sup> The unspecified category includes, among other things, core contributions to Danish Civil Society Organisations, secondments and advisors, refugee costs, administration costs, seminars and conferences and ODA-eligible international peacekeeping operations.

## 3.2 Bilateral ODA

### *Priority countries*

The main emphasis in Denmark's bilateral development cooperation is the support to Denmark's priority countries. Priority countries are those countries where Denmark is present with a long-term engagement and with political and financial weight.

As of 2014, Denmark had 21 priority countries with development cooperation currently being phased out in Vietnam. In the draft Finance Act 2016, which was made public in September 2015, budgetary allocations reflect that Denmark will reduce the number of countries to 14 priority countries in 2016.

**Table 3: 2014 ODA net disbursements (excl. humanitarian assistance) to Priority Countries**

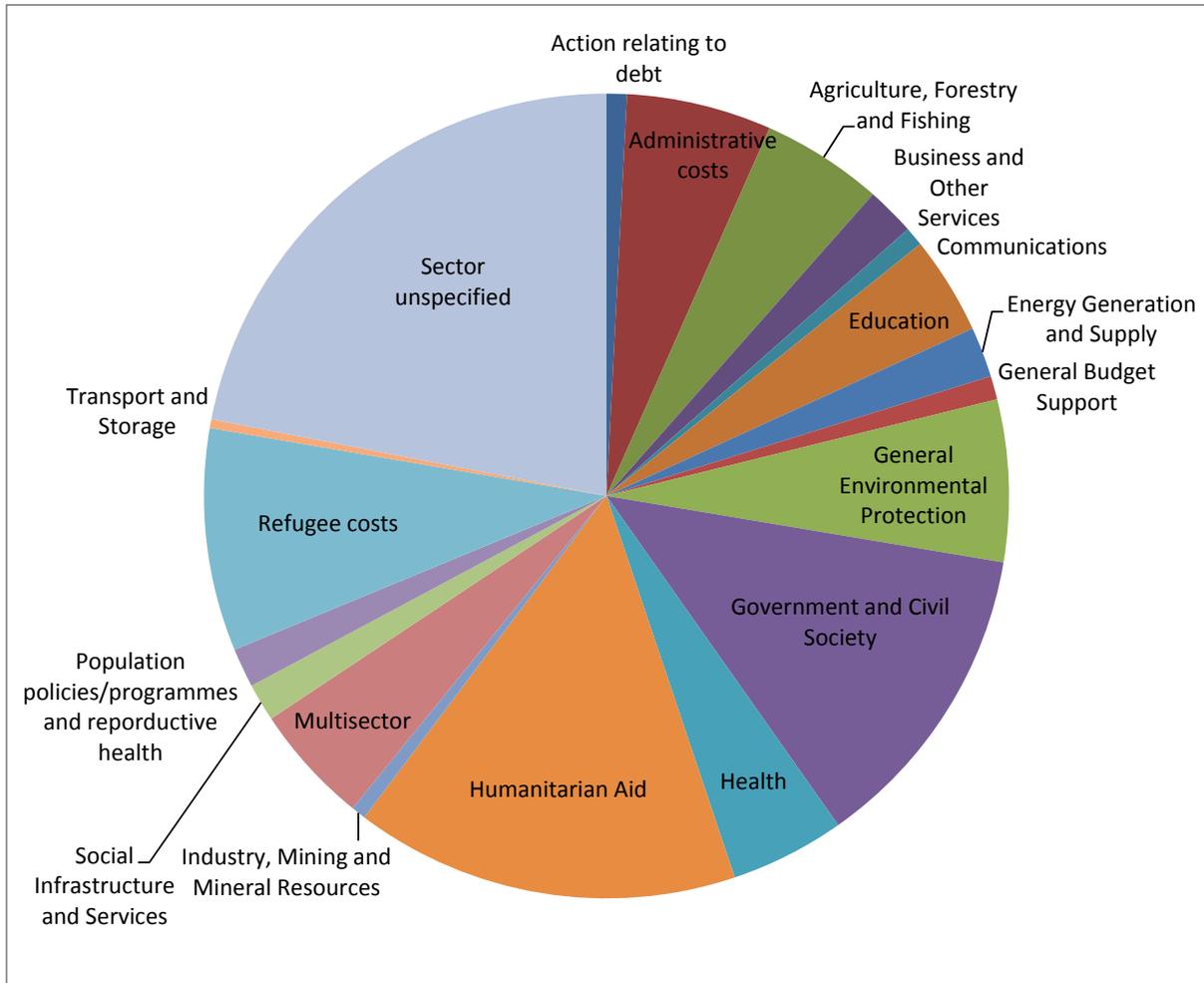
	USD/Mill.
Afghanistan	69,4
Bangladesh	35,1
Bolivia	29,1
Burkina Faso	69,6
Ethiopia	16,6
Gaza/West Bank	23,9
Ghana	47,8
Indonesia	5,2
Kenya	49,5
Mali	33,7
Mozambique	57,4
Myanmar (Burma)	21,5
Nepal	27,3
Niger	10,0
Pakistan	15,1
Somalia	22,0
South Sudan	11,2
Tanzania	70,7
Uganda	50,3
Vietnam	35,5
Zimbabwe	32,3
<b>Total USD</b>	<b>733,4</b>

*Source: OECD Data – Aid Statistics*

### *Main instruments and distribution*

In 2014, the majority of allocable bilateral ODA was humanitarian aid. 12% was allocated to Government and Civil Society, including support to the exercise of democracy and diverse forms of participation of citizens and human rights. Other key sectors for Danish bilateral ODA allocations include general environmental protection (6%), agriculture, forestry and fishing (5 %), water and sanitation (4%) and health (4 %).

**Figure 3: Sectorial distribution of bilateral ODA in 2014 (Top 20 sectors)**



Source: OECD Data – Aid Statistics

Based on the specific context and lessons learned, a Country Programme consists of a maximum of 3 thematic programmes and in some countries a development contract (general budget support) in support of the strategic objectives for development cooperation outlined in the Country Policy Paper. The Country Programme is formulated with the aim to be complementary to overall engagements in the relevant sectors by other development partners and stakeholders.

Other than priority countries, bilateral ODA includes i.a. regional programmes such as The Arab Initiative, the Sahel Programme, the Horn of Africa Programme and the Neighbourhood Programme.

### **Box iii: The Neighbourhood Programme**

The Neighbourhood Programme is Denmark's bilateral programme for EU's neighbouring countries to the east and southeast. The overall objective is to contribute to a peaceful and stable Europe with freedom and progress for its citizens by development of democratic societies with accountable authorities, vibrant civil societies, well-functioning markets and conflict resolution mechanisms across the continent. The Programme seeks to promote civil society, political, social and economic rights – from the promotion of democratic rights to the right of people to benefit from basic economic opportunities in order to escape poverty and social marginalisation. The Neighbourhood Programme applies a human rights-based approach underpinning efforts to realise social, cultural, economic, political and civil rights. The Danish Neighbourhood Programme must be regarded as complementary to the EU support channelled through the two EU instruments IPA and ENI.

Currently Denmark is implementing the third phase of the Neighbourhood Programme launched in 2013. 1 billion DKK was planned allocated in the period 2013-2017 with approximately 200 million a year, through early commitments. The programme focus on seven priority countries within the Eastern and South-Eastern Neighbourhood region, which are Albania, Bosnia-Herzegovina, Kosovo, Ukraine, Belarus, Moldova and Georgia.

The objectives of the Neighbourhood Programme are:

- 1) Human rights and democracy, including good governance, conflict resolution and peace-building, gender equality, minority rights, indigenous peoples' rights, as well as strengthening of civil society and independent media;
- 2) Sustainable and inclusive economic development, including private sector development aiming at promoting sustainable growth, skills development, job creation, energy efficiency and green technology.

The overall responsibility for the implementation and administration of the Neighbourhood Programme rests with the Ministry of Foreign Affairs with the active involvement, where possible, of Denmark's embassies in the region. Interventions will be based on mutually committing partnerships. The aim is to promote an equal partnership where all sides contribute their part.

The Neighbourhood Programme is an integral part of Denmark's overall foreign policy and complementary to EU's European neighbourhood and enlargement policies.

#### Two examples of ongoing Danish successful support can be highlighted:

In Albanian promotion of growth and employment was successfully supported through the agriculture programme "Value Chains for Sustainable Livelihood in Albania". The programme supported three value chains among one of them apples. Over a 4-year period the apple production increased with 40% and the export of apples reached 1060 tons, which was an increase of 900%, this led to 12% decrease in import of apples. The programme created or saved 1800 new jobs in the rural areas of Albania, the number of permanent and seasonal jobs increased from 185 to 830 (645 permanent jobs and 7200 seasonal jobs for all of the value chains. All results which improve Albanian approximation to EU as well as economic growth and employment.

In Ukraine, Moldova and Belarus civil society organisations have been strengthened to engage in dialogue with national and local authorities. Citizens have been informed about basic rights and the obligation of their governments to protect these rights. The programme has trained civil society actors to contribute to preparations of laws and advocacy for their approval and implementation. In Ukraine, the programme has supported the establishment of strong civil society organisations outside Kiev and the Ombudsman's Office has been strengthened to undertake conflict mediation and to document human rights violations. In Belarus specific training and cooperation have been targeting independent unions and the green alliance and its member organisations. In Moldova, coalitions for civil society organisations have been empowered, youth organisations have been developed and advocacy campaigns regarding key reforms have been conducted. All together promoting prosperity, stability, democracy and human rights.

### 3.3 Multilateral ODA

EU receives the largest proportions of multilateral development assistance, in total USD 269.8 million in 2014.

**Table 4: Major Multilateral Recipients of Core Contributions in 2014**

Organisation	USD
European Commission - Development Share of Budget	189.717,36
European Commission - European Development Fund	80.092,90
International Development Association	72.904,94
United Nations Population Fund	63.537,82
United Nations Development Programme	61.665,15
United Nations Children's Fund	58.732,44
United Nations Office of the United Nations High Commissioner for Refugees	57.041,66
World Food Programme	37.375,19
Global Fund to Fight AIDS, Tuberculosis and Malaria	29.366,22
Global Environment Facility Trust Fund	24.026,91
International Monetary Fund - Poverty Reduction and Growth Facility Trust	21.676,01
Green Climate Fund	17.797,71
United Nations Relief and Work Agency for Palestine Refugees	16.017,94
International Development Association - Multilateral Debt Relief Initiative	15.080,00
United Nations Entity for Gender Equality and the Empowerment of Women	11.212,56
Other multilateral organisations	115.667,85
<b>Total</b>	<b>871.912,66</b>

The [Danish Multilateral Development Cooperation Analysis from April 2013](#) provides the current strategic framework for Denmark's multilateral engagement building upon the priorities of the most recent strategy for Danish development cooperation from June 2012, The Right to a Better Life. New Multilateralism is defined as the guiding policy for the Danish engagement with multilateral organisations.

The Multilateral Analysis emphasises that cooperation and complementarity between bilateral and multilateral efforts is an important objective – at an operational but also at a policy level. In order to ensure coherence and strategic direction, 5-year strategies are developed for multilateral organisations receiving major Danish contributions. Action plans for each organisation are developed annually to direct specific activities in support of the overall priorities identified in the organisational strategies.

Aid effectiveness within the multilateral organisations is very high on the Danish development agenda. Based on the individual action plans, performance is continuously assessed through the on-going dialogue with the organisations, especially at board meetings and through high-level consultations. In several cases, Denmark has supported programmes to introduce results-based management and evaluation systems in individual organisations.

Danish multilateral development cooperation is organised with a high degree of decentralisation. This implies that the administration of Danish development aid through multilateral organisations is decentralised, so the day-to-day responsibility for contact to the multilateral organisations' headquarters is with the Danish UN missions in Geneva and New York, and the representations in Nairobi, Rome, Vienna, Ramallah and Washington D. C. Where relevant, Danish representations participate actively in Board discussions, engages

in dialogue on organisational priorities etc. Danish representations also play a role in continuously assessing the performance of multilateral organisations' activities at country level. The multilateral unit in the MFA is responsible for multilateral policy formulation, for internal horizontal multilateral coherence and coordination as well as other multilateral cross-cutting issues.

The Multilateral Analysis recommends that Denmark should further strengthen its cooperation with multilateral organisations to promote Danish strategic interests and focus on fewer but larger contributions. The most recent prioritisation of Danish development cooperation in autumn 2015 includes an ambition to further focus Danish support on multilateral organisations based on their ability to target areas (i) with most severe poverty, (ii) where Denmark has strategic interests, and (iii) where Danish support will have a significant impact. In this relation, Denmark has focused its political dialogue further on those multilateral organisations that is considered to be best positioned and aligned to the development priorities on Denmark. Denmark works to strengthen the EU's role as a global actor and as an effective and relevant partner at the country level. Denmark wants the EU at the frontline in the promotion of freedom, peace and development, and for the EU to lead in achieving the international goals of a larger and better development aid. Denmark puts emphasis on the need for EU policies, instruments and development actions to all work in the same development friendly direction.

In October 2013, Denmark launched an ambitious strategic framework for Denmark's participation in EU development cooperation - [Together for a Better World](#) - focusing on three areas where Denmark can help make a difference in the development field through the EU:

1. The EU as a global force for human rights
2. The EU as a stable partner in fragile states
3. The EU as a driver of green growth and employment

Furthermore the strategic framework focuses on three approaches to promote its objectives. These are i) shared results through coherent policies, ii) joint analyses and programming and iii) budget support, ownership and accountability

Denmark is aware of the EU's comparative strengths and weaknesses. The Danish approach to joint programming is first and foremost pragmatic, flexible and adapted to the local settings as described in an internal Policy Note prepared together with the strategic framework. Denmark will seek influence by contributing to policy formulation and implementation at both capital and country level, by strengthening alliances with relevant actors and by strategic secondment of Danish staff in Brussels and at EU delegations around the world.

## **4. ORGANISATION FIT FOR PURPOSE**

### **4.1 Institutional system**

#### ***Leadership and management***

Danida is the “brand-name” of Denmark’s development cooperation and the political authority of the Danish MFA that has the responsibility for the planning, implementation and quality assurance of the development cooperation. Management and administration of the development cooperation are decentralized at the representations (Embassy, Mission or other MFA unit responsible for programme support preparation and implementation).

The Minister for Foreign Affairs is the overall responsible for the Danish Development Cooperation. The Council for Development Policy is established by law and serves as advisors to the Minister. The Council consists of experts from different sectors within the field of development and engages with the Minister in strategic discussions and assessment of new initiatives within development policy and cooperation, such as country policy papers, new thematic strategies, collaboration with multilateral organisations and progress in country programs. The Minister appoints the members of the Council.

Danida has an external grant committee recommending grants for final approval by the Minister. The external grant committee is responsible for grants above DKK 37 mio. and consists of the State Secretary for Development Cooperation and the Head of the Center for Global Development and Cooperation as well as four external members appointed by the Minister.

Grants above 37 mio. are also earlier in the process – between identification and formulation - presented to an internal programme committee in the form of a concept note. As part of new procedures the Minister is also at this stage presented with an overview of the programme and the main recommendations from the programme committee.

The management of and responsibility for the individual development programs are placed with the Head of Mission. The overall policy development and strategic coordination rest with the Office for Development Policy and Global Cooperation at MFA. The Office of Technical Advisory Service (TAS) provides technical advisory support to the Representations and is responsible for conducting technical quality assurance of Danish development cooperation.

#### ***Internal coordination at HQ***

The administration and management of the development partnerships is decentralized to the Representations in partner countries. The program managers at the Representations are supported by TAS, the Quality Assurance Department and the Office for Development Policy and Global Cooperation. Annual strategic dialogue meetings with the individual ambassadors at relevant Representations ensure ongoing dialogue and monitoring of progress and allow for discussions of the challenges in the individual development programs. The Head of the Department for Global Development and Cooperation leads these dialogue meetings.

#### ***Internal coordination in priority countries***

The backbone of Denmark’s approach to aid effectiveness is a country-led approach, in which national development strategies and plans set the frame for priorities for support. The focus is on alignment and use of partner countries systems.

The development cooperation with each of Danida’s priority countries is built on a Country Policy Paper and a Country Programme. The Strategy for Development Cooperation serves as an integrated foreign policy tool in a whole of government approach and is the overarching framework for the country programmes. The Finance Act for 2016 together with the existing strategy sets the overall priorities for the financial year 2016.

The Country Policy Paper provides a single integrated presentation of Denmark's policy towards the priority country concerned. The Country Policy Paper encompasses an integrated approach specifying both foreign and security policy, development cooperation, climate policy and commercial relations. As an important subset of this, the Country Policy Paper sets the strategic direction for the development cooperation, specifying the key areas and main strategic objectives for the development cooperation with the priority country. The Country Policy Paper outlines how links and synergies between the development cooperation and other Danish political instruments will be pursued. It also specifies possible synergies between bilateral and multilateral cooperation. The Country Policy Paper sets Danish priorities and is developed in consultation with the partner country and represents the frame for the Country Programme.

The Country Programme supports the strategic objectives for development cooperation as outlined in the Country Policy Paper. A country programme has a maximum of 3 thematic programmes and in some countries an additional development contract (general budget support). Based on the analysis, the specific context and lessons learned, a Country Programme takes a holistic approach towards the selected development challenges. The aim is to have fewer, more focused and holistic programmes. The development challenges are addressed in thematic programmes with an overall thematic objective. The programmes are long term, aligned to national strategies, structures and procedures as well as coordinated with other development partners, both in terms of the overall choices of thematic areas as well as the use of joint financing mechanisms etc. at the engagement level. Different aid modalities are used with the purpose of maximising the effectiveness and efficiency of the overall development cooperation and not least to achieve results.

The Country Policy Paper and the Country Program are developed by the Representation, in close collaboration with a number of departments of the Ministry, namely the Office for Development Policy and Global Cooperation, the Regional Office, the Trade Council, the Technical Advisory Service and the Office for Quality Assurance. In country consultations with government, other development partners and stakeholders ensures strong alignment and a coherent approach. The objective is to ensure that the development programme encompasses or complement all relevant aspects of Danish foreign policy while it, at the same time, rallies behind a genuinely country-led development process.

### ***Structure and systems***

Once approved, the responsibility of implementing the country programme rests with the Representation. The Representation is authorized to approve changes in programme implementation up to the level of outputs, but not to alter the outcomes of a development engagement or the thematic objective of the thematic programmes.

The Representation has the mandate to change aid modality if the change leads to better alignment and harmonisation. However, a move towards general budget support has to be approved by the External Grant Committee and the Minister of Foreign Affairs. If significant changes in the country context occur during the implementation of the Country Programme that warrant changes to the thematic programme objectives, approval must be obtained from the External Grant Committee based on recommendation from annual strategic dialogue meeting and/or the mid-term review.

The Head of Mission may approve accumulated reallocations between development engagements within a thematic programme of up to 10 pct. of the average annual disbursement budget of the thematic programme. In addition the majority of the development engagement budgets have contingencies which can be used to cover unforeseen expenses for planned activities. The use of the contingencies is decided jointly with the Ministry of Finance in the partner country or other management arrangements.

The Representation is required to report to MFA on commitment and disbursement budgets on a quarterly basis.

## 4.2 Adaptation to change

### *Aid management guidelines*

To ensure an ongoing process of adaptation to change, the MFA utilize the [Aid Management Guidelines website \(AMG\)](#) as a central tool for the management of Danish development cooperation. As a one-stop-shop it contains more than 70 documents related to Danish policies, strategies and guidelines on strategic planning, identification, formulation, financing and implementation of Danish development cooperation.

Key documents are the Guidelines for Programmes and Projects below and above 37 mio. DKK, as well as the Guidelines for Country Programmes, describing standard operating procedures and principles to apply in Danida programme cycle management. The documents were launched in 2013 and 2014 and subsequently revised and updated in early 2015 to elaborate on some of the most important principles, including flexibility in implementation, theory of change, the results focus and the increased focus on states affected by conflict and fragility. The guidelines allow much flexibility in many areas, particularly for programmes in countries affected by fragility and conflict.

Further areas that have been significantly updated and expanded in the new programme management guidelines are those of risk management and management of programme exit. Apart from expanded sections in the main programme guideline documents, dedicated guidance on risk management is provided in the form of an AMG sub-site, a guideline document and a risk assessment template that is required to be filled in as an annex to any programme presented for approval.

The sections about the completion phase provide guidance on the management of programme exit, among others, the preparation of exit strategies. The principles outlined for the latter reflect the main lessons learned and good practices generated during various phasing out experiences by the Danish MFA/Danida and other development partners that are compiled in the Guidance Note on Country Exit from Bilateral Development Cooperation (last updated in March 2015).

## 4.3 Human Resources

### *Staffing levels, composition and location*

The development cooperation staff consists of a group of local staff and a group of HQ and posted staff.

The local staff group is the most diverse of all MFA personnel groups. This is not only seen from a cultural perspective but also based on competencies and functions. In recent years, the number of staff performing complex functions and holding key positions has thus increased significantly. Therefore, in the past years, there has been an increased focus on this personnel group working systematically with e.g. career opportunities and competence development for local staff.

The yearly rotation of posted staff is another backbone of the ministry. The rotation ensures continuous development of the posted staff and exchange of knowledge, ideas and competences between the missions and HQ.

The ministry has staff members employed in a wide range of countries where there are significant risks to personal health and/or security. Therefore, a new policy on services and initiatives for staff members at postings considered to involve security and/or health-related risks has been introduced. The purpose is to prepare the staff and their family members to tackle these challenges in the best possible way and to ensure their wellbeing while they are at the posting. A number of initiatives have been designed to this end. The policy covers a wide range of posts and is applicable to local staff, where relevant and practicable.

### *Staff development*

Staff development is an important part of being able to deliver on defined objectives. The MFA conducts annual performance and development reviews (PLUS) with all employees at the ministry focusing on tasks, competence development, future job roles etc.

In relation to the yearly rotation, we develop individual competence development plans for staff that is going to a new posting abroad are developed. The plans contain everything from three to 25 activities, depending on the posting and the experience of the individual. The plans cover learning activities within language, culture, security (if relevant) and professional update, and they are developed with input from the receiving mission and the experts within the different professional areas.

Another focus area is the introduction of new staff to ensure a faster time-to-competence. We have, for example, a Diplomat programme for staff employed by HQ, an introduction programme along the lines of the Diplomat programme for locally employed staff in academic positions, and introductory courses for locally employed administrative staff.

Most of the competence development initiatives consist of a mix of different learning activities including e-learning courses. The e-learning courses are available to the staff on the intranet, but a number of the courses on development cooperation are also publicly available on [um.dk](http://um.dk) so that e.g. partners can access them.

On-the-job training and experienced gained from key partners is another important tool in relation to staff development which is why the MFA actively pursues the employment of staff in international organisations such as the UN, EU, WB, IMF and OECD.

### ***Advisers***

A major and an important contribution to ensuring an effective implementation of the policies of the development cooperation is technical assistance in the form of bilateral and multilateral advisers. The need for and use of Danida bilateral advisers (long- and short term alike) are stipulated in the Operational Guidelines for Technical Assistance. The majority of the long-term advisers are involved in assistance related to policy advisory or institutional reform objectives at government levels in Denmark's partner countries. Short term advisers are used for analytical tasks or time-limited training and facilitation tasks primarily in fragile states.

Employment of Danida bilateral advisers are governed by a set of Staff Regulations for advisers on long-term assignments and short-term assignments respectively. The number of bilateral advisers in 2015 totals 164 of whom 88 are assigned on long-term contracts and 76 on short-term contracts. The majority of the advisers work within public administration and civil society. Other sectors are environment and health population policies/programmes and reproductive health.

Strategically funded staff to multilateral organisations such as Junior Professional Officers and secondment of senior staff serves as means to understand the organisations' work and to strengthen the dialogue with the organisations.

The number of posts funded and recruited in a given year is based on a selection process specified in the policy of Multilateral Advisers, the agreements between the Ministry of Foreign Affairs and the organisations and Denmark's Multilateral Development Cooperation Analysis.

The majority of advisers are posted to UN and World Bank country offices and EU-delegations in Denmark's partner countries (68.8% in 2015) and at HQ level (31.2% in 2015) within strategic priorities such as Stability and Protection, Human Rights and Democracy, Green Growth and Social Progress.

## 5. DELIVERY MODALITIES AND PARTNERSHIPS FOR QUALITY AID

### 5.1 Budgeting and programming process

The development effectiveness agenda, including the four core principles in the Busan Outcome Document: ownership of development by development countries, results focus, inclusive development partnerships and transparency and accountability, remain central to Danish development cooperation. Denmark supports the broadening of focus from effective aid to a focus on cooperation for effective development with a strong emphasis on results and efficiency in all forms of cooperation.

#### *Budgeting process*

The main priorities for Danish development cooperation are discussed annually in the Government Steering Committee on the basis of a proposal from the Minister for Foreign Affairs. Based on the decision taken in the Government Steering Committee, budgetary allocations are determined and form part of the draft Finance Act, which is subsequently discussed and adopted in Parliament. The annual budget plan is forwarded to the Parliament and made public in the publication “Priorities of the Danish Government for Development Cooperation” published each year in September.

The Finance Act includes seven periods; the past three years, the current year, and three subsequent years. Thus, at any given time, development cooperation is budgeting for the current and the three following fiscal years, lending some indicative multi-year predictability. At the same time, specific funds are allocated as reserves, to be distributed on programmes at a later date, allowing flexibility to allocate aid when necessary.

#### *Programming process/alignment & country systems*

The Danish overall engagement with a specific country depends on Danish political priorities, including priorities stipulated in the Strategy for Denmark’s Development Cooperation, and the specific context and priorities of the country concerned. During the programming process, bilateral cooperation is tailored to match the priorities and development challenges of the priority countries concerned. The Country Programme documents take key national priorities and policy documents, as defined by the priority country and the Danish country policy paper, as the starting point, and present the total bilateral Danish development cooperation with the priority country in the form of a Country Programme.

When Danida provides budget support or basket funding to the overall budget line of a sector ministry or the ministry of finance in the national finance act, full alignment to government plans, procedures, results monitoring, organizational set-up is pursued. Cross-cutting issues are evaluated when new Country Programmes are formulated. Specifically, each programme undergoes a Human Rights Based Approach and Gender Equality Screening as well as a Climate Change and Green Growth screening.

#### **Box iv: Implementing Good Donor Practice**

The relationship between the International Community and Afghanistan has been transforming over the last years. With the continued assistance from the international community the full responsibility for Afghanistan’s security and political, economic and social development will in the future lie in Afghan hands. This implies a more equal cooperation between the International Community and Afghanistan based on mutual responsibilities and obligations. These are agreed in the Tokyo Mutual Accountability Framework (TMAF) that is to be renewed in 2016.

In accordance with the principles Denmark is one of the donors who walk the talk when it comes to the principles of alignment with Afghan priorities stated in the TMAF - including by providing on-budget support. Denmark meets the objective that at least 50 percent of aid will be delivered through the Afghan national budget and 80 percent adapted to the Afghan priorities. Denmark is thereby going ahead in the donor community. The Danish development engagement

in Afghanistan will continue to contribute to the implementation of Afghanistan's own development strategies, including relevant sectoral plans and the Afghan government's priority programs. In return Denmark expects the Afghan government to promote the development goals of the TMAF, show accountability and transparency in the use of donor funds and to have strong focus on fighting and preventing corruption.

### ***Risk and opportunities***

Risk management is an integrated part of the Country Programme cycle. When presenting a new programme, potential risks and risk responses are assessed and presented in a risk management matrix. The Risk Management Guidelines, which use three main categories of risks: Contextual risk concerning the general risk factors in the country, programmatic risk concerning risk in regard to achievement of thematic programme outcomes, and institutional (reputational) risks in relation to the interest of Denmark and its partners. The risk assessment and responses are assessed regularly during implementation. Risk management is not about avoiding risk balancing the risks against opportunities and potential results, or alternatively the negative results of not providing support.

### ***Transparency***

Denmark is committed to transparent development cooperation. Since 1987 Danida has published all evaluations with a view to informing the general public and political decision-makers about the results and processes of Danish development cooperation. On OpenAid.dk you will find information about Denmark's development cooperation across countries, sectors and organizations. Openaid.dk is constantly updated with the most recent data presenting the latest disbursement figures. Its aim is to ensure transparency and provide the public with an enhanced understanding of Danish development cooperation.

Additionally, all programmes are evaluated using indicators that enable monitoring on both quantitative and qualitative aspects of the engagement. For the purpose of reporting on progress to the public, output indicators are reported on whenever new data is available through OpenAid.dk

## **5.2 Partnerships**

Denmark's international cooperation is based on mutually committing and flexible partnerships. We make demands on our partners and expect them to also make demands on us to fulfil our commitments in order to ensure an equal partnership where both sides contribute their part.

Our partners are found both in the public and private sector, the multilateral system, civil society, among new development partners and global funds and foundations. They are also found among our like-minded development partners, including the Nordic and EU countries, with whom we maintain a dynamic cooperation on shared goals and priorities. Such relations may take the form of delegated partnerships where one of the partners delegates the management, including the financial management, of a programme to the other. When programming, this is one of the delivery modalities that Denmark is looking for in order to maximise efficiency and effectiveness, ensure harmonisation and consistency, and minimise the transaction costs for both the beneficiary organisations and the donors. There are examples of Denmark accepting another donor's funds for management as well as examples of Denmark delegating the management to a fellow donor. The latter approach is used i.a. in some East European countries under the Neighbourhood Programme where Denmark has no development cooperation representations, in Niger where Denmark had to close its representation but wished to continue its development cooperation, as well as in some countries that do have Danish representations, such as Mali where the Danish budget support is delegated to the EU. An example of the opposite is found in Mozambique, where implementation of the EUs environmental sector programme is delegated to Danida.

Denmark seeks partnerships with emerging development actors, both state and private, where there are opportunities and where we have common interests. We apply a pragmatic approach, forging partnerships in areas of common interest. This takes the shape of joint interventions demanded by our priority countries, or it may involve more extensive cooperation, such as Denmark's strategic partnership with South Korea, which includes the promotion of the green growth agenda.

#### **Box v: Partnering with Denmark - Danish Authorities in International Cooperation**

Denmark has an international reputation for having a conducive policy, planning and regulatory framework which promotes responsible and sustainable growth, employment and social welfare. The public sector has established a good enabling environment through policy and regulatory frameworks, research and technology development and by securing incentives for the private sector to provide state of the art solutions for public/private sector cooperation on broader sector initiatives. The partnership between the public and private sector in Denmark is based on trust, flexibility and mutual respect for the contribution by each part to the development of a society characterised by inclusiveness, equality, equal access, good governance and strong CSR values. The partnership has also resulted in advanced private sector solutions in many sectors as e.g. within environment, energy efficiency, life-long learning, healthy living and high quality food products.

To share the Danish experience, a new Facility has been established in 2015 with the participation of 8 Danish ministries and support from key Danish Business Organisations. The Facility funds twinning projects between Danish ministries and partner ministries within strategically selected sectors based on a match-making of development challenges in 12 developing countries and Danish public and private sector competences along with posting of sector specialists, so-called growth counsellors, to the Danish embassies in the same countries. The growth counsellors facilitates the twinning projects and share sector knowledge and networks in order to attract Danish companies to trade and invest in the 12 countries on a commercial basis.

#### ***Priority countries***

The countries where Denmark is engaged in long-term partnerships and with political and financial weight are categorised as priority countries. These are selected on the basis of a political decision and an assessment of the country's development needs, the relevance of the partnership and the opportunity for Denmark to make a difference. Denmark's development cooperation is based on collaboration with a limited number of priority countries.

The backbone of our approach to development effectiveness is a country-led approach based on the principles of partnership, in which national development plans set the frame for priorities for support, with focus on alignment and use of national country systems in priority countries. We work for partnerships that are mutually committing and based on openness, trust and mutual respect.

Denmark endeavours to combine different aid modalities in a way that maximises the effectiveness and efficiency of the overall development cooperation. Danish development cooperation is mainly delivered through predictable long-term funding, applying a wide range of modalities. The programmes are aligned to national strategies, structures and procedures, and in joint government-donor partnerships (for example, Sector Wide Approaches, through Joint Assistance Strategies, delegated partnerships, joint assessments with partner governments and through division of labour).

Denmark is continuously working on focusing its presence at country and sector level, as well as promoting ownership, and the division of labour among donors. The target is fewer but larger programmes in each priority country. There will be a continuous focus on building and strengthening long-term partnerships, both bilaterally and with multilateral partners. The basic objective is to ensure that all development efforts rally behind a genuinely country-led development process.

#### **Box vi: New Partnerships Evolving for the New Africa**

A New Africa is emerging. Over the last 5-10 years many African countries have witnessed rapid and steady economic growth, which has led to a growing middle-class and created new economic opportunities for Africans and foreigners alike. Regional African organizations are showing increasing leadership in promoting peace and stability in countries suffering from conflict and make concerted efforts to foster regional integration and create sustainable development across the African continent. And many African governments' foreign policies are evolving as they look to attract foreign investments, play their role in equal international partnerships and become less dependent on foreign aid.

The emerging New Africa represents opportunities and challenges for Denmark. We recognize that Africa is immensely diverse, that growth has not necessarily been sufficiently inclusive, and that many countries remain fragile or still suffer from violent conflicts. Yet, we also believe that these recent developments call for new and more balanced partnerships between Denmark and our African partners across the whole spectrum of our relationship, including our development cooperation.

Denmark now increasingly looks at development cooperation as an investment and as a catalyst that can help mobilise private sector resources in the fight against poverty. This is reflected in our country strategy papers as well as in our thematic development cooperation initiatives. It involves working with national authorities in our African partner countries to improve the conditions for private sector activity, including through efforts to improve governance and through sectoral cooperation and knowledge sharing between Danish and African ministries. And it involves supporting regional organizations to improve the access to credit for small- and medium enterprises and foster regional integration.

Denmark also seeks to build on the increasing initiative and resolve shown by African leaders by working closer together and relying more upon regional and national African partners. In the effort to foster green growth and job creation in Africa, Denmark backs the African Development Bank to become an ever more important development actor. This is done through regular financial support the Bank and through more active engagement in its work. And in the pursuit of peace and stability in the Sahel and the Horn of Africa regions, Denmark has launched whole-of-government peace and stabilisation programs, which entails structured cooperation between the development side and the security side under a whole of government approach. Here, we work closely together with regional organizations like the African Union and assist with capacity-development of national authorities in quite sensitive areas such as money-laundering, mediation and democratic control of the security sector.

#### ***EU***

Denmark promotes increased division of labour between all development actors. The EU has a special role to play, and Denmark works to strengthen the EU's role in international development cooperation and to increase coherence between EU policies that affect developing countries.

As an EU member, Denmark works for the concentration of the EU's development cooperation on the poorest countries and for the EU to adapt and take advantage of opportunities arising from the new global framework conditions and changed aid architecture. Denmark actively promotes a stronger division of labour between EU countries and promotes joint EU programming of development interventions that are coordinated locally and have developing countries in the lead. This makes the EU's joint efforts more effective and reduces transaction costs for the countries we work with.

Denmark will continue to advocate for EU-wide adherence to the core features of the Busan Partnership for Effective Development Cooperation; national ownership of development priorities, focus on results and inclusive partnerships based on transparency and accountability.

#### ***Multilateral organisations***

Denmark engages in an active multilateralism and cooperates with those multilateral organisations that are

best placed to advance our development policy priorities, and in the fields where the impact of working through the multilateral system is most significant. We pursue a policy that focuses on core funding of the organisations, but maintains the use of earmarked contributions to strategic and special interventions, for instance in fragile states. We aim at creating synergies between our multilateral and bilateral interventions.

***Private sector***

The Danish business community is an important development partner. Through trade and investment, Danish companies contribute to the development of local economies by creating decent jobs and responsible and production capacity, by transferring knowledge and establishing partnerships with local enterprises and other stakeholders.

Denmark works to contribute to creating an enabling environment and opportunities for the private sector to engage in devising solutions capable of creating decent jobs, fostering growth and reducing poverty in developing countries. We work to promote efficient labour markets based on active involvement of the social partners and in respect of human rights.

The Danida Business instruments support Danish private sector engagement in developing countries by facilitating transfer of technology and knowledge from Danish companies to local partners in line with international principles and guidelines for responsible business conduct.

In addition, the Investment Fund for Developing Countries (IFU) is managing a number of business instruments that mobilize private financing for investments in developing countries in line with international principles for responsible business.

**Box vii: Uganda “U-GROWTH”**

In Uganda, the “farming as a family business” which is a section of the overall house hold approach is an integrated part of the private sector programme “U-Growth”, where gender equality mainstreaming in the sub-components of the programme is promoted. The purpose is to pilot innovative gender equality approaches in agriculture that increase women’s competitiveness through enhancement of their share in the means of production, land, capital, credit and technology. The approach comprises promoting fairer gender relations at household level by bringing household members together to plan, work and share benefits and by bringing on board more men to understand gender issues, and hence support women better. Through “farming as a family business”, couples are trained in gender and human rights and this has among other things contributed to resources within households being utilized more efficiently and has brought down levels of domestic violence as reported by 93% of the 362 households interviewed during the evaluation of the U Growth Gender Program in 2015 U-Growth through the agribusiness Initiative Trust implemented Gender for Growth component in addition the Financial Services and Value Chain Development . The Gender component was to promote fairer gender relations, farming as a family business at household level and promote legal and economic rights for women.

The promotion of fairer gender relations at household level has been identified as a critical and key intervention to increase productivity in value chains. The household approach works within a “Common good” framework that gives all household members a stake in resources, production and income. The programme has resulted in changing attitudes so that partners now generally promote farming as a family business with 115 households out of 362 reporting income increase of 132% from 2010 to 2014 in the evaluation report. Women’s access to, and control over, resources and household incomes has improved. Relationships between women and men are strengthened and their workloads shared to a greater extent as reported by 96% of the 362 households in the evaluation reporting that family relations are more respectful and equal. Men are now coming in to help women with household chores and women have increased their participation in the value chain activities. Women’s self-esteem and confidence has also increased, as reported by 150 households out of 362 households who have become entrepreneurs and leaders in their home as well as the broader community.

*The Global Green Growth Forum (3GF)* initiates and enables scalable green growth solutions by facilitating networking, sharing of novel green growth ideas and pushing forward innovative partnerships for green growth. Each 3GF cycle is concluded with a global Summit convening top decision makers from governments, business, finance, civil society and international organisations with a view to move forward the international agenda on green growth and develop crucial networks between the do'ers of green growth.

#### **Box viii: 3GF Partnership Example: 2030 Water Resources Group**

##### **Background**

Water is the most important resource on our planet. We are already consuming too much water and demands are increasing dramatically due to higher levels of food and energy production and population growth. By 2030, the world is predicted to face a 40% gap between available renewable water supply and demand.

The 2030 Water Resources Group (2030 WRG) works with a diverse set of partners from the private sector including The Coca Cola Company, Nestlé, PepsiCo, SABMiller and Unilever, who are all highly dependent on water for their production, as well as political decision makers, donors, development banks and civil society. They are all working to achieve a common goal: To develop environmentally and economically sustainable solutions to closing the water supply demand gap.

##### **Achievements**

To date, the 2030 WRG has assisted 7 countries in developing national water plans. In Africa, the 2030 WRG has worked specifically in South Africa, Tanzania and Kenya to develop programmes to expand water efficiency practices and technologies for sustainable water use, including irrigation and water storage, as well as treatment of waste water. Financing models for sustainable mini-water management solutions have also been established.

In Asia, 2030 WRG is active in Bangladesh where they are reforming water use tariffs in agriculture and developing a model for green investment financing. At a national level in India, the 2030 WRG acted as a catalyst for initial strategic directions to guide the Ministry of Water Resources towards a five-year plan for water. There have also been significant impacts in the Indian States of Karnataka and Maharashtra.

##### **Role of 3GF**

3GF has provided a platform to the 2030 WRG to enable the partnership to share lessons and experiences, identify opportunities for scale, connect with new stakeholders and explore emerging water management issues with high-level decision makers. Through the 3GF 2015 regional meetings in Africa, Asia and Latin America, 2030 WRG has been able to significantly extend its activities and partnership base in these regions.

##### **Sustainable Development Goals (SDGs)**

The 2030 WRG partnership is contributing to the proposed SDGs:

1. End poverty in all its forms everywhere
6. Ensure availability and sustainable management of water and sanitation for all
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
13. Take urgent action to combat climate change and its impacts
17. Strengthen the means of implementation and revitalize the global partnership for sustainable development

##### **Civil society**

Denmark is a strong and reliable development partner for civil society working to support the development of a strong, independent, vibrant and diversified civil society in the developing countries. The objective of Denmark's support to civil society is to ensure that civil society in the global South has the space and capacity to gain influence to combat poverty and inequality, promote human rights as well as sustainable development in an accountable, inclusive and transparent manner, in particular in favour of poor and excluded groups.

We give priority to cooperation with those civil society organisations which are most capable of delivering results on our strategic focus areas: Capacity development, advocacy, networks, partnerships and popular participation.

We support a number of Danish, international and local civil society organisations in a number of different ways, including through strategic results-based framework agreements or other similar strategic long-term agreements, and through funds (joint funds or delegated pool funds) providing project and programme support.

Our support to and partnership with civil society has been guided by the Strategy for Danish Support to Civil Society from 2008. The Strategy was recently evaluated and a new Civil Society Policy was launched in June 2014.

The Policy introduces a number of new features in our approach to supporting civil society. It offers direction on support to civil society across all cooperation modalities with civil society, not only the support provided through Danish civil society organisations but all Danida support whether at country level, through thematic programmes or through regional and multilateral organisations. Danish support to civil society is adapted to the reality on the ground and includes support to innovative modalities. The Policy informs policy dialogue at all levels.

Denmark continues to develop strategic partnerships with Danish civil society actors who are expected to innovate and demonstrate their added value to civil society in the global South in delivering development outcomes.

### **5.3 States affected by conflict and fragility**

Since the last DAC Peer Review in 2011, Denmark has strengthened its focus on states and regions affected by conflict and fragility, including an increase in the development cooperation to priority countries and regions in this situation through Country Programmes and regional and specifically targeted interventions and efforts. Denmark focuses on 1) conflict prevention 2) integrated stabilisation efforts and 3) long-term peace and state-building as a foundation for long term sustainable development. Development cooperation, stabilisation support and civilian, military and police secondments are all integrated into a joint strategic framework in order to contribute to stabilisation and long-term development. To ensure coherence and impact of Denmark's efforts, in 2010, Denmark issued its policy on "Denmark's Integrated Stabilisation Engagement in Fragile and Conflict-affected areas of the world". Danish engagement in fragile states is based on following principles: 1) adapting to the context 2) an integrated/whole of government approach 3) risk-taking 4) focused efforts – both in terms of number of countries and the type of activities undertaken in those countries. This was followed up in the development strategy of 2012, The Right to a better Life where Stability and protection constitute one of the four pillars and focus areas of Danish development assistance.

In 2015, the number of priority countries is being reduced in order to focus and concentration of efforts to maximise impact instead of spreading the funding to thin. Meanwhile, to achieve maximum impact and strategic influence, Denmark has increased the number of deployments to fragile countries and seconded a number of stabilisation advisors to embassies. Denmark co-chaired the International Dialogue on the New Deal in 2012-2013 and aligns the Country Programmes with the New Deal Peace and State Building Goals principles and uses New Deal plans and/or compacts as basis for the programmes (e.g. Somalia). Denmark engages with government led coordination mechanisms and actively participates in a number of multi-donor trust funds and donor coordination groups in country and at the global level such as the Stabilisation Leaders Forum and the OECD/DAC working group for ODA & security. Moreover, Denmark has supported the UN Peacebuilding Fund, the United Nations Development Programme (UNDP) Crisis Prevention and Recovery Fund, and the World Bank State and Peace-Building Fund.

To ensure learning from the first 4 years of operations from the Peace and Stability Fund (PSF) and to inform the programming of the next phase, the Inter Ministerial Steering Group requested an evaluation of the PSF. Evaluation (2014) concludes that progress and success have been made in the following areas: developing cross-government work on stabilisation; aligning the Fund to Danish Strategic Priorities; supporting engagements that address drivers of conflicts, instability and insecurity and produce benefits for people and countries receiving PSF support; promoting the effective and efficient use of resources. Going forward, Denmark will build on what has been achieved and take the performance of the Fund to the next level. This will require attention to a number of structural, strategic, and programmatic issues. Another result of the evaluation is that it has been decided that country strategy papers include the full spectrum of Danish engagements, thus informing how security and development efforts are integrated at country level. The result of a strategic review of the Danish Foreign Policy, which will guide future priorities, is expected in spring, 2016. In addition, as a follow up to the reviews of the UN's peace operations, Denmark has increased the funding to the UN's political work (DPA).

**Box ix: Using a Comprehensive Multi-stranded Approach in Stabilizing Afghanistan**

In line with the peace and state-building objectives the Danish approach to transition in Afghanistan is based on a comprehensive approach of development and security. Denmark has engaged with a multi-stranded strategy based on political dialogue, providing security assistance, civilian assistance for development and relieving humanitarian crises. Although the weight of the instruments used have shifted over the years this multi-pronged approach has been guiding Denmark's engagement since 2001.

Denmark's political efforts are directed both towards the Afghan government and the neighbouring countries, as well as directed towards coordination between contributing countries. Bilaterally and through multilateral fora Denmark has promoted a dialogue with the government on fundamental principles such as broad political involvement – including reconciliation, the involvement of civil society organizations and protection of human rights, including that of women's rights and opportunities.

On the security side Denmark has by providing military forces furthered security for the Afghan people, progressively transitioned its assistance to training of both the army and police, and is financially co-funding the recurrent costs of the Afghan Security Forces. The Danish combat troops have now left Afghanistan and a small number of trainers will stay on for a limited period. The financial assistance will continue.

Afghanistan is the biggest receiver of Danish development cooperation with an average of 530 million DKK per year. Danish development cooperation to Afghanistan are building state structures, improving governance, contributing to the social development, promoting growth and employment and ensuring the rights of citizens.

Afghanistan will in a foreseeable future continue to be dependent on international assistance. The Tokyo Mutual Accountability Framework is to be renewed in 2016, where the international community will pledge their assistance for the coming years.

## **6. RESULTS MANAGEMENT, LEARNING AND ACCOUNTABILITY**

### **6.1 Results-based management system**

Recent years' increased focus on the results of development cooperation has been driven by the desire to be able to demonstrate its value towards Danish tax payers and partners in the countries of cooperation, as well as to promote institutional learning. Further factors that have contributed to spur the intensified efforts to strengthen the results orientation of development cooperation include recommendations by the Danish National Audit Office ("Rigsrevisionen") to improve results measurement and dissemination, as well as Denmark's national and international obligations, such as the Global Partnership for Effective Development Co-operation and its focus on result orientation and transparency in aid administration.

#### ***Bilateral portfolio***

In-house efforts to strengthen results-based management within the general context of development effectiveness have mainly concentrated on the bilateral portfolio, where the Danish Foreign Ministry itself is responsible for, and has the possibilities to, control and adapt work processes, guidelines, management orientations, etc. The new Danida country programming approach has especially emphasized explicit presentation of a Theory of Change, results-based management and risk assessment and introduced new instruments to this end in the programme management guidelines. These aim to ensure that measurable indicators, as well as baselines, goals and targets are defined from the outset of a programme or project and consistently documented and reported. A broader set of indicators has been introduced for progress reporting with one outcome-level indicator per development engagement and project, and 1-5 outputs with annual targets. The results frameworks, including key indicators and targets, are as far as possible based on partners' own results frameworks. Also monitoring and reporting are based on the partners' own systems, where necessary, supported by capacity building and technical assistance in order to contribute to strengthen partner systems for results based management in the process.

#### ***Multilateral cooperation***

Regarding multilateral cooperation, the responsibility to deliver and document development results is delegated to the respective organisations, which have the overall management responsibility. The Organisation Strategy – and in particular, goals and indicators from its performance framework – forms the basis for the daily collaboration. A mid-term review of progress against the goals and indicators is carried for each organisation. In addition the financial support the strategic dialogue with the organisation is enhanced through participation in board meetings, decentralized annual consultations and high-level consultations with participation from Copenhagen.

Organisational performance is moreover assessed externally in a joint effort through MOPAN. The objective of MOPAN is to carry out regular joint donor assessments of multilateral and international organisations which receive significant contributions from the members of the network. The assessments focus on the results and effectiveness of the organisations as well as on their partnership behaviour in developing countries. Denmark along with the other MOPAN members regularly has to take on the role as "institutional lead". Similarly, the members act as "country leads" in the process of data collection and interviews in developing countries. Taking on the institutional lead role allows Denmark to focus efforts and influence the discussions with multilateral organisations of special strategic importance at the same time as benefitting from a far greater number of assessments than could have been carried out by Denmark alone.

#### ***Strategic measures towards strengthened results-based management***

Efforts to strengthen results-based management have been guided by three objectives: 1) increased awareness, knowledge and ownership within the organisation, 2) enhanced communication and transparency and 3) strengthened competences and systems for monitoring and reporting.

The strategic measures towards these objectives comprise targeted communication within the organisation including, among others, an open letter from the State Director for Development Policy in 2014 to MFA staff on the importance of the results focus in development work, videoconferences between MFA management and Embassies with development cooperation portfolios and sessions on results-based management in the annual Ambassadors' meeting, work in a designated Danida Results Task Force and information about international efforts promoting the results agenda.

A second strategic measure is internal competence development for all units involved in the management of development cooperation. Examples of this are country programming seminars for all relevant staff and special training of "results officers" in all embassies and other units working with developing cooperation, development of e-bites for web-based training, introduction to the results-based programme management approach during preparation courses for posted staff, and permanent dialog with HQ units managing development cooperation funds.

Thirdly, the results-based approach is increasingly being supported by IT solutions with the aim to simplify results monitoring and reporting. Examples of this are the launching of "OpenAid.dk" in July 2014, improvements in the Danida Project Database (PDB) and the ongoing process with digitalisation of work flows in project and programme preparation. Fully digitalised results presentation is a crucial aim in order to enhance the basis for dialogue between units and management as part of the organisational performance assessment processes.

## **6.2 Evaluation system**

The evaluation of Danish development cooperation is undertaken by the Evaluation Department. The Head of Evaluation Department reports to the Minister of Foreign Affairs, through the State Secretary for Development Policy. Other exercises are conducted by TAS and focus on quality assurance through appraisals (ex-ante evaluations) of programmes in the formulation phase and reviews during implementation and ad-hoc impact studies undertaken by operational departments.

Following a peer review of the evaluation function in 2014, a new evaluation policy for Danish development cooperation was developed and approved by the Minister for Foreign Affairs in early December 2015. The policy includes evaluation principles based on the OECD/DAC quality standards for evaluation and reflects the current emphasis on enhancing utility and learning of evaluations, although accountability remains an important purpose of many evaluations as well.

Annually, the Evaluation Department establishes, in close consultation with the operational departments and embassies, a two-year rolling evaluation programme. The programme aims to ensure usability; to be timed to feed into up-coming strategy or programming processes; to cover most bilateral assistance over a 5-7 year period – including different modalities, large aid programmes and countries; ensure fast learning from innovative approaches etc. The Evaluation Department is free to include any topic that it may deem relevant for evaluation and to bring forward topics for evaluation that are suggested from any source. The Evaluation Department is annually allocated a dedicated budget to cover app. six evaluations and a number of evaluation studies and follow-up activities including real-time evaluations.

The Evaluation Department prepares and manages evaluations, which are undertaken by contracted, usually international, consulting companies. Evaluation reference groups including internal and external stakeholders provide feedback and comments in the process. The final responsibility for the evaluation report is with the company undertaking the evaluation and it is published on EVALs site ([www.evaluation.dk](http://www.evaluation.dk)). To enhance ownership, utilisation and capacity, partnerships are sought for with stakeholders in developing countries in designing and carrying out evaluations. Further, the partner countries are involved in the reference group where relevant. Coordination and cooperation with other development partners is ensured to reduce transaction costs and ensure wider learning.

As a follow-up to the new development agenda “Transforming our world: the 2030 Agenda for Sustainable Development” and further as a follow-up to the “Study on Collaborative Partner-Donor Evaluation Work” Denmark will support the relevant organisation in Ghana to carry out an evaluation of the Danish country programme in that country.

### **6.3 Institutional learning**

Several departments cooperate within the Ministry to promote institutional learning and evidence based policy and planning, among others the Evaluation and Quality Assurance Departments, and the Technical Advisory Services, as well as embassies and HQ departments with responsibility for development programmes and projects.

An important space for institutional learning and strategic discussions is the Danida Programme Committee, where all key departments with stakes in development policies and programmes are represented. All major new programmes are assessed by the Programme Committee at the concept level before being developed, as do other development related policy and strategy initiatives. Programme committees also exist at Embassies with development portfolios, where programme responsible staff and management discuss strategic and programmatic issues across sectors and thematic areas. An area where there is still room for strengthening of the institutional learning processes is the feedback loops between decentralised and central level in order to improve the use of results reporting and monitoring throughout the organisation.

Fora for exchange between the Ministry of Foreign Affairs and important external stakeholders in Danish Development Cooperation take place include, among others, the External Grant Committee and the Council for Development Policies.

One key element of all Technical Advisory Services and other mission travel, including all programme reviews and appraisals, is a Travel Report, serving the purpose of debriefing senior management on major findings and issues. It is also disseminated across departments of the ministry and serves a broader internal communication purpose – in this sense the broader institution is continuously kept abreast of operational developments in the field.

Evaluations are designed and timed to ensure that evaluation results are fed directly into the strategy and programming processes to ensure fast up-take and reaction to the findings, conclusions and recommendations.

The unit in charge of the evaluation subject is responsible for the management response and hence for the follow-up to the evaluation. Management responses are discussed in the programme committee to promote institution wide learning from the evaluation. The final management response on evaluation is approved by the Chairman of the Programme Committee.

The Evaluation Department has the option to commission follow-ups to evaluations. This is an instrument that is specifically designed to support follow-up in areas where evaluability of the continued development engagement is a concern of the next phase by helping to define theory of change and results framework. Senior management will twice a year convene to discuss issues related to evaluation, including the evaluation programme, general learnings from evaluations, and follow-up to evaluations. Further, the Evaluation Department arranged in May 2015 a Danida Evaluation day with focus on “Policy and Practice” for external interested parties.

The Evaluation Department and the Technical Advisory Services collaborate closely to promote learning and sharing of knowledge and evidence across the organisation, including evidence produced by other donors and in research. A number of new initiatives have been taken to strengthen learning, including the

introduction of real-time evaluations. Results from the real-time evaluation will through the Evaluation Department be fed into the reviews of the Technical Advisory Services and into programme management of the relevant Embassy.

Besides the broad catalogue of courses and e-learning instruments organised by the HR Department for continuous competence development of Ministry staff, focused seminars and workshops are organised on key thematic and methodological issues by the Technical Advisory Services and the Quality Assurance Department.

The Technical Advisory Services organize regular technical/professional staff seminars around relevant themes (e.g. good governance and service delivery, green/sustainable growth, or other). These seminars convene professional staff working with the theme in question both from the embassies and representations and from headquarters. They are an important venue for bringing together colleagues from across the world, sharing experience and learning between staff abroad and at home.

The Quality Assurance Department organizes, in some cases in collaboration with TAS, professional seminars, e.g. on results management or other aid management related themes. Throughout 2015, a series of workshops on the new Country Programme approach, guidelines and tools were carried out at Embassies with development cooperation portfolios, and a specific “results officer” seminar was held to train key staff and, thus, contribute to strengthening the capacity of embassies for results management. During 2016 it is aimed to continue the training with HQ units responsible for programmes and projects.

## **6.4 Communication, accountability and development awareness**

### ***Transparency***

In the wake of the new act on Denmark's International Development Cooperation in 2012, the MFA launched a number of web based transparency initiatives, including Danida Transparency and OpenAid. Denmark is among the most transparent bilateral governmental donor institutions, ranking tenth in the Aid Transparency Index in 2014.

Denmark is part of the EU's collective commitment to both the EU Transparency Guarantee and the Busan common standard, of which the International Aid Transparency Initiative (IATI) is a core component. Denmark began publishing in the IATI Standard in 2013 and achieved automated, daily updates in 2014.

Danida Transparency was launched in 2013 and includes, among others, public consultations on upcoming programmes and strategies and a public feedback mechanism. In 2014, the website OpenAid was launched, replacing the annual Programme and Project Orientation (PPO) It constitutes, together with Danida's Annual Report, the Ministry of Foreign Affairs' reporting to the Danish Parliament and the general public on Denmark's international development cooperation. The site provides access to the latest data on development cooperation in a common, open electronic standard.

### ***Communication, accountability and development awareness***

A new Ministry of Foreign Affairs [communication policy](#) was launched from 2014 (covering 2014-2016), The communication policy was adopted after thorough consultations with all MFA units, securing wide ownership in the organisation. The policy forms the foundation of communication regarding development cooperation. One of the key priorities of the communication policy is social media, and a new sub-strategy for the MFA's use of social media was adopted in 2014. In general, digital communication will be strengthened with the aim of engaging and informing the broader public. Furthermore, digital communication underpins, by means of its transparency and feedback possibilities, the MFA's aim for an open, dialogue-oriented and pro-active way of communicating. As regards content, emphasis will be placed on issues of broader political interest (for instance migration, growth and employment and climate change), and on communicating what we do.

The MFA communication tasks are anchored in the various units with the Department for Public Diplomacy, Communication and Press (PKP) in an advisory role, securing that communication rests on a profound knowledge of the issue being communicated. When possible, the MFA works with partners (NGO's, businesses, research and education etc.) in communication to obtain synergy (for instance on the Global Goals), and digital communication opens new forms of cooperation and multiplying effects. In general, communication "products" produced by the MFA of the Embassies are exchanged and used across the organisation in various ways and across platforms.

As a result of the new communication policy and its focus on the potentials of social media, Danida launched a Facebook-page in early 2014. The Facebook-page is now (October 2015) liked by 7500 people. The platform has, among others, been used to communicate the new Global Goals – both prior to the UN-summit in September 2015 (see below on the campaign "Our World, Our Choice") and after. The last 17 days before the summit, 1 goal was posted every day. The ready-to-use content – e.g. videos, quotes and pictures – provided by the UN "Tell Everyone" campaign has been very useful in this effort.

Further on digital communication, a large digital campaign on development cooperation "Our World – Our Choice" was carried out over a two-month period in spring 2015. The campaign focused on the results of the MDG's and the launch of the Global Goals, with an emphasis on Danish priorities in the negotiations on the Global Goals and the universal nature of the Goals. The campaign had a high degree of user-involvement, aiming to engage people, primarily on social media.

An ongoing successful communications platform is the educational material published by Danida every year in relation to the "Children's Charity Calendar". With a stronger focus on supporting the educational goals of the first 4 grades in the Danish Folkeskole as well as a new online learning platform with state-of-the-art features, the material has grown steadily in popularity among primary school teachers over the last couple of years. In 2015, an estimated 100,000 Danish children will be using the material in school, learning about the lives of children in developing countries.

## 7. HUMANITARIAN ASSISTANCE

### 7.1 Strategic framework

#### *Humanitarian policy*

The Danish strategic frame for humanitarian interventions is the “Strategy for Danish Humanitarian Action 2010-2015 – addressing vulnerability, climate change and protection challenges”. The strategy was launched in September 2009, following a highly participatory process involving both Danish and international partners. It is guided by the vision and strategic priorities of the European Consensus on Humanitarian Aid, the Good Humanitarian Donorship principles and the humanitarian principles of humanity, neutrality, impartiality and independence. Likewise, the strategy reflects Danish commitment to complying with international humanitarian law, human rights’ law and refugee law.

The objectives of the Danish strategy are to save and protect lives, alleviate suffering and promote the dignity and rights of civilians in crisis situations, as well as to initiate recovery, build resilience and prevent future crisis by breaking the cycle between crisis and vulnerability. Denmark’s humanitarian interventions thereby aim at improving human security and reduce poverty. The strategy distinguishes between meeting immediate and early recovery needs of those affected by natural disasters (and the promotion of Disaster Risk Reduction) and responding to the needs of people affected by armed conflict (which includes prevention, resilience and early recovery) – with a strong prioritisation of the latter above the former in terms of funding and advocacy efforts during the years of implementation.

As previously mentioned, there are a number of areas of common ground between the humanitarian strategy and policy and strategy documents related to development assistance. In 2015 it was decided to extend the current humanitarian strategy until 2016, which enables a joint process, whereby the development of the new overall development strategy can also encompass humanitarian strategic considerations. In addition, the outcome and results stemming from the World Humanitarian Summit (May 2016 in Ankara) can also feed into this joint strategy.

#### *Approach towards recovery and transition*

The overwhelming part of Danish humanitarian support is allocated for interventions in areas affected by conflict and displacement. On the background of a rising number and increasing duration of protracted crises, it has become evident that international humanitarian assistance alone is not sufficient to address the needs. Instead, more holistic approaches and joint utilisation of tools available, i.e. humanitarian aid, development engagements and political dialogue, are needed – the current compartmentalisation of the aid architecture has been overtaken by realities. This is an issue that Denmark is actively promoting in all relevant fora, including in the preparatory process leading up to the World Humanitarian Summit in May 2016 – and it is reflected in the strategy for Danish humanitarian action as a key approach in addressing root causes and promoting sustainable recovery. As such, it is also among the reasons for Denmark’s decision to focus its assistance to protracted humanitarian crises on 10-12 prioritised complex emergencies. Even though the list of prioritised complex emergencies is updated annually, a high degree of continuity is ensured to allow sufficient strategic depth in operational planning and policy response and to facilitate linkages with other long-term programmes. Hence, during the past few years, Denmark has prioritised the protracted crises in Afghanistan, Iraq, Mali, Myanmar, Occupied Palestinian Territories, Pakistan, Somalia, Sudan, South Sudan, Syria and Yemen as well as the Manu River countries (Ivory Coast, Liberia and Sierra Leone). The Central African Republic was added for 2015, whereas it has been decided to phase out the Manu River countries. The annual review of prioritisations is based on a consultative process involving Danish partners as well as relevant units within the ministry. Furthermore, the process takes into account data reflected in ECHO’s Global Vulnerability and Crisis Assessment Index.

Linkages to Danish development activities have already been achieved in quite a few cases. Examples of this include the Danish support to the education sector in Pakistan that also benefits Afghan refugee children.

Similarly, the Country Programmes for both South Sudan and Somalia include a focus on strengthening growth, employment and livelihoods in terms of which both development and humanitarian funding instruments are applied. The same is likely to be the case with respect to the (future) country programme for Myanmar, which foresees utilisation of specific sector programmes to support solutions for internally displaced people. Generally, it is increasingly recognised that appropriate responses to conflict, fragility and displacement require a much greater emphasis on building coherence and synergy between humanitarian assistance, development cooperation, peace building and policy dialogue. A number of initiatives are underway in this regard, both at the policy level and at the country level, e.g. in Myanmar and South Sudan.

The same approach has guided Denmark's leading role in the Solutions Alliance-initiative, which was founded in Copenhagen in 2014. The alliance consists of a group of likeminded donors, NGOs, international organisations and academia and has the objective of promoting sustainable and durable solutions for refugees and internally displaced people through new, innovative approaches that are based on broad partnerships and which recognise the development challenges associated with protracted displacement. The alliance operates both on the international policy level and as a platform for coherent planning and implementation in concrete displacement situations. Denmark, Turkey, UNHCR, UNDP and a NGO representative are vice-chairs for the network.

#### ***Approach towards disaster risk reduction and resilience***

For the past many years, Denmark has provided direct support to both the UN Office for Disaster Risk Reduction (UN-ISDR) and the World Bank's Global Forum for Disaster Risk Reduction. Denmark's humanitarian strategy also has a very clear focus on lasting improvement in the resilience of vulnerable groups affected by conflict, fragility and slow-onset disasters. The policy of promoting a deep, long-term humanitarian partner engagement in selected chronic crises has been instrumental in this regard.

In broader terms, Denmark also has a focus on disaster risk reduction through its climate adaptation programmes, which seek to strengthen the capacity of vulnerable countries to adapt to climate changes and mitigate the detrimental impact and effects. Furthermore disaster risk reduction has been mainstreamed in the long term development programmes where relevant. During identification/formulation of new programmes, disaster risk reduction is carefully taken into consideration both at policy level as well as on an operational level.

#### ***Overall humanitarian budget and trends***

Denmark has in the period 2010-2014 been providing almost DKK 9.2 billion in humanitarian assistance. There has during these years been a continued increase in the Danish humanitarian budget in successive finance bills and on top of this additional resources have been reallocated from other budget lines in every financial year. The finance bill for 2015 allocated 10 percent for the humanitarian budget, but actual humanitarian expenditures (as per December 2015) amount to around 12 per cent of overall development assistance. The finance bill for 2016 allocates 12 percent for the humanitarian budget. It is telling that while the Danish Government undertook an overall reduction and reprioritisation exercise of the development portfolio during the latter part of 2015, the humanitarian budget was actually increased. In 2014, Denmark was the 10<sup>th</sup> biggest humanitarian donor measured in absolute figures.

## **7.2 Effective programme design**

#### ***Criteria for what and where to fund***

Danish humanitarian support is mainly routed through well-placed and competent Danish NGOs and international organisations which all operate within the framework of UN-led coordination structures and appeals.

The humanitarian budget on the finance bill operates with three budget lines:

*i) Core contributions to a number of international humanitarian organisations.* Un-earmarked core contributions to currently seven international humanitarian organisations (The Office of the United Nations High Commissioner for Refugees (UNHCR), United Nations Relief and Work Agency for Palestine Refugees in the Near East (UNRWA), United Nations Office for the Coordination of Humanitarian Affairs (OCHA), World Food Programme (WFP), International Committee of the Red Cross (ICRC), United Nations Central Emergency Response Fund (CERF) and United Nations Mine Action Service (UNMAS)) take up approximately one third of the overall humanitarian budget. This reflects the strong Danish commitment to the Good Humanitarian Donorship principles and aid effectiveness, and Denmark is hence an important donor of un-earmarked funds to these organisations (despite its relative small size). For example; while Denmark ranks as eleventh largest donor to UNHCR, it is the fifth largest contributor of un-earmarked funds to this organisation.

*ii) Partnership agreements with Danish civil society organisations and UN organisations.* The allocations to a (deliberately limited) number of Danish civil society organisations are based on multi-year partnership agreements and a set of dedicated guidelines and procedures. The partnership agreements provide organisations that over time have demonstrated necessary programmatic and administrative capacity with more predictability and flexibility in the support rendered. In return, the organisations need to plan and document results in accordance with Danish humanitarian priorities. The Ministry of Foreign Affairs and the individual Danish partner organisations (amounting to eight in 2015) meet yearly in December to strategically discuss the upcoming year's priorities and allocations based on a number of pre-selected protracted crisis situations that are prioritised for continued humanitarian action. In addition, Denmark has partnership agreements with three UN organisations (UNHCR, UNICEF and UNFPA).

The partnership agreements with the Danish organisations and with UNHCR include substantial flexible funds, enabling partners to respond to emergencies without having to secure additional funds from Denmark. Some Danish partners use these funds as part of their stand-by agreements with international partners, thereby supporting a wider, international emergency response system. These include the delegate programmes by the Danish Red Cross and the Danish branch of Doctors without Borders, along with the Danish Refugee Council's Emergency Roster that deploys emergency staff to, i.a., UNHCR, WFP, UNICEF and OCHA. This innovative approach to timely emergency responses is highly regarded, both by partners and by the external evaluation of the Danish humanitarian strategy. Altogether, more than 150 million DKK are allocated to flexible funds. In total, this budget line supporting partnership agreements amount to a bit more than one third of the overall humanitarian budget

*iii) Allocations to immediate and protracted crises.* This covers a broad range of support during the year to new crises/disasters or to protracted crises that escalate and/or to crises where the funding gaps between appeals and received funding are substantial. It also includes additional funding (through a bidding process) to Danish NGOs with a humanitarian partnership agreement, support to pooled funds managed by OCHA, including country-based pooled funds (Common Humanitarian Funds) and Emergency Response Funds, and (to a limited extent) emergency funds for embassies to address disasters. Apart from this, funds are also allocated to policy setting think tanks, etc. with a view to enhancing the effectiveness of the international humanitarian system. These allocations take up around 27 percent of the overall humanitarian budget.

### ***Role of early warning***

Denmark has a flexible approach to cooperation with partner organisations, including through the use of un-earmarked funding, comprising both core contributions and flexible funds for emergency response purposes. This modality provides space for partners to undertake contingency planning, deploy stockpiles of provisions and assume other pro-active actions.

### ***Approach towards participation of beneficiaries***

The consideration of beneficiaries throughout the cycles of interventions is an important Danish priority. This is reflected in the continued financial and policy support during the past several years to the Humanitarian Accountability Partnership (HAP) and to the development of [Core Humanitarian Standards](#)

(CHS), which Denmark has been, and still is, very active in promoting together with a number of partner organisations. Linked to this, Denmark currently also supports the development of an external verification and certification service, based on the CHS.

Denmark generally promotes the use of participatory approaches as good operational practice, which supports local ownership and thereby sustainability. The use of such approaches is reviewed as part of the recurring capacity assessments of partner organisations.

### **7.3 Effective delivery, partnerships and instruments**

#### ***Tools available for protracted crises and recovery***

Denmark aims at ensuring sustainable outcomes and maximum coverage of its humanitarian assistance in a number of ways, including by: i) providing partners with predictable funding within a highly flexible multi-year framework, thereby promoting a longer-term approach to programming along with linkages to other assistance instruments; ii) allowing partners to respond within crisis-affected regions rather than countries, thereby also ensuring coverage of needs among refugees and affected host communities in countries neighbouring complex emergencies; iii) contributing to country-based pool-funds and the Central Emergency Response Fund, all of which are of key importance in filling funding gaps in under-funded (“forgotten”) crises.

#### ***Rapid response tools and mechanisms***

Denmark seeks to support timely emergency response by: i) provision of substantial flexible funds to Danish partners and UNHCR, allowing them to respond in a timely manner to sudden emergencies; ii) funding stand-by agreements between Danish organisations and their international partners, facilitating the timely deployment of emergency staff; iii) providing substantial funding to country-based pool-funds and the Central Emergency Response Fund; iv) an established funding framework with the Danish Emergency Management Agency, allowing it to take part in emergency responses through the International Humanitarian Partnership, typically in support of the UN, (e.g. through deploying staff and material for base camps and communication facilities for OCHA in sudden emergencies such as Typhoon Haiyan in the Philippines, the earthquake in Nepal, etc.) ; and v) having an efficient system in place for releasing substantial contributions (up to 35 million DKK per grant) to international humanitarian organisations in case of sudden-onset crisis situations.

#### ***Partnerships with the humanitarian community***

As noted above, strategic partnerships are a key modality for Denmark. The partnerships are used as a basis, not only for support to operational activities in both protracted crises and in emergencies but also for raising key policy issues and priorities at the global level. Examples include the funding for Danish Refugee Council’s pilot testing of approaches to linking diaspora groups with humanitarian and development activities in their countries of origin; Dan Church Aid’s work with cash-based assistance and low-profile activities in areas to which humanitarian agencies have no access; Dan Church Aid’s and Danish Refugee Council’s long-term engagement in the global accountability agenda, and; UNHCR’s efforts to spearhead new approaches in responding to displacement.

For the past many years, the Ministry of Foreign Affairs has also chaired a Humanitarian Contact Group, comprising all Danish organisations and institutions that take an interest in humanitarian affairs. Members include Danish NGOs with a humanitarian partnership agreement, other civil society organisations, the Ministry of Defense and the Danish Emergency Management Agency. The group meets fairly regularly to discuss responses to current crises as well as general issues related to humanitarian policies and practice. In case of sudden onset disasters, the group is also convened to ensure immediate coordination and information exchange.

The evaluation of the Danish humanitarian strategy noted that *“Danida’s partners strongly endorsed its partnership approach and were highly appreciative of the quality of its funding (notably its flexibility and support for innovation and new approaches, so that Danida’s funding plays a catalytic role). Partners also value the predictability of the framework agreements and emphasized that the quality of Danida’s funding set it apart from other donors. While the relationship is based on trust, Danida works to ensure that partners have robust administrative, financial and reporting systems in place.”*

*Coordination with other donors*

Denmark engages in a broad number of policy forums. These include the Good Humanitarian Donorship (GHD) initiative, the European Council Working Group on Humanitarian Aid and Food Aid (COHAFA), the Humanitarian Liaison Working Group (HLWG), the International Committee of the Red Cross (ICRC) donor support group, the OCHA Donor Support Group as well as the Solutions Alliance. Within the past three-four years, Denmark has chaired all of the above (GHD during July 2012 – June 2013; COHAFA in spring 2012; HLWG in 2013; the ICRC donor support Group in 2013; the OCHA donor support group during July 2014 – June 2015. Danida has also been actively supporting the development of humanitarian standards and related accountability systems through the HAP and CHS. Denmark participates actively on the various governing bodies at UN organisations and will chair the UNHCR Bureau during the period October 2015 – October 2016.

The active Danish participation in, i.a., the above fora led the evaluation of the Danish Humanitarian Strategy to conclude that *“Denmark’s level of engagement in global policy forums and on the boards of international organisations is impressive. As part of its commitment to multi-lateralism, Denmark has sought to strengthen the work of international organisations and the humanitarian system’s effectiveness by taking on leadership roles.”*

## **7.4 Organisation fit for purpose**

### ***Coordination across government***

Denmark has well established procedures and approaches for internal coordination between intra-ministerial departments and other relevant government entities. As noted above, this also includes the Danish Emergency Management Agency, with which Danida has a framework agreement that enables them to deploy personnel and equipment responding to immediate needs stemming from natural disasters.

### ***Civil-military coordination***

While civil-military coordination was a rather controversial issue some years back, this is no longer the case. Guidelines for the relationship between NGOs and the Danish military forces were drafted some ten years ago, and since then cooperation has been quite smooth. This has included joint training activities and collaboration in the field of demining, etc. The military has taken on responsibilities based on its specialised capacities and resources, e.g. when responding to the Ebola-crisis.

### ***Staff and systems***

The humanitarian assistance in the Ministry of Foreign Affairs is managed by a Humanitarian team within the Department for Humanitarian Action, Civil Society and Personnel Assistance (HCP). The Humanitarian team consists of seven ministerial staff members and one Programme Coordinator (specifically looking after a regional development and protection programme in Jordan, Lebanon and Iraq). The team members all have different profiles, seniority and experiences – currently the team comprises two policy specialists, some senior staff members with vast experience from previous postings and some new staff members with only limited field experience. Recurrent rotation of staff to other parts of the Ministry of Foreign Affairs does affect the management of a fairly complex portfolio. To counter this, all new team members undergo extensive internal training to ensure thorough knowledge of humanitarian policies, issues, approaches, etc. HCP manages a substantial proportion of the aid budget and is engaged actively in policy dialogue and in governance of international organisations as well as providing increasing support to the political systems in

relation to humanitarian crises. HCP reports to the Under-Secretary of State and the Secretary of State for Development.

The management of development Country Programmes has been delegated to the embassies. Development cooperation is one element reflected in specific country policy papers, which entail all Danish engagements in a given country, including development engagements, humanitarian assistance, trade, political efforts, etc. HCP is consulted in the process of developing both the policy papers and the development programmes and thus possesses insights into instruments available other than humanitarian funds in a given context.

## **7.5 Results, learning and accountability**

### ***Monitoring own performance***

In 2014 Denmark commissioned the evaluation of the Strategy for Danish Humanitarian Action. The objective of the evaluation was both to inform Danida's decision making and strategic direction and to document results achieved. The [evaluation](#) provided a number of strategic recommendations, including: i) a new humanitarian strategy should be developed maintaining the previous approach of an inclusive consultative process - but a new strategy should be more focussed (on less priorities), building on Danish comparative advantages; ii) it was found challenging to identify and document results at two levels – that of strategic priorities and that of individual partner programme delivery. Danida should therefore strengthen the focus on results, including actual programme delivery in the field; iii) Danish support to partners should be reviewed periodically, emphasising performance based approaches to ensure actual delivery and possible corrective measures; iv) Danida should also endeavour to ensure greater complementarity between its humanitarian and development assistance, including through strengthened capacity and collaboration between embassies, departments, etc.

Denmark has since the evaluation pursued follow-up to these recommendations - while the development of a new strategy will only be initiated in 2016.

### ***Monitoring impact of programme***

Danida has different mechanisms for assessing partner performance: i) Danida is engaged on the boards of international organisations - and has used that position to, i.a., advocate for strengthening of systems for reporting results; ii) Danida also receives documented results such as annual reports, review reports and evaluations. The guidelines for partnership agreements stipulate that the partners on a yearly basis submit performance reports. These reports must (on programme level) outline results and include indication of, i.a., overall objective, impact, outcome and output indicators as well as an assessment of the intervention's contribution to the strategy for Danish humanitarian action, lessons learned and success stories; iii) HCP also maintains close dialogue (through mails, telephone conversations and meetings) with partner organisations and thereby ensures updated information on the advancement of programming and possible challenges; iv) independent reviews or capacity assessments are periodically undertaken, where Danida with a team of consultants on a more in-depth basis assess the organisation's overall performance on programme (and country) level in terms of delivering results as well as the organisational capacity to operate, implement and monitor activities. Each organisation is normally assessed every three-four years.

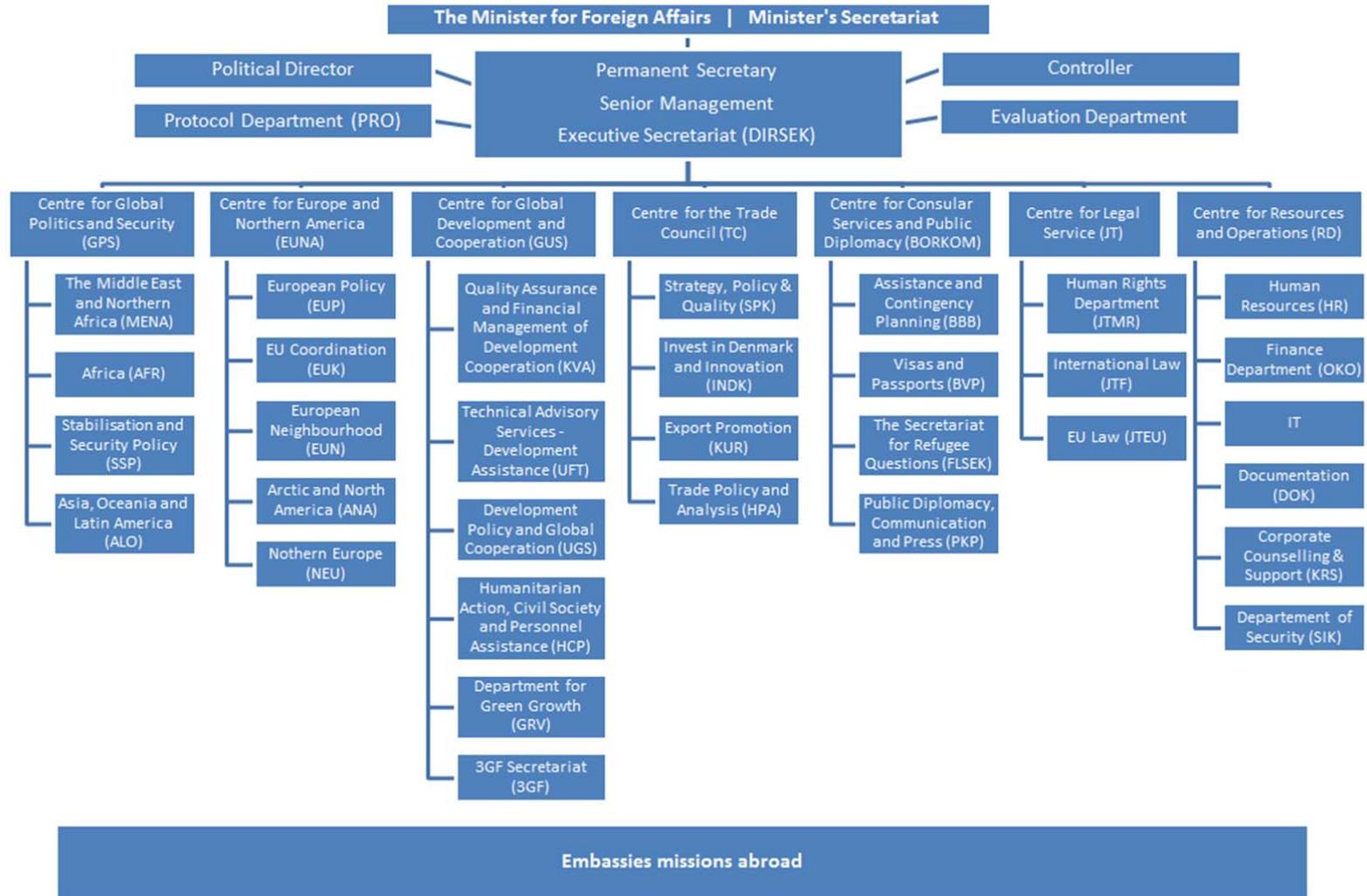
### ***Communicating results***

The Ministry of Foreign Affairs has for a number of years worked towards more overall transparency in communication around development results, including in the humanitarian field. The initiative OpenAid.dk provides on line information for the public on development support in financial terms, partners, sectors as well as countries and regions. In addition, core responsibilities of HCP also comprise the drafting of responses to questions raised in Parliament on humanitarian issues, the provision of background information prior to meetings, including in the EU, the UN, etc.

## Annex A. List of abbreviations

AAAA	Addis Ababa Action Agenda
AMG	Aid Management Guidelines
CERF	United Nations Central Emergency Response Fund
CHS	Core Humanitarian Standards
COHAFA	European Council Working Group on Humanitarian Aid and Food Aid
DAC	OECD Development Assistance Committee
EU	European Union
Ffd	Financing for Development
GNI	Gross National Income
GHD	Good Humanitarian Donorship
GPE	Global Partnership for Education
GFATM	Global Fund for AIDS, Tuberculosis and Malaria
HAP	Humanitarian Accountability Partnership
HCP	MFA Department for Humanitarian Action, Civil Society and Personnel Assistance
HLWG	Humanitarian Liaison Working Group
HRBA	Human Rights-Based Approach
ICRC	International Committee of the Red Cross
IFU	Investment Fund for Developing Countries
IMF	International Monetary Fund
JPO	Junior Professional Officer
LDGs	Least Developed Countries
MDGs	Millennium Development Goals
MFA	Ministry of Foreign Affairs
MOPAN	Multilateral Organisation Performance Assessment Network
NGO	Non-Governmental Organisation
OCHA	United Nations Office for the Coordination of Humanitarian Affairs
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
PCD	Policy Coherence for Development
PDB	Danida Project Database
PLUS	Performance and Leadership Development Interview
PKP	MFA Department for Public Diplomacy, Communication and Press
PSF	Peace and Stability Fund
SDGs	Sustainable Development Goals
SPR	Strategic Priorities and Resource Management
TAS	Technical Advisory Service
UN	United Nations
UNDP	United Nations Development Programme
UNFPA	United Nations Populations Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNMAS	United Nations Mine Action Service
UNRWA	United Nations Relief and Work Agency for Palestine Refugees in the Near East
UN-ISDR	United Nations Office for Disaster Risk Reduction
WB	World Bank
WFP	World Food Programme
3GF	Global Green Growth Forum

## Annex B. Organisation chart



## Annex C. Organisational structure

The Danish MFA is an integrated foreign service with four core business areas covering foreign and security policy, development cooperation, trade and investment, and consular matters. It is not possible to provide a detailed account of the number of staff members working only on development cooperation, as any such number will be based only on an estimate.

The MFA also handles the administration (budgets and accounts) for the units across the four main areas. The current budget and resource management systems do not determine a precise number of total expenses covered by development cooperation. However, at the end of the financial year, there is a gross calculation of how the MFA's total expenses are distributed within the four main business areas. Based on this calculation, Denmark used approximately the equivalent of 430 full-time positions on the administration of development cooperation in 2014.

The above number accounts for HQ and posted staff, and it is not possible to carry out a similar calculation regarding local staff. However, with the number of local staff at our main development cooperation missions, 373 are locally employed per October 1, 2015. In addition to this, there is local staff working with development cooperation at multilateral missions.

For an overview of seconded staff, please refer to the table below.

<b>SECONDMENTS</b>	<b>NO.</b>
<b>“No cost” SNEs (funded by the Ministry of Foreign Affairs)</b>	<b>18</b>
<b>“Normal cost” SNEs (partially funded by the EU institution)</b>	<b>3</b>
<b>UN and World Bank (funded by the Ministry of Foreign Affairs)</b>	<b>11</b>
<b>Total secondments</b>	<b>32</b>

## **Annex D. Responsibility among ministries on ODA implementation**

### ***Climate Funding***

Established in 2008 the Climate Envelope is a mechanism for channeling a part of Danish climate funding to supporting mitigation and adaptation activities in developing countries. The envelope is managed as an integrated part of Danish development assistance. The Ministry for Energy, Utilities and Climate proposes and prepares activities for half of the Climate Envelope Funds while the Ministry for Foreign Affairs proposes and prepares activities for the other half of the Climate Envelope funds.

### ***Refugee costs***

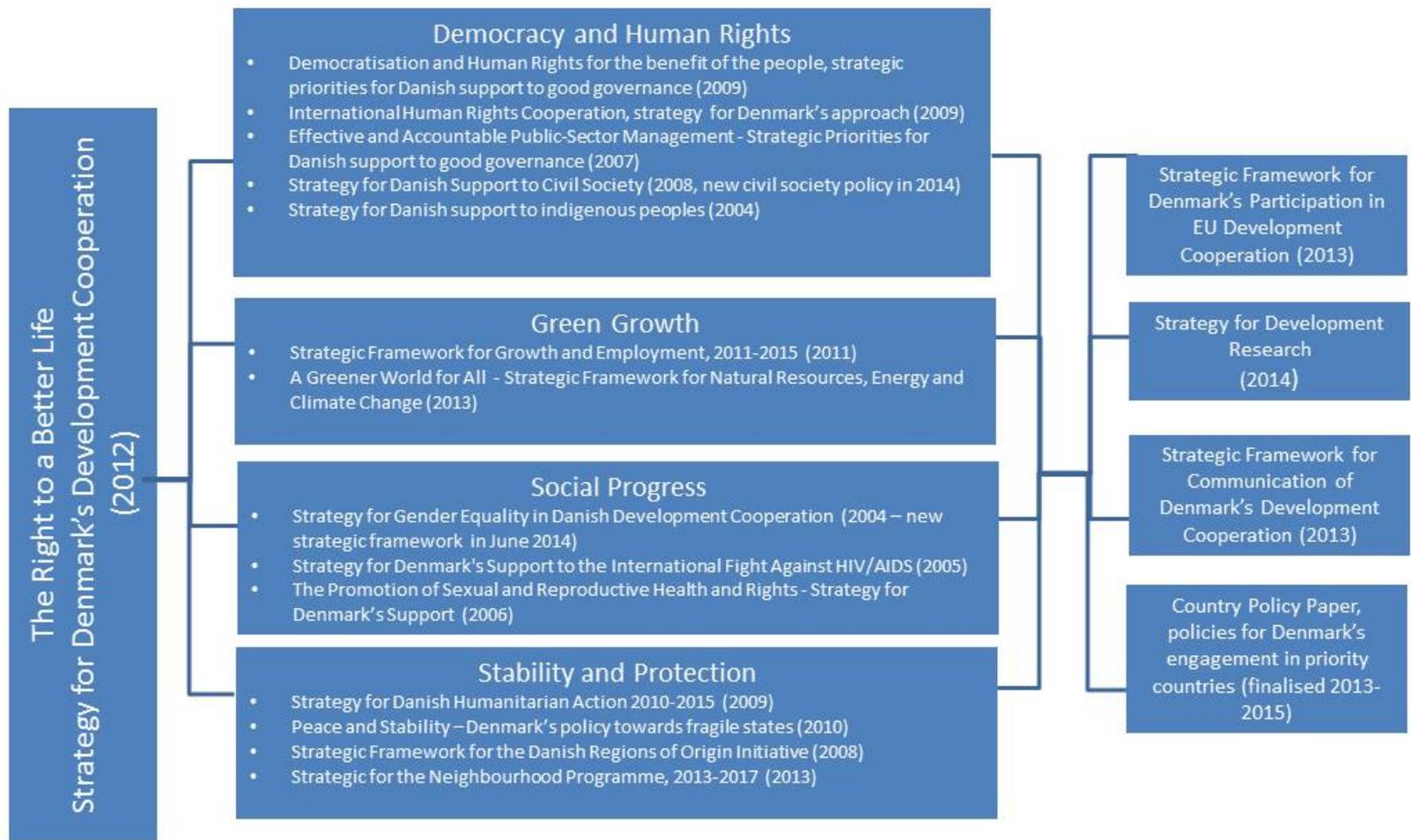
In 2012, a joint inter-ministerial task-force was established to ensure close collaboration between the ministries of Foreign Affairs, Finance and Justice/Home Affairs to ensure that costs related to refugees in accordance with OECD-DAC directive § 107 are correctly accounted for.

### ***Whole-of-government structure***

Following the adoption of the Defence Agreement 2004, an inter-ministerial Whole-of-Government Structure was set up to ensure better coordination across government agencies, and in 2010 a Whole-of-Government Stabilisation Committee was established comprising deputy permanent secretaries from the Ministry of Foreign Affairs, the Ministry of Defence, the Prime Minister's Office, and the Ministry of Justice. The Stabilisation Committee is a forum for strategic and operational decision-making. It is authorised to administer the resources of the Danish Peace and Stabilisation Fund. The Committee members meet regularly. In addition, geographical and professional task forces have been established on a needs basis, including a counter-piracy task force and an Afghanistan task force. A small inter-ministerial secretariat was established in 2009: The Whole-of-Government Stabilisation Secretariat, which provides assistance in terms of coordination and collaboration on an inter-ministerial basis. It is also responsible for policy development concerning fragile states and stabilisation, for overall administration of the Peace and Stabilisation Fund's activities, as well as for strengthening civilian capacity and lesson learning in the field of stabilisation.

The Whole-of-Government structure constitutes the institutional, strategic organisation of the Danish integrated stabilisation engagement. However, as evident from this policy paper, an integrated approach is applied at many other levels and directly between various actors without involving the formal Whole-of-Government Structure

**Annex E. Overview of sub-strategies and policies to “The Right to a Better Life”**



## Annex F. Follow up on recommendations from Peer Review 2011

Issue	DAC recommendations	Reviewed country comments; Action planned/implemented	Impact (Expected/actual)
<b>1. Peer review recommendations (Part I)</b>			
<b>Overall framework for development cooperation</b>	1. Use the revised guidelines for programme management to clarify what the new development co-operation priorities will mean for Danida's work in traditional sectors, its choice of partners for delivering aid, and its approach to division of labour among donors in partner countries.	<p>A new strategy, "The Right to a Better Life", was endorsed unanimously by Parliament in May 2012. The four priority areas of the strategy were: Democracy and human rights; Green growth; Social progress; Stability and protection. The annual finance act sets the global financial framework for new interventions based on a current strategy. For the Finance Act 2016 a set of Government priorities have been defined and a new Global strategy will be developed in the first half of 2016.</p> <p><u>Danida Guidelines for Country Programmes</u> (GCP) were launched in 2014 and apply to all country programmes in the Danish priority countries.</p>	<p><b>Actual and implemented</b></p> <p>Any given current strategy, guidelines etc. aim to provide the needed guidance to Danida's bilateral and multilateral engagement, its sectors, choice of partners etc.</p>
	2. Apply lessons from its earlier phasing-out experiences, as well as those of other donors, so that withdrawal from partner countries is managed strategically and sustainably.	<p>Transformative changes among developing countries over the 10-15 years have led to the phasing out of Danish development programmes in a number of developing countries, recently including Bolivia, Zimbabwe, Nepal, and Mozambique. Experiences with exit strategies from previous rounds of phasing out have been applied, including formulation of key principles to guide Danish exit strategies.</p> <p>A key experience is that exit situations are very context specific. Yet, based on Danish experience, it has been useful to consider exit strategies against a typology of rationales, ranging from "revised political criteria", governance reasons, to graduation. A common feature across the rationales is to ensure a sustainable phasing out. According to Danish experience, such feature requires consideration of principles such as: alignment with national plans and systems, targeted harmonization with other donors, pre-exit assessments, transitional arrangements, predictability, timely communication (internally and externally), targeted capacity building, managing staff, proper financial closure and appropriate completion reports.</p> <p>The phasing out of Danish aid programmes has in some countries been followed by the phasing in of new forms of cooperation in areas of trade and investment. In managing Danish exit situations, Denmark has also drawn on experience of other donors such as UK and Sweden. Based on Danish experience with phasing out, a guidance note on "<u>Exiting with Efficiency and Effectiveness</u>" has been prepared. The guidance note has become an integrated part of the Danida Aid Management Guidelines and the experience, as reflected in the guidance note,</p>	<p><b>Actual and implemented</b></p> <p>More systematic application of the guidance note aims to ensure more sustainable phasing out processes.</p>

		is now systematically applied.	
	3. Continue to advance thinking on risk in development co-operation, including in international dialogue. Provide staff with practical guidance on how they can assess, address and assume risk, and use its new approaches to risk management to identify how best to tailor its programme to different contexts	<p>Denmark has continued to support advances in thinking on risk in development cooperation. In particular, this has been done as follow-up on the conference on Results, Risk Assessment and Management in Development Co-operation that was arranged by Denmark along with the DAC's International Network on Conflict and Fragility (INCAF) and the Overseas Development Institute (ODI) in November 2010. Together with Canada, Denmark hosted a side event on risk management at the Fourth High-level Forum in Busan followed up by a Risk Management workshop that took place in Copenhagen on February 9, 2012.</p> <p>Denmark published a new <a href="#">guideline for risk management</a> in August 2013. The guideline provides staff and partners with a practical tool for assessment, communication, decisions and follow-up on risk in development cooperation. The guideline builds on the core risk categories (contextual, programmatic and institutional) proposed by INCAF and uses methodology and terminology commonly used internationally. The Danish guidelines on risk management are mandatory part of programme preparation and implementation since January 2014.</p>	<p><b>Actual and ongoing</b></p> <p>The international work, to which Denmark has contributed, has resulted in an emerging consensus on risk management in fragile situations where in particular several UN organisations use the core risk categories as departure for analysis and communication of risk.</p> <p>The impact is a systematic and uniform analysis, communication and follow-up on risks, which is expected to lead to more efficient use of resources in pursuit of agreed goals. Another impact is better communication internally and externally in regard to results versus risks and hence a better articulation of risk willingness.</p>
	4. Step up efforts to gather and disseminate information on results and ensure that communication by Ministry of Foreign Affairs centres is consistent with priority themes in the communication strategy. Work with the Council for International Development to promote public debate about development.	<p>Denmark is committed to implementing the new standard for reporting on development cooperation as decided at the Fourth High-level Forum in Busan. A major overhaul of the programme data base (PDB) is ongoing, including facilities for better results reporting.</p> <p>The new guidelines for Country Programmes set a new standard for a result-oriented focus and include a requirement for a predefined results framework that include key indicators. The results framework will be the basis for informing on results achieved by Danish development cooperation. In May 2013 Danida launched the <a href="#">Strategy for communication about Denmark's development cooperation</a>. One of the five communication goals is to give Danes greater knowledge about which results Danish development cooperation has achieved. The results-oriented communication must primarily be based on the broad, overall results - "contribution results" - that Danida has helped generate. The communication must also include "poor results", i.e. activities or sub-activities that have required more time than anticipated, have failed or have been affected by corruption.</p> <p>Since the 2011 Peer Review and with the new Act for Danish development cooperation, the Council for International Development Cooperation and the Danida Board has been replaced by the <b>Council for Development Policy and the Danida Grant Committees</b> (see recommendation 8 and further details in the narrative report), which also plays a role in promoting public debate. The Council provides strategic advice to the responsible minister for development cooperation on all new policies and strategies. All meeting documents and summaries are available to the public (see <a href="#">here</a>). The Danida External Grant Committee considers grant proposals for grants above DKK 35 million.</p> <p>In 2013, Danida launched "the open Danida" or "<a href="#">Danida Transparency</a>". The aim is to be transparent about the administration of Denmark's development cooperation as both recipients of development cooperation and the Danish taxpayers have the right to gain insight to our work. An additional aim of the initiative is that the</p>	<p><b>Actual and ongoing</b></p> <p>An upgrade of Danida's database is being implemented on an ongoing basis, allowing for Denmark to replace the current format for annual reporting with searchable information presented in an up-to-date interface.</p> <p>A more concise results frameworks with more indicators, required by the new guidelines and the modernised reporting system allow for monitoring of results that is both more elaborate and much more accessible.</p> <p>The communication strategy has contributed to an increase in the public's knowledge and understanding of development issues, cooperation and results. The campaign activities have been evaluated and proved effective. The target audience obtained an average campaign-knowledge of around ten per cent, which is satisfactory in the given context.</p> <p>The experiences with the public consultation</p>

		<p>stakeholders can provide feed-back, comment and enter into dialogue on certain issues, which hopefully will contribute to improved development cooperation. With the initiative stakeholders can give feed-back, report corruption, participate in public consultations, view Danida documents and access data from programmes and projects.</p>	<p>format of the work in the new Council and in the grant committee have shown that certain issues that are high on the agenda of local CSOs, such as EU development cooperation and PCD, interest is significant.</p> <p>The new transparency initiative has in general resulted in a broader interaction with Danish civil society, in particular on the preparation and implementation of Danish development cooperation. There has been limited interaction with stakeholders from partner countries or other international stakeholders.</p>
	<p>5. Strengthen institutional mechanisms for co-ordinating, promoting, arbitrating on and monitoring the coherence of both domestic and EU policies with development goals, as recommended in the 2007 peer review.</p>	<p>In order to realize the political commitments to strengthen PCD for development, Denmark launched a PCD action plan in May 2014. The Action Plan is the result of an inclusive and transparent process with contributions from civil society through public hearing and dialogue with the Parliament, the Council for Development Policy and sector ministries. The action plan outlines how Denmark will strengthen, prioritise, coordinate and implement efforts in promoting policy coherence for development focusing on EU policies, as EU policies have the greatest effect on developing countries. The action plan has clear political objectives, and three priority areas have been selected: 1) trade and finance, 2) food security and climate change and 3) peace and security. Specific policy tracks and actions to be pursued have been identified within these areas. These will be reviewed on an annual basis building upon an analysis of on-going and forthcoming initiatives and policy proposals in the EU. Denmark will base its work on existing structures in order to ensure efficiency and ownership across ministries. The Special Committee for Development Policy Issues, created as part of the Danish EU-decision making process, is an inter-ministerial coordination mechanism set in place to ensure coherence across ministries. It handles EU files under the EU Foreign Affairs Council in so far as it deals with development. This committee will be the platform for inter-ministerial dialogue and coordination of PCD related issues, including the task of identifying processes and policy tracks to be pursued within the strategic priorities. If necessary, other EU special committees can be engaged on specific issues. The Special Committee for Development Policy Issues consists of the <b>Ministry of the Environment</b>, Ministry of Food, Agriculture and Fisheries, Ministry of Business and Growth, Ministry of Climate, Energy and Building, Ministry of Justice, Ministry of Taxation, Ministry of Finance and the Prime Minister's Office. The Ministry of Foreign Affairs (MFA) includes the portfolios of foreign affairs, trade, investment, development cooperation and European affairs and is chair of the committee.</p> <p>Dialogue with relevant parliamentary committees on PCD-issues will take place in the framework of the Danish EU-decision procedures. Results in the work on policy coherence for development in the EU will be reported annually in Danida's annual report.</p>	<p><b>Actual and implemented</b></p> <p>The aim of the action plan on policy coherence for development is to follow up on the political commitments made in the government's ongoing development cooperation strategy and priorities. With the action plan, Denmark will seek to reconcile domestic policy objectives with broader international or global objectives with a view to avoiding or minimising negative spill-over effects and the impacts of policies that adversely affect development. Instead, the potential of positive synergies across policies to foster positive effects on global development will be exploited.</p> <p>The action plan fosters a coordinated and prioritised approach with broad engagement and ownership from sector ministries to ensure policy coherence for global development with a focus on EU policies.</p>
<p><b>ODA volume, channels</b></p>	<p>6. Demonstrate publicly if, and how, its climate financing is additional</p>	<p>When the terminology "new and additional" was used in Article 4.3 of the UNFCCC, the intent was to ensure that no development assistance funds would be diverted by Annex II developed country Parties to meet their obligations under the Convention. There is still not any agreement on a definition of new and additional.</p>	<p>Denmark acknowledges that an international definition of "new and additional" in relation to climate finance may be difficult to get agreement</p>

<b>and allocation</b>	to what is already given as ODA and help advance international efforts to establish an agreed baseline for measuring the additionality of climate financing.	Denmark sees climate and development cooperation as strongly interdependent and, as climate is mainstreamed in Danish development assistance, climate finance cannot be clearly separated from development finance altogether, except for the earmarked funds in the Climate Envelope.	<p>on – not least because the climate component is often an integral part of development cooperation. But Denmark is ready to take up the issue when there is a possibility of achieving a realistic result.</p> <p>Denmark has been active in the discussions to find a common definition of how to identify private finance to be included in the aggregate amount of USD 100 bn. climate finance from a broad range of sources, including the private sector by 2020. In 2015, a study of Danish mobilised private climate finance was conducted and presented for the OECD Research Collaborative on Tracking Climate Finance in support of this work.</p>
	7. Develop further clear direction and guidance to Danida staff and development partners on where and when to use funding approaches other than sector budget support. These approaches should be suitable for engaging with a range of partners or programmes and for where partner systems are weak.	In July 2013, the guidelines for programme management were replaced by guidelines for country programmes that apply to development cooperation in all Danida priority countries. One of the explicit reasons for replacing the older guidelines was to have a guideline that is applicable to the broad range of Denmark’s development engagements.	<p><b>Actual and implemented</b></p> <p>The new guidelines for country programmes cover all other modalities in Denmark’s priority countries, including sector budget support. The guidelines are formulated to suit a broader context where all forms of modalities are used and for engagement in more stable partner countries as well as in fragile states. Moreover, thematic and regional programmes are also covered. The guidelines for development contracts operate within the standard procedures for programming and appropriation.</p>
<b>Organisation and management</b>	8. Improve efficiency by strengthening mechanisms for decision making, co-ordination and knowledge sharing across the centres dealing with development, and with the embassies, and	The MFA has undergone several internal restructuring and reorganisation in the past years and the process is ongoing. Since 2011, 11 centres have been restructured into 7 (see attached organisation chart) in order to streamline the organisation further. The centre responsible for development cooperation (GUS) consists of The Technical Advisory Services (UFT), The Department for Quality Assurance of Development Assistance (KVA), The Department for Humanitarian Assistance , Civil Society and Personnel Assistance (HCP), the Department for Green Growth (GRV) and the 3GF Secretariat. The Department for Green Growth was established with a view to ensuring stronger focus on the new strategy’s priority to green growth and in order to promote stronger synergies between bilateral and multilateral interventions in this field. Three other centres of the MFA deal with development policy issues: The Centre for Global Politics and Security (GPS), which includes regional departments for Africa, Asia and Latin America, Middle East and North Africa as well as the department for	<p><b>Actual and ongoing</b></p> <p>The reduction of centres from 11 to 7, the establishing of the Council for Development Policy and grant committees as well as internal prioritisation exercises etc. have improved decision-making processes, coordination and division of roles and responsibilities between the centres and with the senior management.</p>

	<p>through this ensure that staff are clear about which tasks they should prioritise.</p>	<p>Stability and Security Policy (SSP), the Centre for Legal Service (JT) and the Centre for Europe and Northern America (NEU) -Neighbourhood programme.</p> <p>A management forum has been established where the heads of the centres meet regularly in a Senior Management Forum which includes the Ministry's top management on a number of different issues which require cross-cutting coordination and discussion, including certain development policy issues.</p> <p>Regular video conference meetings with all bilateral and multilateral missions and embassies implementing Danish development cooperation have also been established in order to ensure closer dialogue between headquarters and the field on priorities as well as strategic and policy issues. These meetings are chaired by the State Secretary for Development Policy.</p> <p>In addition, the <b>Council for Development Policy</b> and the <b>Danida Grant Committees</b> influences decision-making procedures (for more on these see above and the narrative report). The Council for Development Policy is a forum for strategic dialogue with and advice to the Minister for Development Cooperation. The Council discuss significant strategic policy initiatives within the sphere of development policy and development cooperation, including policy papers for Denmark's relations with priority countries, new thematic strategic frameworks, the multilateral analysis, organisational strategies for multilateral organisations and progress in country programmes.</p> <p>The <b>Danida Grant Committees</b> recommend grant proposals for approval by the Minister for Development Cooperation. The <b>External Grant Committee</b> is responsible for grants proposals with a budget above DKK 35 million. For grants above DKK 35 million, the proposal is also presented to the Finance Committee in Parliament. The <b>Internal Grant Committee</b> is responsible for grants proposals with a budget between DKK 5 - 35 million. Furthermore, the <b>Programme Committee</b> chaired by the Under Secretary for Global Cooperation and Development, discusses programme concepts, proposals and strategies at their initial stages before they reach the Internal Grant Committee, External Grant Committee or the Council for Development Policy. This is in order to ensure an early assessment of proposals and discussions, not least with embassy management, on issues such as country policies and new programmes and grant proposals.</p>	
	<p>9. Review its human resource policy, its staffing levels and strategy for recruiting specialists, and its training plan for headquarters and embassy staff to ensure they can effectively implement the new strategy, especially in</p>	<p>Due to budgetary constraints, the MFA is on an ongoing basis revising composition of staff in headquarters and embassies. These issues are discussed at senior management level, especially in the context of the financial situation.</p> <p>Ongoing training and competence development of staff with the use of IT platforms are sought, including the introduction of training on the Human Rights Based Approach, i.e. "Introduction to human rights based approach" as well as on "The Human rights based approach and the human rights framework".</p> <p>As part of the Forum for Local Employees, which consists of local staff representatives, the 2014 annual meeting focused on among others the issue of how to encourage a closer cooperation between locally employed and relevant counterparts at the MFA in Copenhagen.</p>	<p><b>Actual and ongoing</b> Strategic prioritisation has changed, both at embassy level and at headquarters through communication of strategy, strengthening of staff competencies, deployments and implications for administering development assistance.</p> <p>The restructuring of the Centre for Global Politics and Security in 2012 has strengthened the fragile states competencies and analytical profile of staff.</p>

	the light of the focus on fragile states.	<p>In order to deliver on commitments to fragile states, the policy “Denmark’s integrated stabilisation engagement in fragile and conflict-affected areas of the world” aiming to strengthen the MFA’s competencies in a number of fields was published in 2013.</p> <p>More specifically, the MFA holds on a regular basis competency development seminars on e.g. fragility and conflict. Participants include staff from relevant embassies and departments. Staff also participate in mandatory security learning, incl. e-learning, and where relevant Hostile Environmental Learning seminars (approx. 3 annual courses). The HR policy for postings in fragile states now also includes better compensation plans.</p>	Due to these initiatives, fragile states experience is beginning to translate into career perspectives. Also, security awareness has been raised through the focus given to this issue in training courses.
<b>Aid effective ness</b>	10. Support efforts to make aid more effective by sharing its experiences and challenges with decentralisation, using country systems and fostering mutual accountability.	<p>Denmark stays fully committed to the Paris, Accra and Busan principles of aid and development effectiveness. One of the key instruments in pursuing the principles has been – and is - the delegation of authority from Danida headquarters to Danida field offices/embassies in priority countries.</p> <p>Through decentralization, considerable efficiency gains have been achieved over the last years. In addition, decentralization to the field has strengthened Denmark’s ability to interact with the development partners on the ground, including with the host government, non-governmental partners and with other donors present in the country.</p> <p>Sharing of experience, including good practices, challenges and general lessons on effective development cooperation is an integral part of Denmark’s work in the field. For example, the Danish experience on use of general and sector budget support provides a key platform for sharing lessons on alignment and use of country systems and the challenges associated with use of budget support.</p> <p>In Bangladesh, Denmark has played a leading role in promoting a national results framework to ensure accountability vis á vis the government and civil society in the host country and donor countries alike.</p> <p>Furthermore, use of web-based sites and instruments on aid management guidelines, including areas such as programme preparation and mismanagement of funds contribute to the sharing of experience and lessons within and beyond the donor community in order to make development efforts more effective.</p> <p>Finally, Denmark engages actively in the sharing of experience not only at field level, but also at headquarters level through participation in regular meetings among the Nordics, Nordic Plus, EU, DAC donors and through the Global Partnership.</p>	<p><b>Actual and ongoing</b></p> <p>The impact of Danish as well as collective efforts to make aid and development more effective can only really be assessed over the long-term.</p> <p>In the short term, there are, however, considerable gains in terms of reducing transaction costs, both for the donor and the partner country. In particular, this is the case through Denmark’s overall strong commitment to pursuing the aid effectiveness principles, including not least alignment with national systems and plans, the increasing use of joint missions for programme preparation, reviews and evaluation (Nordic Plus, EU etc.)</p>
	11. Make sure that embassies have sufficient capacity and support from headquarters to adapt to local circumstances, particularly in fragile states, and that they	<p>The MFA seeks to ensure a continuous dialogue between the Home Service and the missions and Units abroad with an aim to ensure sufficient capacity and support. This include the MFA Business-Partners, who are in daily contact with ‘their’ embassies but also the MFA Controller and ‘R-direkte’ (the R-direkte-committee decides on extra resources to missions and units abroad). Furthermore, regular corporate visits (from MFA) including dealing with quality insurance of development cooperation are on a continuous basis.</p> <p>Regarding fragile states, analytical capacity, local ownership and joint approaches are all central to the new Integrated Stabilisation Policy (see recommendation 9). Additional analytical (local) staff was recruited to the</p>	Joint programming based on the New Deal principles is increasingly being implemented. Furthermore, staff analytical capacity on fragile states issues has been increased along with increased risk management awareness.

	favour joint approaches.	embassies in Islamabad, Nairobi and Addis Ababa as of 2011 as part of the strengthened focus on peace and stabilisation in these geographical areas. Military deployments have been refocused to specific fragile states. Personnel are part of the embassy joint staff and report on a daily basis to ambassadors.	
<b>Humanitarian assistance</b>	12. Continue to mainstream the new approach into established systems and practices in headquarters and embassies. Ensure rapid deployment of humanitarian specialists to all embassies in partner countries with humanitarian programme components, and train a wider group of staff on humanitarian issues, principles, architecture and response.	<p>The new approach has first and foremost been rolled out through a number of strategic partnership agreements and refining the underlying guidelines and systems.</p> <p>Agreements have been signed with three UN organisations (UNICEF, UNFPA, and UNHCR) and eight NGOs (Danish Refugee Council, DanChurchAid, Danish Red Cross, Mission East and the Danish branches of Save the Children, ADRA, Caritas and MSF). All agreements are itemised in the Finance Act, whereby the intended predictability and continuity of the partnership approach is underlined.</p> <p>The guidelines for partnership agreements with Danish NGOs have undergone a couple of revisions since roll-out was initiated in 2010/11. The guidelines were last revised in July 2015. The revisions have been done to reflect lessons learned amongst all involved, and the revisions have therefore been based on the work of a small working group with representatives from both the Humanitarian Team and several partners.</p> <p>The refinement has also involved the development of a more inclusive and comprehensive approach to annual consultations with NGO partners. This has been secured through splitting the consultations into two parts; i) a series of technical consultations in which relevant units (including both embassies and departments in Copenhagen) are invited to participate in reviewing crisis-specific reports and operational plans; and ii) concluding consultations involving top-level management from the NGO in question and the Humanitarian Department. Through this, the objective has been to secure broader ownership and understanding of humanitarian programming across the Ministry of Foreign Affairs.</p> <p>In line with this, relevant units are also systematically included in hearings prior to supplementary emergency grants being allocated. This includes the selection of criteria against which NGO proposals will be assessed, and the concrete plans regarding multilateral grants. The latter are no longer tied to specific emergency projects or programmes. Instead, funding is softly earmarked for all operations in response to a given emergency.</p> <p>The inclusive approach has also been designed to counter the effects of budget cuts across state institutions which led to the discontinuation of dedicated humanitarian advisors being deployed to Ethiopia/South Sudan, Somalia/Kenya and Afghanistan.</p> <p>Danida continues to work on developing specific guidelines for programming in fragile state contexts. The humanitarian team has participated in working groups on this in order to help develop an approach that promotes synergies between humanitarian assistance and other relevant instruments without compromising core objectives and the underlying principles.</p> <p>Training of new staff has been intensified, including with training in collaboration with PHAP (Professionals in Humanitarian Assistance and Protection). Programme staff that are being assigned to embassies covering fragile states and to the Dept. for Technical Advisory Services are provided with detailed briefings on the basic elements</p>	<p>During the past years, there has been a marked increase in the engagement of embassies and other departments in humanitarian decision making. This is an outcome of the more inclusive and consultative approach to humanitarian decision making which has coincided with a growing recognition of the linkages between humanitarian action and longer-term efforts in support of state building in fragile contexts. Further progress is expected in this regard, including with regard to the continued refinement of guidelines for programming in fragile state contexts that take into account the specific, principled nature of humanitarian assistance. The coming Danida development strategy will encompass both development and humanitarian aid, and will be inspired, among other things, by the Solutions Alliance Initiative, in which Denmark is a very active participant. A common strategy for development and humanitarian priorities will also result in a wider knowledge in the Ministry about humanitarian principles, architecture and response.</p>

		of Danish humanitarian assistance.	
	13. Mainstream disaster risk reduction across all development and humanitarian programming, and ensure that guidance on this topic is ready for integration into the next generation of country strategies.	Denmark continues to support the work of international institutions such as UN-ISDR and GFDRR, and Disaster Risk Reduction (DDR) is mainstreamed in the new guidelines to ensure that DDR, where relevant, becomes an integral part of the long-term development engagements.	<b>Actual and ongoing</b> Disaster Risk Reduction has been mainstreamed as part of the new guidelines for country programming
	14. Implement safeguards to ensure that humanitarian principles, and the primacy of civilian aid delivery, continue to be respected on the ground, especially in crises and/or in fragile states where there is a Danish military presence.	The Humanitarian Strategy has proven to be a sufficiently strong basis for protecting the principled nature of Danish humanitarian policy and action. Denmark consistently calls for improved access to vulnerable civilians in Syria in line with humanitarian principles.	There has been no case whatsoever of humanitarian assistance being linked to a Danish military presence where engagements are in place, nor of humanitarian assistance being compromised within the framework of a state building agenda.

## **Annex G. Key references**

[Danish International Development Cooperation Act \(2012\)](#)

[Strategy for Danish development cooperation: The Right to a Better Life \(2012\)](#)

[Danida Aid Management Guidelines \(AMG\)](#)

[Danida OpenAid](#)

*Sub-strategies and policy documents:* <http://amg.um.dk/en/policies-and-strategies/>

*Technical guidelines:* <http://amg.um.dk/en/technical-guidelines/>

*Evaluation reports and analysis:* [http://um.dk/en/danida-en/results/eval/eval\\_reports/](http://um.dk/en/danida-en/results/eval/eval_reports/)