

Summary of conclusions from the Programme Committee meeting on 27 January 2017

Agenda:

1. Concept Note - Danish Energy Agency's Energy Partnership Program (DEPP) Climate Envelope

(Presented by the Danish Ministry of Energy, Utilities and Climate and the Department for Multilateral Cooperation, Climate Change and Gender Equality)

2. The Ministry of Foreign Affairs' Strategy for the Investment Fund for Developing Countries (IFU)

(Presented by the Department for Growth and Employment)

3. Management Response – “Evaluering af Oplysningsbevillingen”

(Presented by the Evaluation Department)

4. Management Response - Evaluation of Danida Energy and Environment Cooperation in South-East Asia

(Presented by the Evaluation Department)

Participants:

Steen Sonne Larsen (Department for Technical Quality Support) (Chair); Erik Brøgger Rasmussen (Department for Development Policy and Financing - UPF); Nathalia Feinberg og Merete Villum Pedersen (Department for Multilateral Cooperation, Climate Change and Gender Equality - MKL); Charlotte Laursen (Danish Embassy, Hanoi); Trine Rask Thygesen and Jørgen Erik Larsen (Danish Embassy, Pretoria); Maria Tarp and Nina Egebjerg Clausen (Danish Ministry of Energy, Utilities and Climate); Anton Beck and Marianne Ramlau (Danish Energy Agency); Morten Elkjær and Niels Egerup (Department for Growth and Employment); Lena Hothes (Department for Humanitarian Action, Migration and Civil Society - HMC); Rasmus Abildgaard Kristensen and Aase Mikkelsen (Public Diplomacy, Communication and Press (KOM); Lars Christian Oxe and Marianne Vestergaard (Evaluation Department) and Hanne Carus and Peter Jul Larsen (Department for Technical Quality Support - KFU).

Prior to the Programme Committee meeting, the DEPP Concept Note and the strategy for IFU were subject to a public consultation on [the Danida transparency website](#). Comments were received from International Work Group for Indigenous Affairs (IWGIA) in relation to the DEPP Concept Note and comments from the NGO VedvarendeEnergi and joint comments from the NGO's Globalt Fokus and the 92-gruppen were received in relation to the Strategy for support to IFU.

1. Concept Note - Danish Energy Agency's Energy Partnership Program (DEPP) Climate Envelope

The Programme Committee (PC) noted with appreciation that the present programme have shown good achievements and that the concept note for the new programme has been based on those achievements even though a more systematic description of lessons learned and experiences gained including use of knowledge from related evaluations (ref. point 4 at today's agenda) would be relevant when finalising the programme. The PC further appreciated that the new programme has focused on 4 countries and fewer topics. It was however stressed that as the conditions are quite different in the selected countries, this needs to be taken into consideration when developing the programme and the related activities. It was also recognized that the formulation of the programme will take the point of departure in matching partner priorities with Danish interest and strongholds, but it should be made clear how that approach will be balanced ensuring that the support builds on needs in partner countries and within partner institutions.

While the programme was found relevant and within the center of the aim and focus of the new Danish strategy "World 2030 - Development Cooperation and Humanitarian Assistance" the PC observed that the development of the programme is work in progress as a number of critical issues still needs to be clarified, before the implementation can start.

The PC found that one of the more critical issues to be further worked on when finalizing the programme is the management set-up. A number of different stakeholders will be involved in executing the programme and the present description leaves out a clear indication of who is responsible for what. This also concerns the many roles of the Danish Energy Agency (DEA), which is the overall responsible implementing agency of the programme but also the supervisor of the implementation, quality assurer, provider of technical assistance etc.

The PC further stressed the need to better outline through a detailed analysis and assessment how the implementation of the activities would be managed locally, not least clarifying the role of the Danish embassies, but also explaining the chosen modality for provision of technical assistance (i.e. from DEA, affiliated organisations or private consultants) and/or through long and short term local and/or international advisors. It should also to the extent possible be outlined what would be the value for money when deciding on the various type and length of technical assistance inputs. Further it would also be important to outline better how the coordination with other development partners would be secured.

Given the complexity and the many challenges related to deciding on the detailed management set-up it was suggested that the challenges are further discussed in the "Peer Group" established to guide the development of the programme and which do have representation from MKL and KFU in addition to MEUC and DEA.

While the PC appreciated the need to be flexible when implementing the programme it also found that it would not be realistic to expect that funds could be moved from one country budget to another country budget after the agreements have been signed. Rather it would be preferred to leave a limited unallocated amount of funds in the main programme budget which later could be allocated to one or more of the countries. However, on what criteria the allocation of the funds should take place needs to be decided up front and based on strategic intervention priorities. The Mid-Term Review could be tasked to assess the proposal for allocation of those funds.

The PC found that a political economy analysis would be helpful when refining the Theory of Change and developing a more elaborated results framework which should include expected results related to the political level. Further it was found that this would help to better reflect what impact would be possible to achieve with the programme. The PC also found that the present risk analysis including the risk management matrix needs to be revisited and the political analyses would also be helpful in that regard.

The PC found the HRBA-screening note very helpful, but it was suggested to consider if any particular group would be left out in any of the countries when implementing the programme. It could be relevant to use the expertise of the civil society in this further assessment.

The PC expressed concern towards the presented Process Action Plan (PAP) which operates with a very tight schedule. Not least the procurement process potentially involved in the selected TA provision modalities should be considered up front. The stipulated timelines and the risk of leaving partners behind may raise concern among the involved Danish parties, which could have consequences for the success of the programme.

(Written comments from KFU was forwarded to MKL and the Danish Ministry of Energy, Utilities and Climate after the meeting).

2. The Ministry of Foreign Affairs' Strategy for the Investment Fund for Developing Countries (IFU)

The PC recognised that the strategy for support to IFU was relevant and timely not least in relation to the new Danish strategy "World 2030 - Development Cooperation and Humanitarian Assistance" as IFU supports the area of mobilizing more private capital and investments. But the PC suggested that the work of IFU would be able to support even more widely the new Danish strategy and that should be reflected in the strategy.

The PC found that the overall objective of the strategy for support to IFU is formulated at a very general level and it should be considered to review the objective in order to enhance the clarity on what IFU is expected to achieve through Danida's funding and what impact is expected. This would also make it possible to better connect the Theory of Change to the overall objective.

While the strategy contains most of the required information, the PC found it should be considered to present the strategy with a clearer structure including envisaged future results, strategic considerations and instruments providing clarity on what Danida expect to get out of its support to IFU. It was also found necessary to further clarify the concept and explain how development additionality will be measured and monitored. IFU should also be encouraged to publish more widely its achieved results.

The PC remarked on the need to secure that the implications of the policy of untying are dealt with in a consequent manner and that potential risks related to untying are addressed e.g. in relation to social safeguards. Also the mentioning of the development of a model for “Development Bank” lending was requested by the PC to be explained/detailed together with the various other engagements which IFU do have at present and may have in the future with Danida in addition to the general capital increase.

The PC found it important that the strategy also mentioned an IFU capacity development plan dealing with capacity increase and capacity development as a result of the many new activities IFU will be responsible for. Carrying out the activities will in many cases require knowledge beyond the traditional financial expertise and will be a must if IFU should be able to deliver the expected results.

The PC noted that there would be a need to better reflect in the strategy how IFU is working with and involving the civil society and how those activities could be promoted further.

Concerning IFUs work in fragile states the PC recommended it should be further elaborated and the related risks specified. The PC also stressed the need to specify in the strategy how IFU would be working with the SDG's.

Given the importance of the strategy and the requested waiver of a formal appraisal of the financial commitment entailed the PC to request that a plan for quality assurance of the final version of the strategy should be developed. Further the PC supported the proposal to establish a “Peer Group” with relevant staff from various offices in MFA, which would be able to provide inputs during the further formulation process of the strategy.

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

3. Management Response – “Evaluering af Oplysningsbevillingen”

EVAL and KOM briefly presented and commented on the main findings of the evaluation.

PC was positive towards the evaluation and the follow-up proposed by KOM. The timing makes the evaluation a useful input to the launching of a new strategy and the new planned set-up for the handling of the funds allocated for information related to developing countries. In accordance with the recommendations of the evaluation the new set-up will promote an increased focus on global issues supporting the fulfilment of the SDG's and focus on a wider

distribution and use of the products. It is also expected that future applications to the fund would be from a wider audience than previous.

The PC concluded that the proposed management response was pertinent and could be forwarded to the Minister for Development Cooperation.

4. Management Response - Evaluation of Danida Energy and Environment Cooperation in South-East Asia

EVAL presented the main findings of the evaluation which concluded that the Danish support has been an important driver for placing energy efficiency and renewable energy higher on the political agenda in Malaysia, Thailand and Indonesia. While the evaluation has not been able to document significant effects of the development programmes on the commercial cooperation within energy efficiency and renewable energy there has been impact and likely sustainability of a number of the interventions in Malaysia and Thailand completed in 2008 and 2009. In Indonesia, where the development programme is still on-going, the issues related to securing a transition from development assistance to commercial cooperation are being addressed to a larger extent than it was the case when the programmes in Malaysia and Thailand were completed. The evaluation thereby reflects the recent initiatives and increased focus by the Ministry of Foreign Affairs on securing a better transition from development assistance to commercial cooperation, for instance through the initiative “Partnering with Denmark”.

The PC was positive towards the evaluation and the proposed follow-up and found that the findings by the evaluation could be of interest for similar type of activities carried out not only by the Ministry of Foreign Affairs but also i.e. the Ministry of Energy, Utilities and Climate. Further it was noted that also the programme “Partnering with Denmark” could benefit from the findings of the evaluation.

The PC concluded that the proposed management response was pertinent and could be forwarded to the Minister for Development Cooperation.