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**DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE**

Peer Review

Management Response to the 2021 Peer Review of Denmark

The management response is submitted by the Denmark in response to the 2021 Peer Review of Denmark.

JT03540974

Management response

Denmark 2021 OECD DAC Peer review

Recommendation	Accepted (Yes/Partially/No)	Planned Action for Implementation (If no action planned, explain why)	Timeline
<p>1. In order to provide a strong framework for decision making, Denmark's next development co-operation and humanitarian assistance strategy should:</p> <p>a. reinforce the important contribution of development co-operation policy and partnerships to Denmark's longer-term interests, while safeguarding the integrity of its official development assistance</p>	Yes	<p>The recommendation was fully implemented with the adoption of Denmark's new Strategy for Development Cooperation, the World We Share. The new strategy was launched in June 2021. It underscores that Danish development cooperation is an integral part of Denmark's global engagement alongside our foreign and security policy and economic diplomacy.</p> <p>The strategy is based on a foundation of democratic values and human rights and focuses on two main priority areas: Fighting for the climate, nature and environment and fighting poverty, inequality, conflict and displacement, irregular migration and fragility. The two priority areas are interlinked. Climate change is one of the main drivers of displacement and poverty is closely connected with fragility. Addressing climate change and fragility means addressing poverty and inequality and the drivers of displacement and irregular migration.</p> <p>Denmark's new foreign and security policy strategy published 31 January 2022 constitutes a framework for all Danish strategies with an international focus, including the strategy for development cooperation. It recognises the fact that, today, foreign policy and domestic policy are intrinsically linked. What we fight for at home also shapes our foreign and development policy.</p> <p>There is no contradiction between that and the integrity of Danish ODA, which is intact. Furthermore, the new Strategy for Development Cooperation was endorsed by a broad majority of eight political parties in the Danish Parliament and is valid until July 2025. The political agreement behind the strategy, which is backed by all major parties and thus a majority in Parliament, states that Denmark will continue to fulfil the UN target of spending 0.7 per cent of GNI on development assistance. This agreement ensures that Denmark will continue to be among the very few countries, who fulfil the UN target.</p>	Completed

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<p>b. include criteria that will allow Denmark to focus its resources on a limited number of policy priorities and reinforce the linkages between these priorities.</p>	<p>Yes</p>	<p>The strategy, The World We Share, focuses Denmark's engagement and resources on two main priorities:</p> <ul style="list-style-type: none"> • Fighting for climate, nature and environment. • Fighting poverty, inequality, conflict and displacement, irregular migration and fragility. <p>Democratic values and human rights are the foundation of Danish development cooperation.</p> <p>The two priority areas are interlinked and they are both at the core of fighting poverty and inequality. The effects of climate change and a deteriorating natural environment exacerbate fragility, poverty, displacement and irregular migration. Addressing the effects of climate change as well as fragility in developing countries thus means addressing poverty and inequality and potential drivers of displacement and irregular migration.</p>	<p>Ongoing</p>

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<p>c. clarify the extent to which Denmark's development co-operation and humanitarian assistance is expected to contribute to reducing poverty and addressing inequalities.</p>	<p>Yes</p>	<p>Fighting poverty, inequality, conflict and displacement, irregular migration and fragility is a key priority in Denmark's new Strategy for Development Cooperation. For example, the effects of climate change hit the least developed countries the hardest and a deteriorating natural environment exacerbates fragility, poverty, displacement and irregular migration. Furthermore, poverty is increasingly concentrated in fragile countries and regions. Through working increasingly in fragile states and regions neighbouring crisis and conflict, Denmark will support some of the poorest countries and populations, for instance in the Horn of Africa and in Sahel.</p> <p>In order to guide the planning and implementation of the new Development Cooperation Strategy, the Ministry of Foreign Affairs is finalizing a series of so-called "how-to-notes" and a few cross-cutting "approach-notes". The notes are internal guidance notes, which will be made publicly available in Q2 of 2022.</p> <p>One of the notes will present Denmark's approach to fighting poverty and inequality directly and across engagements in areas such as climate change adaptation, job creation, health, education, stabilisation and peace building. It will emphasize the importance of addressing the root causes of poverty and the linkages to inequality as well as outline ways to ensure that poverty and inequality remain at the core of Danish development cooperation. The Note will provide guidance that will allow for adaptation to local circumstances and modalities (ex. multilateral or bilateral). Denmark will continue to use poverty analysis of the structural causes of poverty and inequality, apply a Human-Rights-Based-Approach, and map critical target groups and stakeholders.</p> <p>The application of the guidance in the approach note on fighting poverty and inequality will be monitored on an ongoing basis through the MFA's regular quality assurance mechanisms, e.g. appraisals and Mid Term Reviews, the internal Programme Committee and the Danish Council for Development Policy.</p>	<p>Q2 2022 and ongoing</p>

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<p>2. In order to formulate and implement Denmark's policy objectives in a complex and interlinked policy context, its Ministry of Foreign Affairs should continue to restore staff numbers and build the skills and knowledge it needs.</p>	<p>Yes</p>	<p>MFA staff numbers have continued to increase in the period passed since the DAC Peer Review. Compared to the numbers reported for the Peer Review, the total number of staff had increased by 4.5% by 31 December 2021. This included an overall increase of 5.8% in 'development staff' covering a 28.2% increase in staff at the HQ development policy hub, no changes to the number of staff posted to Danish partnership countries (formerly referred to as Danida priority countries) and an 11.4% reduction in staff engaged locally in Danish partnership countries. The unforeseen closure of the Danish Embassy in Kabul in 2021 also impacted these developments.</p> <p>Furthermore, as a result of a budget analysis of the Foreign Service, new personnel resources are being added to underpin Denmark's engagement on fragility, displacement, climate and green transition in prioritized countries such as for example Somalia, Burkina Faso and Kenya.</p>	<p>Ongoing</p>
<p>3. To protect its credibility on climate action, Denmark should ensure that its system for reporting international climate action is transparent.</p>	<p>Yes</p>	<p>An internal task force to enhance the integration of environment and climate change in Denmark's development cooperation ('the greening task force') was established by senior management in early 2021. The task force is providing training and developing guidance tools to i.a. ensure a coherent approach to reporting on climate action in development programmes in accordance with OECD/DAC guidelines in an explicit and transparent manner. The task force also supports embassies in enhancing their green/climate programming and reporting.</p> <p>Progress in improving the system for reporting Denmark's international climate action will be monitored on an ongoing basis through the MFA's regular quality assurance mechanisms, e.g. appraisals and Mid-Term Reviews, the Programme Committee and the Council for development Policy and through reporting to the Auditor General's Office.</p>	<p>Continuously</p>

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<p>4. Building on Denmark’s strong political support for climate action, its ministry of Foreign Affairs should provide strategic guidance to</p> <p>a. allow embassies and partners to effectively advance and monitor climate action through development and humanitarian policies and programmes.</p>	Yes	<p>To guide the planning and implementation of the new Development Cooperation Strategy, the Ministry of Foreign Affairs is finalizing a series of so-called “How-to-notes”. The notes are internal guidance notes, which will be made publicly available in Q2 of 2022. One of these notes will focus on climate change adaptation, another on climate change mitigation. The notes will help HQ units, embassies and partners by further defining priorities and approaches.</p> <p>In addition, overall results monitoring is being strengthened, including for projects and programmes supporting climate action. The Results Project launched by senior management in 2019 includes joint annual portfolio reviews by senior management and the responsible units.</p>	Q2 of 2022 and ongoing
<p>b. identify and exploit synergies between Denmark’s bilateral and global climate interventions.</p>	Yes	<p>In accordance with the Danish “Doing Development Differently” approach, a stronger emphasis will be placed on ensuring coherence between bilateral and global/multilateral interventions and engagements. This will be reflected in how-to-notes, organisation strategies and project documentation as well as in the actual implementation in Denmark’s partner countries.</p> <p>Identification and exploitation of synergies will also be supported by the ‘greening’ task force of the Ministry described above under Recommendation 3. In addition, select embassies are anticipated to more closely follow the implementation of key Danish supported multilateral interventions at country level.</p>	Continuously
<p>5. Denmark should build on its strong experience and expand its nexus implementation by:</p> <p>a. better articulating and integrating the peace component of the nexus at global and country level including its interventions through, among others, the Peace and Stabilisation Fund.</p>	Yes	<p>As part of the implementation of the new Danish Strategy for Development Cooperation, the MFA is finalizing an “approach-note” on the HDP-nexus and a “how-to-note” on stabilisation and peacebuilding. Both notes will guide how the peace component can be further articulated and integrated in Denmark’s development efforts. The notes are internal guidance notes, which will be made publicly available in Q2 of 2022.</p> <p>In addition, an external evaluation of the Danish Peace- and Stabilisation Fund (PBF) is ongoing. The evaluation is expected to feed into the design of a PBF2.0, which will aim to increase the coordination and integration of the PBF with other instruments.</p> <p>As a follow up to the ‘Thematic Evaluation on HDP Nexus’ under the recent evaluation of Danish support to civil society, recommendations on strengthening actions through Danish Strategic Partners will be implemented in close collaboration with partners.</p>	Q2 2022 Continuously

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<p>b. helping to close gaps, particularly at the country level, in joint analysis, coordination and joint financing strategies across the UN, development banks, the EU and other bilaterals, including through support to the UN Resident Coordinator system.</p>	<p>Yes</p>	<p>Implementation of the Recommendation will take place as part of strengthening Danish efforts on the roll-out of an HDP-nexus approach. This will include continued efforts at the global policy level - e.g. in board meetings, multilateral fora, donor groups and through dialogue with Denmark's multilateral partners etc. – as well as at the country level where Danish representations are present and can help strengthen coherence inter alia by support to the UN Resident Coordinator system.</p>	<p>Ongoing</p>
<p>c. investing in evaluating its nexus implementation work and sharing lessons across the Danish system with other DAC members and multilateral organisations.</p>	<p>Yes</p>	<p>Evaluation of Denmark's efforts to implement the HDP nexus is and will be ongoing in relevant evaluation contexts. Examples are the Evaluation of Danish Support to Civil Society which includes a thematic evaluation of the HDP nexus and the Evaluation of the Peace and Stabilisation Fund (PSF). Both will be published in Spring 2022. In addition, a broader thematic evaluation of Denmark's efforts to implement the HDP nexus may be considered at an appropriate time in the coming years as part of the annual evaluation planning of MFA.</p> <p>Meanwhile, Denmark will continue to share lessons learned including through support for the global ALNAP Network for strengthening humanitarian action through evaluation and learning. Denmark will also continue to be actively engaged in multilateral fora including OECD DAC Evalnet and INCAF.</p>	<p>Ongoing</p>
<p>6. As a strong supporter of adaptive management, Denmark's Ministry of Foreign Affairs should continue to combine predictable funding and adaptive programming with a strong planning and partnership role for staff working in partner countries and processes to support organisational learning.</p>	<p>Yes</p>	<p>Under the Danish "Doing Development Differently" approach, adaptive management principles are now being integrated in new development programmes and projects including in MEAL systems (monitoring, evaluation, accountability and learning) at the embassy level. Progress will be monitored on an ongoing basis through the MFA's regular quality assurance mechanisms, e.g. appraisals and Mid-Term Reviewss, the Programme Committee and the Council for Development Policy.</p> <p>From 2022 onwards, adaptive management will also be an integrated part of the aid management trainings that are rolled out to all staff members responsible for aid management.</p> <p>Also in 2022, adaptive management principles will be integrated in the new results monitoring system of MFA's aid management system.</p>	<p>Continuous 2022</p>

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<p>7. To ensure that Denmark is delivering on its policy commitment to reducing poverty and addressing inequalities, once this is articulated, its Ministry of Foreign Affairs should ensure that guidance for staff sets out clear requirements that apply to all relevant government entities and should closely monitor the extent to which its policies, partnerships and programmes contribute to reducing poverty and inequality.</p>	<p>Yes</p>	<p>As stated under Recommendation no 1.c., the Ministry of Foreign Affairs is finalizing guidance in the form of an “approach note” to fighting poverty and inequality in Danish development cooperation.</p> <p>The target group for the guidance is primarily staff at the Ministry of Foreign Affairs and missions abroad who are responsible for implementing the Strategy for Development Cooperation, the World We Share. The guidance will also serve to inform external partners. The note will be publicly available on Denmark’s Aid Management Guidelines site as an internal guidance document. Denmark’s development cooperation system is one-stranded and according to the law, it is the responsibility of the Minister for Development Cooperation to administer Denmark’s bilateral and multilateral development cooperation.</p> <p>The application of the guidance in the approach note on fighting poverty and inequality will in the same vein be monitored on an ongoing basis through the MFA’s regular quality assurance mechanisms, e.g. appraisals and Mid-Term Reviews, the internal Programme Committee and the Danish Council for Development Policy. In addition, overall results monitoring is being strengthened.</p>	<p>Q2 2022 and ongoing</p>
<p>8. To protect its reputation as a strong human rights advocate and principled development actor, Denmark should take action to address potential incoherence between its development co-operation objectives and its domestic policies related to refugees, asylum and irregular migration.</p>	<p>Partially</p>	<p>Denmark considers this recommendation more as an input for debate than an evidence-based technical recommendation.</p> <p>The Danish Government’s asylum and development policies share the vision of providing more and better protection for refugees and displaced people. This is a development priority as well as a national asylum priority.</p> <p>Denmark remains committed to addressing global migration challenges. Denmark will intensify efforts to fight root causes of irregular migration and forced displacement by providing livelihood support and creating hope in countries of origin.</p> <p>Denmark will also support countries along the migratory routes to improve and strengthen their border management and asylum capacity and fight human smuggling.</p> <p>Denmark’s ambition is to create a more fair and humane asylum system, which is based on legal and orderly pathways, and in accordance with international obligations</p>	<p>Current Strategy period</p>