

2021 OECD DAC peer review of Denmark Global Focus' shadow memorandum

GLOBAL FOCUS
- Danish CSOs for Development Cooperation

Executive Summary

Global Focus welcomes the opportunity to participate in the process of the OECD DAC peer review of Denmark in 2021 with a civil society shadow memorandum. This report has been developed in consultation with Global Focus's 80 member organisations.

Denmark has been a strong advocate of and a global leader in development cooperation for over 40 years. Denmark has stayed above the target of 0.7 % of GNI to Official Development Assistance (ODA) since 1978. With broad parliamentary support, Denmark has the power to remain a strong and influential voice in this field. However, worrying trends and an increased focus on short-term national interest are playing a bigger role in Denmark's development cooperation today. In this shadow memorandum we will present both some of the admirable work of Danish aid and some of the most pressing issues seen from a civil society point of view.

This peer review comes at a time of change. COVID-19 still holds its grasp on the world, and the pandemic has led to catastrophic backsliding regarding core development issues such as hunger, rights, and poverty. A sombre future awaits unless Denmark and the rest of the donor community take seriously these threats to our collective realisation of the 2030 agenda for sustainable development. 2021 will be a year of change for Danish aid: a new strategy for development cooperation and humanitarian action will be negotiated to replace the current strategy, The World 2030, which expires at the end of this year. This opportunity is reflected within this report.

This civil society shadow memorandum is a comprehensive document that examines many aspects of Danish development cooperation. We highlight below some of the issues that we as a civil society organisation find most critical, and that recur in the report.

Partnership, including with partnerships with civil society organisations, is a vital part and a strength of Denmark development cooperation and should be taken full advantage of. All partnerships should put humanitarian principles, human rights-based approaches, mutual respect for partners, and local ownership as their highest principles. Ensuring good conditions for civil society partners means working to promote civic space at the global level to create flexible funding modalities and support innovation. To increase its impact in partner countries and on the global stage, Denmark should focus on and strengthen its strategic dialogue with civil society organisations.

National interest in ODA is not a new phenomenon. However, the impact of the increased focus on national interest in The World 2030 is concerning. Poverty reduction and human rights, traditional development issues for which Denmark's efforts usually win praise, have taken a back seat to an increased focus on issues such as migration management and asylum. Denmark should use the opportunity of a new strategy in 2021 to refocus on the principles of effective development cooperation, with a human rights-based approach to poverty reduction, as a sustainable, effective international development policy that is also in Denmark's long term national interest.

Just transition to sustainability and climate finance are increasingly important topics in the development cooperation dialogue between Denmark and the world. For Denmark to become the green leader that it strives to be and to live up to the Paris Agreement, it is essential to add "new and additional" climate finance to the 0.7 percent of GNI target for ODA. As the Danish government has been "greening aid" in recent years, it is important to emphasise that while traditional aid must be integrated into the green transition, it cannot happen at the expense of human rights, poverty reduction, or inequality reduction. The green transition needs to be a just transition.

Breaking down silos is an important element of Denmark's process of embracing the nexus approach. Danish aid took a big step forward with its current strategy for development

cooperation and humanitarian action, *The World 2030*. To promote the nexus approach further, Denmark needs to break down silos by focusing on dialogue across the MFA and between the MFA and civil society organisations. The operationalisation of the triple nexus must be reflected in Denmark's new strategy and separate budget lines in the national budget.

This shadow memorandum largely follows the OECD DAC reference guidelines. We diverge from the guidelines, however, where we found it necessary and expand on those issues, we deem important to civil society, sometimes regardless of the guidelines.

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Chapter 1: Global Efforts for Sustainable Development

At a time when international institutions, agreements, and cooperation are under pressure, Denmark has remained a strong voice on the global stage in the efforts towards a more sustainable world.

In general, Denmark is willing to take the lead on globally contentious issues, such as SRSR and good governance, that align with Danish values as stated in Denmark's strategy for development cooperation and humanitarian action, *The World 2030*.

1.1 Domestic and global efforts on Agenda 2030 and policy coherence

In 2017 Denmark launched its first action plan for the Sustainable Development Goals (SDGs) and completed its first Voluntary National Review (VNR) for the UN. The current government, which took office in June of 2019, has announced its plans for a new action plan for the implementation of the SDGs and another VNR process in 2021.

In general, the Danish policy framework supporting Agenda 2030 and the SDGs has been divided into two parts:

1. The national action plan for implementation of the SDGs
2. The strategy for Danish development cooperation and humanitarian action describing Denmark's global contribution to achieving the SDGs

Hence, Agenda 2030 and the SDGs serve as the overall framework for the current Danish strategy for development cooperation and humanitarian action. Moreover, as part of the Danish Development Agency's governance structure, all new initiatives, such as country programmes, specifically reflect on their contributions to the SDGs. However, Denmark's approach to its global contribution to Agenda 2030 focuses on the thematic areas represented in some of the SDGs, resulting in limited attention to some Agenda 2030 core principles, e.g., Leave No One Behind and Policy Coherence for Sustainable Development (PCSD), and limited focus on supporting Danish partner countries in establishing inclusive Agenda 2030 review and follow-up mechanisms.

It is worth noting that Policy Coherence of Development (PCD), as it pertains to all policy areas that potentially influence development cooperation, can go beyond Agenda 2030. For example, Denmark must use its voice in the EU to push PSCD in trade policies and agreements to combat human rights violations and non-compliance with international environmental conventions.

1.2 Leading by example: Bring values to the forefront

At a global level, Denmark has on several occasions led by example. For instance, Denmark continuously demonstrates leadership on Sexual and Reproductive Health and Rights matters (SRHR). During the crisis for SRHR when the U.S. reinstated the so-called Global Gag Rule in 2017, Denmark led a European alliance to put SRHR high on the agenda and reallocated funds to the issue. Moreover, Denmark has taken the global lead on this agenda by leading the Beijing +25 action coalition on "bodily autonomy and sexual and reproductive health and rights." These efforts are also aligned with civil society funding, both in-donor and globally, that are spearheading work on SRHR. This includes core contributions to the International Planned Parenthood Federation (IPPF), Women Deliver, and key UN agencies such as UNFPA and UN Women. The devastating impact of COVID-19 on access to SRHR, including increased forced early marriages of young girls, underlines the importance of continued Danish leadership and investment in this agenda and these areas of work.

Another important instance of Denmark leading by example is the more recent Danish work on enabling civic space. Denmark has a longstanding tradition of strong collaboration between government and civil society in its development cooperation. As illustrated by the SRHR example, this is the case for thematic work. But as civic space is shrinking, Denmark has in recent years stepped up its efforts to support civic space in its own right. These increased efforts are visible in new initiatives taken by the Danish government, such as Claim Your Space, a new mechanism to provide rapid financial support to civil society and human rights defenders at risk; as part of the global Danish COVID-19 response; and in the close collaboration between Global Focus and the Danish Ministry of Foreign Affairs (MFA) during the UN High Level Political Forum (HLPF) 2020 to build strong support in both the donor community and in civil society for an inclusive online facilitation modality that focused on preventing the “muting” of civil society in virtual UN meetings. While important steps have been taken in recent years, a further strengthening of the Danish position on civic space needs to include policy coherence on the topic across Danish external action, including foreign and security policies.

Both examples illustrate that Denmark can achieve strong results by leading work at the global level, especially when working together with partners such as civil society organisations.

1.3 Climate change: Living up to own ideals?

The Danish government promotes itself as being a “green leader” on the world stage. While important steps have been taken, e.g., the passing of a national climate legislation, more needs to be done regarding Denmark’s national and international contributions if Denmark wants to live up to the promise of being a “green leader”.

While Denmark’s national 70 percent emission reduction target is an important contribution to the Paris Agreement, some of the most important aspects of Danish emissions have been left out of the equation: the 70 percent reduction goal does not pertain to Denmark’s global carbon footprint through consumption, international transportation, or value chains. Moreover, while Denmark globally contributes to the Paris Agreement through active climate diplomacy and UNFCCC negotiations, the Danish contribution to the global climate finance obligation of USD 100 billion annually by 2020 and the Copenhagen Accord reiterated in the agreement from COP21 in Paris leaves room for improvement.

The signatories of the Copenhagen Accord agreed that climate finance should be *new and additional*. Until recently, Denmark agreed with countries such as Sweden and Norway that climate finance needs to be budgeted above the targeted 0.7 percent of GNI to Official Development Assistance (ODA) in order to be “new and additional”. However, Denmark recently changed this definition to cover all funds which were not reported in the previous reporting period, thus rendering the term “new and additional” meaningless. Essentially, this means that Denmark’s climate finance is calculated with funds within the 0.7 percent budget, which in practice means that funds to cover Denmark’s obligations under the Copenhagen Accord are taken from traditional development issues such as poverty and inequality reduction. Consequently, Denmark is very far from reaching the target of DKK 5 billion which has been calculated as its “fair share”.

However, the fact that Denmark’s climate finance is almost exclusively based on grants¹, at 98.8 percent, is a good foundation for Denmark to contribute to a greater global balance between mitigation and adaptation, as also stated in the Paris Agreement. The global imbalance between funds for adaptation and mitigation, in large part due to multilateral and private climate finance, means that it is both an opportunity and a necessity for bilateral donors such as Denmark to take the lead and increase focus on adaptation in climate finance. Currently, adaptation constitutes 44 percent of Denmark’s climate finance. Increasing this to 70 percent would make Denmark a true global leader in adaptation finance.

¹ Oxfam, 2020, p. 10

Denmark's provision of climate-related development aid to the least developed countries (LDCs) is among the best of all Annex II countries. While the global average share of all climate-related development aid targeting LDCs is 20.5 percent, 41 percent of Danish climate-related development finances target the most climate-vulnerable countries/LDCs. This aligns well with Danish development cooperation priorities and with several articles in the Paris Agreement. However, the Danish government does not adhere to Article 9.5 of the Paris Agreement: almost no information is shared regarding the projected level of future financial resources to be provided to developing country parties.

Furthermore, Article 8 of the Paris Agreement, on *Loss and Damage*, still needs to be addressed by Denmark and the rest of the donor community in order to live up to international obligations. This means creating mechanisms for financial support to the poorest countries in situations where climate change has such serious consequences that they cannot be addressed by adaptation. The size of this loss and damage financing will be significant, but since there is no gap analysis for loss and damage, the goals have not yet been quantified.

Overall, Denmark has taken positive steps towards implementing the Paris agreement and uses its membership in organisations such as the EU to push for Paris Agreement alignment. However, complying with the Paris Agreement means taking action on Denmark's global responsibility both domestically and internationally.

1.4 Following international agreements and conventions

While Denmark is in many cases a strong advocate for and adherent to international agreements and conventions, certain tendencies to the contrary are concerning.

There is an increasing number of incidents where Danish governments, including both the current one and its predecessor, have moved forward with legislation which it knows is questionable or in direct violation of international conventions. An example of this was the so-called "asylum emergency brake" in 2017, which enabled the government to turn away asylum seekers at the Danish border when the Dublin Regulation was formally still in place but had ceased to function. According to experts, this tool is very likely to be in breach of the UN Convention Relating to the Status of Refugees and the UN's Universal Declaration of Human Rights².

Another very worrying trend is the tendency to put domestic political issues above the protection of people and international asylum and migration commitments and conventions. The concern is that the national focus on managing migration and asylum and limiting the number of people arriving and staying in Denmark will mean bending the conventions and agreements as far as possible, if not disregarding them all together. The government's plan for extraterritorial asylum processing as part of a new "fair and humane asylum system" has been widely criticized. While the model may not be unlawful per se, depending on how it is designed, it is likely to risk the fundamental rights of asylum seekers. Following Article 33 of the UN Refugee Convention, asylum seekers must not be transferred to countries where they are at risk of persecution: the so-called principle of non-refoulement. Transfers to unsafe conditions are in violation of both the Refugee Convention and international human rights, e.g., the European Convention on Human Rights. A model that effectively blocks access to Denmark to spontaneous asylum seekers further contributes to the undermining of international cooperation on refugees and runs counter to the global commitments of the New York Declaration and the Global Compact on Refugees. UNHRC, among others, has expressed concern as recently as January 2021 and has urged to Denmark to refrain from "promoting externalisation"³ while the EU Commissioner for Home Affairs, Ylva Johansson, has clearly expressed that it is against the EU's policy and the right to seek asylum in member states' territory⁴.

² Redder, 2020

³ European Union, 2021.

⁴ Albrechtsen, 2020.

We expand on the topic of national interest in development cooperation in Chapters 2 and 3. Denmark has signed important international global agreements on migration and refugees such as the Global Compact for Migration (GCM) and the Global Compact on Refugees (GCR). Denmark's pledges at the Global Refugee Forum in December 2019 were meant to operationalise the commitments embedded in the GCR, which included a joint pledge, made with a number of Danish civil society organizations, to empower youth in displacement. These pledges were commendable and illustrate the government's commitment to the implementation of the GCR framework. Even though not legally binding, we urge Denmark to stand by these agreements and to fulfil its responsibility through both domestic and foreign policies.

Denmark remains an active participant in and contributor to the Grand Bargain (GB). Although Workstream 10 of the GB has been mainstreamed and closed, Denmark leads by example in promoting better complementarity and synergies across the humanitarian-development-peace nexus in its development assistance. Similarly, it is suggested that Denmark assumes a leadership role in further advancing the localisation commitment of the Grand Bargain (Workstream 2), to facilitate better resourcing, influence, and leadership to local actors, including local civil society.

Recommendations

- ▶ Denmark should **increase its contribution to Policy Coherence for Sustainable Development** by:
 - » Ensuring firm linkages between its national implementation framework (the SDG action plan) and its global contribution to its agenda and goals (the Danish strategy for Development Cooperation and Humanitarian Actions).
 - » Setting PCSD as a principle in the centre of the Danish SDG policy framework and implementation mechanisms in both its national and global efforts. One way to do this would be to adapt some of the elements and building blocks of the latest official Danish PCD strategy (*A shared agenda. Denmark's action plan for Policy Coherence for Development from 2014*) to Denmark's current Agenda 2030 and SDGs efforts.
 - » Pushing PCSD in all policies, including at the EU level and through trade agreements.
- ▶ Denmark should **significantly scale up its global contribution to Agenda 2030** and the SDGs, as part of country approaches and programmes, by supporting partner countries' efforts to set up the institutional mechanisms or "infrastructure" needed for countries to achieve the agenda and goals, not least by supporting countries in establishing inclusive Agenda 2030 review and follow-up mechanisms at the national level.
- ▶ Denmark should continue to **work with civil society and local partners when taking global leadership** on issues such as gender equality, good governance, and other global needs.
- ▶ Denmark should **live up to all parts of the Paris Agreement**, which includes:
 - » Contributing its "fair share" of *new and additional* climate finance, i.e., DKK 5 billion on top of 0.7 percent of GNI in ODA.
 - » Increasing focus on adaptation in climate finance to rectify the global imbalance between mitigation and adaptation.
 - » Calling for a report on loss and damage that analyses current and future gaps and accounts for its contributions to loss and damage finance.
- ▶ Denmark should ensure **compliance with international agreements, commitments, and conventions** in all policy areas, including the further implementation of the GCM and GCR frameworks.

Chapter 2: Policy Vision and Framework

Denmark's strategy for development cooperation and humanitarian action, *The world 2030*, was negotiated in 2016 and is valid until the end of 2021. It is worth noting that the strategy - as the first of its kind - has survived a change of government due to its broad parliamentary support and has provided stability for its implementing partners. A new strategy will be negotiated during 2021.

The current strategy is also the first one to combine development cooperation and humanitarian action priorities in one strategy. This has created an important foundation for breaking down silos and promoting nexus approach, which is discussed further in Chapter 7.

2.1 National interests in Danish development cooperation

Though incorporating national interests in development cooperation is not a new phenomenon in Danish aid⁵, the agreement on The World 2030 marked a drastic change in Danish development cooperation.

The World 2030 is based on four strategic pillars:

1. Security and development – Peace, stability, and protection
2. Migration and development
3. Inclusive, sustainable growth and development
4. Freedom and development – Democracy, human rights, and gender equality

Thus, *The World 2030* repositions human rights from an overarching objective and approach to one among four priorities. While previous strategies such as *The right to a better life* from 2012-2016 placed poverty reduction and human rights at the heart of Danish development cooperation, these priorities have, to some degree, been replaced with concern for national interests in *The World 2030*, which states: “*We will be working to further Danish foreign and domestic interests at the same time*”⁶.

One of the areas of Danish development cooperation where the move toward national interests has been expressed most clearly is in the second strategic pillar, the link between migration and development cooperation. *The World 2030* explicitly presents forced migration as a topic of national interest and frames migration as a security issue with the aim of keeping migrants and forcibly displaced people in neighbouring countries for our own security. This discourse, with its focus on migration management and border control and its link to the security agenda, raises concerns because it hinders the recognition that migration also is a positive contributor to development. This focus on migration has had significant implications for aid spending, as discussed in Chapter 3.

The strategy has also been a move away from poverty reduction towards national interest, a trend that has been researched in academia. Professor Anne Mette Kjær writes, “In *The World 2030*, the focus on poverty reduction is toned down and combined with a clear emphasis on Danish interests, and based on the 2030 Agenda for Sustainable Development”⁷ [own translation].

⁵ Engberg-Pedersen, 2020

⁶ Ministry of Foreign Affairs of Denmark, 2017a, p. 1

⁷ Kjær, 2020

This move is exemplified by the strategy's focus on middle-income (MIC) countries such as China, Turkey, Mexico, and Brazil. Denmark has identified transition and growth economies with which it will work through a partnership instrument that focuses on private financing in light of the SDGs. However, the strategy completely ignores the international discussion about populations living in poverty and the high level of inequality in MIC countries, leaving no strategic room to focus aid on poverty reduction in these MIC countries⁸.

In May 2016 Peter Taksøe-Jensen, a Danish diplomat, delivered a review of Denmark's external policy areas – including foreign and security policies, defence policy, trade policy, export promotion, and development policy – which Denmark's prime minister at the time, Lars Løkke Rasmussen, had assigned to him. The review came out while *The World 2030* was being negotiated, and it is worth noting that the idea of connecting development aid more closely to other Danish policies, and thus, effectively, to national interest purposes, was clearly put forth in this report: "Danish development cooperation should be strengthened as an integrated part of Denmark's *foreign and security policy through innovation and sharper prioritisation with other policy areas and in interaction with sectors across the whole of society*."⁹

However, while the increased focus on national interest is evident, it is worth noting that Denmark ranked 7th in the 2018 ODI principled aid index¹⁰, which scores countries based on how they use bilateral ODA to promote national interests. Denmark was ranked 12th in 2015 and 5th in 2017.

2.2 Leave No One Behind: From strategy to implementation

As mentioned in the chapter above, Agenda 2030 and especially the SDGs constitute the main framework of Danish strategy. While this gives Denmark a good framework to work directly towards the realisation of the SDGs in its development cooperation, there is still room for improvement as to how this component can be strengthened in terms of strategy and implementation.

The principle of Leaving No One Behind (LNOB) – ensuring that humanitarian and development efforts are designed toward not leave anyone behind and to reach first those most in need, including marginalised and excluded people and communities – is an important pillar of the SDGs and paramount to working towards a better and more equal world. Denmark should be commended for featuring LNOB as a principle in its current policy framework for development cooperation. However, there remains a substantial gap in Denmark's prioritisation of those most in need in both its policy framework and the implementation of LNOB in Danish aid. As documented in the 2019 CONCORD AidWatch Report, Denmark does not use the disaggregated data which would increase knowledge of the most marginalized and vulnerable people, identify root causes, and facilitate policy targeting¹¹. Nor does Denmark set specific targets or make use of indicators and formal mechanisms to measure LNOB progress, funding, or outcomes.

Substantiating LNOB within Denmark's policy framework by transforming it into actual policies is an essential step for Danish development cooperation in order to increase accountability for the implementation of LNOB. Denmark's current policy framework highlights civil society as an important actor when it comes to realising LNOB¹², and OECD stresses that civil society organisations often reach communities beyond the grasp of government agencies¹³. Strengthening LNOB implementation should therefore be done in collaboration with both Danish and local civil societies.

8 Engberg-Pedersen, 2020

9 Taksøe-Jensen, 2016, p. 5

10 ODI, 2020

11 CONCORD, 2019

12 Ministry of Foreign Affairs of Denmark, 2017a, p. 13

13 OECD, 2018, pp. 157-67

2.3 Climate focus in the Danish development and humanitarian strategy

Climate change receives very limited focus in *The World 2030*. Climate action is not addressed specifically but comes as a co-benefit of the four strategic goals – primarily in the form of a brief mention of SDG 13. This – as well as the government's new, long-term strategy for global climate action, *En Grøn og Bæredygtig Verden* (A Green, Sustainable World)¹⁴, launched in September 2020 – opens a window of opportunity for a significantly greater focus on addressing climate changes in the coming Danish Development and Humanitarian Strategy, which is due in the beginning of 2021.

To ensure just transition and to address the humanitarian consequences of climate change, the focus on climate change in a new strategy must be seen in relation to other development objectives and approaches. Climate change will have both a direct and indirect impact on human rights, and Denmark should address this by ensuring a human rights-based approach to the climate focus in its new strategy. IPCC predicts that climate change will increasingly impact migration and displacement¹⁵, which calls for Denmark to reassess its approach to migration in development cooperation. Furthermore, a much more proactive approach to addressing the escalating humanitarian needs associated with the impact of climate change is urgently needed. An integrated climate approach would more proactively seek and maintain partnerships with civil society organisations as the foundation of supporting and strengthening national movements and organisations that advocate more ambitious national climate politics, not only in partner countries but in all countries.

Recommendations

- ▶ Denmark should place **human rights and poverty reduction at the centre of a new strategy for development cooperation and humanitarian action**.
- ▶ Denmark should always **work in line with the principles of effective development cooperation**, a human rights-based approach, and poverty reduction because sustainable, effective international development cooperation is in Denmark's own long term national interest.
- ▶ Denmark should **put Leave No One Behind as an overarching principle in its strategy for development cooperation and humanitarian action** and ensure better and systematic implementation of LNOB by including data collection and disaggregation, progress tracking, and funding.
- ▶ Denmark should **make climate action and green development cooperation a central part of a new strategy** in a way that links these objectives to other development objectives and approaches, such as human rights and Leave No One Behind, and ensures full alignment with the Paris Agreement.

¹⁴ Ministry of Foreign Affairs of Denmark and Danish Ministry of Climate, Energy and Utilities, 2020

¹⁵ International Organization for Migration, 2008

Chapter 3: Financing for development

The structure of Danish Official Development Assistance (ODA) has undergone considerable changes in recent decades. In 2016, the OECD DAC peer review team raised concerns about the inflation of Danish ODA, particularly as a result of decreasing overall ODA as a share of GNI and reallocating ODA towards the management of in-country refugee costs. Denmark's ODA budget has been stable at 0.71-0.72 percent of GNI from 2017-2019, a level that is just above the UN's 0.7 percent ODA target but well below historic Danish levels.

3.1 Overall ODA volume

While Denmark lives up to its UN ODA commitment by giving 0.7 percent of GNI, 0.7 percent is the minimum obligation. We believe Denmark should work to reach 1 percent of GNI again. If the increased funding was directed toward climate initiatives, increasing the Danish ODA level to 1 percent of GNI would also mean that Denmark could live up to its fair share of the commitment promised in the Copenhagen Accord and the Paris Agreement.

The negative effect of COVID-19 on Denmark's economy and GDP is also cause for concern. By insisting that ODA should not go above 0.7 percent of GNI, an economic downturn like the one caused by COVID-19 could mean significant reductions to ODA at a time when needs are increasing and the world risks losing substantial development gains which it took decades to achieve.

3.2 Modalities and national interests

The quality and modalities of development aid are crucial.

Denmark provides almost all of its aid as grants. This is a sustainable and commendable modality, as it does not lead to increased financial obligations for receiving countries in the long run. However, to ensure the accountability of Danish aid it is crucial that Denmark spends 0.7 percent of GNI on *genuine* aid. The national interests that are now built into Denmark's development cooperation strategy, and the impact on aid spending, is becoming increasingly noticeable.

An example of this is development in national aid spending is apparent in how Denmark handles asylum seekers and refugees within Denmark (in-donor refugee costs). Aid should have a development perspective; it should reach the world's poorest; and it should not end up in Danish municipalities.

However, with the increased number of refugees arriving in Denmark and the rest of Europe in 2015, Denmark used some of its aid budget for in-donor refugee spending. It should be remembered here that refugees within Denmark and the rest of the EU represent just a small fraction of the total number of global refugees, the overwhelming majority of whom are hosted in neighbouring countries. When the OECD DAC peer review was conducted in 2016, expenses to cover in-donor country refugee costs were expected to amount to 30 percent of Denmark's ODA. This percentage was reduced to just 3 percent of ODA by 2018, however, and does not thus currently pose the same risk of inflating the budget. Nonetheless, this example illustrates the unfortunate tendency to spend ODA on non-development activities and constitutes a potential future threat to the stability and predictability of Danish aid.

Another worrying use of aid to further national interest relates to migration management, where ODA is increasingly used to prevent and stop migration, including those who are seeking

international protection. To date, Denmark has designated a “migration ambassador” as well as an “ambassador for repatriation”, and has also established a task force at the Ministry of Immigration and Integration. In 2020 the Danish government allocated aid to integrated border management in Tunisia, serving the purpose of stopping irregular migration¹⁶ but with no mention of any traditional development objectives such as poverty reduction, fighting inequality, or promoting human rights. In January of 2021 the Government allocated DKK 45 million of ODA to two projects in the Western Balkans intended to strengthen border controls and promote the repatriation of irregular migrants and rejected asylum seekers¹⁷, all while the International Committee of the Red Cross called for action regarding the dire humanitarian situation¹⁸. Within the framework of its “fair and humane asylum system”, Denmark currently seeks to establish cooperation with a third country to externalise asylum processing from Denmark to that country. Such externalised asylum proceedings undermine national and global refugee protection.

Overall, these initiatives constitute a worrisome instrumentalisation and politicisation of Danish development and humanitarian aid. They detract from proud Danish priority areas such as strengthening civil society, human rights, and SRHR. Furthermore, when the short-term domestic policy objectives of stemming migration to Denmark and the EU take priority, they risk undermining the necessary long-term work towards resilience, stability, and economic development, and they unintentionally contribute to the very instability that leads to displacement.

We strongly urge Denmark to decrease and delink its national interests from its ODA, and to revisit and reinterpret the OECD DAC guidelines for covering in-donor refugee costs. We urge Denmark to change its course and instead utilize ODA for its originally intended purposes, and to target its ODA to those who are most left behind. We also urge Denmark not to impose aid conditionality linked to repatriation on countries so that ODA is given in exchange for promises of repatriation.

As a result of these trends, Denmark risks eroding its aid budget and squandering its reputation as a quality development aid donor. While the OECD DAC peer review in 2016 praised Denmark for its commitment to the principles of development effectiveness, Denmark’s increased use of aid for national interests not only detracts from the traditional purposes of development cooperation, such as poverty reduction and human rights, it also risks further undermining of the very principles of development effectiveness.

3.3 Bilateral ODA allocations

Denmark’s bilateral aid has undergone changes over the last decade. Aid channelled through multilateral institutions has increased, while aid given bilaterally has declined¹⁹. The result of this shift in Danish development cooperation is that long-term country programmes are losing financial backing. Moreover, the budget cuts should be seen in the context of overall falling Danish ODA levels: Danish ODA has fallen by approximately DKK 1 billion between 2015²⁰ and 2018²¹.

This development should also be seen in the light of the budget cuts to the MFA. Danish bilateral aid has traditionally been decentralized, with programme leadership placed at embassies. However, the scaling down of Denmark’s often praised decentralised bilateral programmes is not without implications. This loss of bilateral cooperation could also diminish Danish influence on multilateral institutions and aid spending. Denmark’s traditionally high level of influence at the UN should not be seen as only the result of multilateral funding, but also through the lens of Denmark’s role as a valuable partner with local knowledge, understanding, and partnerships due to strong bilateral cooperation which can be translated into influence in the multilateral system. The decreased focus on bilateral ODA could have

16 Ministry of Immigration and Integration of Denmark, 2019

17 Ministry of Foreign Affairs of Denmark, 2021a

18 International Federation of Red Cross and Red Crescent Societies, 2021

19 Engberg-Pedersen and Fejerskov, 2018, p. 151

20 Ministry of Foreign Affairs of Denmark, 2021b

21 Ministry of Foreign Affairs of Denmark, 2021c

unintentional consequences on the overall quality of Danish aid, both bilateral and multilateral. While ODA for humanitarian purposes ha increased over the years²², the efficiency of humanitarian aid might suffer as a consequence of lower bilateral ODA level because country programme partnerships are essential for a nexus programming approach. The restructuring of ODA away from country programmes should not be accepted without considering the implications for the effectiveness of overall ODA and for Denmark's potential strategic influence.

3.4 Multilateral ODA allocations

As mentioned above, Danish multilateral aid as a share of its overall ODA has increased over the years. Some go as far to say that 70-80 percent of Danish ODA is channelled through the multilaterals²³. While the Danish government's support of multilateral institutions is an important step towards sustainable development globally, there is at the same time a tendency to provide substantial support for multilaterals without a clear focus or strategy²⁴. Thus, it is easier to provide support directly to multilaterals than bilaterally, e.g., to civil society organisations, which need more oversight. As Chapter 4 covers in depth, this development can be seen in the light of the MFA's massive budget cuts over the last twenty years or so.

Multilateral aid must be accompanied by strategic purpose and oversight. As the share of Denmark's total ODA budget going to multilateral organizations grows, multilateral allocations rooted in good intentions but not followed up by thorough analysis to ensure cooperation with other strategic goals and values of Danish development cooperation and humanitarian action will become increasingly problematic.

The change in Danish development cooperation's focus on taxation is an example of both its move towards multilateralism and its lack of thorough analysis of the consequences hereof. Between 2015 and 2019, there was a major strategic shift in Danish development assistance to the area of taxation. Whereas support used to go directly to several bilateral activities and to civil society organizations, it is now increasingly channelled through the World Bank and the International Monetary Fund (IMF). Both institutions have promoted regressive tax systems that increase economic and gender inequality²⁵. Danish development aid must promote progressive tax systems that reduce inequality. Therefore, Danish support should be channelled to initiatives and through institutions that promote progressive tax systems. This applies to ongoing Danish support through the IMF and the World Bank, too. Furthermore, Denmark should also ensure that aid to domestic resource mobilisation programmes through the IMF and the World Bank's trust funds include spill over analyses of the distributional impacts of proposed tax reforms.

Furthermore, international commitments must have bilateral follow-through. We have already cited the example of climate finance as committed in the Paris agreement. Other areas that deserve critical examination include Danish assistance to domestic resource mobilization and progressive tax systems. In 2015, Denmark joined the Addis Tax Initiative (ATI) and committed itself to doubling development assistance for the strengthening of tax systems in developing countries. But development has gone in the exact opposite direction. Since 2015, Denmark has not increased its efforts to create progressive tax systems and is nowhere near its goal of doubling allocations to tax work. To the contrary, Danish aid for tax reform only became smaller between 2015 and 2019, despite the fact that Denmark's ATI obligations during those years should have been the starting point for a sharp expansion of tax-related development assistance.

22 Kjær, 2020

23 Engberg-Pedersen, 2020, p. 88

24 Engberg-Pedersen, 2020, p. 89

25 Mellemfolkeligt Samvirke and Oxfam IBIS, 2020

3.5 Gender in aid

While Denmark has been praised for its commitment to gender equality in development cooperation, especially sexual and reproductive health and rights (SRHR), and for its work in pushing for progressive and strong gender equality language in international organisations such as the EU and the UN, e.g., in the OECD DAC Peer Review 2016, the OECD DAC gender marker statistics show that there is room for improvement when it comes to allocating aid to promote gender equality.

While Denmark is often a strong ally on gender equality, a look at the OECD DAC report *Aid in Support of Gender Equality and Women's Empowerment* from March 2019 shows that Denmark is below the DAC average in using gender marker 1 and 2 in bilateral ODA allocations.

The report makes clear that there is great potential to better support gender equality in bilateral aid through direct investments in women's organisations, in gender-focused projects, and in mainstreaming gender throughout ODA. This also holds true for the newly adopted National Action Plan on Women, Peace, and Security (resolution 1325), which will be implemented without specific allocated funding, a topic we explore further in chapter 7.

3.6 “Greening” of aid

In recent years the Danish government has taken further steps towards “greener” development assistance, which includes increased aid spending related to climate change and the environment. While the focus on climate and the environment is welcome, the lack of new and additional funds continues to be a stain on Danish international engagement.

The current shift in existing aid by “greening” it means that traditional development aid purposes are at great risk of being eroded. Climate integration and projects with climate as a main objective are important in development cooperation. However, the traditional purposes of development aid, e.g., poverty and inequality reduction, sometimes disappear from the conversation and are replaced by “green” aid. An example of this can be found in Denmark’s 2020 annual finance bill, where “partnerships for fair and sustainable growth” were reframed as “partnerships for sustainable growth and green transition.”

Traditional development aid must, of course, integrate the green transition. However, as the green transition must be a just transition, it is important that this does not happen at the expense of poverty reduction and inequality reduction. Denmark should make sure that inequality, reduction of poverty, and climate adaptation are all addressed in ways that exploit synergies between the issues.

The transition to a greener world must be a fair one in which poverty reduction remains relevant.

Recommendations

- ▶ Denmark should **decrease and delink its national interests from its ODA** to ensure that Danish aid focuses primarily on the needs of partner countries and their citizens.
- ▶ Denmark should **revisit and reinterpret the OECD DAC guidelines of in-donor country refugee costs**, so in-donor country refugee costs do not inflate or compromise the predictability of Danish aid.
- ▶ Denmark should make **sure that the composition of ODA (volume and multi-/bilateral shares) is designed in a way which maximises efficiency as well as strategic and positive impact**, without losing decades of institutional knowledge and experience.
- ▶ Denmark should work to ensure that it utilises the fora in which it participates, for example in the EU, to **push that countries provide at least 0.7 percent of GNI in development aid**. At the same time, Denmark should work to ensure that its own ODA returns to 1 percent of GNI, which would enable it to live up to the commitment on climate finance in the Paris Agreement.
- ▶ Denmark should **ensure that strategic purpose and oversight inform multilateral aid spending**.

Chapter 4: Structure and systems

The OECD DAC peer review of Denmark in 2016 pointed to MFA 2015 budget cuts that were equivalent to a 9 percent staff reduction at home and abroad. Over the years, these cuts to the MFA's budget and staff reductions have been well documented. The 2016 report, "Danish diplomacy and defence in a time of upheaval", also known as the Taksøe report, estimated that the Ministry of Foreign Affairs' 2019 operating budget would be cut by a third, or approximately DKK 800 million, since the year 2000²⁶.

4.1 Capacity and human resources

In an article about Danida, as Denmark's development cooperation at the MFA is known, and the administration of Danish development cooperation from 2020, Lars Engberg-Pedersen, a senior researcher at the Danish Institute for International Studies (DIIS), concluded that while it is difficult to conclusively prove, the facts indicate that there is a discrepancy between the MFA's tasks and its resources. The MFA budget cuts negatively affect its accumulation of knowledge and preparation of new activities in development cooperation.

Good cooperation between the MFA and civil society has played a longstanding and important role in Danish development cooperation and continues to do so. However, as implementing and strategic partners of the MFA, civil society organisations are also feeling the impact of the MFA's reduced resources both in its Copenhagen headquarters and in its regional and country representations. This results in reduced scope for strategic dialogue and poorer sharing of situational knowledge and learnings, thus preventing Danish aid from realising its full potential.

The further prioritisation of expanding institutional knowledge, understanding development policy, and building long term trust and understanding between MFA staff and partners in civil society could improve Danish development cooperation.

Recommendations

- ▶ Denmark should **rethink its human resource capacity** in a way which allows for institutional as well as policy knowledge about development cooperation topics to be strengthened.
- ▶ Denmark should prioritise the capacity and technical expertise of its Ministry of Foreign Affairs to ensure that **its staff at headquarters and at regional and country representations can handle the increasing number of tasks connected to development and humanitarian work.**

Chapter 5: Delivery modalities and partnerships

Denmark's development cooperation is built on a strong foundation of partnership. This was praised in the OECD DAC peer review 2016 for being aligned Danish aid's institutional focus and for creating the potential for increased impact due through opportunities for a multi-entrance approach.

5.1 Effective partnerships

Danish aid partnerships are based on equality and local ownership. Compared to many other donors, the Danish government operates according to the arm's length principle of allowing aid recipients to use the funds in ways they find most useful, within defined frames and reporting requirements, and with a focus on localisation and local ownership. The funds can also be used for advocacy purposes, even towards the Danish government, which is very important for the independence of civil society and its ability to fulfil its objectives.

Denmark provided DKK 16.269 billion²⁷ in development assistance in 2018, with the largest share going to multilateral institutions and bilateral partnerships with governments. 18.2 percent²⁸, or DKK 3.02 billion, went to support civil society either through local organizations in the Global South or through Danish or international organizations that carry out activities in the Global South primarily in partnership with local organisations. A small part, 11.6 percent²⁹ of the support for civil society, is given directly to local organizations through bilateral partnerships via Danish embassies. International NGOs (INGO) also receive support for thematic approaches to themes that the Danish government prioritises, such as civic space.

Most civil society partnerships are with Danish organisations. In 2017, the Danish MFA established strategic partnership agreements with 17 organisations that will be renegotiated in 2021 for another four-year period. Additionally, funding is provided through five pool funding organisations that provide support to smaller Danish organisations to work in partnerships with organisations in the Global South.

5.2 The strategic component

The foundation for strategic cooperation was laid with the move from framework agreements to strategic partnership agreements. The MFA took this step after the last OECD DAC peer review in 2016 to strengthen coherence between strategic objectives and ODA allocation³⁰. The change comes with its own set of advantages and challenges for civil society organisations.

Strategic Partnership Agreements (SPA) help the Danish government ensure stable and sustainable funding to larger organisations for a four-year period. However, because the SPAs are only for a four-year period, an organisation could lose all funding in any application round. While it is important to renew partnerships and take stock at the recipient organisations to ensure best results, this arrangement creates some instability and unpredictability for the organisations.

Seventeen organisations have agreements with the MFA in the current SPA round. It is very positive that the MFA works closely with these organisations regarding strategic collaboration, consultations on policies, and other development cooperation related issues.

27 Ministry of Foreign Affairs of Denmark, 2021c

28 Ministry of Foreign Affairs of Denmark, 2021d

29 Ministry of Foreign Affairs of Denmark, 2021e

30 Ministry of Foreign Affairs of Denmark, 2017b

One of the strengths of Danish development cooperation is the open dialogue with other stakeholders in the field. As civil society we appreciate the communication with and access to the MFA on all levels that we experience. However, Danida, civil society, and partnership countries would benefit from better dialogue regarding thematic areas. Creating clear structures for partner feedback to the MFA on thematic topics, including ideas and goals based on lessons learned in the field and experience with local partners, would make the impact of the partnerships even stronger.

For the SPA holders, the strategic link with Danida comes with some restrictions. Upon adopting *The World 2030* strategy, Denmark chose 12 priority countries. The current Danish government has announced plans to reduce its geographical focus even further with a new development cooperation and humanitarian strategy. An increased focus on Sub-Saharan African countries is likely to happen at the expense of long-time priority countries and Danish aid recipients. While Sub-Saharan African is an important region, it is also important to acknowledge the need for development and humanitarian aid around the world. This is the case especially in areas where close ties and relationships have been formed between Danish and local civil society actors, thus increasing success rates.

Another challenge of SPAs is the risk of creating A and B teams of Danish civil society organisations, where only SPA organisations have access to close collaboration and consultations with the MFA.

5.3 Local ownership and localisation

The focus on how local ownership and localisation play into Danish aid has increased in recent years, as have questions regarding this. While Danish aid has a strong focus on partnerships and Danish civil society has over time built an approach with increased focus on local ownership and partnerships, this is a topic that needs further development and prioritisation.

If Denmark wants to increase its support of local ownership and locally led efforts, some aspects of Danish aid will require rethinking, for example: funding modalities that give local actors easy access to funding, accountability measures that also focus on local accountability, programming procedures and MEAL frameworks that are designed with the needs of local actors rather than merely the accountability requirements of donors.

For Danish civil society, increased focus on localisation and local ownership will require both internal reflection and flexibility from Denmark as a donor. Denmark will need to work with its partners on topics such as innovation, risk-taking, and rethinking evaluation systems in order to be successful in this endeavour.

To strengthen this way of working, Denmark should lean more on the experience of its Nordic counterparts and create specific areas within which to lead the way. This would be in line with Denmark's endorsement of localisation commitments and the Grand Bargain.

Recommendations

- ▶ Denmark should **increase the share of its development aid that goes to civil society from 17-18 percent today to a total of 25 percent**. This would support a civil society that is under pressure globally despite its unique ability to respond swiftly to crises based on local needs and ownership, which makes their interventions sustainable.
- ▶ Denmark's financial support **should be flexible to enable agile implementation of initiatives and quick response to crisis situations by civil society actors**.
- ▶ Denmark should **ensure that all partnerships put the greatest emphasis on humanitarian principles, human rights-based approaches, equal partnerships, and local ownership – and not allow Danish national interests or multilateral institutions to compromise this** as the most central part of Danish aid.
- ▶ Denmark should **ensure that its aid activities support and encourage localisation and local ownership**. This includes funding modalities, working in ways that meet the needs of local actors, flexibility in programming to adapt to changing conditions and needs especially in conflict-affected contexts, integrated and strategic programming based on local priorities, and more.

Chapter 6: Monitoring, Evaluation, Accountability and Learning (MEAL)

Denmark takes a collaborative approach to Monitoring, Evaluation, Accountability, and Learning (MEAL) in its funding for civil society organisations (CSO) development programmes with emphasis on learning and results-based management. This approach can be built upon to ensure that the balance between compliance measures, such as results frameworks and institutional learning, is addressed.

6.1 Results-based management and institutional learning

Following the most recent evaluation of Danish support for civil society in 2013, Denmark has worked closely with CSO partners to build capacity and introduce joint methods for documenting results. This includes the introduction of a *theory-of-change* approach to programming, which seeks to establish clear pathways between proposed interventions and positive changes for target groups, and a *summary results framework* for strategic partner CSOs to aggregate results from individual projects to the strategy level.³¹

Another process has sought to improve data systems for results management. Denmark has introduced a requirement for strategic partner CSOs to report aggregated results for their overall engagement using common standards defined by the International Aid Transparency Initiative (IATI). The Danish MFA has continued a dialogue with strategic partner CSOs since 2018 on how to implement IATI and has optimised its own systems to automatically extract data reported to the IATI Repository into the Ministry's OpenAid platform.³²

Work is currently under way on the next civil society evaluation, which began in the second half of 2020, and focuses on building evidence around the added value of funding development programmes through Danish CSOs and the role of popular support for development assistance in Denmark.

Together, these initiatives have ensured sufficient information for accountability purposes and insight into contextual developments to allow flexibility for CSO programmes to be adapted to changing contexts and policy environments and inform strategic dialogues between the Danish MFA and CSOs. Most notable has been the MFA's flexibility in connection with the COVID-19 pandemic, where Danish CSOs have been allowed to re-allocate significant funds from planned interventions to instead address the pandemic.

It should nevertheless be recognised that challenges exist in building capacity for results-based management and aggregated results-reporting at the country level.

This includes the expectation that Danish CSOs integrate IATI reporting at country offices and with local partners so they can report spending and results directly in IATI.

At the same time, it is often challenging to continue to operate traditional indicator results frameworks for programmes while introducing and becoming familiar with new systems. It is resource-intensive to report the same results using both a theory-of-change approach and through indicator data simultaneously. It has on occasion also led to a lack of clarity over whether to prioritise learning approaches or data processes. Furthermore, Danida might want to engage in a dialogue with CSOs to consider alternative ways to monitor advocacy work, as traditional indicator results frameworks are often not well suited to this.

31 Ministry of Foreign Affairs, 2017c and 2021f

32 Ministry of foreign Affairs, 2021g

6.2 Evaluation system

Denmark follows the DAC principles for evaluation of development assistance. Danish CSOs are expected to follow the DAC principles and must undertake both midterm reviews and final programme evaluations according to certain criteria. The Danish MFA often takes an active role in following evaluation processes, particularly in relation to external CSO reviews, and often joins the review team during monitoring visits. This allows the MFA to actively engage with programme staff in-country and build working relationships.

Allocated funding for midterm reviews allows Danish CSOs and local partner organisations to learn from the implementation and incorporate lessons learned to adapt interventions in the latter part of programmes. Denmark allows CSOs a high amount of flexibility regarding evaluation design and process, enabling them to engage in dialogue with local partner organisations and tailor evaluation designs to local needs. This underlines Denmark's approach to results-based management from an evaluation perspective.

Following usual donor practices, Danish funding for evaluations follows the programme cycle and can usually not be spent after the programme intervention has ended. This presents a challenge, as the emphasis on learning and capacity building described above typically takes several years to show results. This also holds true with regard to influencing work as part of effecting change. It would thus be useful to consider a mechanism for reserving funds for longevity studies a few years after the intervention has ended. This would also allow for greater documentation of SDG contributions.

Recommendations

- ▶ Denmark should continue to **support flexible, open-ended and varied approaches to facilitate learning and results-based management** and clarify the joint aim of its *theory-of-change* approach and IATI integration.
- ▶ Denmark should **simplify results frameworks for programme-specific activities and instead rely more on indicator reporting on outcomes** at the level of summary results frameworks. This would also afford the opportunity to relate programme contributions more closely to SDG targets at the national level.
- ▶ Denmark should **continue to allow funding for capacity building on MEAL in-country**, particularly given the recent changes to the cost-recovery model where all activities must be budgeted up-front.
- ▶ Denmark should **continue to provide funding for midterm reviews and final evaluations**, while **allowing CSOs to pool funding under frame agreements** such as the strategic partnership to evaluate impacts across programmes.
- ▶ Denmark should **consider creating a mechanism for reserving funds for longevity studies** a few years after the intervention has ended.

Chapter 7: Fragility, crises, and humanitarian assistance

Following the recommendations of the World Humanitarian Summit in Istanbul in 2016, Danish civil society appreciates that Denmark has combined its humanitarian and development strategies in *The World 2030*. Since then, the nexus approach has played an increasingly important role in global agreements such as the Grand Bargain where Denmark pushed to mainstream nexus thinking into the nine commitments that comprise *The New Way of Working and the Comprehensive Refugee Response Framework*. The nexus framework is an important tool in achieving the 2030 Agenda, as the world experiences an increasing number of protracted crises and conflicts – all of which are currently exacerbated by the COVID-19 pandemic.

7.1 The peace, stability and protection pillar

With regards to the first strategic pillar in *The World 2030* regarding peace, stability, and protection, much of Denmark's development cooperation has been increasingly concentrated in fragile contexts, including those that continue to experience violent conflict and those emerging from legacies of violent conflict.

While this focus is shared with a number of other bilateral and multilateral donors, it requires a shift in the types of sectors supported. In order to maximize the impact of its investments, it is important that Denmark directs more finance towards conflict prevention and peacebuilding efforts. While addressing the structural causes of conflict, it is important to recognize the contested nature of the State in many contexts and to place greater emphasis on supporting civil society's particular mandates and roles. Civil society plays a critical role in providing protection and support locally, and protection is a key component in fostering peaceful coexistence and stability. At present, approximately 5 percent of ODA is directed towards conflict prevention and peacebuilding, most of which is delivered through the multilateral system, with only a very small share geared towards efforts led by civil society. Many of these issues are raised in the OECD's 2020 report, *States of Fragility*, whose recommendations could be better integrated into Danish development cooperation going forward.

In December 2020, Denmark launched a new national action plan on women, peace, and security, outlining the government's priorities across the peace and security spectrum and their contribution to advancing the WPS agenda. The plan's emphasis on protection (SRHR) and participation (including peacebuilding) reflects elements of Denmark's development assistance to date. Despite specific objectives in these areas that are to be achieved over the span of the national action plan, the lack of resources dedicated to the plan's implementation limits the initiative's likely strategic impact and value.

7.2 Leading the way by strengthening the nexus dialogue

Halfway into the Danish development and humanitarian strategic period, OECD DAC published its nexus recommendations³³, encouraging donors such as Denmark to add the peace pillar to a dual humanitarian-development nexus to focus on the triple nexus. The term triple nexus is still not clearly defined. Denmark, like many others, is still struggling to grasp how to operationalise the triple nexus and its inherent challenges. These include understanding the involved actors' various mandates and varying perceptions of means and objectives. Denmark has tended to conceive the peace pillar as "stabilisation" rather than "peacebuilding," with a strong top-down security focus rather than a focus on long-term, bottom-up conflict prevention and peacebuilding

measures. The absence of a strong, designated technical capacity in “peacebuilding and conflict prevention” within the MFA hinders strategic policy development in this area.

The MFA’s organisational structure splits the nexus approach between two offices – the Migration, Stabilisation and Fragility (MNS) office and the Humanitarian Action, Civil Society and Engagement (HCE) office. This creates a silo mentality within the MFA instead of enhancing a common understanding of the nexus approach and its implementation across the ministry and complicates dialogue and strategic partnerships between the MFA and civil society organisations regarding nexus perspectives.

To address this challenge, the MFA’s focus areas, mandates, and roles should first be clarified with a view to ensuring more integrated working between the two offices. Furthermore, we urge the MFA to increase dialogue and sharing of best practices with civil society to achieve a better understanding of the operationalisation of the triple nexus. The MFA should enable a nexus approach that draws on CSO’s mandated role, expertise and varied nexus experience. Nexus activities must be highly context-specific. They demand a high level of flexibility and a deep understanding of the causes and dynamics of conflict and the CSO’s mandates and partner involvements, which the MFA must be aware of and utilise. Furthermore, improved operationalisation of the triple nexus should include investment in shared country-level analyses, also involving Danish and local civil society partners, to better understand the root causes of conflict and fragility. This shared understanding is the central prerequisite for establishing collaborative approaches across the triple nexus, to be reflected in MFA country strategies for integrated development, humanitarian aid, and stabilisation.

Nexus endeavours take place in changing circumstances, putting great pressure on donors with regard to flexibility and appetite for risk. It is important that risks not be simply pushed onto other partners, in particular local actors. Longer-term commitments through multi-annual funding agreements for humanitarian crisis situations will allow partners to provide relevant responses adjusted to evolving situations.

7.3 Breaking down silos to promote nexus thinking

When Denmark formulates its new development and humanitarian strategy, a process which begins in 2021, and negotiates new strategic partnership agreements with parts of Danish civil society, decision makers need to consider and strengthen the coherence between development, humanitarian aid, and action for peace. Denmark still struggles to create coherence across various aid instruments and procedures. The silo mentality separating different initiatives and instruments needs to be addressed. Denmark’s development assistance should provide flexibility in financing, planning, and programming to meet acute humanitarian needs and address root causes. We urge Denmark to enable long term planning in crisis management while still following the humanitarian principles of humanity, neutrality, impartiality, and independence.

Denmark concentrates its activities on a number of fragile countries and situations and selected protracted and forgotten humanitarian crises. But Denmark should be mindful of not focusing too much on its own interests, for example on insecurity in close geographical proximity to Europe. Although Denmark, as a smaller donor country, can benefit from narrowing its focus to a limited number of fragile countries and situations, we run the risk of throwing overboard years of specialised engagement in areas far from Europe’s borders. With the increased focus on migration in the coming years, we highly recommend Denmark not merely to focus on issues in which the country has a national stake, but to remember the humanitarian *raison d’être*.

In fragile contexts Denmark should, without compromising humanitarian principles, strengthen its localisation agenda and promote local actors’ active involvement in and leadership of humanitarian action as a part of our Grand Bargain obligation. We recommend that Denmark takes advantage of the Danish civil society organisations’ expertise in local partner

ships to push this agenda and ensure the continuity of context-specific local knowledge and

expertise. Similarly, we urge Denmark to ensure that progress towards localisation is visible in Denmark's ODA spending through the multilateral system and bilateral country programs.

Furthermore, we urge Denmark to remember and focus on the principle of Leave No One Behind from Agenda 2030. This needs to be reflected in monitoring and evaluation, where focus on those most left behind must also be prevalent. Marginalised, vulnerable, and exposed people in catastrophes and conflicts need to be able to build resilience, especially in the light of the worrying setbacks caused by the COVID-19 pandemic.

Recommendations

- ▶ Denmark should **increase coordinated dialogue throughout the MFA and between the MFA and civil society organisations** to increase operationalisation of the triple nexus approach and ensure that this approach is further reflected in the upcoming development and humanitarian strategy 2021. Denmark can improve this operationalisation by addressing remaining obstacles that reflect silo thinking, including separate budget lines in the national budget
- ▶ Denmark should support **triple nexus programming and funding mechanisms that are designed with respect for humanitarian principles** and in ways that enable CSO actors to meaningfully fulfil their respective mandates and roles, which differ from those of state actors.
- ▶ Denmark should **strengthen its engagement in fragile contexts, also through a greater focus on supporting peacebuilding** and other efforts which **address the root causes of fragility, instead of focusing its humanitarian resources on so-called “neighbouring countries”** in pursuit of its own national security interests.
- ▶ Denmark should **push for local actor engagement, flexibility for international donors, room for local leaders, inclusion of marginalised groups, and stronger commitment to localisation** across all ODA spending.

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Annex I - Abbreviations

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| ATI | Addis Tax Initiative |
| CSO | Civil Society Organisation |
| DAC | (OECD) Development Assistance Committee |
| GB | Grand Bargain |
| GCM | Global Compact for Migration |
| GCR | Global Compact on Refugees |
| HCE | Humanitarian Action, Civil Society and Engagement |
| HLPF | (UN) High Level Political Forum |
| IATI | International Aid Transparency Initiative |
| IMF | International Monetary Fund |
| IPCC | Intergovernmental Panel on Climate Change |
| IPPF | International Planned Parenthood Federation |
| LDCs | Least Developed Countries |
| LNOB | Leave No One Behind |
| MEAL | Monitoring, Evaluation, Accountability and Learning |
| MFA | (Danish) Ministry of Foreign Affairs |
| MICs | Middle Income Countries |
| ODA | Official Development Assistance |
| PCD/PCSD | Policy Coherence for (Sustainable) Development |
| SDGs | Sustainable Development Goals |
| SPAs | Strategic Partnership Agreements |
| SRHR | Sexual and Reproductive Health and Rights |
| VNR | Voluntary National Review |